TDHCA # 03011 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development N	ame: loff							TDHCA #	• 02011
					IS			IDIICA#	03011
DEVELOPMENT L	OCATION A	ND DESIG							
Region: 6 City: Houst	ton		-	Site Addres County:		01 Elder Stı rris	Zip Cod	e: 77007	7
		QCT			-	-		e. 11001	
						Rehab O	•		Transitional: 0
Targeted Units:	General			Handicapp			Domestic Ab		Transitional: 0
		□ At-F		Nonpro		Rural			□ Elderly
OWNER AND PR	INCIPAL INF	ORMATIO	N Ow						
Principal Names				Principal		ct		ge Owners	ship
Artspace Houston,				Brian Go			.051% of (
Artspace Projects, Avenue Jeff Davis,				L. Kelly L Mary Law	-		100% of (.049% of (
Avenue Community		t		Mary Law			.049% 010 100% of (
TAX CREDIT ALLO			ON	mary Lan					
Annual Credit All		-	-	\$280,73	33	Allocatio	n over 10 Yea	ars:	\$2,807,330
Credits Requeste				Basis Amo		\$400,145	Equity/Gap		\$224,093
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-inglibito i			MENITIES	(no extra cost		<i>4221,000</i>
	BR <u>2 BR</u>	<u>3 BR</u>	Total	Playgrou		AWENITES			h Internet
				Recreat		ties	Public Ph	-	
30% 0	3 2	0	5	Perimete	er Fence	with Contro	lled Gate Acces	ss	
40% 0	2 1	0	3		-	-	r Hook-Ups in l		
50% O	3 3	0	6		-		nter or Commu	nity Meal R	oom
60% 5	4 2	2	13		ed Comr	nunity Room			
MR 0	3 2 15 10	2	7				a cost to tenan		
Total 5	15 10	4		Covered Mini Blin				r Line in all	Bedrooms Kitchen, Baths
Total LI Units:	Unito		27	Laundry		tions	Storage F	-	Ritchen, Datis
Owner/Employee Total Project Unit			0 34	Laundry			-	Shingle Root	ĩng
Applicable Fraction		79	.00			9		Patios or Ba	
Applicable fraction is the lesse	er of the unit fraction o								asonry Exterior
attributable to low income unit	S.				nergy E	fficient Alteri	native Construc	tion Materia	IS
BUILDING INFOR	MATION								
Total Developme			\$6	,331,641		age Square			945
Gross Building S				36,553	Cost	Per Net Re	entable Square	e Foot	\$197.01
Total Net Rentab	le Area Squa	are Feet:		32,138	Cred	its per Low	Income Uni		\$10,398
INCOME AND EX	XPENSE INFO	ORMATION	N			NCING			
Effective Gross Ir	ncome		9	\$220,268			cipal Amount:		\$1,800,000
Total Expenses:			9	\$149,222		cant Equity	:		\$51,428
Net Operating Inc				\$71,046		y Source:		Deferred	Developer Fee
Estimated 1st Ye	ar Debt Cove	erage Rati	0	1.27	Sync	lication Rate	e:		\$0.7800
DEVELOPMENT T	EAM	Note:	"NA" = N	Not Yet Ava	ilable				
Developer:	Artspace F Jedd Davis		LC/Ave	nue	Marke	t Analyst:	Danter Co.		
Housing GC:	Durotech				Origina	ator/UW:	NA		
Engineer:	E. and C.				Appra	iser:	NA		
Cost Estimator:	Durotech				Attorn	ey:	Winthrop 8	Weinstine)
Architect:	W.O. Neuł	naus & Ass	sociates	6	Accou	ntant:	Mahoney l	Jlbrich	
Property Manage	r Texas Inte	r-Faith Ma	nageme	ent	Supp	Services	Avenue CI	C	
Syndicator:	Apollo Hou	using Capit	tal		Perma	nent Lende	er Southwest	Bank of T	exas
								6/19	3/2003 10·34 AM

# of Letters, Petitions, or Witness Affirmation Form A resolution was passed by the local governmer Local/State/Federal Officials with Jurisdiction: Local Official:	
A resolution was passed by the local governmer Local/State/Federal Officials with Jurisdiction: Local Official:	nt in support of the development.
Local/State/Federal Officials with Jurisdiction:	
Local Official:	Comment from Other Public Officials:
TV Penropentative: Jacobio Earror District 149	Annise D. Parker, Council Member, S
•	
TX Senator: Mario Gallegos, Jr., District 6,	N
US Representative:	
US Senator: General Summary of Comment: Broad Support	
DEPARTMENT EVALUATION	
Points Awarded: 105 Site Finding: Accepta	able Underwriting Finding: Approved with Conditions
CONDITIONS TO COMMITMENT	
subsequent environmental site assessments prior to commer	
	rofessional detailing the cost for the removal of asbestos containing the submitted development cost breakdown prior to Carryover.
Receipt, review, and acceptance of a firm letter of commitmer \$1,000,000 with terms prior to Carryover.	nt from the City of Houston for a loan/grant in the amount of at least
Receipt, review, and acceptance of documentation from the tax credit allocation prior to Carryover.	appropriate authority indicating that the development has received a historic
	m the United States Environmental Protection Agency, the Strake ich must be confirmed by Carryover), the tax credit allocation recommended
	plicant that the property will not solely or exclusively serve artists.
Should the terms of the proposed debt or syndication be alter	
Alternate Recommendation: NA	
RECOMMENDATION BY THE PROGRAM MANAG	
	AND REVIEW ADVISORY COMMITTEE IS BASED ON:
Score Meeting a Requi	red Set Aside
To serve a greater number of lower income families for fev	
□ To ensure geographic dispersion within each Uniform Stat	-
└── To ensure the Development's consistency with local needs	
	nt entities as practicable w/out diminishing the quality of the housing built.
☐ To give preference to a Development located in a QCT or	
└ To provide integrated, affordable accessible housing for in	
Explanation: Region 11 is undersubscribed, therefore al	eligible developments in the region are recommended.
Robert Onion, Manager of Awards and Allocation Date	Brooke Boston, Director of Multifamily Finance Production
, G	Date
	<u> </u>
Chairman of Executive Award and Review Advisory Committe	

Developer Evaluation
Project ID # 03011 Name: Jefferson Davis Artist Apartm City: Houston
LIHTC 9% \checkmark LIHTC 4% \square HOME \square BOND \square HTF \square SECO \square ESGP \square Other \square
□ No Previous Participation in Texas □ Members of the development team have been disbarred by HUD
National Previous Participation Certification Received: \Box N/A \checkmark Yes \Box NoNoncompliance Reported on National Previous Participation Certification: \Box Yes \checkmark No
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🖌 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 1 Projects grouped by score 0-9 1 10-19 0 20-29 0
Total # monitored with a score less than 30: 1 # not yet monitored or pending review: 3
Program Monitoring/Draws Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Asset Management Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached
Reviewed by Sara Carr Newsom Date iday, May 23, 2003
Multifamily Finance Production
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by R Meyer Date 5 /28/2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Incomparison Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Incomparison Incomparison
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ Reviewed by EEF Date 5/16/2003
Office of Colonia Initiatives
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by H Cabello Date 6/10/2003
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Content of the second se
Reviewed by Date
Loan Administration Not applicable No delinquencies found Delinquencies found Delinquencies found Delinquencies found that warrant disqualification (Additional information/comments must be attached) Delinquencies found Delinquencies found
Reviewed by Stephanie Stuntz Date 5/23/2003
Executive Director: Edwina Carrington Executed: Friday, June 13, 2003

DEVELOPMENT NAME

9% LIHTC

FILE NUMBER:

03011

PROGRAM:

DATE:

June 9, 2003

Name: Jefferson Davis Artist Loft, LP Type: For Profit Address: 250 Third Avenue North #500 City: Minneapolis State: MN Zip: 55401 Contact: Brian Gorecki Phone: (612) 333-9012 Fax: (615) 333-9089 Mame: Artspace Houston, LLC Phone: (612) 333-9012 Fax: (615) 333-9089 Name: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant U Location: 1101 Elder Street QCT DDA City: Houston County: Harris Zip: Zip: 77.007		Series Davis Artist Loris									
Name: Jefferson Davis Artist Loft, LP Type: For Profit Address: 250 Third Avenue North #500 City: Minneapolis State: MN Zip: 55401 Contact: Brian Gorecki Phone: (612) 333-9012 Fax: (615) 333-9089 Mame: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: QCT DDA Location: 1101 Elder Street Jefferstreet DDA DA DA DA DA DDA											
Address: 250 Third Avenue North #500 City: Minneapolis State: MN Zip: 55401 Contact: Brian Gorecki Phone: (612) 333-9012 Fax: (615) 333-9089 PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS Partner Managing General Partner Name: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant Location: 1101 Elder Street DDA					APPLICAN	[
Zip: 55401 Contact: Brian Gorecki Phone: (612) 333-9012 Fax: (615) 333-9089 PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS Name: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant U PROPERTY LOCATION Location: 1101 Elder Street ØDA	Name:	Jefferson Da	vis Arti	st Loft, LP	Туре:	For P	rofit				
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS Name: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant PROPERTY LOCATION Location: 1101 Elder Street DDA	Address:	250 Third Av	venue N	orth #500	City:	Min	neapolis		S	tate:	MN
Name: Artspace Houston, LLC (%): 0.0051 Title: Managing General Partner Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant Imaging General Partner PROPERTY LOCATION Managing General Partner Imaging General Partner Imaging General Partner Location: Imaging General Partner Imaging General Partner Imaging General Partner	Zip:	55401 Co	ntact:	Brian Gorecki	Phone:	(612)	333-9012	Fax:	(615)	333-9	089
Name: Avenue Jeff Davis, LLC (%): 0.0049 Title: Co-General Partner Name: Gannon Outsourcing, Inc. (%): N/A Title: Co-sultant PROPERTY LOCATION Location: 1101 Elder Street ØDA	PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS										
Name: Gannon Outsourcing, Inc. (%): N/A Title: Consultant PROPERTY LOCATION Location: 1101 Elder Street QCT DDA	Name:	Artspace Ho	uston, L	LC	(%)	: 0.005	1 Title:	Ma	naging G	eneral P	artner
PROPERTY LOCATION Location: 1101 Elder Street	Name:	Avenue Jeff	Davis, I	LLC	(%)	0.004	9 Title:	Co	General	Partner	
Location: 1101 Elder Street QCT DDA	Name:	Gannon Outs	sourcing	g, Inc.	(%)	(%): N/A Title: Consultant			nsultant		
Location: 1101 Elder Street QCT DDA											
				PR	OPERTY LOC	TION					
City:HoustonCounty:HarrisZip:77007	Location:	1101 Elder S	treet					\square	QCT		DDA
REQUEST	City:	Houston			County:	Harris	5		Zip:	770	007
	City:	Houston				Harris	3		Zip:	770)07
AmountInterest RateAmortizationTerm	•			Interest Rate	REQUEST						007
Amount Interest Rate Amortization Term 1) \$280,733 N/A N/A N/A	<u>A</u>	Amount			REQUEST	Amortiz	zation		 	<u></u>	007
	<u>4</u>	Amount \$280,733	Annu	N/A	REQUEST	<u>Amortiz</u> N/2	zation A	3	 	<u></u>	007
1) \$280,733 N/A N/A N/A	1) i Other Requ	Amount \$280,733 lested Terms:		N/A ual ten-year alloc	REQUEST	<u>Amortiz</u> N/2 ome hous	zation A ing tax credits		 	<u></u>	007
1) \$280,733 N/A N/A Other Requested Terms: Annual ten-year allocation of low-income housing tax credits	1) : Other Requ Proposed U	Amount \$280,733 lested Terms: Use of Funds:	Rehat	N/A ual ten-year alloc bilitation	REQUEST	Amortiz N/2 ome hous	zation A ing tax credits 	family	<u>Te</u>	<u>rm</u> /A	
REQUEST	Location.		licei						QUI		
	City:	Houston				Harris	3		Zip:	770)07
Amount Interest Rate Amortization Term	•			Interest Rate	REQUEST)07
	<u>A</u>	Amount			REQUEST	Amortiz	zation		 	<u></u>	007
1) \$280,733 N/A N/A N/A		Amount \$280,733		N/A	REQUEST	<u>Amortiz</u> N/2	zation A		 	<u></u>	007
1) \$280,733N/AN/AOther Requested Terms:Annual ten-year allocation of low-income housing tax credits	1) i Other Requ	Amount \$280,733 lested Terms:		N/A ual ten-year alloc	REQUEST	<u>Amortiz</u> N/2 ome hous	zation A ing tax credits		 	<u></u>	007
1) \$280,733N/AN/AOther Requested Terms:Annual ten-year allocation of low-income housing tax credits	1) i Other Requ	Amount \$280,733 lested Terms:		N/A ual ten-year alloc	REQUEST	<u>Amortiz</u> N/2 ome hous	zation A ing tax credits		 	<u></u>	007

RECOMMENDATION

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$280,733 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of documentation that the Applicant has complied with all recommendations of the Phase I and any subsequent environmental site assessments prior to commencement of construction where possible.
- 2. Receipt, review, and acceptance of a letter from a qualified professional detailing the cost for the removal of asbestos containing materials and lead-based paint on the property as it relates to the submitted development cost breakdown prior to carryover;
- 3. Receipt, review, and acceptance of a firm letter of commitment from the City of Houston for a loan/grant in the amount of at least \$1,000,000 with terms prior to carryover;
- 4. Receipt, review, and acceptance of documentation from the appropriate authority indicating that the development has received a historic tax credit allocation prior to carryover;
- 5. If the development receives a firm commitment for grants from the United States Environmental Protection Agency, the Strake Foundation and/or any other additional source of funding (which must be confirmed by carryover), the tax credit allocation recommended in this report must be re-evaluated; and
- 6. Receipt, review, and acceptance of a certification from the Applicant that the property will not solely or exclusively serve artists.

7. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS									
IMPROVEMENTS									
Total Units:# Rental Buildings# Common Area Bldgs0# of Floors4Age:75yrsVacant:34atApplication									
Net Rentable SF: 32,138 Av Un SF: 945 Common Area SF: 4,415 Gross Bldg SF: 36,553									
STRUCTURAL MATERIALS									
Wood frame on concrete slab with grade beams and pier and beam, 85% brick veneer 15% stucco exterior wall covering, drywall/plaster interior wall surfaces, built-up rock/mission tile roofing.									
APPLIANCES AND INTERIOR FEATURES									
Concrete/terrazzo tile flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, cable, ceiling fans, laminated counter tops, individual water heaters.									
ON-SITE AMENITIES									
Laundry facility and one elevator.									
Uncovered Parking: 40 spaces Carports: 0 spaces Garages: 0 spaces									
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION									
Description: Lafforson Davis Artist Laffo is a proposed rehabilitation development of 24 units of mixed									

Description: Jefferson Davis Artist Lofts is a proposed rehabilitation development of 34 units of mixed income housing located in central Houston. The four-story building was built in 1924 for use as a city-owned hospital. It has stood vacant for 20 years.

Development Plan: According to the Market Analyst, although the building is seriously deteriorated, it is structurally sound, and the project will require a minimum of excavation. However, the submitted work write-up includes demolition of the "Clinic Building" and interior areas. The general contractor has indicated that the renovation work will also include: repaving of parking area, repair of sidewalks and curbs, installation of site fire line for the fire sprinkler system, installation of new exterior stairs, repair of mechanical penthouse, replacement of existing windows and doors, cleaning and restoration of architectural elements, replacement of porch screens, interior and exterior painting, repair of the terrazzo floors, installation of drywall, new flooring, cabinetry, fixtures, and appliances, and plumbing, air conditioning and electrical work. While the main corridors and structural columns will remain intact, it seems that most of the interior will be demolished and new interior walls will be constructed for the units.

<u>Architectural Review:</u> The exterior of the existing building is attractive with a large, columned entrance and architectural detailing along the roofline and around the doorways. With the exception of the ground floor, the ceiling height throughout the building exceeds ten feet. The unit Floorplans will be unconventional for affordable housing in Texas in that they will represent true lofts with little separation between living areas. Initially, the Applicant based the number of bedrooms per unit on the square footage of the unit rather than the 2003 QAP (§49.3(14)) definition of *bedroom*. However, upon request, the Applicant provided revised architectural drawings satisfying this definition.

Supportive Services: The Applicant has certified that three of the services listed in application Tab 4H, paragraph B will be provided for the benefit of the tenants. There will be no additional charge for the optional services. It should be noted the building, as planned, will not include common areas that may serve as space to provide supportive services onsite.

Schedule: The Applicant anticipates construction to begin in March of 2004 and to be completed in March of 2005. The buildings are to be placed in service and substantially leased-up in May of 2005.

SITE ISSUES	
SITE DESCRIPTION	

Size: 1.635 acres 71,221 Zoning/ Permitted Uses: N/A (Houston)									
Flood Zone Designation: Zone X Status of Off-Sites: Fully improved									
SITE and NEIGHBORHOOD CHARACTERISTICS									
Location: The site is located at 1101 Elder Street, in Houston's First Ward, a few blocks northwest downtown Houston. Elder Street is a dead-end street directly accessed from Dart Avenue to the north.									
Adjacent Land Uses:									
• North: Harris County CSDC Special Programs Offices, single family homes, Dart Avenue, single fami homes, I-10/I-45									
• South: warehouses and offices for the Houston Fire Department, railroad tracks, Washington Avenu Amtrak rail Depot, US Postal Service Administrative Services, Houston Police Department Impour Garage, Trinity Church and School, Municipal Courthouse, Central Business District									
• East: Houston Fire Department Recruiting and Training Center, I-10/I-45, industrial/warehouse									
• West: Houston Fire Department Logistical Center, single family homes, townhomes, Houston Police Department Auto Theft Vehicle Compound, Goodyear Tire, industrial/warehouses, single family homes									
Site Access: Besides I-45 and I-10, major highways within six miles include US Route 59 and I-610.									
<u>Public Transportation</u> : An east-west Amtrak rail line passes just south of the site. The public transportation access point is a bus stop 0.2-mile northwest of the subject at Dart and Holly.									
Shopping & Services: The site is within six miles of a variety of outdoor and indoor entertainment option. The nearest major retail area is 1.0 mile southeast of the site. There are seven convenience and groces stores, three pharmacies, and three department/general retail stores within three miles. An elementary scho is located within 0.2 mile, a middles school within 1.5 miles, and a high school within 2.5 miles of the site. The closest medical facility is within one mile.									
Special Adverse Site Characteristics: The building which has served as both a hospital and a morgue we constructed on the old City Cemetery. The Market Analyst has indicated that the developer plans to work with local preservation groups, such as the Greater Houston Preservation Alliance and Save Our Tex Graveyards, to minimize the extent to which the project disturbs any existing gravesites at the old Cit Cemetery.									
Site Inspection Findings: TDHCA staff performed a site inspection on April 16, 2003 and found the location to be acceptable for the proposed development. The inspector noted that, despite the site's location next to a fire department recruiting center, railroad transit center, and elevated highways, the noise level d not seem to be abnormally high. He also stated that the building is in close proximity to the 6 th Ward histor district and the light rail system.									
HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)									
A Phase I Environmental Site Assessment report dated February 26, 2003 was prepared by Environment Resources Management and contained the following findings and recommendations:									
Findings:									
• Asbestos-Containing Materials (ACM): "ERM conducted limited screening for presence of AC at the site. Samples of suspect ACM were collected and submitted for laboratory analysis and the presence of asbestos. The laboratory reported asbestos in 61 of the samples submitted. The boil room may contain friable asbestos, based on visual observations, and we recommend wearing respirators when accessing this area."									
• Lead-Based Paint (LBP): "ERM contracted PSI to conduct a limited screening for the presence lead in the paint on the interior of the building. Samples of suspect lead-based paint were collected									

lead in the paint on the interior of the building. Samples of suspect lead-based paint were collected and submitted for laboratory analysis. Reported analytical results revealed the presence of lead. It is anticipated that much of the lead-based paint will be removed with a section of the wall that is being demolished and will qualify to be disposed of as construction debris."

- Underground Storage Tank: "There is an underground storage tank on site. It is apparently closed-in-place, but its regulatory status should be confirmed."
- **Other:** "Spilled fluids were noted in the elevator machine room located on the top floor of the building. Testing will be necessary to assess the nature of spilled oils that have soaked into the concrete stairs, etc."

Recommendations: "Although not recognized environmental conditions as defined by ASTM 1527, ERM has identified two environmental concerns associated with the site. Our limited screenings for ACM and lead-based paint have indicated the presence of asbestos and lead on site. Based upon these findings, ERM recommends a Phase II ESA to include comprehensive lead-based paint sampling, as well as testing of spilled oils in the elevator machine room prior to commencement of demolition or renovation activities."

Receipt, review, and acceptance of documentation that the Applicant has complied with all recommendations of the Phase I and any subsequent environmental site assessments is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Twenty-seven of the units (79% of the total) will be reserved for low-income tenants. Five of the units (15%) will be reserved for households earning 30% or less of AMGI, three units (9%) will be reserved for households earning 40% or less of AMGI, six units (18%) will be reserved for households earning 50% or less of AMGI, 13 units (38%) will be reserved for households earning 60% or less of AMGI, and the remaining seven units (21%) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES								
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons		
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460		

MARKET HIGHLIGHTS

A market feasibility study with a revised date of February 19, 2003 was prepared by The Danter Company and highlighted the following findings:

Definition of Primary Market: "The Site Effective Market Area (EMA) includes the central portion of Houston. The site EMA is bound by Interstate 610 to the north, US Route 59, Interstate 10, and Interstate 45 to the east, Buffalo Bayou to the south, and Interstate 610 to the west." (p. IV-8)

Population: The estimated 2001 population of the Site EMA was 97,618 and is expected to decrease by 0.8% to approximately 96,814 by 2006. Within the primary market area there were estimated to be 35,431 households in 2001.

Total Local/Submarket Demand for Rental Units:

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY							
	Market	Analyst	Under	writer			
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand			
Household Growth	0	0%	-16	0%			
Resident Turnover	4,293	100%	4,293	100%			
TOTAL ANNUAL DEMAND	4,293	100%	4,277	100%			

Ref: p. IV-22

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 3.3% based upon a supply of unstabilized comparable affordable units of 108. (p. IV-24) The Underwriter calculated a slightly higher 10.6% based upon 424 unstabilized units and a revised demand estimate of 4,277.

<u>Market Rent Comparables</u>: "A total of 7,372 conventional apartment units in 42 projects were surveyed in the Houston...Site EMA." (p. IV-9)

	RENT	Γ ANALYSIS (net t	tenant-paid rents)		
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
Efficiency (60%)	\$575	\$583	-\$8	\$530	+\$45
1-Bedroom (30%)	\$275	\$279	-\$4	\$645	-\$370
1-Bedroom (40%)	\$390	\$391	-\$1	\$645	-\$255
1-Bedroom (50%)	\$500	\$502	-\$2	\$645	-\$145
1-Bedroom (60%)	\$610	\$614	-\$4	\$645	-\$35
1-Bedroom (MR)	\$685	N/A		\$645	+\$40
2-Bedroom (30%)	\$330	\$332	-\$2	\$820	-\$490
2-Bedroom (40%)	\$465	\$466	-\$1	\$820	-\$355
2-Bedroom (50%)	\$595	\$600	-\$5	\$820	-\$225
2-Bedroom (60%)	\$725	\$734	-\$9	\$820	-\$95
2-Bedroom (MR)	\$810	N/A		\$820	-\$10
3-Bedroom (60%)	\$840	\$845	-\$5	\$980	-\$140
3-Bedroom (MR)	\$900	N/A		\$980	-\$80

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Submarket Vacancy Rates</u>: The current vacancy rate for all rental properties surveyed is 12.4%. (p. IV-12) The four tax credit properties in the market area are 92.4% occupied.

Absorption Projections: "The pre-opening marketing campaign is expected to lease an average of 2.5 to 3.5 units per month, but could be as high as 5.0 to 6.0 units per month in the first few months after starting the marketing of the project. We anticipate all units will be leased by early 2005. (p. III-3)

Known Planned Development: "There are 424 new units under construction that will be available over the next 3 to 12 months and 30 units under renovation." (p. IV-9) "...there is one project in the area on the Pre-Application list. The Heatherbrook project (176 total units)..." (p. IV-13) In addition, 108 tax credit units are currently under construction. (p. IV-20)

The Underwriter found the market study provided sufficient information for this analysis.

OPERATING PROFORMA ANALYSIS

Income: The Applicant utilized gross rents that are slightly less than the current LIHTC maximum rent limits. However, their rent conclusion for the efficiency units, set-aside at 60% of AMGI, and their one-bedroom market rate units are above the market rents calculated by the Market Analyst. The underwriting analysis assumes the units can achieve the lesser of the maximum LIHTC rent limit or the market rents estimated by the Market Analyst. The net effect is a difference of \$4,452 with the Applicant anticipating a higher potential gross rent.

The Applicant's secondary income and vacancy/collection loss estimates are inline with the current underwriting guidelines. Overall, the Applicant's effective gross income figure is within 5% of the Underwriter's estimate and is therefore considered to be reasonable as presented.

Expenses: The Applicant's total expense estimate of \$3,995 per unit is more than 5% lower than the Underwriter's estimate. The difference can be attributed in large part to the following line item operating expenses, which exceeded the tolerance levels indicated in Section 1.32(d)(5) of the 2003 Underwriting, Market Analysis, Appraisal and Environmental Site Assessment Rules and Guidelines – payroll (more than 10% lower), utilities (more than 30% higher), water sewer and trash (more than 30% lower).

<u>Conclusion</u>: The Applicant's total estimated operating expense is inconsistent with the Underwriter's expectations and the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity.

The Underwriter's proforma indicates there is sufficient net operating income to service the proposed first lien permanent mortgage of \$800,000 at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guidelines of 1.10 to 1.30. This will be discussed further in the Financing Structure Analysis section.

	ACQUISITION VA	LUATION INFOR/	MATION			
	ASSE	SSED VALUE				
Land:	\$0	Assessment for	he Year of:	2002	2	
Building:	\$0	Valuation by: Harris Count		y Appra	isal Distri	ct
Total Assessed Value:	\$0	Tax Rate:1.382603 excluding IS		ISD		
	EVIDENCE of SITE	or PROPERTY CO	ONTROL			
Type of Site Control:	Agreement to Purchase					
Contract Expiration Date:	90 days after effective date	Anticipated Clos	sing Date:	10/	31/	2003
Acquisition Cost:	\$200,000	Other Terms/Co	onditions:	Affor	dable hous	sing
Seller: Harris County		Rela	ted to Developm	ent Tear	n Member	: No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: Although the seller of the land is a potential permanent lender, the acquisition price is considered to be reasonable as presented. The sales price of \$200,000 for the historic 36,553 square foot building located near the Houston CBD may be viewed as a bargain. In addition, a condition of the sale is that the building must be converted to provide affordable housing. Finally, the Applicant is not requesting acquisition credits.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$1,333 per unit are considered reasonable compared to historical sitework costs for multifamily projects undergoing rehabilitation.

Direct Construction Cost: The Applicant's direct construction cost estimate is considered to be reasonable as submitted due to the certification by the third party general contractor. However, the Underwriter is concerned that the development cost breakdown does not include line item costs for possible lead-based paint and asbestos abatement. The costs of removing these materials may be imbedded in the demolition costs. However, receipt, review, and acceptance of a letter from a qualified professional detailing the cost for the removal of asbestos-containing materials and lead-based paint on the property as it relates to the submitted development cost breakdown is a condition of this report.

Fees: The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced with the overage of \$23,863 effectively moved to ineligible costs.

The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$100,530.

<u>Other</u>: The Applicant's contingency cost exceeds the Department's guideline of 10% of site work and direct construction costs for rehabilitation developments by \$160,284.

Conclusion: Despite the overstated fees and contingency cost, the Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter, is used to calculate eligible basis. As a result, an eligible basis of \$4,818,271 is used to determine a credit allocation of \$400,145 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

	FINANCING STRUCTURE									
	INTERIM to PERMANENT FINANCING									
Source:	Southwe	st Bank of Tex	as	C	Contact:	Hank Holmes				
Principal	Amount:	\$800,000	Interest Rate:	Bank's Prime + floor of 5.75%	1/2%, floa	ating or LIBOR + 300 bps, both with a				

Additional Information:	3-year construction	on period									
Amortization: 30 y	rts Term: 15	yrs Comn	nitment:	LC	DI Firm Conditional						
Annual Payment: \$74	4,943	Lien Priority:	1^{st}	Commitm	nent Date 02/ 26/ 2003						
GRANT											
Source: Houston Ende	owment, Inc.			Contact:	H Joe Nelson, III						
Principal Amount: \$80	00,000	Commitment:		LOI	Firm Conditional						
Additional Information:	May be condition	ned on renting to	artists	Commi	itment Date 12/ 02/ 2002						
		GRA	NT								
Source: Rockwell Fur	nd, Inc.			Contact:	R Terry Bell						
Principal Amount: \$50	0,000	Commitment:		LOI	Firm Conditional						
Additional Information:				Commi	itment Date 02/ 11/ 2003						
		GRA	NT								
Source: The Brown F	oundation			Contact:	Maconda Brown O'Connor						
Principal Amount: \$40	00,000	Commitment:		LOI	Firm Conditional						
Additional Information: Need copy of proposal (March 20, 2002) Commitment Date 05/ 24/ 2002											
GRANT											
				Commi	11111111111111111111111111111111111111						
Source: United States	Environmental Pro	GRA		Commi	Myron Knudson						
		GRA									
	Environmental Pro	GRA stection Agency Commitment:	NT	Contact: None	Myron Knudson						
Principal Amount: \$20	Environmental Pro	GRA stection Agency Commitment:		Contact: None	Myron Knudson Firm Conditional						
Principal Amount: \$20	Environmental Pro 00,000 Acknowledgemen	GRA tection Agency Commitment: nt of application		Contact: None	Myron Knudson Firm Conditional						
Principal Amount: \$20 Additional Information: Source: Strake Found	Environmental Pro 00,000 Acknowledgemen	GRA tection Agency Commitment: nt of application		Contact: None Commi	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003						
Principal Amount: \$20 Additional Information: Source: Strake Found	Environmental Pro 00,000 Acknowledgemen ation	GRA otection Agency Commitment: nt of application GRA Commitment:		Contact: None Commi Contact: None	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003 George W Strake, Jr.						
Principal Amount: \$20 Additional Information: \$20 Source: Strake Found Principal Amount: \$50 Additional Information: \$50	Environmental Pro 00,000 Acknowledgemen ation 0,000 Acknowledgemen	GRA otection Agency Commitment: nt of application GRA Commitment:	NT NT NT	Contact: None Commi Contact: None	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003 George W Strake, Jr. Firm Conditional						
Principal Amount: \$20 Additional Information: \$20 Source: Strake Found Principal Amount: \$50 Additional Information: \$50 Source: City of Houst	Environmental Pro 00,000 Acknowledgemen ation 0,000 Acknowledgemen ton	GRA otection Agency Commitment: nt of application GRA Commitment: nt of application		Contact: None Commi Contact: None	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003 George W Strake, Jr. Firm Conditional						
Principal Amount: \$20 Additional Information: \$20 Source: Strake Found Principal Amount: \$50 Additional Information: \$50 Source: City of Houst	Environmental Pro 00,000 Acknowledgemen ation 0,000 Acknowledgemen	GRA otection Agency Commitment: nt of application GRA Commitment: nt of application	NT NT NT	Contact: None Commi Contact: None Commi	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003 George W Strake, Jr. Firm Conditional Image: Firm Conditional itment Date 11/ 27/ 2002						
Principal Amount: \$20 Additional Information: \$20 Source: Strake Found Principal Amount: \$50 Additional Information: \$50 Source: City of Houst	Environmental Pro 00,000 Acknowledgemen ation 0,000 Acknowledgemen ton	GRA tection Agency Commitment: nt of application GRA Commitment: nt of application OTH Commitment: rant		Contact: None Commi Contact: None Commi Contact: None	Myron Knudson Firm Conditional itment Date 01/ 14/ 2003 George W Strake, Jr. Firm Conditional itment Date 11/ 27/ 2002 Ken Fickes						

Source:Apollo Housing CapitalContact:Rick SlagleAddress:1275 Pennsylvania AvenueCity:Washington	
Address:1275 Pennsylvania AvenueCity:Washington	
State: DC Zip: 20004 Phone: (202) 628-5712 Fax: (202) 393-	-8660
Net Proceeds:\$3,230,214Net Syndication Rate (per \$1.00 of 10-yr LIHTC)78¢	
Net Syndication Rate (per \$1.00 of Historic TC)90¢	
Commitment 🖾 LOI 🗌 Firm 🗌 Conditional Date: 02/ 27/ 2002	2
Additional Information: Project expects to receive \$1,156,349 in historic tax credits in addition to the requeste credits.	ed tax
APPLICANT EQUITY	
Amount:\$1,427Source:Deferred Developer Fee	

FINANCING STRUCTURE ANALYSIS

<u>Permanent Financing</u>: The permanent financing commitment from Southwest Bank of Texas is consistent with the terms reflected in the sources and uses of funds listed in the application.

An application for a grant and/or loan from the City of Houston in the amount of \$1,000,000 will not be firmly committed until prior to the date of the carryover allocation. For purposes of this analysis it has been assumed that the funds will be provided in the form of a grant despite indications in portions of the tax credit application indicating that the Applicant may expect to pay a minimal debt service. However, any conclusions and/or recommendations of this report are conditioned upon receipt, review and acceptance of a firm letter of commitment from the City of Houston for a loan/grant in the amount of at least \$1,000,000 with terms disclosed and any requirements of mandatory debt repayment should require a reevaluation by the department as the development may not remain feasible with any significant additional repayment requirement.

Several grants ranging from \$50,000 to \$800,000 have been awarded to the development. Two grants listed as a source of funds in the application are not firmly committed at this time. Although the Applicant has submitted application to the United States Environmental Protection Agency (USEPA) for a grant of \$200,000 and the Strake Foundation for a grant of \$50,000, neither entity is currently able to affirm an award. All such approval needs to be documented by carryover. The Houston Endowment, Inc. grant appears to require that the development serve only artists. This question was raised prior to submission and the Department confirmed with the Applicant that renting exclusively to artists would potentially be a fair housing violation and is therefore not permitted. Receipt, review, and acceptance of a certification from the Applicant that the property will not solely or exclusively serve artists is a condition of this report.

LIHTC Syndication: The letter of intent provided by Apollo Housing Capital indicates that a 99.99% limited interest will be purchased at a rate of \$0.78 per low-income housing tax credit dollar. Apollo also expects the development will receive historic tax credits in the amount of \$1,156,349 and plans to pay \$0.90 per historic tax credit dollar. The Applicant has submitted documentation verifying the property's classification as a historic building. However, receipt, review and acceptance of documentation from the appropriate authority indicating that the development has received a historic tax credit allocation is a condition of this report and must be supplied by carryover.

Deferred Developer's Fees: The anticipated deferred fees amount to less than 1% of proposed developer fees.

Financing Conclusions: As discussed above, the underwriting proforma for the first year of stabilized operation has indicated that the development can support the debt service for the loan financed through Southwest Bank. The letter acknowledging receipt of an application for funds of \$1,000,000 from the City of Houston indicates that funds may take the form of a grant or loan. Based on this analysis, if the full amount is allocated to the development, the \$1,000,000 must take the form of a grant or cash flow loan. Otherwise, the development's debt coverage ratio will fall below the breakeven level. Moreover, without

these funds the gap in services would render the development infeasible.

The underwriting analysis includes funds from three out of five grant sources because the \$50,000 and \$200,000 grants applied for through the USEPA and Strake Foundation are not firmly committed to this development. However, if the development receives a firm commitment for these grants or any other additional source of funding, the tax credit allocation recommended in this report must be re-evaluated as the remaining developer fee would be eliminated and a reduction in tax credits would be warranted.

Although the development qualifies for low-income housing tax credits in the amount of \$400,145 annually based on the Applicant's eligible basis calculation, as adjusted by the Underwriter, the Applicant has requested a much lower allocation. Department guidelines require the recommended tax credit allocation to be the lesser of the eligible tax credits, the credits needed based on a gap analysis, and the Applicant's request. In this case, the Applicant's request of \$280,733 annually in low-income housing tax credits is recommended.

Assuming the development qualifies for at least \$1,156,349 in historic tax credits and does not receive the grants from the USEPA and the Strake Foundation, the deferred developer fee is estimated at \$51,428. This amount appears to be repayable within four years of stabilized operation.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant, Developer, and supportive services provider are related entities. These are common identities of interest for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant and co-general partners are newly formed entities and, therefore, have no material financial histories.
- Artspace Projects, Inc., a nonprofit corporation, provided a balance sheet dated December 31, 2002 indicating total assets of \$16.8M comprised of cash, accounts receivable, long term investments, properties owned and other assets. Total liabilities equaled \$11.6M for a fund balance of \$5.2M.
- Avenue Community Development Corporation, a nonprofit corporation, provided a balance sheet dated December 31, 2002 indicating total assets of \$1.9M comprised of cash, accounts receivable, fixed assets and other assets. Total liabilities equaled \$765K for equity of \$1.2M.

Background & Experience: The submitted previous participation and background certification forms list nine developments totaling 367 units in several states. The list includes several loft developments funded with tax credits.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated operating expenses/operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Significant environmental/locational risks exist regarding lead-based paint, asbestos, and unidentified concrete stains on the property.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.

Underwriter:		Date:	June 9, 2003
	Lisa Vecchietti	_	
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris	-	

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Jefferson Davis Artist Lofts, Houston, LIHTC #03011

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Int Pd Util	Wtr, Swr, Trsh
TC 60%	1	EFF	1	690	\$625	\$530	\$530	\$0.77	\$42.00	N/A
TC 60%	1	EFF	1	695	625	530	530	0.76	42.00	N/A
TC 60%	1	EFF	1	700	625	530	530	0.76	42.00	N/A
TC 60%	1	EFF	1	710	625	530	530	0.75	42.00	N/A
TC 60%	1	EFF	1	715	625	530	530	0.74	42.00	N/A
TC 30%	2	1	1	750	335	279	558	0.37	56.00	N/A
TC 30%	1	1	1	751	335	279	279	0.37	56.00	N/A
TC 40%	1	1	1	752	447	391	391	0.52	56.00	N/A
TC 40%	1	1	1	808	447	391	391	0.48	56.00	N/A
TC 50%	2	1	1	809	558	502	1,004	0.62	56.00	N/A
TC 50%	1	1	1	845	558	502	502	0.59	56.00	N/A
TC 60%	1	1	1	811	670	614	614	0.76	56.00	N/A
TC 60%	1	1	1	813	670	614	614	0.76	56.00	N/A
TC 60%	1	1	1	822	670	614	614	0.75	56.00	N/A
TC 60%	1	1	1	882	670	614	614	0.70	56.00	N/A
MR	1	1	1	797		645	645	0.81	56.00	N/A
MR	1	1	1	801		645	645	0.81	56.00	N/A
MR	1	1	1	803		645	645	0.80	56.00	N/A
TC 30%	1	2	1	900	402	332	332	0.37	70.00	N/A
TC 30%	1	2	1	991	402	332	332	0.34	70.00	N/A
TC 40%	1	2	1	1,011	536	466	466	0.46	70.00	N/A
TC 50%	2	2	1	1,113	670	600	1,200	0.54	70.00	N/A
TC 50%	1	2	1	1,209	670	600	600	0.50	70.00	N/A
TC 60%	1	2	1	1,209	804	734	734	0.61	70.00	N/A
TC 60%	1	2	1	1,239	804	734	734	0.59	70.00	N/A
MR	1	2	1	1,081		810	810	0.75	70.00	N/A
MR	1	2	1	1,132		810	810	0.72	70.00	N/A
TC 60%	1	3	1	1,261	930	845	845	0.67	85.00	N/A
TC 60%	1	3	1	1,566	930	845	845	0.54	85.00	N/A
MR	1	3	1	1,373		900	900	0.66	85.00	N/A
MR	1	3	1	1,427		900	900	0.63	85.00	N/A
TOTAL:	34		AVERAGE:	945	\$476	\$579	\$19,674	\$0.61	\$61.47	

Jose here land to a fuel and the land to a fuel and fuel and to a fuel and to a fuel and to a fuel and to a	MU	LTIFAMIL	_Y FINANCI	IAL ASSIST	ANCE REQUES	T: Comparativ	/e Analysis		
POTENTIAL GROSS REVIT Subsection State		Jef	ferson Dav	is Artist	Lofts, Houston	, LIHTC #0301	1		
Social Science (secretion) Per Use Per Norm B.5.0 Display for the secret on secret	INCOME Total Net Re	entable Sq Ft:	<u>32,138</u>		TDHCA	APPLICANT		USS Region	6
Secondary Income result reframe 8.00 2.040 2.040 2.040 Provide state of the	POTENTIAL GROSS RENT				\$236,088	\$240,540		IREM Region	Houston
POTENTIAL CROSS INCOME Vert Premis down learning 7.05% 2228.128 52.242.580 7.05% of Premis down learning 7.05% of Premis down learning Experies or Other Non-Netral Units or Concessions 0.05% 5220.268 5222.31.28 52.20.268 5222.31.28 92.42.580 EVENSIS 0.01% 0.01% 0.01% 5200.268 5222.31.28 92.42.580 91.3.507 91.0.507	Secondary Income	F	Per Unit Per Month:	\$5.00		2,040	\$5.00	Per Unit Per Month	I.
Vacancy & Collection Loss % of Remain all ones 7.50% (13.802)	Other Support Income: (describe)				0	0			
Employee of the Non-Renal Junits of Concessions EVENCE Pressort Status Status Pressort Pressort Status Pressort Pressort Pressort Status Pressort Pres					\$238,128	\$242,580			
EFFECTIVE CROSS INCOME Surregic present Surregic present <thsurregic pre<="" td=""><td></td><td></td><td></td><td>-7.50%</td><td>(17,860)</td><td>(18,192)</td><td>-7.50%</td><td>of Potential Gross F</td><td>Rent</td></thsurregic>				-7.50%	(17,860)	(18,192)	-7.50%	of Potential Gross F	Rent
EVENSES s.or.co res.or.ri Hall s.or.co res.or.ri Hall res.or.ri Hall <thres.or.ri Hall <</thres.or.ri 		s or Concess	ions		-	-			
General & Administrative 4.0% 5312 0.33 510, 500 510, 500 0.33 33.09 4.0% Pargal & Pryol Tax 6.1% 337 0.49 12, 527 5512,000 0.37 33.4 5.36% Pargal & Pryol Tax 6.1% 3.59 0.42 13, 501 517,000 0.47 33.4 5.39% Water, Sourd, A.Trab 4.9% 32.1 0.34 100,014 34.4 500 5.35% 5.36% 7.56% 512,000 0.63 500 7.56% Water, Sourd, A.Trab, 4.9% 321 0.36 0.07 12.2,424 514.000 0.63 500 7.5% 513,000 0.20 2.85,000 2.86 1.3.7% 84.33 30.49 514.22 513,55,001 1.2.2.44% 514.22 513,55,007 1.2.2 2.45% 30.47% 512,000 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <t< td=""><td></td><td></td><td>DED UNIT</td><td>DED CO ET</td><td>\$220,268</td><td>\$224,388</td><td>DED CO ET</td><td>DEDUNIT</td><td>01 OF FOI</td></t<>			DED UNIT	DED CO ET	\$220,268	\$224,388	DED CO ET	DEDUNIT	01 OF FOI
Management 5.71% 370 0.99 1.2.276 \$12.027 0.37 354 5.39% Begard & Payrd & P					¢10 F0/	¢10 500			
Payota & Payota Tax 6.136 397 0.42 13.501 \$12.000 0.37 553 5.39% Payota & Ministerance 9.176 594 0.43 20.196 \$171,300 0.53 500 7.37% Water, Sever, & Trach 4.955 221 0.44 10.014 \$44,500 0.58 544 82.24% Property Instrance 2.9626 13.725 889 0.94 30.210 \$53.000 0.28 512.000 0.58 544 82.44% Property Instrance 2.9626 13.756 83.90 0.42 13.756 0.58 544 82.44% Property Instrance 2.9626 13.757 84.397 84.64 511.49,022 51.56,027 54.22 50.96 0.393 882 13.376 Descrive for Replacements 2.829 14.24 51.778 84.144 51.74 52.23 52.36 52.208 0.173 82.21 3.376 83.96 10.000 10.000 10.000% 10.000 10.000%									
Program & Maintenance 9.178 594 0.0.3 20.198 511 200 0.54 509 7.776 Utilities 5.536 538 0.38 12.172 517.000 0.55 500 7.586 Water, Sever, & Trash 10.216 6.52 0.014 132 2.016 Property Insurance 10.216 6.62 0.01 22.497 518.500 0.53 500 7.586 Property Insurance 10.216 6.62 0.04 30.021 53.000 0.26 250 3.79% Preserver for Replacements 4.38 300 0.22 13.27% 10.200 6.56 55.500 0.17 162 2.49% 50.35% 10.216 57.59% 51.39 6.53% 50.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	•								
Unities 5.33 5.38 388 0.38 12.172 517.000 0.53 500 7.58% Water, Sever, & Trash 4.955 321 0.34 10.014 54.500 0.14 12 2.015 Property insurance 1.0215 6.42 0.70 22.427 518.500 0.26 250 3.79% Brearve for Replacements 2.698 187 0.20 5.35 557.50 0.17 1to 2 2.49% TOTAL EXPENSES 7.75% 44.44 514.92,222 515.507 54.23 3.09% 60.55% DEET SERVICE 2.29% 53.000 50 50.00 60 0 0 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 0.00% 50 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>									
Warr. Sweer, & Trash 4.9% 321 0.34 10.971 54.850 0.14 132 2.01% Property Insurance 10.21% 642 0.04 22.497 \$18,500 0.98 584 8.24 Property Tax 2.462 13.72% 889 0.94 30.219 \$53,000 0.26 2.25 3.77% Reserve for Replacements 4.437 300 0.22 12.200 \$55,500 0.16 2.45% 82.43 30.30 0.26 2.33 77% 54.23 \$1.905 60.33% NET OPERATION (NC 2.45% \$1.42 2.21 \$71.046 \$88.661 \$2.20 3.40% 50.30% NO 0.00% 50 0.00% 0 0.00% 50 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0	1								
Property insurance 12.71% 6.62 0.70 22.497 \$18.500 0.88 54.4 8.24% Property Tax 2.965 13.72% 609 0.32 10.200 56.500 0.93 882 13.37% Dimente log feedbacements 4.63% 3.00 0.32 10.200 56.500 0.17 1.62 2.45% Dimente log feedbacements 2.88% 107 0.20 6.350 \$55.500 0.17 1.62 2.45% DET SERVICE 22.5% 32.0% 52.21 \$71.044 \$88.501 \$2.76 \$3.605 0.00% City of Houston 0.00% 50 50.00 0 0 0 0.00% 50 0.00% 50.00 30 0.00% City of Houston 0.00% 50 50.00 0 0 0 0 0.00% 50.00 30 0.00% Construction Cost Cost field of Mag 3.00% 54.22 \$2.13.16.15 56.22 \$3.882 3.10% 5									
Property Tancing 2.926 13.72% 899 0.4 2.027 2.1000 903 882 13.37% Bessene for Replacements 2.43% 300 0.20 10.200 \$80,000 0.26 250 3.7% TOTAL EXPENSES 67.7% 54.38 900 0.21 1.62 2.45% TOTAL EXPENSES 67.7% 54.38 \$11.42 \$13.6,827 \$4.33 \$3.095 60.33 DEBT SERVICE 77% 54.38 \$1.448 \$11.42 \$56.023 \$74.943 \$2.3.3 \$3.2.04 3.40% City of Houston 0.00% \$0 \$0.00 0 0 \$0.000 \$0 0.00% RECOMENDED DET COVERAGE RATIO 12.2 11.2 11.2 11.2 11.2 11.3 1.3.3 0.72% Stetwork 0.05% 55.882 56.22 \$5.882 3.16.1 12.2 10000 \$0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00%									
Beamon for Replacements 4.6% 300 0.2 10.200 \$80,500 0.26 200 3795 Prindp ligt for SigeRevotion 2.88% 187 0.20 6,350 55,500 0.17 162 2.45% NET OPERATING INC 22.25% 22.00% \$2.21 \$71,046 \$88,501 \$27,65 \$2,065 39,47% DET SERVICE 2.43% \$1,648 \$1,174 \$56,023 \$74,943 \$2,33 \$2,204 33,40% City of Houston 0.00% \$0 90.00 0 0 \$0 \$0.00 \$0 0.00% City of Houston 0.00% \$40.42 \$4,47 \$15,023 \$13,618 \$0.42 \$401 6,07% Construction Cost 1.27 1127 112 \$200,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000 \$20,000									
Density for forwardservorm 2.8% 147 0.20 0.360 55.500 0.17 162 2.45% ICTAL EXPRESS 67.7% \$4.389 \$4.44 \$110,022 \$135,807 \$\$423 \$5.396 \$6.53% DEBT SERVICE 51.648 \$1.74 \$56,023 \$7.4,943 \$5.265 \$9.47% DEBT SERVICE 51.648 \$1.74 \$56,023 \$7.4,943 \$5.33 \$2.204 \$3.40% City of Houston 0.00% \$0 \$0.00									
TOTAL EXPENSES 672% \$4.389 \$4.44 \$1.40 \$2.22 \$125,527 \$4.23 \$3.996 \$0.53% NET OPERTINCE 32.29% \$2.20% \$2.20% \$2.21 \$71,046 \$88,561 \$2.76 \$2.2605 39.47% DEBT SERVICE 51.51,046 \$88,561 \$2.76 \$2.204 33.40% First Lin Mortgage 25.43% \$1.648 \$1.74 \$56,023 \$74,943 \$2.33 \$2.204 33.40% City of Houston 0.00% \$0 0 0 \$0.00 \$0 \$0.00 \$0.00 \$0.00%<									
NET OPERATING INC 32.29% \$2.090 \$2.21 \$71,046 \$89,561 \$2.76 \$2.405 39.47% DEBT SERVICE 513 Len Mortgage 25.43% \$1.448 \$1.74 \$56,023 \$74,943 \$2.33 \$2.00 \$0 0.00% City of Houston 0.00% \$0 \$0.00 0 0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0.00% \$0 0.00% \$0.42 \$4.01 \$0.07% \$0.40 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0.00 \$0 \$0 \$0.00 \$0 \$0.42 \$4.01 \$0.07% \$0 \$									
DEBT SERVICE First Line Mortgage 25.43% \$1.648 \$1.74 \$556,023 \$574,943 \$52.33 \$52.204 \$33.40% City of Houston 0.00% \$30 \$0.00 0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
First Lien Mortgage 25,43% \$1,648 \$1,74 \$56,023 \$74,943 \$2,33 \$2,204 33,40% City of Houstin 0.00% \$0 0		32.25%	\$2,090	\$2.21	\$/1,046	\$88,561	\$2.76	\$2,605	39.47%
Non-Non-Dega 000/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00 00/00									
Display Display Display Display Display Solution Solution <ths< td=""><td>First Lien Mortgage</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></ths<>	First Lien Mortgage								
Discription 6.82% \$442 \$0.47 \$15,023 \$13,618 \$0.42 \$401 6.07% AGGREGATE DEBT COVERAGE RATIO 1.27 1.3 1.27 1.3 1.27 CONSTRUCTION COST 55,822 56,22 \$53,800 \$60,20000 \$60,20000 \$60,22 \$58,82 3.16% Off: Sites 0.00% 0 0.00 0 0.00 0.00 0.00 0.00 0.00 0.00 0.00% 1.41 1.333 0.72% 8.426 8.91 2.66,477 303,524 9.44 8.927 4.73% 8.2,926 44.53% 0.00% 0.00% 0.00% 0.00% 0.00% 1.41 1.333 0.72% 8.4,26 8.91 2.66,477 303,524 9.44 8.927 4.73% 8.4,26 8.91 2.66,477 303,524 9.44 8.927 4.73% 8.4,26 8.91 2.66,477 303,524 9.44 8.927 4.75% 8.66,67 7.295 60,704 5.67 5.36 2.88%	City of Houston	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
AGGREGATE DEBT COVERAGE RATIO 1.27 1.18 RECOMMENDED DEBT COVERAGE RATIO 1.27 1.18 CONSTRUCTION COST 1.27 1.18 Disscription Eater % of TOTAL PER 50.FT Acquisition Cost (site or bidg) 3.30% \$5.882 \$6.22 Stream 0.00 0 0.00 0.00 Off-Sites 0.00% 0 0.00 0.00 0.00 Stework 0.75% 1.333 1.41 45.310 45.310 Contingency 10.00% 47.72% 8.426 8.91 2.86.477 30.524 Contractor's Construction 4.44% 8.29.25 87.73 2.819.456 1.88 1.78 Contractor's Profit 6.00% 2.83% 5.055 5.35 171.886 182.115 5.47 5.356 2.88% Contractor's Profit 1.30% 20.291 21.47 669.897 21.47 20.291 10.90% Ineligible Costs 1.30% 2.0291 2.468 793.173 <td>City of Houston</td> <td>0.00%</td> <td>\$0</td> <td>\$0.00</td> <td>0</td> <td>0</td> <td>\$0.00</td> <td>\$0</td> <td>0.00%</td>	City of Houston	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
1.27 Description 1.27 Description FELOM FOR TOTAL PER UNIT PER UNIT TOTACA APPLICANT Secription	NET CASH FLOW	6.82%	\$442	\$0.47	\$15,023	\$13,618	\$0.42	\$401	6.07%
CONSTRUCTION COST Description Earlor % of TOTAL % of TOTAL % of TOTAL Acquisition Cost (site or bidg) 0.00% 0 0.00 2 \$5.882 3.10% Off-Sites 0.00% 0 0.00 0 0.00 0 0.00 0 0.00% 0.	AGGREGATE DEBT COVERAGE RATIO)			1.27	1.18			
Description Eator % of TOTAL PER UNIT PER SOFT TDHCA APPLICANT Acquisition Cost (site or bidg) 3.30% \$5.882 \$6.22 \$200,000 \$200,000 \$0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 1.41 1.333 0.72% 84.46 8.91 2.86.477 303.524 9.44 8.927 4.79% General Req1's 6.00% 2.83% 5.055 5.35 171.886 182.115 5.67 5.356 2.88% 1.489 1.785 0.96% 2.468 2.3.29 1.2.5% 2.27 2.144 1.15% 2.2.27 2.144 1.15% 2.2.27 2.144 1.15% 2.2.27 2.144 1.1	RECOMMENDED DEBT COVERAGE F	ATIO			1.27	•			
Acquisition Cost (site or bidg) 3.30% \$5,882 \$6.22 \$200,000 \$200,000 \$6.22 \$5,882 3.16% Off-Sites 0.00% 0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Off-Sites 0.00% 0 0.00 0 0.00 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 1.41 1.333 0.141 1.333 0.72% 8.73 82.926 87.73 2.819.456 2.819.456 2.819.485 9.44 8.927 4.79% General Req1's 6.00% 2.83% 5.055 5.35 171.886 182.115 5.67 5.356 2.88% Contractor's C6 & A 2.00% 0.44% 1.485 1.78 5.7295 60.704 1.89 1.785 0.96% Contractor's Profit 13.08% 2.249 2.70 86.660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 2.99% 16.567 17.53 563.291 656.100 2.042 19.297 10.36% Interim Financing 15.0% 2.671 2.83 90.800 90.800 2.83 <	CONSTRUCTION COST				_				
Sitework 0.75% 1.333 1.41 45.310 45.310 1.41 1.333 0.72% Direct Construction 46.49% 82.925 87.73 2.819,456 2.819,483 87.73 82.926 44.53% Contingency 10.00% 4.72% 8.426 8.91 2864,477 303,524 9.44 8,927 4.79% General Req1s 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Contractor's Profit 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Indirect Construction 11.38% 2.0291 21.47 689,897 698,997 21.47 2.0291 10.90% Ineligible Costs 13.08% 2.329 24.68 793,173 793,173 24.68 23.329 12.53% Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Deve		% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Direct Construction 46.49% 82.925 87.73 2,819,456 2,819,483 87.73 82.926 44.53% Contingency 10.00% 4.72% 8.426 8.91 286,477 303,524 9.44 8.927 4.79% General Req'ts 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Contractor's G & A 2.00% 0.94% 1.685 1.78 57.295 60.704 189 1.785 0.96% Contractor's Profit 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Indirect Construction 11.38% 20.291 21.47 6.89,897 689,897 24.68 2.329 12.53% Developer's G & A 2.00% 1.43% 2.549 2.70 86.660 72.900 2.217 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 563.291 656.100 20.42 19.297	Description Factor								
Contingency 10.00% 4.72% 8.426 8.91 286.477 303.524 9.44 8.927 4.79% General Req'ts 6.00% 2.83% 5.055 5.35 171.886 182.115 5.67 5.356 2.88% Contractor's Profit 6.00% 2.83% 5.055 5.35 171.886 182.115 5.67 5.356 2.88% Indirect Construction 11.38% 20.291 21.47 6.89,897 6.89,897 21.47 20.291 10.90% Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.500 2.74 88.060 2.35,520 7.33 6.927 3.28% TOTAL COST 100.00% \$178.359 \$188.69 \$3,552,310 \$3,593,251 \$171.11 \$105.684 56.73% So	Description Factor Acquisition Cost (site or bldg)	3.30%	\$5,882	\$6.22	\$200,000	\$200,000	\$6.22	\$5,882	3.16%
Contractor's Ge A 2.00% 0.94% 1.665 1.78 57.295 60.704 1.89 1.785 0.96% Contractor's Ge A 2.00% 0.94% 1.685 1.78 57.295 60.704 1.89 1.785 0.96% Contractor's Profit 6.00% 2.83% 5.055 5.35 171.886 182,115 5.67 5.356 2.88% Indirect Construction 11.38% 20.291 21.47 689,897 689,897 21.47 20.291 10.90% Ineligible Costs 13.06% 23.329 24.68 793,173 793,173 24.68 23.329 12.53% Developer's Ge A 2.00% 1.43% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 5563.291 656,100 20.42 19.297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43%	Description Factor Acquisition Cost (site or bldg) Off-Sites	3.30% 0.00%	\$5,882 0	\$6.22 0.00	\$200,000 0	\$200,000 0	\$6.22 0.00	\$5,882 0	3.16% 0.00%
General Req"ts 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Contractor's G & A 2.00% 0.94% 1.685 1.78 57,295 60,704 1.89 1.785 0.96% Contractor's G & A 2.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Indirect Construction 11.38% 20.291 21.47 6.69,897 24.68 23.329 12.48 Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 563,291 656,100 20.42 19.297 10.36% Interim Financing 1.50% 2.590 2.74 88,060 235,520 7.33 6.927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$3,593,251 \$111.8 \$105,684 56.75% SOURCES OF FUNDS<	Description Factor Acquisition Cost (site or bidg) Off-Sites Sitework	3.30% 0.00% 0.75%	\$5,882 0 1,333	\$6.22 0.00 1.41	\$200,000 0 45,310	\$200,000 0 45,310	\$6.22 0.00 1.41	\$5,882 0 1,333	3.16% 0.00% 0.72%
Contractor's G & A 2.00% 0.94% 1.685 1.78 57,295 60,704 1.89 1.785 0.96% Contractor's Profit 6.00% 2.83% 5.055 5.35 171,886 182,115 5.67 5.356 2.88% Indirect Construction 11.38% 20.291 21.47 689,897 689,897 24.68 2.329 12.53% Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72,900 2.27 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 563,291 656,100 2.42 19.297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6,927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$3,552,310 \$3,593,251 \$111.81 \$105,644 56.75%	Description Factor Acquisition Cost (site or bidg) Off-Sites Sitework Direct Construction	3.30% 0.00% 0.75% 46.49%	\$5,882 0 1,333 82,925	\$6.22 0.00 1.41 87.73	\$200,000 0 45,310 2,819,456	\$200,000 0 45,310 2,819,483	\$6.22 0.00 1.41 87.73	\$5,882 0 1,333 82,926	3.16% 0.00% 0.72% 44.53%
Contractor's Profit 6.00% 2.83% 5,055 5.35 171,886 182,115 5.67 5,356 2.88% Indirect Construction 11.38% 20.291 21.47 669,897 689,897 21.47 20.291 10.90% Indirect Construction 11.38% 20.291 21.47 669,897 689,897 21.47 20.291 10.90% Developer's G & A 2.00% 14.3% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6.927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$3,552,310 \$3,593,251 \$11.81 \$106,644 50.75% SOURCES OF FUNDS 51.910 \$10,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 8649,951 First L	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%	3.30% 0.00% 0.75% 46.49% 4.72%	\$5,882 0 1,333 82,925 8,426	\$6.22 0.00 1.41 87.73 8.91	\$200,000 0 45,310 2,819,456 286,477	\$200,000 0 45,310 2,819,483 303,524	\$6.22 0.00 1.41 87.73 9.44	\$5,882 0 1,333 82,926 8,927	3.16% 0.00% 0.72% 44.53% 4.79%
Indirect Construction 11.38% 20.291 21.47 689,897 689,897 21.47 20.291 10.90% Ineligible Costs 13.08% 23.329 24.68 793,173 793,173 24.68 23.329 12.53% Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72,900 2.27 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 563,291 655,100 20.42 19.297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 233,57 7.33 6.927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$3,552,310 \$3,559,3257 \$111.81 \$105,684 \$6.75% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 \$649,951 Rockwell Fund (GRANT) 13.28% \$1,471 \$1.56 50,000 50,000 \$6	DescriptionFactorAcquisition Cost (site or bldg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83%	\$5,882 0 1,333 82,925 8,426 5,055	\$6.22 0.00 1.41 87.73 8.91 5.35	\$200,000 0 45,310 2,819,456 286,477 171,886	\$200,000 0 45,310 2,819,483 303,524 182,115	\$6.22 0.00 1.41 87.73 9.44 5.67	\$5,882 0 1,333 82,926 8,927 5,356	3.16% 0.00% 0.72% 44.53% 4.79% 2.88%
Ineligible Costs 13.08% 23.329 24.68 793,173 793,173 24.68 23.329 12.53% Developer's G & A 2.00% 1.43% 2.549 2.70 86,660 72.900 2.27 2.144 1.15% Developer's Profit 13.00% 9.29% 16.567 17.53 563,291 656,100 20.42 19.297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6.927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$3,552,310 \$3,559,3257 \$111.87 \$105,684 56.75% SOURCES OF FUNDS First Lien Mortgag 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 \$649,951 Houston Endowment (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$649,951 Strake Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94%	\$5,882 0 1,333 82,925 8,426 5,055 1,685	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89	\$5,882 0 1,333 82,926 8,927 5,356 1,785	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96%
Developer's G & A 2.00% 1.43% 2,549 2.70 86,660 72,900 2.27 2,144 1.15% Developer's Profit 13.00% 9.29% 16,567 17.53 563,291 656,100 20.42 19,297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 20.42 19,297 10.36% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6,927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$6,064,190 \$6,331,641 \$197.01 \$186,225 100.00% Recap-Hard Construction Costs \$58,59% \$104,480 \$110.57 \$3,552,310 \$3,593,251 \$111.81 \$105,684 \$6.75% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 \$800,000 \$649,951 Houston Endowment (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$649,951	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88%
Developer's Profit 13.0% 9.29% 16.567 17.53 563,291 656,100 20.42 19.297 10.36% Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6.927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$6,064,190 \$6,331,641 \$197.01 \$186,225 100.00% Recap-Hard Construction Costs 58.58% \$104,480 \$110.53 \$3,552,310 \$3,593,257 \$111.81 \$105,684 \$6.75% SOURCES OF FUNDS 513.19% \$23,529 \$24.89 \$800,000 \$800,000 \$1,000,000 1,000,000 1,000,000 \$649,951 Houston Endowment (GRANT) 13.19% \$23,529 \$24.89 \$800,000 \$0,000 \$649,951 \$649,951 Reckwell Fund (GRANT) 0.82% \$1,471 \$1.56 \$0,000 \$0,000 \$0 \$649,951 Strake Founda	DescriptionFactorAcquisition Cost (site or bldg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90%
Interim Financing 1.50% 2.671 2.83 90,800 90,800 2.83 2.671 1.43% Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6,927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$6,064,190 \$6,331,641 \$197.01 \$186,225 100.00% Recap-Hard Construction Costs 58.58% \$104,480 \$110.53 \$3,552,310 \$3,593,257 \$111.81 \$105,684 56.73% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 \$800,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$649,951 \$650,000 \$60,000 \$649,951 \$650,000 \$60,000 \$649,951 \$650,000 \$60,000 \$649,951	DescriptionFactorAcquisition Cost (site or bld)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIndirect StateIneligible CostsIndirect	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53%
Reserves 1.45% 2.590 2.74 88,060 235,520 7.33 6,927 3.72% TOTAL COST 100.00% \$178,359 \$188.69 \$6,064,190 \$6,331,641 \$197.01 \$186,225 100.00% Recap-Hard Construction Costs 58.58% \$104,480 \$110.53 \$3,552,310 \$3,593,251 \$111.81 \$105,684 56.75% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800	DescriptionFactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIneligible CostsDeveloper's G & A2.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15%
TOTAL COST 100.00% \$178,359 \$188.69 \$6,0.64,190 \$6,331,641 \$197.01 \$186,225 100.00% Recap-Hard Construction Costs 58.58% \$104,480 \$110.53 \$3,552,310 \$3,593,251 \$111.81 \$105,684 \$6.75% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 <th< td=""><td>DescriptionFactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIneligible CostsDeveloper's G & A2.00%Developer's Profit13.00%</td><td>3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29%</td><td>\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567</td><td>\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53</td><td>\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291</td><td>\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100</td><td>\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42</td><td>\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297</td><td>3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36%</td></th<>	DescriptionFactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIneligible CostsDeveloper's G & A2.00%Developer's Profit13.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36%
Recap-Hard Construction Costs 58.58% \$104,480 \$110.53 \$3,552,310 \$3,593,251 \$111.81 \$105,684 \$6.78% SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,522 \$24.89 \$800,000 \$800,000 \$800,000 Developer Fee Available Houston Endowment (GRANT) 13.19% \$23,522 \$24.89 \$800,000 1,000,000 1,000,000 Developer Fee Available Rockwell Fund (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000	DescriptionEactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIndirect ConstructionIneligible CostsDeveloper's G & A2.00%Developer's Profit13.00%Interim Financing13.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43%
SOURCES OF FUNDS First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 Developer Fee Available City of Houston 16.49% \$29,412 \$31.12 1,000,000 1,000,000 1,000,000 1,000,000 Developer Fee Available Houston Endowment (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 50,000 \$00,000 \$0 of Dev. Fee Deferred Rockwell Fund (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$0 of Dev. Fee Deferred Strake Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$0 of Dev. Fee Deferred US Env. Protection Agcy (GRANT) 0.82% \$6.22 200,000 200,000 \$0 \$% Historic TC Syndication Proceeds 36.11% \$64.397 \$68.13 2,189,500 2,189,498 \$15-Yr Cumulative Cash Flow \$283,286.07 Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 \$283,286.07	DescriptionEactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIndirectIneligible Costs2.00%Developer's G & A2.00%Developer's Profit13.00%Interim FinancingKeserves	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 13.08% 1.38% 1.43% 9.29% 1.50% 1.45%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72%
First Lien Mortgage 13.19% \$23,529 \$24.89 \$800,000 \$800,000 \$800,000 Developer Fee Available City of Houston 16.49% \$29,412 \$31.12 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 Seedopter Fee Available Houston Endowment (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 50,000 \$00,000 \$00,000 \$00,000 \$00,000 \$00,000 \$00,000 \$00,000 \$649,951 The Brown Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$00,000<	DescriptionEactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction6.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%ReservesTOTAL COST	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.83 2.74 \$188.69	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72%
City of Houston 16.49% \$29,412 \$31.12 1,000,000 1,000,000 1,000,000 Developer Fee Available Houston Endowment (GRANT) 13.19% \$23,529 \$24.89 800,000 800,000 800,000 \$649,951 Rockwell Fund (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$600,000 \$649,951 The Brown Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$600,000 \$600,000 \$649,951 Strake Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$600,000 \$600,000 \$649,951 US Env. Protection Agcy (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0 \$8% US Env. Protection Agcy (GRANT) 3.30% \$5,882 \$6.22 200,000 20,189,500 2,189,498 15.47 Cumulative Cash Flow Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,4040,714 \$283,286.07	DescriptionEactorAcquisition Cost (site or bid)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction1.00%Indirect Construction1.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing1.00%ReservesTOTAL COSTFactor-Hard Construction Costs	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.83 2.74 \$188.69	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$111.81	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72%
Houston Endowment (GRANT) 13.19% \$23,529 \$24.89 800,000 800,000 800,000 \$60,000 \$60,000 \$649,951 Rockwell Fund (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 \$0,000 \$0,000 \$0,000 \$649,951 The Brown Foundation (GRANT) 0.66% \$11,765 \$12.45 400,000 400,000 400,000 \$60,0	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Developer's G & A2.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%ReservesTOTAL COSTRecap-Hard Construction CostsSOURCES OF FUNDS	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 <i>\$104,480</i>	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$711.81 RECOMMENDED	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72%
Rockwell Fund (GRANT) 0.82% \$1,471 \$1.56 50,000 60,000 8% US Env. Protection Agcy (GRANT) 3.30% \$5,882 \$6,22 200,000 200,000 00 8% 15.Yr Cumulative Cash Flow 15.Yr Cumulative Cash Flow 15.Yr Cumulative Cash Flow 15.Yr Cumulative Cash Flow \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$283,286.07 \$28	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Developer's G & A2.00%Developer's G & A2.00%Developer's G & A2.00%Interim Financing13.00%ReservesTOTAL COSTFortal COSTSURCES OF FUNDSFirst Lien Mortgage1000%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$170.53 \$2.74	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 553,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$117.81 RECOMMENDED \$800,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75%
The Brown Foundation (GRANT) 6.60% \$11,765 \$12.45 600,000 400,000 400,000 % of Dev. Fee Deferred Strake Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 00 8% US Env. Protection Agcy (GRANT) 3.30% \$5,882 \$6.22 200,000 200,000 0 8% LIHTC Syndication Proceeds 36.11% \$64,397 \$68.13 2,189,500 2,189,498 15-Yr Cumulative Cash Flow Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,040,714 \$283,286.07 Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$14.55) (467,451) (200,000) 0	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%ReservesTOTAL COSTFortAL COSTSources of FUNDSFirst Lien MortgageLity of Houston	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$170.53 \$188.69 \$24.89 \$31.12	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$117.81 <u>\$400,000</u> 1,000,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75%
Strake Foundation (GRANT) 0.82% \$1,471 \$1.56 50,000 50,000 00 8% US Env. Protection Agcy (GRANT) 3.30% \$5,882 \$6.22 200,000 200,000 0 0 8% LIHTC Syndication Proceeds 36.11% \$64,397 \$68.13 2,189,500 2,189,498 15-Yr Cumulative Cash Flow Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,040,714 \$283,286.07 Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$14.55) (467,451) (200,000) 0	DescriptionFactorAcquisition Cost (site or blg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Developer's G & A2.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%ReservesTOTAL COSTCOTAL COSTSOURCES OF FUNDSFirst Lien MortgageCity of HoustonHouston Endowment (GRANT)	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 \$8,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 800,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 800,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$711.87 <u>Recommembero</u> \$880,0000 1,000,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75%
US Env. Protection Agcy (GRANT) 3.30% \$5,882 \$6.22 200,000 200,000 0 LIHTC Syndication Proceeds 36.11% \$64,397 \$68.13 2,189,500 2,189,500 2,189,498 15-Yr Cumulative Cash Flow Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,040,714 \$283,286.07 Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$14.55) (467,451) (200,000) 0	DescriptionFactorAcquisition Cost (site or blg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect ConstructionIndirect ConstructionIneligible CostsDeveloper's G & A2.00%Developer's G & A2.00%Interim FinancingReservesTOTAL COSTRecap-Hard Construction CostsBURCES OF FUNDSFirst Lien MortgageCity of HoustonHouston Endowment (GRANT)Rockwell Fund (GRANT)	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 0.82%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$29,412 \$23,529 \$1,471	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.56	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 800,000 50,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 800,000 50,000	\$6.22 0.00 1.41 87,73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$117.81 <u>RECOMMENDED</u> \$800,000 1,000,000 800,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer Ff \$649	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951
LIHTC Syndication Proceeds 36.11% \$64,397 \$68.13 2,189,500 2,189,500 2,189,498 15-Yr Cumulative Cash Flow Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,040,714 \$283,286.07 Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$14.55) (467,451) (200,000) 0	DescriptionFactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's G & A2.00%Contractor's Profit3.00%Indirect Construction1.00%Indirect Construction1.00%Indirect Construction1.00%Indirect Construction1.00%Interim Financing1.00%ReservesTOTAL COSTCacap-Hard Construction CostsCource ConstructionFirst Lien MortgageCity of HoustonHouston Endowment (GRANT)Houston Endowment (GRANT)	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 0.82% 6.60%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$178,359 \$23,529 \$23,529 \$29,412 \$23,529 \$29,412 \$23,529 \$1,471 \$11,765	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$170.53 \$274 \$188.69 \$31.12 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.12	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 800,000 50,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,257 \$800,000 1,000,000 800,000 50,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 <u>\$107.01</u> <u>\$107.01</u> <u>\$800,000</u> 1,000,000 800,000 0,00	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer Ff \$649 % of Dev. Fe	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred
Historic TC Syndication Proceeds 17.16% \$30,609 \$32.38 1,040,714 1,040,714 1,040,714 \$283,286.07 Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$13,749) (\$14.55) (467,451) (200,000) 0	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's G & A2.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Interim Financing13.00%Reserves13.00%TOTAL COSTCostruction CostsSources of FUNDSFirst Lien MortgageCity of HoustonHouston Endowment (GRANT)Houston Endowment (GRANT)The Brown Foundation (GRANT)Strake Foundation (GRANT)5trake Foundation (GRANT)	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 0.82% 6.60% 0.82%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$29,412 \$23,529 \$29,412 \$23,529 \$1,471	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$1.56 \$12.45 \$1.56	\$200,000 0 45,310 2,819,456 2266,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 50,000 400,000 50,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 800,000 50,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 <u>\$117.87</u> <u>RECOMMENDED</u> \$800,000 1,000,000 800,000 50,000 400,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer Ff \$649 % of Dev. Fe	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred
Deferred Developer Fees 0.02% \$42 \$0.04 1,427 1,427 51,428 Additional (excess) Funds Required -7.71% (\$13,749) (\$14.55) (467,451) (200,000) 0	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction10.00%Indirect Construction10.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%Reserves13.00%TOTAL COSTCostructionBrist Lien Mortgage13.00%City of HoustonHoustonHouston Endowment (GRANT)Rockwell Fund (GRANT)Rockwell Fund (GRANT)14.00%Strake Foundation (GRANT)15.00%Strake Foundation (GRANT)15.00%Strake Foundation (GRANT)15.00%	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 0.82% 6.60% 0.82% 3.30%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$29,412 \$23,529 \$1,471 \$11,765 \$1,471 \$5,882	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.56 \$12.45 \$1.56 \$6.22	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 \$0,000 400,000 50,000 200,000	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 800,000 50,000 200,000	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$171.81 <u>RECOMMENDED</u> \$800,000 1,000,000 800,000 50,000 400,000 0 0 0 0 0 0 0 0 0 0 0 0	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer Fe \$649 % of Dev. Fe 89	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 1.036% 1.43% 3.72% 1.00.00% 56.75% see Available ,951 see Deferred %
Additional (excess) Funds Required -7.71% (\$13,749) (\$14.55) (467,451) (200,000) 0	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's Profit6.00%Indirect Construction1Indirect Construction1Indirect Construction1Indirect Construction1Indirect Construction1Indirect Construction1Indirect Construction1Interim Financing1Reserves1TOTAL COSTSources Of FUNDSSources Of FUNDS5First Lien Mortgage1City of Houston1Houston Endowment (GRANT)1Reserves1The Brown Foundation (GRANT)Strake Foundation (GRANT)US Env. Protection Agcy (GRANT)LIHTC Syndication Proceeds	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 1.43% 9.29% 1.50% 1.45% 100.00% <i>58.58</i> % 13.19% 16.49% 13.19% 0.82% 6.60% 0.82% 3.30% 36.11%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$12,471 \$11,765 \$1,471 \$11,765 \$1,471 \$5,882 \$64,397	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$170.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$1.56 \$12.45 \$1.56 \$1.26 \$6.22 \$68.13	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 \$0,000 50,000 200,000 2,189,500	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 \$0,000 400,000 50,000 200,000 2,189,500	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$117.81 RECOMMENDED \$800,000 1,000,000 800,000 0,000 400,000 0 0 0,000 0 0 0 0 0 0 0 0 0 0 0 0	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer F6 \$649 % of Dev. F6 89 15-Yr Cumulat	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred % ev Cash Flow
	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction0Indirect Construction10.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%Reserves10TAL COSTForAL COSTSOURCES OF FUNDSSOURCES OF FUNDS50Houston Endowment (GRANT)10000 (GRANT)Rockwell Fund (GRANT)10000 (GRANT)Strake Foundation (GRANT)100000 (GRANT)Strake Foundation (GRANT)100000 (GRANT)LIHTC Syndication Proceeds1000000 (GRANT)Historic TC Syndication Fourceeds1000000000000000000000000000000000000	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 0.82% 6.60% 0.82% 3.30% 36.11% 17.16%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$1,471 \$11,765 \$1,471 \$11,765 \$1,471 \$5,882 \$64,397 \$30,609	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$170.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$1.56 \$12.45 \$1.56 \$1.56 \$6.22 \$68.13 \$32.38	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 \$0,000 50,000 200,000 2,189,500 1,040,714	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 655,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 \$0,000 50,000 200,000 2,189,500 1,040,714	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$117.87 BECOMMENDED \$800,000 1,000,000 300,000 50,000 400,000 0 0 0 0 0 0 0 0 0 0 0 0	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$105,684 Developer F6 \$649 % of Dev. F6 89 15-Yr Cumulat	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred % ev Cash Flow
TOTAL SOURCES [\$6,064,190] \$6,331,641] \$6,331,641	DescriptionEactorAcquisition Cost (site or bidg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's Profit6.00%Indirect Construction10.00%Indirect Construction0Indirect Construction10.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing13.00%Reserves13.00%TOTAL COSTCostsSOURCES OF FUNDSFirst Lien MortgageCity of HoustonHouston Endowment (GRANT)Rockwell Fund (GRANT)Strake Foundation (GRANT)Strake Foundation (GRANT)LIHTC Syndication ProceedsHistoric TC Syndication ProceedsDeferred Developer Fees	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 16.49% 13.19% 0.82% 3.30% 36.11% 17.16% 0.02%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$104,471 \$11,765 \$1,471 \$11,765 \$1,471 \$5,882 \$64,397 \$30,609 \$42	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$3.2,38 \$32.38 \$0.04	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,064,190 \$3,552,310 \$800,000 1,000,000 \$0,000 50,000 200,000 2,189,500 1,040,714 1,427	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 \$0,000 50,000 200,000 2,189,500 1,040,714 1,427	\$6.22 0.00 1.41 87.73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$717.87 RECOMMENDED \$800,000 1,000,000 800,000 0,0000 0,000 0,000 0,000 0,000 0,0000 0,0000 0,000 0,000	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$705,684 Developer Fe \$649 % of Dev. Fe \$649 % of Dev. Fe \$649	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred % ev Cash Flow
	DescriptionFactorAcquisition Cost (site or blg)Off-SitesSiteworkDirect ConstructionContingency10.00%General Req'ts6.00%Contractor's G & A2.00%Contractor's Profit6.00%Contractor's Profit6.00%Indirect ConstructionIneligible CostsDeveloper's G & A2.00%Developer's G & A2.00%Developer's Profit13.00%Interim Financing8ReservesTOTAL COSTTOTAL COSTFIRST Lien MortgageCity of HoustonHouston Endowment (GRANT)Houston Endowment (GRANT)Srake Foundation (GRANT)Strake Foundation (GRANT)US Env. Protection Agcy (GRANT)LIHTC Syndication ProceedsHistoric TC Syndication ProceedsHistoric TC Syndication ProceedsLeffered Developer Fees	3.30% 0.00% 0.75% 46.49% 4.72% 2.83% 0.94% 2.83% 11.38% 13.08% 1.43% 9.29% 1.50% 1.43% 9.29% 1.50% 1.45% 100.00% 58.58% 13.19% 16.49% 13.19% 16.49% 13.19% 0.82% 3.30% 36.11% 17.16% 0.02%	\$5,882 0 1,333 82,925 8,426 5,055 1,685 5,055 20,291 23,329 2,549 16,567 2,671 2,590 \$178,359 \$104,480 \$23,529 \$29,412 \$23,529 \$104,471 \$11,765 \$1,471 \$11,765 \$1,471 \$5,882 \$64,397 \$30,609 \$42	\$6.22 0.00 1.41 87.73 8.91 5.35 1.78 5.35 21.47 24.68 2.70 17.53 2.83 2.74 \$188.69 \$110.53 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.12 \$24.89 \$31.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$3.2,38 \$32.38 \$0.04	\$200,000 0 45,310 2,819,456 286,477 171,886 57,295 171,886 689,897 793,173 86,660 563,291 90,800 88,060 \$6,664,190 \$3,552,310 \$800,000 1,000,000 \$0,000 \$0,000 200,000 2,189,500 1,040,714 1,427 (467,451)	\$200,000 0 45,310 2,819,483 303,524 182,115 60,704 182,115 689,897 793,173 72,900 656,100 90,800 235,520 \$6,331,641 \$3,593,251 \$800,000 1,000,000 800,000 50,000 200,000 200,000 2,189,500 1,040,714 1,427 (200,000)	\$6.22 0.00 1.41 87,73 9.44 5.67 1.89 5.67 21.47 24.68 2.27 20.42 2.83 7.33 \$197.01 \$711.87 <u>BECOMMENDED</u> \$800,000 1,000,000 800,000 0,000 400,000 0,000 0,000 0,000 1,000,000 1,000,000 0,000 1,000,000 0,000 1,000,000 0,000 1,000,000 0,000 1,000,000 0,000 1,000,000 0,000 0,000 1,000,000 0,0000 0,000 0,000 0,000 0,000 0,0000 0,0000 0,000 0,000 	\$5,882 0 1,333 82,926 8,927 5,356 1,785 5,356 20,291 23,329 2,144 19,297 2,671 6,927 \$186,225 \$705,684 Developer F6 \$649 % of Dev. F6 \$649 % of Dev. F6 \$649	3.16% 0.00% 0.72% 44.53% 4.79% 2.88% 0.96% 2.88% 10.90% 12.53% 1.15% 10.36% 1.43% 3.72% 10.36% 1.43% 3.72% 100.00% 56.75% ee Available ,951 ee Deferred % ev Cash Flow

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Jefferson Davis Artist Lofts, Houston, LIHTC #03011

L

PAYMENT COMPUTATION

Primary	\$800,000	Term	360
Int Rate	5.75%	DCR	1.27
Secondary	\$1,000,000	Term	
Int Rate		Subtotal DCR	1.27
Additional	\$2,189,500	Term	
Int Rate		Aggregate DCR	1.27

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Servi Secondary Debt Se Additional Debt Ser NET CASH FLOW	rvice vice	\$56,023 0 0 \$15,023	
Primary	\$800,000	Term	360
Int Rate	5.75%	DCR	1.27
Secondary	\$1,000,000	Term	0
Int Rate	0.00%	Subtotal DCR	1.27
Additional	\$2,189,500	Term	0
Int Rate	0.00%	Aggregate DCR	1.27
	-		

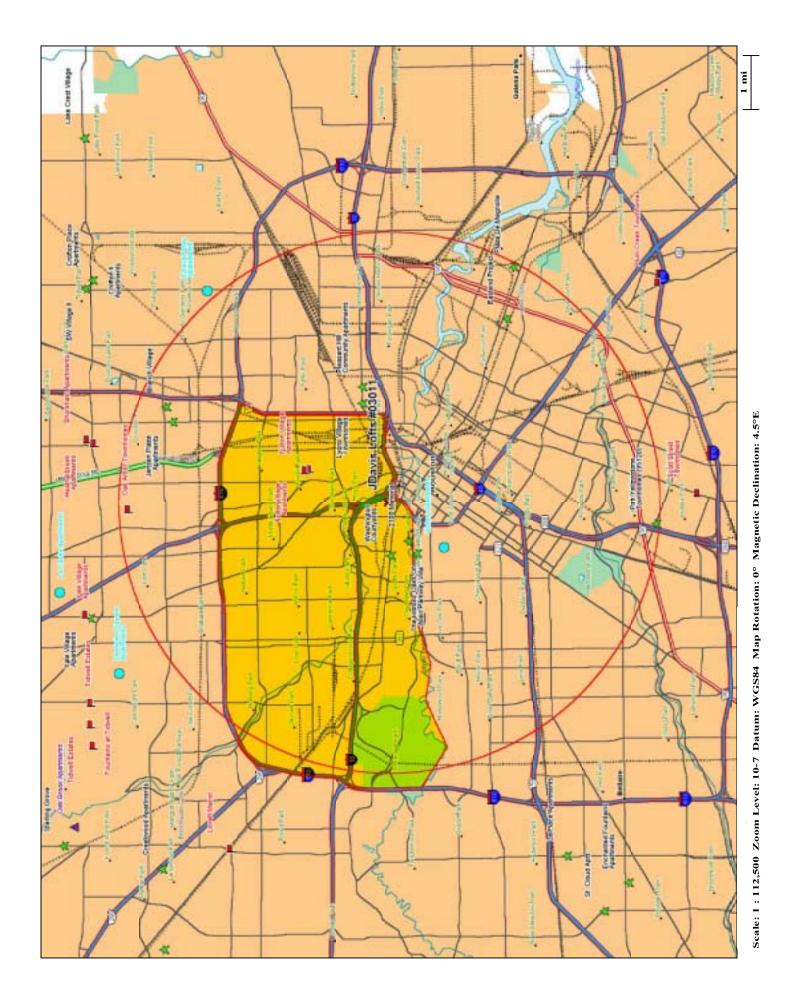
OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GR	OSS RENT	\$236,088	\$243,171	\$250,466	\$257,980	\$265,719	\$308,041	\$357,104	\$413,982	\$556,357
Secondary Inc	come	2,040	2,101	2,164	2,229	2,296	2,662	3,086	3,577	4,807
Other Suppor	t Income: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GR	ROSS INCOME	238,128	245,272	252,630	260,209	268,015	310,703	360,190	417,559	561,164
Vacancy & Co	Ilection Loss	(17,860)	(18,395)	(18,947)	(19,516)	(20,101)	(23,303)	(27,014)	(31,317)	(42,087)
Employee or (Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GR	OSS INCOME	\$220,268	\$226,876	\$233,683	\$240,693	\$247,914	\$287,400	\$333,176	\$386,242	\$519,077
EXPENSES at	4.00%									
General & Adr	ministrative	\$10,596	\$11,020	\$11,461	\$11,919	\$12,396	\$15,081	\$18,349	\$22,324	\$33,045
Management		12,576	12,953	13,342	13,742	14,154	16,409	19,022	22,052	29,636
Payroll & Pay	roll Tax	13,501	14,041	14,603	15,187	15,794	19,216	23,379	28,444	42,104
Repairs & Ma	intenance	20,198	21,006	21,846	22,720	23,629	28,748	34,977	42,555	62,991
Utilities		12,172	12,659	13,165	13,692	14,239	17,325	21,078	25,645	37,960
Water, Sewer	& Trash	10,914	11,351	11,805	12,277	12,768	15,534	18,900	22,994	34,037
Insurance		22,497	23,396	24,332	25,306	26,318	32,020	38,957	47,397	70,159
Property Tax		30,219	31,427	32,684	33,992	35,351	43,010	52,329	63,666	94,241
Reserve for R	eplacements	10,200	10,608	11,032	11,474	11,933	14,518	17,663	21,490	31,810
Other		6,350	6,604	6,868	7,143	7,429	9,038	10,996	13,378	19,803
TOTAL EXPENS	SES	\$149,222	\$155,065	\$161,138	\$167,450	\$174,011	\$210,899	\$255,649	\$309,945	\$455,788
NET OPERATIN	IG INCOME	\$71,046	\$71,811	\$72,545	\$73,243	\$73,903	\$76,502	\$77,527	\$76,297	\$63,289
DEBT	SERVICE									
First Lien Finar	ncing	\$56,023	\$56,023	\$56,023	\$56,023	\$56,023	\$56,023	\$56,023	\$56,023	\$56,023
Second Lien		0	0	0	0	0	0	0	0	0
Other Financin	g	0	0	0	0	0	0	0	0	0
NET CASH FLO		\$15,023	\$15,788	\$16,522	\$17,220	\$17,880	\$20,479	\$21,504	\$20,274	\$7,266
DEBT COVERA	GE RATIO	1.27	1.28	1.29	1.31	1.32	1.37	1.38	1.36	1.13

LIHTC Allocation Calculation - Jefferson Davis Artist Lofts, Houston, LIHTC #03011

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$200,000	\$200,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$45,310	\$45,310	\$45,310	\$45,310
Off-site improvements				
(3) Construction Hard Costs		-		
New structures/rehabilitation hard costs	\$2,819,483	\$2,819,456	\$2,819,483	\$2,819,456
(4) Contractor Fees & General Requirements	·		<u> </u>	
Contractor overhead	\$60,704	\$57,295	\$57,296	\$57,295
Contractor profit	\$182,115	\$171,886	\$171,888	\$171,886
General requirements	\$182,115	\$171,886	\$171,888	\$171,886
(5) Contingencies	\$303,524	\$286,477	\$143,240	\$286,477
(6) Eligible Indirect Fees	\$689,897	\$689,897	\$689,897	\$689,897
(7) Eligible Financing Fees	\$90,800	\$90,800	\$90,800	\$90,800
(8) All Ineligible Costs	\$793,173	\$793,173		
(9) Developer Fees			\$628,470	
Developer overhead	\$72,900	\$86,660		\$86,660
Developer fee	\$656,100	\$563,291		\$563,291
(10) Development Reserves	\$235,520	\$88,060		
TOTAL DEVELOPMENT COSTS	\$6,331,641	\$6,064,190	\$4,818,271	\$4,982,958

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		\$4,818,271	\$4,982,958
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$6,263,752	\$6,477,845
Applicable Fraction		76.60%	76.60%
TOTAL QUALIFIED BASIS		\$4,797,896	\$4,961,887
Applicable Percentage		8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS		\$400,145	\$413,821
Syndication Proceeds	0.7799	\$3,120,815	\$3,227,484
Total Credits (Eligi	ble Basis Method)	\$400,145	\$413,821
Syn	dication Proceeds	\$3,120,815	\$3,227,484
F	Requested Credits	\$280,733	
Syn	dication Proceeds	\$2,189,498	
Gap of Syndication	Proceeds Needed	\$2,240,927	
	Credit Amount	\$287,327	



TDHCA # 03070 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development Name: Bay Ranch Apa			TDHCA :	#: 03070
DEVELOPMENT LOCATION AND DESIGNA				
Region: 6 City: Bay City □ TTC □ DDA ☑ QCT	Site Address: County: Purpose / Activ	1400 Thompso Matagorda	Zip Code: 7741	4
Targeted Units: Family: 64 Elderly: 0	Handicapped/	•	Domestic Abuse: 0	Transitional: 0
Set Asides: Set Asides: All General At-Risk		Rural	TX-USDA-RHS	
OWNER AND PRINCIPAL INFORMATION	Owner Entity Nan	ne: Bay City B	ay Ranch Apartments,	LP
Principal Names	Principal Co	ntact	Percentage Owner	rship
Bay City Bay Ranch Apartments I, LLC	Michael G. La	ankford	.01% of Owner (MC	SP)
Hill Country Community Housing Corporation	Tama Shaw	ford	51% of MGP	
Lankford Interests, LLC	Michael Lank	1010	41% of MGP	
TAX CREDIT ALLOCATION INFORMATION				
Annual Credit Allocation Recommendatio	\$451,094		n over 10 Years:	\$4,510,940
Credits Requested \$477,317 Eligi	ble Basis Amount:	\$468,131	Equity/Gap Amount	\$451,094
UNIT INFORMATION		NT AMENITIES	(no extra cost to tenant)	
Eff <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> Tota	Decreation f	acilities	 Computer Facility w Public Phones 	ith Internet
30% 0 2 6 3 11	Perimeter Fe		led Gate Access	
	Community	Laundry Room o	r Hook-Ups in Units	
50% 0 4 3 6 13 60% 0 1 18 12 31			nter or Community Meal I	Room
60% 0 1 18 12 31 MR 0 0 3 1 4		ommunity Room		
Total 0 8 32 24	UNIT AMENIT		a cost to tenant) Computer Line in al 	Bedrooms
Total LI Units: 60	Mini Blinds	ules	Ceramic Tile - Entry	
Owner/Employee Units: 0	Laundry Cor	nnections	Storage Room	
Total Project Units: 64	Laundry Equ		25 year Shingle Ro	
Applicable Fraction: 94.00	Covered Part Covered Part Garages	rking	Covered Patios or E	
Applicable fraction is the lesser of the unit fraction or the square foot fractic attributable to low income units.		gy Efficient Alterr	native Construction Mater	•
BUILDING INFORMATION				
Total Development Cost:		verage Square		966
Gross Building Square Feet			ntable Square Foot	\$82.50
Total Net Rentable Area Square Feet:		credits per Low	Income Uni	\$7,518
INCOME AND EXPENSE INFORMATION	_	INANCING	vinal Amount:	¢1 444 606
Effective Gross Income	¢001,001	Permanent Princ		\$1,444,606 \$0
Total Expenses: Net Operating Income	$\psi 200, 120$	quity Source:		NA
Estimated 1st Year Debt Coverage Ratio	÷0,00_	syndication Rate	e :	\$0.8099
	" = Not Yet Availabl			\$0.0000
Developer: Lankford Interests, LLC		arket Analyst:	Allen and Associate	s Consultina
Housing GC: JDP Group		iginator/UW:	NA	y
Engineer: NA		praiser:	NA	
Cost Estimator: JDP Group		orney:	J. Michael Pruitt Lav	v Office
Architect: Hill & Frank Architects	Ac	countant:	Reznick, Fedder & S	Silverman
Property Manager Greater Coastal Manage	ement, LLC Su	pp Services	Texas Inter-Faith Ho	ousing Co.
Syndicator: Columbia Housing Partr	er Pe	rmanent Lende	er PNC Bank, NA	

Project Number:	03070
-----------------	-------

	on paranonio			. reject tan		
PUBLIC COMMENT SUM	MARY Note: "	O" = Oppose,	"S" = Support, "N" =	Neutral, "NC" or	Blank = No commen	t
# of Letters, Petitions, or ✔ A resolution was pass	ed by the local go		support of the deve		0 Opposition:	0
Local/State/Federal Officials w			Comment from Other	Public Officials:		
	lartinez, Mayor, City					
TX Representative:	Glenda Dawson, D					
TX Senator:	Ken Armbrister, D	Ron Paul, S				
US Representative: US Senator:		NUIT Faul, S				
General Summary of Commen	t: Some Support					
DEPARTMENT EVALUA						
	6 Site Finding:	Acceptable	Linderwriti	na Findina: An	proved with Condit	tions
Tomits Awarded. 9		Acceptable	e Onderwitt			
CONDITIONS TO COM						
Receipt, review, and acceptan not to exceed \$115,332.	nce of a revised perm	nanent loan cor	nmitment prior to close	of the construction	loan reflecting a debt	service
Should the terms and rates of credit amount may be warran		or syndication c	hange, the transaction s	should be re-evaluated	ated and an adjustmen	it to th
Alternate Recommendation	I: NA					
RECOMMENDATION BY						
PRODUCTION AND THE						
Score	Meetir	ng a Required S	Set Aside	Meeting	the Regional Allocation	n
To serve a greater number	r of lower income far	nilies for fewer o	credits.			
To ensure geographic disp						
To ensure the Development	nt's consistency with	local needs or i	its impact as part of a re	vitalization or pres	ervation plan.	
\Box To ensure the allocation of	f credits among as m	any different er	ntities as practicable w/o	ut diminishing the	quality of the housing	built.
To give preference to a Dependence	evelopment located in	n a QCT or DDA	A that contributes to revi	talization.		
To provide integrated, affo	rdable accessible ho	using for individ	duals_ families with differ	rent levels of incon	ne.	
Explanation: This Develop	ment has a competi	tive score in tl	he Rural Set-Aside.			
Robert Onion, Manager of Awa	ards and Allocation	Date	Brooke Boston, Dire	otor of Multifamily	Einance Production	
Robert Onion, Manager of Awa		Dale	DIOORE DOSION, DIE			Date
	Director	Dete				
Edwina Carrington, Executive Chairman of Executive Award		Date / Committee				
BOARD OF DIRECTOR'S			ON OF DISCRETION		(if any):	
					1	
Approved Credit Amount:		Date	of Determination:			
Michael E. Jones, Chairman o	 f the Board	Da	te			
		Da				

Developer Evaluation
Project ID # 03070 Name: Bay Ranch Apartments City: Bay City
LIHTC 9% 🗹 LIHTC 4% 🗆 HOME 🗆 BOND 🗆 HTF 🗆 SECO 🗆 ESGP 🗆 Other
\Box No Previous Participation in Texas \Box Members of the development team have been disbarred by HUD
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🗹 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 2 Projects grouped by score 0-9 2 10-19 0 20-29 0 Total # monitored with a score less than 30: 2 # not yet monitored or pending review: 1
Program Monitoring/Draws
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Asset Management Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached
Reviewed by Sara Carr Newsom Date iday, June 06, 2003
Multifamily Finance Production Not applicable Review pending No unresolved issues Inresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Information Reviewed by R Meyer Date 6 /5 /2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Comments in the image: Comments must be attached
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by EEF Date 6/5/2003
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by <u>H Cabello</u> Date <u>6 /10/2003</u>
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Content of the second se
Reviewed by Date
Loan Administration Not applicable No delinquencies found Delinquencies found Delinquencies found Delinquencies found that warrant disqualification (Additional information/comments must be attached) Delinquencies found Delinquencies found
Reviewed by Stephanie Stuntz Date 6 /6 /2003

Executive Director: Edwina Carrington

Executed: Thursday, June 12, 2003

	APF	LICANT						
Name:	Bay City Ranch Apartments, LP	Type:	For Prof	it				
Address:	4900 Woodway, Suite 970	City:	Housto	n		State:	TX	
Zip:	77056 Contact: Michael Lankford	Phone:	(713)	626-9655	Fax:	(713)	621-4947	
	PRINCIPALS of the APP	LICANT/	KEY PARTIC	CIPANTS				
Name:	Bay City Bay Ranch Apartments I, LLC	(%):	0.01	Title:	Managing General Partner			
Name:	Hill Country Community Housing Corporatio	n (%):	0.51 of MGP	Title:	Co-ow	ner of MG	P	
Name:	Lankford Interests, LLC	(%):	.49 of MGP	Title:	Co-ow	ner of MG	P & Dev.	
Name:	Michael Lankford	(%):	N/A	Title:	Owner	of Lankfo	ord Interests	
Name:	Hill Country Community Action Assoc., Inc.	(%):	N/A	Title:	100% a	owner of H	ICCHC	
Name:	Tama Shaw	(%):	N/A	Title:	Exec. I	Director of	HCCAA	

PROPERTY LOCATION										
Location:	1400 Thompson Road			\boxtimes	QCT	DDA				
City:	Bay City	County:	Matagorda		Zip:	77414				

REQUEST									
<u>Amount</u>	Interest Rate	Amortization	Term						
1) \$477,317	N/A	N/A	N/A						
Other Requested Terms:	1) Annual ten-year alloc	ax credits							
Proposed Use of Funds:	New Construction	Property Type:	Multifamily						
Set-Aside(s): Gener	ral 🛛 Rural 🗌	TX RD 🛛 Non-Profit	Elderly At Risk						

RECOMMENDATION

 \boxtimes

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$451,094 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of a revised permanent loan commitment prior to close of the construction loan reflecting a debt service not to exceed \$115,332.
- 2. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

June 11, 2003

DATE:

PROGRAM:

9% LIHTC

DEVELOPMENT NAME Bay Ranch Apartments FILE NUMBER: 0

03070

No previous reports.

REVIEW of PREVIOUS UNDERWRITING REPORTS

DEVELOPMENT SPECIFICATIONS									
IMPROVEMENTS									
Total Units:# Rental Buildings# Common Area Bldgs3# of Floors2Age: <u>M/A</u> yrsNet Rentable SF:61,792Av Un SF:966Common Area SF:3,289Gross Bldg SF:65,081									
Act Remain of 1,72 Av on sr. 900 Common Area sr. 5,269 Gross blug sr. 05,061									
STRUCTURAL MATERIALS									
Wood frame on a post-tensioned concrete slab on grade, 25% stone veneer 75% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle and galvanized metal roofing.									
APPLIANCES AND INTERIOR FEATURES									
Carpeting & tile flooring, range and oven, hood and fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer and dryer connections, ceiling fans, laminated counter tops, individual water heaters, and cable.									
ON-SITE AMENITIES									
Amenities include a 2,016-SF community building with activity and lounge room, management offices, fitness facilities, kitchen, restrooms, computer/business center, central mailroom, swimming pool and equipped children's play area is located at the entrance to. In addition a 700-SF daycare facility and a 573-SF laundry/maintenance building is also planned for the site and will be located in the middle of the property. Perimeter fencing is also planned for the site.									
Uncovered Parking: <u>36</u> spaces Carports: <u>64</u> spaces Garages: <u>N/A</u> spaces									
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION									
Description: Bay Ranch Apartments is a relatively dense 12 units per acre new construction development of 64 units of mixed income housing located in Bay City. The development is comprised of 8 evenly distributed medium garden style walk-up residential buildings as follows:									
∉ (1) Building Type A with 8 one-bedroom/ one-bath units;									
∉ (4) Building Type B with 8 two-bedroom/ two-bath units; and									
\notin (3) Building Type C with 8 three-bedroom/ two-bath units;									
<u>Architectural Review</u> : The exterior elevations are functional with gabled roofs. All units are of average size for LIHTC units. Each unit has a semi-private exterior entry area that is shared with another unit.									
Supportive Services: The Applicant has indicated that Texas Inter-Faith Management Corporation (TIMC) will provide supportive services to the tenants. A contract between the Applicant and TIMC was not provided; however, the Applicant budgeted \$7,680 for supportive services annually.									
Schedule: The Applicant anticipates construction to begin in January of 2004, to be completed in January of 2005, to be placed in service in January of 2005, and to be substantially leased-up in December of 2004.									
SITE ISSUES									
SITE DESCRIPTION									
Size: 5.45 acres 237,402 square feet Zoning/ Permitted Uses: No zoning ordinance									
Flood Zone Designation: Zone C Status of Off-Sites: Fully Improved									
SITE and NEIGHBORHOOD CHARACTERISTICS									

Location: Bay City is located in the Gulf Coast region of the state, approximately 66 miles southeast from Houston in Matagorda County. The site is a rectangular-shaped parcel located in the southern area of Bay City, approximately 1.5 miles from the central business district. The site is situated on the north side of Thompson Drive.

Adjacent Land Uses:

- ∉ North: vacant land and commercial properties
- ∉ South: single-family homes, school
- ∉ **East:** vacant land
- ∉ West: vacant land

Site Access: Access to the property is from the east or west along Thompson Drive. The development is to have one main entry, from the east or west from Thompson Drive. Avenue F is 1 block east of the subject property, which intersects with FM-457 1 mile north of the site in downtown Bay City and provides connections to all other major roads serving the Bay City area.

Public Transportation: The availability of public transportation is unknown.

Shopping & Services: The site is within close proximity to several retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Special Adverse Site Characteristics:

∉ Zoning: A letter from the City of Bay City dated January 29, 2003 indicates that the city does not have a zoning ordinance. Therefore, the property is an appropriate site for multi-family housing.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on April 21, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 18, 2003 was prepared by Carroll & Associates Consulting and contained the following findings and recommendations:

"This assessment has revealed no recognized environmental conditions in connection with the subject property. While the LUST sites in the vicinity of the subject do not appear to pose a threat to contamination, we recommend that the property be deed restricted to preclude the possibility of ground water being used as a drinking water source." (p. 27)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 60 of the units (94% of the total) will be reserved for low-income. 11 of the units (17%) will be reserved for households earning 30% or less of AMGI, 5 units (8%) will be reserved for households earning 40% or less of AMGI, 13 units (20%) will be reserved for households earning 50% or less of AMGI, 31 units (48%) will be reserved for households earning 60% or less of AMGI and the remaining 4 (6%) units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES										
1 Person2 Persons3 Persons4 Persons5 Persons6 I										
60% of AN	H \$17,280	\$19,800	\$22,260	\$24,720	\$26,700	\$28,680				

MARKET HIGHLIGHTS

A market feasibility study dated February 19, 2003 was prepared by Allen & Associates Consulting and highlighted the following findings:

Definition of Market/Submarket: "Based on our review of the local market area, we define the Primary Market Area for the subject property as parts of Matagorda County...The primary market area consists of the following census tracts: 7301.00, 7302.00, 7303.00, 7304.00, 7305.00, 7306.00, and 7307.00." (p. 30) This is a very large market area encompassing over 1,100 square miles and all of Matagorda county. This is a reasonable designation given the limited population in the area.

Population: The estimated 2002 population of the primary market area was 38,027 and is expected to increase by 0.59% to approximately 38,251 by 2007. Within the primary market area there were estimated to be 13,996 households in 2002.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY										
	Market	t Analyst	Unde	rwriter						
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand						
Household Growth	10	1%	2	1%						
Movership (turnover 35.2%)	907	36%	302	99%						
Overburdened HH	1,252	49%	0							
Substandard HH	367	14%	0							
TOTAL ANNUAL DEMAND	2,536	100%	304	100%						

Ref: p. 105

Inclusive Capture Rate: The Market Analyst used household growth, overburdened households and substandard households in estimating demand for the market area. Additionally, the Market Analyst indicated a percentage of renter movership, which the Underwriter used as turnover for the calculation. The Market Analyst concluded an inclusive capture rate of 7.7% for the rent restricted units. This is based on a demand of 854 divided by 66 unstabilized comparable units. The unstabilized units consist of 60 from the subject and 6 units from Bay City Manor Apartments, an LIHTC development built in 1986. However, the Underwriter's interpretation of the data presented in the market study concludes total demand of 2,536. Also, since Bay City Manor Apartments is an older property, the Underwriter did not include these units in the total unstabilized amount. Therefore, using the Underwriter's revised demand estimate the inclusive capture rate for subject, based on the Market Analyst's data, is 2.36%. Based on the information provided in the market study, the Underwriter calculated an inclusive capture rate of 20% based upon a revised supply of unstabilized comparable affordable units of 60 (the subject) divided by a revised demand of 304. This demand was calculated using the same growth plus turnover methodology that has been used on all 2003 applications.

<u>Market Rent Comparables</u>: The Market Analyst surveyed 18 comparable apartment projects totaling 1,893 units in the market area.

RENT ANALYSIS (net tenant-paid rents)												
Unit Type (% AMI)												
1-Bedroom (30%)	\$218	\$218	\$0	\$430	-\$212							
1-Bedroom (40%)	\$305	\$305	\$0	\$430	-\$125							
1-Bedroom (50%)	\$391	\$391	\$0	\$430	-\$39							
1-Bedroom (60%)	\$478	\$478	\$0	\$430	+\$48							
2-Bedroom (30%)	\$258	\$258	\$0	\$560	-\$302							
2-Bedroom (40%)	\$363	\$363	\$0	\$560	-\$197							
2-Bedroom (50%)	\$467	\$467	\$0	\$560	-\$93							
2-Bedroom (60%)	\$571	\$571	\$0	\$560	+\$11							
2-Bedroom (MR)	\$550	N/A	N/A	\$560	-\$10							
3-Bedroom (30%)	\$295	\$295	\$0	\$630	-\$335							
3-Bedroom (40%)	\$415	\$415	\$0	\$630	-\$215							
3-Bedroom (50%)	\$535	\$535	\$0	\$630	-\$95							
3-Bedroom (60%)	\$656	\$656	\$0	\$630	+\$26							
3-Bedroom (MR)	\$650	N/A	N/A	\$630	+\$20							

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Submarket Vacancy Rates</u>: "Overall market occupancies currently stand at 83.9% (1,893 units in sample)." (p. 95)

Absorption Projections: "We estimate a lease up period of 8 months for the subject property." (p. 113)

Known Planned Development: "There are no other known proposed competing affordable multifamily developments in the market area." (p. 95)

Effect on Existing Housing Stock: "In our opinion, the proposed development would have a modest impact

on other affordable multifamily properties in the marketplace." (p. 96)

The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections are the maximum rents allowed under LIHTC guidelines. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines.

Expenses: The Applicant's total expense estimate of \$3,450 compares favorably within 5% with a TDHCA database-derived estimate of \$3,605 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$13K lower), repairs and maintenance (\$7K lower), utilities (\$5K lower), water, sewer, and trash (\$9K lower), insurance (\$17K higher) and property tax (\$6K higher). The Underwriter discussed these differences with the Applicant but was unable to reconcile them further with the additional information provided by the Applicant.

Conclusion: Although the Applicant's estimated income and total estimated operating expense are consistent with the Underwriter's expectations, the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. While the Applicant's income and expense estimate indicates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guidelines of 1.10 to 1.30 the Underwriter's DCR is slightly below the target at 1.07. This suggests that the debt service will be capped at \$115,332, suggested a debt reduction of \$44,405. This debt service restriction will be a condition of this report.

				<u>ALUATION INFOR/</u> ESSED VALUE					
Land: 14.956 acres\$1,500Assessment for the Year of:2002									
Land (per acre):		\$100.3	0	Valuation by: Matagorda County Appraisal Distric					
Total Assessed Value (5.45 a	Assessed Value (5.45 acres): \$546.64				Tax Rate: 2.83063				
		EVII	DENCE of SIT	E or PROPERTY CO	ONTROL				
Type of Site Control:	Earne	st Mone	y Contract						
Contract Expiration Date:	09/	01/	2003	Anticipated Closing Date:		09/	01/	2003	
Acquisition Cost:	\$150,	000		Other Terms/Co					
Seller: Ira T. Anderson,	Jr.			Related to Development Team Member: No					

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: Despite being significantly more than the agricultural assessed value, the acquisition price of \$150,000 is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$6,710 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$26K or 1% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

Ineligible Costs: The Applicant included \$52,500 in marketing as an eligible cost; the Underwriter moved this cost to ineligible costs, resulting in an equivalent reduction in the Applicant's eligible basis.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$45K to reflect an apparent overestimation of eligible construction loan interest, 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.

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. The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$11,788.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$4,605,603 is used to determine a credit allocation of \$468,131 from this method. The resulting syndication proceeds will be used to compare to the gap of funds needed to determine a final allocation recommendation.

FINANCING STRUCTURE												
INTERIM TO PERMANENT FINANCING												
Source:	PNC Ban	k						Contact	:	Craig Hackett		
Principal A	Amount:	\$1,48	9,011		Interest	Rate:	7%					
Additional	Informatio	on:										
Amortizati	ion: 30	yrs	Teri	n: 18	yrs	Com	mitment:	\boxtimes	LOI	I Firm	□ C	onditional
Annual Payment:\$118,877Lien Priority:1stCommitment Date06/10/2003										2003		
					LIHT	IC SYN	DICATIO	N				
Source:	Columbi	a Hous	ing					Conta	ct:	Bradley Bu	llock	
Address:	111 SW	5 th Av	enue, Sı	ite 3200				City	y:	Portland		
State:	OR		Zip:	97204	Pho	ne:	(503)	808-130	00	Fax:	(503)	808-1301
Net Procee	ds:	\$3,865	,881		Net Synd	lication	Rate (per	r \$1.00 of	f 10-	yr LIHTC)	81¢	
Commitme	ent	\boxtimes	LOI		Firm		Conditi	onal	Dat	e: 01/	31/	2003
Additional Information: Based on credits of \$477,317, the Applicant submitted a revised sources and uses indicating a lower amount of proceeds totally only \$3,609,092.												
					AP	PLICA		(
Amount:	\$0			S	ource:	Def	erred Dev	veloper F	Fee			

FINANCING STRUCTURE ANALYSIS

Permanent Financing: The permanent financing commitment is consistent with the terms reflected in the sources and uses listed in the application. In particular, the commitment letter indicates that the term of the construction is two years. The permanent loan term is 18 years and will have a 30 year amortization period. Based on a conversation with Mr. Craig Hackett from Key Bank, the interest rate on the permanent loan will be 7.00%. The Underwriter's NOI suggests the maximum debt service for this development should be limited to \$115,332 which reduces the debt amount anticipated by \$44K to \$1,444,606.

LIHTC Syndication: Columbia Housing has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$3,864,881 based on a syndication factor of 81%. However, the Applicant submitted a revised sources and uses and estimates a lower \$3,609,092 in net proceeds but did not explain how this amount was derived. This amount is equal to the Applicant estimate of gap of funds and results in a maximum credit allocation of \$445,611 based on the syndication terms provided. The Underwriter's reduction in debt widens this gap of funds to \$3,653,496 resulting in a credit recommendation of \$451,094.

Deferred Developer's Fees: The Applicant is not anticipating the need to defer any fees based on the revised sources and uses statement.

Financing Conclusions: An eligible basis of \$4,605,603 is used to determine a credit allocation of \$468,131 from this method. However, with the financing structure recommended, this is \$137,983 in excess funds. Therefore, the development is limited by the gap method to total syndication proceeds of \$653,497, resulting in an annual tax credit allocation of \$451,094.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant and Developer firms are all related entities. These are common relationships for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- ∉ The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- ∉ The principal of the General Partner, Michael G. Lankford, submitted an unaudited financial statement as of January 30, 2003 and is anticipated to be guarantor of the development.

Background & Experience:

- ∉ The Applicant and General Partner are new entities formed for the purpose of developing the project.
- ∉ Michael G. Lankford, the principal of the General Partner has completed 2 LIHTC housing developments totaling 156 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

∉ The Applicant's operating proforma is more than 5% outside of the Underwriter's verifiable ranges.

Underwriter:		Date:	June 11, 2003
-	Raquel Morales		
Director of Real Estate Analysis:		Date:	June 11, 2003
	Tom Gouris	•	

MULTIFAMILY COMPARATIVE ANALYSIS

Bay City Ranch Apartments, Bay City, LIHTC #03070

Type of Unit										
	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tht Pd Util	Wtr, Swr, Tr
TC30%	2	1	1	706 706	\$260 347	\$218 \$305	\$436 305	\$0.31 0.43	\$42.00 42.00	\$37.00 37.00
TC40%	4	1	1	700	433	\$303	1,564	0.45	42.00	37.00
TC50% <tc60%< td=""><td>1</td><td>1</td><td>1</td><td>706</td><td>520</td><td>\$430</td><td>430</td><td>0.61</td><td>42.00</td><td>37.00</td></tc60%<>	1	1	1	706	520	\$430	430	0.61	42.00	37.00
TC30%	6	2	2	904	312	\$258	1,548	0.29	54.00	47.00
TC40%	2	2	2	904	417	\$363	726	0.40	54.00	47.00
TC50%	3	2	2	904	521	\$467	1,401	0.52	54.00	47.00
<tc60%< td=""><td>18</td><td>2</td><td>2</td><td>904</td><td>625</td><td>\$560</td><td>10,080</td><td>0.62</td><td>54.00</td><td>47.00</td></tc60%<>	18	2	2	904	625	\$560	10,080	0.62	54.00	47.00
MR	3	2	2	904		550	1,650	0.61	54.00	47.00
TC30%	3	3	2	1,134	361	\$295	885	0.26	66.00	54.00
TC40%	2	3	2	1,134	481	\$415	830	0.37	66.00	54.00
TC50%	6	3	2	1,134	601	\$535	3,210	0.47	66.00	54.00
<tc60%< td=""><td>12</td><td>3</td><td>2</td><td>1,134</td><td>722</td><td>\$630</td><td>7,560</td><td>0.56</td><td>66.00</td><td>54.00</td></tc60%<>	12	3	2	1,134	722	\$630	7,560	0.56	66.00	54.00
MR	1	3	2	1,134		630	630	0.56	66.00	54.00
TOTAL:	64		AVERAGE:	966	\$515	\$488	\$31,255	\$0.51	\$57.00	\$48.38
NCOME		Total Net Re	ntable Sq Ft:	61,792		TDHCA	APPLICANT		USS Region	6
POTENTIA	L GROSS	RENT				\$375,060	\$375,060		IREM Region	
Secondary	Income		P	er Unit Per Month:	\$15.00	11,520	11,520	\$15.00	Per Unit Per Mont	h
Other Supp	oort Income:	(describe)				0	0			
POTENTIA	L GROSS	INCOME				\$386,580	\$386,580			
-	Collection L			tial Gross Income:	-7.50%	(28,994)	(28,992)	-7.50%	of Potential Gross	Rent
	or Other Nor 'E GROSS		is or Conces	sions		0 \$357.587	0 \$257 500			
EXPENSE:			% OF EGI	PER UNIT	PER SQ FT	/ sc, i cc¢	\$357,588	PER SQ FT	PER UNIT	% OF EG
	_		5.64%	\$315	0.33	\$20.170	\$7,590	\$0.12	\$119	<u>% OF EG</u> 2.12%
	Administrativ	e	5.00%	279	0.29	17.879	\$17.879	0.29	279	5.00%
Manageme			14.38%	803	0.83	51.407	\$52.696	0.85	823	14.74%
Payroll & P	•		6.65%	371	0.38	23,771	\$16,554	0.27	259	4.63%
	Maintenance		6.18%	345	0.36	22,107	\$17,275	0.28	270	4.83%
Utilities			6.58%	368	0.38	23,525	\$14,304	0.23	224	4.00%
	ver, & Trash		4.10%	229	0.24	14,649	\$31,514	0.51	492	8.81%
Property In:			10.13%	566	0.59			0.68	656	11.74%
Property Ta		2.83063	3.58%	200	0.00	36,232 12,800	\$41,972 \$12,800	0.00	200	3.58%
	r Replaceme		2.29%	128	0.13		\$8,184	0.13	128	2.29%
	ISES:Supp Svc	s a security	64.52%	\$3,605	\$3.73	8,184 \$230,725	\$220,768	\$3.57	\$3,450	61.74%
TOTAL EX	PENSES	~	35.48%	\$1,982	\$2.05	\$230,723	\$136,820	\$2.21	\$2,138	38.26%
					•	¢120,001	¢100,020	•		
DEBT SER PNC Bank	<u> VICE</u>		33.24%	\$1,857	\$1.92	\$118,877	\$118,972	\$1.93	\$1,859	33.27%
Additional Fi	inancing		0.00%	\$0	\$0.00	0	ψ110,372	\$0.00	\$0	0.00%
Additional Fi	-		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH	-		2.23%	\$125	\$0.13	\$7,984	\$17,848	\$0.29	\$279	4.99%
						1.07	1.15			
	LE DEBT CC	VERAGE	ΑΤΙΟ				1.15			
	TE DEBT CC					1.10	1.13			
RECOMMEN	TE DEBT CC NDED DEBT ICTION CC	COVERAG					1.10			
RECOMMEN	NDED DEBT	COVERAG		PER UNIT	PER SQ FT	1.10		PER SQ FT	PER UNIT	% of TOTA
RECOMMEN CONSTRU	NDED DEBT ICTION CO	COVERAG		<u>PER UNIT</u> \$2,379	<u>PER SQ FT</u> \$2.46		APPLICANT \$152,250	<u>PER SQ FT</u> \$2.46	<u>PER UNIT</u> \$2,379	<u>% of TOTA</u> 2.99%
RECOMMEN CONSTRU Descri Acquisition	NDED DEBT	COVERAG	SE RATIO	<u>PER UNIT</u> \$2,379 0	PER SQ FT \$2.46 0.00	1.10 TDHCA	APPLICANT	<u>PER SQ FT</u> \$2.46 0.00	<u>PER UNIT</u> \$2,379 0	<u>% of TOTA</u> 2.99% 0.00%
RECOMMEN CONSTRU Descri Acquisition Off-Sites	NDED DEBT ICTION CO	COVERAG	GE RATIO <u>% of TOTAL</u> 3.03%			1.10 ТDHCA \$152,250	APPLICANT \$152,250			
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework	NDED DEBT ICTION CO iption COSt (site o	COVERAG	E RATIO <u>% of TOTAL</u> 3.03% 0.00%	0	0.00	1.10 TDHCA \$152,250 0	APPLICANT \$152,250 0	0.00	0	0.00% 8.42%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons	NDED DEBT ICTION CO iption Cost (site of struction	COVERAG	SE RATIO <u>% of TOTAL</u> 3.03% 0.00% 8.54%	0 6,710	0.00 6.95	1.10 TDHCA \$152,250 0 429,454 2,569,695	APPLICANT \$152,250 0 429,454 2,596,499	0.00 6.95	0 6,710	0.00% 8.42%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence	NDED DEBT ICTION CO iption Cost (site of struction Cy	COVERAG ST Factor bldg)	SE RATIO <u>% of TOTAL</u> 3.03% 0.00% 8.54% 51.07%	0 6,710 40,151	0.00 6.95 41.59	1.10 TDHCA \$152,250 0 429,454	APPLICANT \$152,250 0 429,454 2,596,499 90,779	0.00 6.95 42.02	0 6,710 40,570	0.00% 8.42% 50.93%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re	NDED DEBT ICTION CO iption Cost (site of struction Cy eq'ts	COVERAG <u>ST</u> <u>Factor</u> bldg) 3.03% 6.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80%	0 6,710 40,151 1,418	0.00 6.95 41.59 1.47	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557	0.00 6.95 42.02 1.47	0 6,710 40,570 1,418	0.00% 8.42% 50.93% 1.78%
RECOMMEN Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re Contractor	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts 's G & A	COVERAG <u>ST</u> <u>Factor</u> bldg) 3.03% 6.00% 2.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58%	0 6,710 40,151 1,418 2,812	0.00 6.95 41.59 1.47 2.91	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519	0.00 6.95 42.02 1.47 2.94	0 6,710 40,570 1,418 2,837	0.00% 8.42% 50.93% 1.78% 3.56%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contingence Contractor' Contractor'	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts 's G & A 's Profit	COVERAG <u>ST</u> <u>Factor</u> bldg) 3.03% 6.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19%	0 6,710 40,151 1,418 2,812 937	0.00 6.95 41.59 1.47 2.91 0.97	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557	0.00 6.95 42.02 1.47 2.94 0.98	0 6,710 40,570 1,418 2,837 946	0.00% 8.42% 50.93% 1.78% 3.56% 1.19%
RECOMMEN CONSTRU Descr Acquisition Off-Sites Sitework Direct Cons Contingenc General Re Contractor' Contractor' Contractor' ndirect Co	NDED DEBT ICTION CC iption COST (site of struction Cy eq'ts 's G & A 's Profit instruction	COVERAG <u>ST</u> <u>Factor</u> bldg) 3.03% 6.00% 2.00%	E RATIO % of TOTAL 3.03% 0.00% 8.54% 1.07% 1.80% 3.58% 1.19% 3.58% 2.96%	0 6,710 40,151 1,418 2,812 937 2,812 2,327	0.00 6.95 41.59 1.47 2.91 0.97 2.91	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.94 2.41	0 6,710 40,570 1,418 2,837 946 2,837 2,327	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor' Contractor' Contractor' ndirect Cons neligible C	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts 's G & A 's Profit instruction Costs	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re Contractor' Contractor' ndirect Co neligible C Developer's	NDED DEBT ICTION CC iption COST (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A	COVERAC ST Factor bldg) 3.03% 6.00% 2.00% 6.00% 2.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re Contractor' Contractor' ndirect Co neligible C Developer's Developer's	NDED DEBT ICTION CC iption COST (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A s Profit	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00%	 Ker RATIO % of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re Contractor' Contractor' ndirect Co neligible C Developer's Developer's Interim Fina	NDED DEBT ICTION CC iption COST (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A s Profit	COVERAC ST Factor bldg) 3.03% 6.00% 2.00% 6.00% 2.00%	E RATIO % of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931	0.00% 8.42% 50.93% 1.78% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor Con	NDED DEBT ICTION CO iption Cost (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A s Profit ancing	COVERAC ST Factor bldg) 3.03% 6.00% 2.00% 6.00% 2.00%	 K of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607 155,369	APPLICANT \$152,250 0 429,454 2,556,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,328 0 9,571 4,931 2,734	0.00% 8.42% 50.93% 1.78% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor Con	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts s G & A 's Profit instruction Costs s G & A s Profit ancing DST	COVERAC <u>ST</u> <u>Factor</u> bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00%	% of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607 155,369 \$5,031,544	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,328 0 9,571 4,931 2,734 \$79,658	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Seneral Re Contractor Con	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A s Profit ancing DST <i>Construction</i>	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs	 K of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607 155,369	APPLICANT \$152,250 0 429,454 2,556,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,328 0 9,571 4,931 2,734	0.00% 8.42% 50.93% 1.78% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Secontractor' Contractor' Contractor' Contractor' Contractor' Contractor' Developer's Develop	NDED DEBT ICTION CC iption Cost (site of struction Cy eq'ts s G & A 's Profit instruction Costs s G & A s Profit ancing DST	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs	SE RATIO % of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$54,841	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103 \$3,540,365	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29 <u>RECOMMENDED</u>	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 100.00% <i>69.44</i> %
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor Con	NDED DEBT ICTION CC iption Cost (site or struction Cy eq'ts s G & A 's Profit instruction Costs s G & A s Profit ancing OST Construction Cost S G & A S Profit ancing OST Construction Cost S G & A	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs	 RATIO % of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00% 69.76% 29.59% 	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$54,841 \$23,266	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80 \$24.10	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808 \$1,489,011	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318 Developer F	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 100.009 69.44%
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor Con	NDED DEBT ICTION CO iption Cost (site or struction Cy eq'ts S G & A 's Profit instruction Costs s G & A s Profit ancing OST Construction Cost S G & A s Profit ancing OST Construction Cost S G & A s Profit ancing	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs S	% of TOTAL 3.03% 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 1.027% 6.27% 3.09% 100.00% 69.78% 29.59% 0.00%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$54,841 \$23,266 \$0	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80 \$24.10 \$0.00	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808 \$1,489,011 0	APPLICANT \$152,250 0 429,454 2,556,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103 \$3,540,365 \$1,489,011	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29 <u>Recommended</u> \$1,444,606 0	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318 Developer F	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 100.00% <i>69.44</i> %
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence Contractor Con	NDED DEBT ICTION CO iption Cost (site of struction Cy eq'ts S G & A 's Profit instruction Costs s G & A s Profit ancing OST Construction Cost S G & A s Profit ancing inancing inancing inancing	COVERAC <u>ST</u> <u>Factor</u> - bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs <u>S</u> peeds	SE RATIO % of TOTAL 3.03% 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00% 69.76% 29.59% 0.00% 71.73%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$24,841 \$23,266 \$0 \$56,392	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80 \$24.10 \$0.00 \$58.41	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808 \$1,489,011	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103 \$3,540,365	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29 <u>RECOMMENDED</u>	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318 Developer F \$596 % of Dev. F	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 100.00% 69.44% ce Available 5,147 ce Deferred
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingenc General Re Contractor Cont	NDED DEBT ICTION CO iption Cost (site or struction Cy eq'ts S G & A 's Profit instruction Costs s G & A s Profit ancing OST Construction Cost S G & A s Profit ancing OST Construction Cost S G & A s Profit ancing	COVERAC <u>ST</u> <u>Factor</u> - bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% on Costs <u>S</u> peeds	SE RATIO % of TOTAL 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 1.19% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00% 69.76% 29.59% 0.00% 71.73% 0.00%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$23,266 \$0 \$56,392 \$0	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80 \$24.10 \$0.00 \$58.41 \$0.00	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 148,900 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808 \$1,489,011 0 3,609,092 0	APPLICANT \$152,250 0 429,454 2,596,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103 \$3,540,365 \$1,489,011 3,609,092	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29 <u>Recommended</u> \$1,444,606 0 3,653,497	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318 Developer F \$559	0.00% 8.42% 50.93% 1.78% 3.56% 1.19% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 100.00% 69.44% ce Available 5,147 ce Deferred
RECOMMEN CONSTRU Descri Acquisition Off-Sites Sitework Direct Cons Contingence General Re Contractor ¹ Contractor ¹	NDED DEBT ICTION CO iption Cost (site of struction Cy eq'ts 's G & A 's Profit instruction Costs s G & A 's Profit ancing OST Construction Cost S G & A s Profit ancing Cost S OF FUND inancing ication Proce excess) Fund	COVERAC ST Eactor bldg) 3.03% 6.00% 2.00% 6.00% 2.00% 13.00% 0 Costs S Peds	SE RATIO % of TOTAL 3.03% 3.03% 0.00% 8.54% 51.07% 1.80% 3.58% 2.96% 3.05% 1.58% 10.27% 6.27% 3.09% 100.00% 69.76% 29.59% 0.00% 71.73%	0 6,710 40,151 1,418 2,812 937 2,812 2,327 2,398 1,242 8,073 4,931 2,428 \$78,618 \$24,841 \$23,266 \$0 \$56,392	0.00 6.95 41.59 1.47 2.91 0.97 2.91 2.41 2.48 1.29 8.36 5.11 2.51 \$81.43 \$56.80 \$24.10 \$0.00 \$58.41	1.10 TDHCA \$152,250 0 429,454 2,569,695 90,779 179,949 59,983 179,949 153,462 79,486 516,661 315,607 155,369 \$5,031,544 \$3,509,808 \$1,489,011 0	APPLICANT \$152,250 0 429,454 2,556,499 90,779 181,557 60,519 181,557 148,900 153,462 0 612,519 315,607 175,000 \$5,098,103 \$3,540,365 \$1,489,011	0.00 6.95 42.02 1.47 2.94 0.98 2.94 2.41 2.48 0.00 9.91 5.11 2.83 \$82.50 \$57.29 <u>Recommended</u> \$1,444,606 0	0 6,710 40,570 1,418 2,837 946 2,837 2,327 2,398 0 9,571 4,931 2,734 \$79,658 \$55,318 Developer F \$596 % of Dev. F 0' 15-Yr Cumulal	0.00% 8.42% 50.93% 1.78% 3.56% 2.92% 3.01% 0.00% 12.01% 6.19% 3.43% 00.00% 6.94% 69.44% ee Available 5,147 ee Deferred %

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Bay City Ranch Apartments, Bay City, LIHTC #03070

DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook

Average Quality Multiple Residence Basis									
CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT					
Base Cost			\$42.46	\$2,623,695					
Adjustments									
Exterior Wall Finish	2.75%		\$1.17	\$72,152					
Elderly			0.00	0					
Roofing			0.00	0					
Subfloor			(1.01)	(62,410)					
Floor Cover			1.92	118,641					
Porches/Balconies	\$18.19	17,805	5.24	323,793					
Plumbing	\$615	168	1.67	103,320					
Built-In Appliances	\$1,625	64	1.68	104,000					
Stairs	\$1,400	24	0.54	33,600					
Floor Insulation			0.00	0					
Heating/Cooling			1.47	90,834					
Carports	\$7.83	9,600	1.22	75,168					
Comm &/or Aux Bldgs	\$59.56	3,289	3.17	195,899					
Other:			0.00	0					
SUBTOTAL			59.53	3,678,691					
Current Cost Multiplier	1.03		1.79	110,361					
Local Multiplier	0.83		(10.12)	(625,378)					
TOTAL DIRECT CONSTRUC	CTION COS	TS	\$51.20	\$3,163,674					
Plans, specs, survy, bld prm	3.90%		(\$2.00)	(\$123,383)					
Interim Construction Interes	3.38%		(1.73)	(106,774)					
Contractor's OH & Profit	11.50%		(5.89)	(363,823)					
NET DIRECT CONSTRUCT	ION COSTS		\$41.59	\$2,569,695					

PAYMENT COMPUTATION

Primary	\$1,489,011	Term	360
Int Rate	7.00%	DCR	1.07
Secondary		Term	
Int Rate	0.00%	Subtotal DCR	1.07
Additional		Term	
Int Rate		Aggregate DCR	1.07

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	
Secondary Debt Service	
Additional Debt Service	
NET CASH FLOW	

\$

Primary

Int Rate

	0	
	\$11,529	
61,444,606	Term	36
7.00%	DCR	1.1

\$115,332 0

Secondary		Term	0
Int Rate	0.00%	Subtotal DCR	1.10
Additional		Term	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GRO	SS RENT	\$375,060	\$386,312	\$397,901	\$409,838	\$422,133	\$489,368	\$567,312	\$657,670	\$883,853
Secondary Incon	1e	11,520	11,866	12,222	12,588	12,966	15,031	17,425	20,200	27,148
Other Support In	come: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GRO	SS INCOME	386,580	398,177	410,123	422,426	435,099	504,399	584,737	677,870	911,001
Vacancy & Colle	ction Loss	(28,994)	(29,863)	(30,759)	(31,682)	(32,632)	(37,830)	(43,855)	(50,840)	(68,325)
Employee or Oth	er Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GRO	SS INCOME	\$357,587	\$368,314	\$379,364	\$390,744	\$402,467	\$466,569	\$540,882	\$627,030	\$842,676
EXPENSES at	4.00%									
General & Admir	istrative	\$20,170	\$20,977	\$21,816	\$22,688	\$23,596	\$28,708	\$34,928	\$42,495	\$62,902
Management		17,879	18,416	18,968	19,537	20,123	23,328	27,044	31,352	42,134
Payroll & Payroll	Тах	51,407	53,463	55,602	57,826	60,139	73,168	89,020	108,307	160,320
Repairs & Mainte	enance	23,771	24,722	25,711	26,740	27,809	33,834	41,164	50,083	74,135
Utilities		22,107	22,991	23,911	24,867	25,862	31,465	38,282	46,576	68,944
Water, Sewer &	Trash	23,525	24,466	25,445	26,463	27,521	33,484	40,738	49,564	73,367
Insurance		14,649	15,235	15,845	16,479	17,138	20,851	25,368	30,864	45,687
Property Tax		36,232	37,681	39,189	40,756	42,386	51,570	62,742	76,335	112,995
Reserve for Repl	acements	12,800	13,312	13,844	14,398	14,974	18,218	22,165	26,968	39,919
Other		8,184	8,511	8,852	9,206	9,574	11,648	14,172	17,242	25,523
TOTAL EXPENSE	s –	\$230,725	\$239,775	\$249,182	\$258,960	\$269,123	\$326,274	\$395,624	\$479,785	\$705,926
NET OPERATING	INCOME	\$126,861	\$128,539	\$130,181	\$131,785	\$133,344	\$140,295	\$145,258	\$147,245	\$136,750
DEBT SE	RVICE									
First Lien Financir	q	\$115,332	\$115,332	\$115,332	\$115,332	\$115,332	\$115,332	\$115,332	\$115,332	\$115,332
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		\$11,529	\$13,207	\$14,849	\$16,453	\$18,012	\$24,963	\$29,926	\$31,913	\$21,418
DEBT COVERAG	E RATIO	1.10	1.11	1.13	1.14	1.16	1.22	1.26	1.28	1.19

LIHTC Allocation Calculation - Bay City Ranch Apartments, Bay City, LIHTC #03070

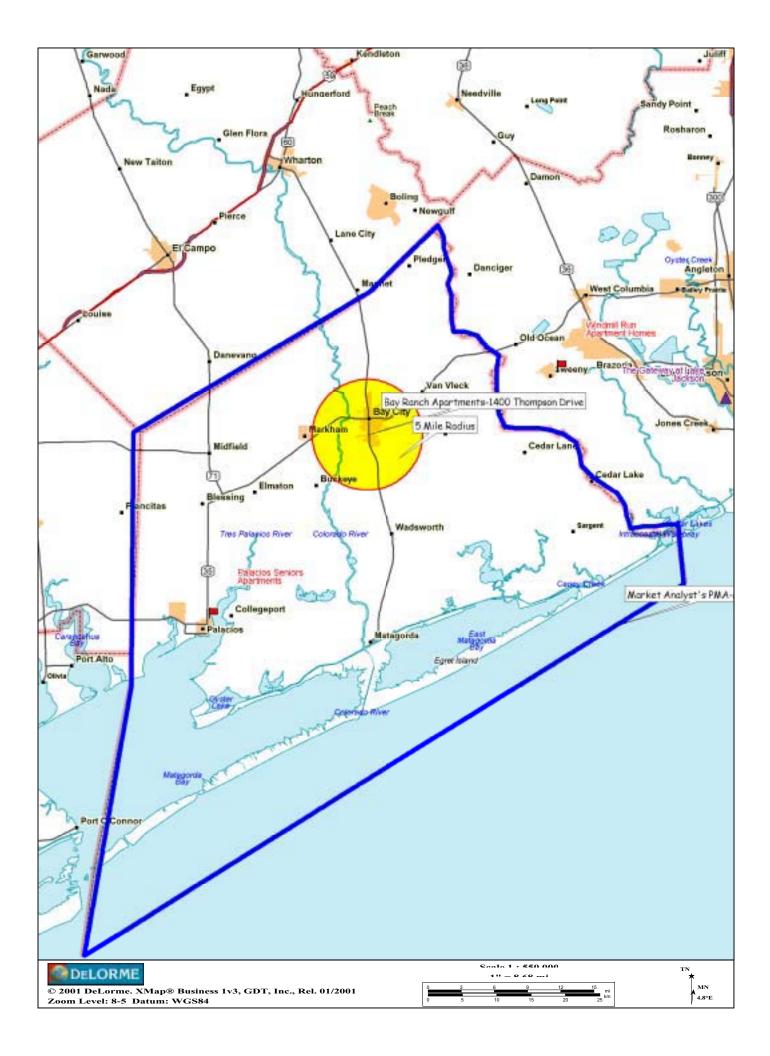
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$152,250	\$152,250		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$429,454	\$429,454	\$429,454	\$429,454
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$2,596,499	\$2,569,695	\$2,596,499	\$2,569,695
(4) Contractor Fees & General Requirements				
Contractor overhead	\$60,519	\$59,983	\$60,519	\$59,983
Contractor profit	\$181,557	\$179,949	\$181,557	\$179,949
General requirements	\$181,557	\$179,949	\$181,557	\$179,949
(5) Contingencies	\$90,779	\$90,779	\$90,779	\$90,779
(6) Eligible Indirect Fees	\$148,900	\$148,900	\$148,900	\$148,900
(7) Eligible Financing Fees	\$315,607	\$315,607	\$315,607	\$315,607
(8) All Ineligible Costs	\$153,462	\$153,462		
(9) Developer Fees			\$600,731	
Developer overhead		\$79,486		\$79,486
Developer fee	\$612,519	\$516,661		\$516,661
(10) Development Reserves	\$175,000	\$155,369		
TOTAL DEVELOPMENT COSTS	\$5,098,103	\$5,031,544	\$4,605,603	\$4,570,462

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		\$4,605,603	\$4,570,462		
High Cost Area Adjustment		130%	130%		
TOTAL ADJUSTED BASIS		\$5,987,283	\$5,941,601		
Applicable Fraction		93.75%	93.75%		
TOTAL QUALIFIED BASIS		\$5,613,078	\$5,570,251		
Applicable Percentage		8.34%	8.34%		
TOTAL AMOUNT OF TAX CREDITS		\$468,131	\$464,559		
Syndication Proceeds	0.8099	\$3,791,480	\$3,762,551		
Total Credits (Eligi	\$468,131	\$464,559			
Syn	Syndication Proceeds				
F	\$477,317				

Gap of Syndication Proceeds Needed_	\$3,653,497
Credit Amount	\$451,094

Syndication Proceeds

\$3,865,881



TDHCA # 03153 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development	Neme			-				-		4. 00	4.80
Development					•	ts			TDHCA #	F. 03	153
DEVELOPMENT		TION A	ND DE	SIGNAT	IONS						
Region: 6 City: Hou	uston				Site Addres County:		313 Northlin arris	e Zip Coo	le: 7707	6	
	DDA	\checkmark	QCT		Purpose / A	Activity	: New and	Acq/Rehab			
Targeted Units	s: Fan	nily: 160	Elde	rly: 0	Handicapp	oed/Dis	sabled 14	Domestic At	ouse: 0	Transi	tional: 0
Set Asides:	✔ G	eneral	✓ A	t-Risk	Nonpro	ofit	Rural	🗆 TX-US	DA-RHS	🗆 Eld	lerly
OWNER AND P	RINCI	PAL INF	ORMA	ION C	wner Entity	Name:	DSI-Nothi	ine, L.T.D			
Principal Name	s				Principa	I Conta	act	Percenta	age Owner	ship	
DSD Developme Donald Sowell Donald Sowell	nt, Inc.				Donald V	V. Sowe	ell	.01% of 100% De 100% of	eveloper		
	LOCA	TION IN	FORM	ATION							
Annual Credit A	Allocatio	on Reco	mmeno	datio	\$347,2	03	Allocatio	on over 10 Ye	ars:	\$3,472	,030
Credits Reques	sted	\$364,	741	Eligibl	e Basis Amo	ount:	\$347,203	Equity/Gap	Amount	\$457	,186
	TION				DEVELOP	MENT	AMENITIES	(no extra cos	t to tenant)		
<u>Eff</u>	1 BR	<u>2 BR</u>	3 BR	Total	Playgro			`	er Facility wi	th Interne	et
30% 0	2	3	3	<u>10(di</u> 8	Recreat		lities	Public P	-		
40% O	3	7	6	16				lled Gate Acce			
50% O	3	7	6	16		-	-	r Hook-Ups in			
60% O	29	43	48	120		-	are, Senior Ce imunity Room	enter or Comm	unity Meal F	Room	
MR 0	3	4	33	40					- 1)		
Total 0	40	64	96		UNIT AMI			ra cost to tenar	rt) er Line in all	Redroon	ns
Total LI Units:		•		160	Mini Blir		3		Tile - Entry		
Owner/Employe	ee Unit	s.		0	Laundry	Conne	ections	□ Storage	-		,
Total Project U		0.		200	Laundry				Shingle Roc	-	
Applicable Frac				80.00			ng	Covered			
Applicable fraction is the le attributable to low income		unit fraction or	the square	foot fraction	Garage		Efficient Alter	Greater native Construe			xterior
BUILDING INFO	ORMAT	ION									
Total Developm				:	\$8,362,483		rage Square				925
Gross Building					192,860			entable Squar	e Foot		\$45.19
Total Net Renta	able Are	ea Squa	re Feet	t:	185,040	Cre	dits per Low	Income Uni			\$2,170
INCOME AND			RMATI				ANCING			<u>.</u>	
Effective Gross		е		:	\$1,407,746			cipal Amount			800,000
Total Expenses					\$932,364		licant Equity		Deferre		136,910
Net Operating I			_		\$475,382		ity Source:		Deferred		•
Estimated 1st Y	ear De	ebt Cove	erage R	atio	1.22	Syn	dication Rat	e:			\$0.7792
DEVELOPMENT	TEAM		No	te: "NA"	= Not Yet Ava	ilable					
Developer:	D.V	V. Sowe	ll Deve	lopmen	t, LTD.	Marke	et Analyst:	Gerald A.	Teel Co.		
Housing GC:	Na	tional Ur	ban Co	onstructi	on, Inc.	Origir	nator/UW:	NA			
Engineer:	NA					Appra		Aaron & V	-		
Cost Estimator:						Attorr	•	Charley S			
Architect:	Arc LTI	hitectur D.	al Draw	ing Unl	mited,	Acco	untant:	Hoover M	orris, CPA		
Property Manag	g <mark>er</mark> Wil	mic Ven	tures, I	nc.		Supp	Services	Wilmic Ve	ntures, Inc		
Syndicator:	Ent	terprise	Social	nvestm	ents Corp.	Perm	anent Lende	er Mitchell M	ortgage Co	ompany	, LLC
		-								8/2003 10	

Project Name: Northline Point Apartments	Project Number: 03153
PUBLIC COMMENT SUMMARY Note: "O" = Oppose	e, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
t of Letters, Petitions, or Witness Affirmation Forms (A resolution was passed by the local government i .ocal/State/Federal Officials with Jurisdiction:	· · ·
ocal Official:NCCX Representative:Kevin Bailey, District 140, NCX Senator:Mario Gallegos, Jr., District 6, NJS Representative:JS Senator:JS Senator:Senator:Seneral Summary of Comment:No Public Comment	
DEPARTMENT EVALUATION	
Points Awarded: 85 Site Finding: Acceptab	le Underwriting Finding: Approved with Conditions
and asbestos management plan by close of the construction loa Receipt, review, and acceptance of HUD's approval of HAP rent Receipt, review, and acceptance of documentation from the App are comfortable that the acquisition eligible basis is justified con- land, goodwill, or similar ineligible costs by carryover.	
Alternate Recommendation: NA	
RECOMMENDATION BY THE PROGRAM MANAGER PRODUCTION AND THE THE EXECUTIVE AWARD AN	
□ Score	Set Aside
 To serve a greater number of lower income families for fewer To ensure geographic dispersion within each Uniform State S To ensure the Development's consistency with local needs of To ensure the allocation of credits among as many different e To give preference to a Development located in a QCT or DE To provide integrated, affordable accessible housing for indiv Explanation: This Development is needed to meet the At-R 	Service Region. r its impact as part of a revitalization or preservation plan. entities as practicable w/out diminishing the quality of the housing built. DA that contributes to revitalization. <i>v</i> iduals_ families with different levels of income.
Robert Onion, Manager of Awards and Allocation Date	Brooke Boston, Director of Multifamily Finance Production Date
dwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee	-
OARD OF DIRECTOR'S APPROVAL AND DESCRIPT	ION OF DISCRETIONARY FACTORS (if any):
Approved Credit Amount: Date	e of Determination:
lichael E. Jones, Chairman of the Board	Date

Developer Evaluation	
Project ID # 03153 Name: Northline Point Apartments City: Houston	
LIHTC 9% 🗹 LIHTC 4% 🗆 HOME 🗆 BOND 🗆 HTF 🗆 SECO 🗆 ESGP 🗌 Other	
\square No Previous Participation in Texas \square Members of the development team have been disbarred by HU	D
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No	
Portfolio Management and Compliance	
Projects in Material Noncompliance:NoYes# of Projects:0	
Total # of Projects monitored: 39 Projects grouped by score 0-9 35 10-19 3 20-29 1	
Total # monitored with a score less than 30: 39 # not yet monitored or pending review: 1	
Program Monitoring/Draws	
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached	
Asset Management	
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached	
Reviewed bySara Carr NewsomDatesday, May 08, 2003	
Multifamily Finance Production	
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □	
Reviewed by R Meyer Date 5/28/2003	
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Inclusion Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Inclusion Inclusion	
Reviewed by Date	
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □	
Reviewed by Eddie Fariss Date 5/5/2003	
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □	
Reviewed by H Cabello Date 6/10/2003	
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Cost Certification and Workout)	
Reviewed by Date	
Loan Administration Not applicable No delinquencies found ✓ Delinquencies found ☐ Delinquencies found that warrant disqualification (Additional information/comments must be attached) □	
Reviewed by Stephanie Stuntz Date 5/6/2003	
Executive Director: Edwina Carrington Executed: Friday, June 13, 20	03

DEVELOPMENT NAME

9% LIHTC

PROGRAM:

FILE NUMBER:

03153

 \boxtimes

At Risk

Elderly

			Northli	ine Poin	t Apa	rtments				
				APPLIC	ANT					
Name:	DSI-Northlin	ne, Ltd.		Т	ype:	For Profit				
Address:	P.O. Box 187	7		C	ity:	Prairie V	liew		State	TX
Zip:	77446 Co	ntact:	Kimberly Herzog	g Pl	hone:	(888)	231-5235	Fax:	(936)	857-5009
			PRINCIPALS of the	e APPLIC	ANT/ K					
Name:	DSD Develo	pment,	Inc.		(%):	.01	Title:	Managir	ng Gener	al Partner
Name:	The Enterpris	se Socia	al Investment Corpo	oration	(%):	99.99	Title:	Co-Gene	eral Parti	ner
Name:	D.W. Sowell	Develo	opment, Ltd.		(%):		Title:	Develop	er	
Name:	Donald Sowe		(%):		Title:	Owner of General Partner & Developer				
			PRC	OPERTY L	OCAT	ION				
Location:	7313 Northli	ne Driv	e					QC	г [DDA
City:	Houston			County:	_	Harris		Z	ip:	77076
				REQU	EST					
<u>A</u>	<u>Amount</u>		Interest Rate		4	Amortizatio	<u>on</u>		<u>Term</u>	
\$.	364,741		N/A			N/A			N/A	
Other Requ	ested Terms:	Annu	al ten-year allocati	on of low	-incon	ne housing	tax credits			
Proposed U	se of Funds:	New	construction	P	roperty	у Туре:	Multifan	nily		

RECOMMENDATION

TX RD

Rural

 \boxtimes

Set-Aside(s):

 \square

General

DATE:

June 15, 2003

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$347,203 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

Non-Profit

CONDITIONS

- 1. Receipt, review, and acceptance of evidence of the satisfactory completion of the ESA inspector's recommended follow-on investigation and asbestos management plan by close of the construction loan;
- 2. Receipt, review, and acceptance of HUD's approval of HAP rent increases as proposed, by close of the construction loan;
- 3. Receipt, review, and acceptance of documentation from the Applicant's CPA and tax attorney and the limited partner investors that they are comfortable that the acquisition eligible basis is justified considering the as-is appraised value, and that the cost differential is not for land, goodwill, or similar ineligible costs by carryover;
- 4. Receipt, review, and acceptance of any documentation of decoupling the IRP, resulting financing, and HUD approvals by close of construction loan, if applicable.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

					DE	VELOPN				ONS						
Total	200	# Renta		# Con	nmon	1 # of	2	2 Age		yrs	Vaca	nt: 32	e a	t 2/	1/	2003
Units:		Buildin	igs		Bldgs	¹ Floo	rs	8								
Net R	Rentable S	н: <u> </u>	85,040	Av U	n SF:	925	– Con	nmon A	rea SF	: 7,8	20	Gross B	Sidg S	: -	192,8	60
						STRUC	FURAL	MATE	RIALS							
						ete slab o										k sidin
exter	tior wall	cover	ing with	n wood		lrywall in PLIANCES					posit	e shing	gle ro	ofing	, .	
Com	ating 8		1 floor	ing ro		c oven,					diana	ant di	ahuu	achor	rofr	igorator
micr	U	oven, f	fiberglas		C	, washer				U	-	,				C
						ON	SITE A	MENIT	IES							
restr		The de	evelopm	0		activity ro include a			<u> </u>				•		,	· · · ·
Unco	vered Par	·king:	303		spaces	Carports	: _	0		spaces	G	arages:	-	0		spaces
				PRC	POSA	L and DE\	ELOP	MENT	LAN D	ESCRIF	TION					
∉ . ∉ I	Гwo Bui	lding ' ilding	Type B Type C	with fo with e	ur two ight o	h one-be -bedroon ne-bedroo	n/one-	bath u	nits aı	nd 12 t	nree-	bedroo	m/tw	vo-bat	th unit	
						our-bedro	om/ta	vo hat	h unita							
		-			•	is curren					on ?	36 Ron	tal I	Jouri	ησ Δε	ristano
Prog prog prepa restr prog contr owne appli prop appe \$673 obse contr recei	ram, wh ram (IR ayment l ictions in ram via ract but er's insi ication r osed IR ar to be for fou rved fro ract rent	ich re P) cre lockou n the r a Hou has no istence reads a P deco \$411 fur- bedrom the cs used cw, and	stricts re dit agre- ut period regulator using As ot conta e on av as if the oupling, for one-l room ur e rent ro d by the	ents, op ement 1 l has ex ry agree ssistance icted H roiding HAP of along bedroon nits (to oll. A	beratin to redu- pired ement. ce Pay UD re- notifi contrace with 1 m unit be co copy cant ir	g method ace the end and the o The cu ments (H egarding cation of cation of the cu HUD app s, \$485 for nsidered of the cu a the rent kisting H.	s, and ffectiv wner rrent of AP) of decou f proj conside proval pr two large urrent c sche	d tenar ve perf may p owner contrac pling perty lered. s is a p-bedro three HAP dule o	nt eligi nanen ay off has al et. Th of the staff n Rece condi- bedro contra or in d	bility. t morts the loc l 200 u e App Section regardi ipt, rev- tion of nits, \$5 om un act wa etermi	The gage an an lican on 23 on 24 on 23 on 23 on 23 on 23 on 24 on 23 on 25 on	re is ar loan in d disco enrolled t intend 66 and possil and ac report. or the th fter con provic n of th	n interest ontin d in ls to IRP ole s ccept . Cu nree- nvers led n e ren	erest i st rate ue the the H conti due t sale, ance urrent bedro sion). nor w ntal in	rate re e to 1 ^o e affor UD S inue the to the howev of any ly HA oom un The vere the ncome	eduction %. The rdability ection a he HAI curren ver, the y future AP rent nits, and se were he HAI e. Thu
Deve	elopmen	t Plai	n: The			currently rk includ										

units, improvement of handicapped accessibility features, repair and resurfacing of paved areas, landscaping

improvements, addition of two playgrounds and two dumpster pads, reproofing of all buildings, repair or replacement of water pipes and water heaters, replacement of air conditioning system, repair or replacement of interior and exterior walls and doors, repair or replacement of counter tops, appliances, and fixtures. The rehabilitation will be phased to minimize displacement of current residents.

Architectural Review: The buildings are simple and functional, with all-brick veneer exterior wall finish and hipped roofs. Landscaping is very minimal and there appears, from photographs provided, to be a moderate amount of repair required to concrete flatwork, paving, stairs, and fencing as well as unit interiors and replacement of HVAC components.

Supportive Services: The Applicant intends to use Wilmic Ventures, Inc. to provide supportive services to tenants, and indicates that the services can be provided at no expense to the property or tenants.

Schedule: The Applicant anticipates construction to begin in November of 2003, to be completed in October of 2004, and to be placed in service and to be substantially leased-up in June of 2005.

	SITE ISSUES										
	SITE DESCRIPTION										
Size:	10	acres	435,600	square feet Z	Zoning/ Perm	itted Uses:	No zoning in Houston				
Flood 2	Zone Desig	nation:	Zone X	Status of Off-S	Sites:	Fully improve	ed				

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The property is a rectangularly-shaped parcel located in the north area of Houston, approximately eight miles from the central business district. The site is situated on the east side of Northline Drive.

Adjacent Land Uses:

- ∉ North: a neighborhood shopping center and church, followed by Little York Road
- ∉ South: vacant land
- ∉ East: Northline Drive with vacant land, a single-family residence, and commercial beyond
- ∉ West: commercial warehouses

<u>Site Access</u>: Access to the property is from the north or south from Northline Drive. Access to Interstate Highway 45 is one-half miles west, which provides connections to all other major roads serving the Houston area.

<u>Public Transportation</u>: Public transportation to the area is provided by the city bus system, with a stop at the property.

Shopping & Services: Primary shopping facilities are located along the nearby I-45 corridor. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

<u>Special Adverse Site Characteristics</u>: The property has unresolved environmental issues regarding asbestos-containing materials and lead-based paint which are discussed below.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on April 14, 2003 and found the location to be acceptable for the proposed rehabilitation. The inspector noted that the existing kitchens and bathrooms are very small and it would be difficult to add accessibility features.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 25, 2003 was prepared by HBC/Terracon and contained the following findings and recommendations:

Findings:

- ∉ Soil Contamination: "A filled swimming pool is located on the eastern portion of the site...Based on the unknown origin of the fill, the filled pool may represent a recognized environmental condition to the site." (p. 28)
- ∉ <u>Asbestos-Containing Materials (ACM)</u>: "Thirty samples of suspect ACM were collected. Twenty-one of the 30 samples contained greater than 1% asbestos, including wall texture and floor tile." (p. 28)

∉ Lead-Based Paint (LBP): "All of the exterior parking lines that were tested on-site were found to contain lead exceeding the 1 mg/square cm (per HUD guidelines) action limit." (p. 28)

Recommendations: "Based on the findings of this assessment, HBC/Terracon recommends that additional investigation be conducted to evaluate if the site has been affected by potential releases from the fill material used to fill the pool in the eastern portion of the site...all suspect building materials at the site are required to be assumed ACM, including those sampled by HBC/Terracon. It is recommended that either, 1) a thorough asbestos survey be performed to evaluate suspect building materials at the site, or, 2) all suspect building materials at the site be presumed ACM. All confirmed or presumed ACM should be managed through an asbestos management plan prepared by a Texas Department of Health-licensed asbestos management planner. Such a plan will specify the in-place management and/or removal of the confirmed and/or presumed ACM at the site." (p. 29)

The Applicant included the following plan to address these findings: "A proposal has been obtained from HBC for [the pool fill material investigation]. Once we are assured of an allocation by TDHCA, the work to determine the makeup of the soil will then begin. Any recommendations of the report will be followed...A proposal from HBC will be obtained for an asbestos management plan. The property will follow the plan once on site." It is a condition of this report that the Applicant provide evidence of the satisfactory completion of the ESA inspector's recommended follow-on investigation and asbestos management plan.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 160 of the units (80% of the total) will be reserved for low-income tenants. Eight of the units (4%) will be reserved for households earning 30% or less of AMGI, 16 units (8%) will be reserved for households earning 60% or less of AMGI, 16 units (8%) will be reserved for households earning 60% or less of AMGI, 120 units (60%) will be reserved for households earning 60% or less of AMGI and the remaining 40 (20%) units will not be restricted for tax credit purposes.

MAXIMUM ELIGIBLE INCOMES										
1 Person2 Persons3 Persons4 Persons5 Persons6 Persons										
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460				

MARKET HIGHLIGHTS

A market feasibility study dated March 14, 2003 was prepared by The Gerald A. Teel Company, Inc. and highlighted the following findings:

Definition of Market/Submarket: "The subject primary market area is comprised of a part of north Houston; just north of Loop 610 and the downtown area...two zip codes [were] used as the neighborhood boundaries..." (p. 2) "The Apartment Market TRAC survey divides Harris County into 39 areas. The subject is located in the Northline/Aldine market area...This market is bounded by Beltway 8 and Aldine Bender to the north, Loop 610 to the south, Antoine Drive, State Highway 249, Wheatley and Ella Boulevard to the west, and Interstate Highway 45 and the Hardy Toll Road to the east." (p. 19) "The subject's macro market is generally described as the greater Houston area..." (p. 15)

Population: The estimated 2002 population of the primary market area was 62,018 and is expected to increase by 6.6% to approximately 66,123 by 2007. Within the primary market area there were estimated to be 29,974 households in 2002. (p. 6)

Total Local/Submarket Demand for Rental Units: "From 2002 to 2007, the subject's market area population is expected to increase by 4,105 or 6.6%. Households are expected to increase by 685 or 137 per year through 2005. Thus, new housing demand is estimated at 137 units per annum...The major employers in the area are considered stable, with positive although nominal growth expected in the period ahead." (p. 8)

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY

	Market	Analyst	Underwriter			
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand		
Household Growth	11	1%	21	1%		
Resident Turnover	1,280	97%	1,287	99%		
Other Sources: public housing & other	31	2%	0	0%		
TOTAL ANNUAL DEMAND	1,322	100%	1,308	100%		

Ref: p. 73

Inclusive Capture Rate: "Deducting the 77 units still to be absorbed in the new LIHTC property, the inclusive capture rate is 21.0%, although as a newer property it has higher rent than the subject and is not considered competitive. Also, the subject is presently 85% occupied and part of the current tenant pool would likely remain, and the tenancy has been counted in the capture rate, which would lower the risk somewhat." (p. 73) Since the subject is currently 84% occupied, capture of new tenants is not a significant issue.

Local Housing Authority Waiting List Information: No information provided.

<u>Market Rent Comparables</u>: The Market Analyst surveyed 11 comparable apartment projects totaling 2,449 units in the market area. "The initial rents proposed by the developer are slightly lower than the market rents." (p. 74)

	RENT A	ANALYSIS (net t	enant-paid rents)	
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
1-Bedroom (30%)	\$335	\$335	\$0	\$500	-\$165
1-Bedroom (40%)	\$447	\$447	\$0	\$500	-\$53
1-Bedroom (50%)	\$485/500	\$558	-\$73	\$500	-\$15
1-Bedroom (60%)	\$495/500	\$670	-\$175	\$500	-\$5
1-Bedroom (MR)	\$505	N/A	N/A	\$500	+\$5
2-Bedroom (30%)	\$402	\$402	\$0	\$600	-\$198
2-Bedroom (40%)	\$536	\$536	\$0	\$600	-\$64
2-Bedroom (50%)	\$568/600	\$670	-\$102	\$600	-\$32
2-Bedroom (60%)	\$578/600	\$804	-\$226	\$600	-\$22
2-Bedroom (MR)	\$588/600	N/A	N/A	\$600	-\$12
3-Bedroom (30%)	\$465	\$465	\$0	\$720	-\$135
3-Bedroom (40%)	\$620	\$620	\$0	\$720	-\$100
3-Bedroom (50%)	\$673/720	\$775	-\$102	\$720	-\$47
3-Bedroom (60%)	\$683/720	\$930	-\$247	\$720	-\$37
3-Bedroom (MR)	\$693/720-\$799	N/A	N/A	\$720	-\$27 - +\$77

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

Submarket Vacancy Rates: "The overall occupancy is reported to be 92.8%" (p. 19)

Absorption Projections: "Absorption in 2003 will likely be less than 2002 based on absorption data to date. This submarket has a history of positive and negative absorption in adjoining years although the newer product has had a positive impact on absorption overall. It is evident that the bulk of absorption will come from within the submarket or nearby adjoining submarkets and not from new household growth. Positive absorption is anticipated in 2002, but only at nominal levels after leveling off in midyear or the third quarter. It was noted that the newest property in the vicinity, Oak Arbor Townhomes, which had first occupancy on January 22, 2003, has filled 18 units within the last 30 days. It does appear that there is still demand and absorption could be positive providing the property is appealing to the tenancy." (p. 25)

Known Planned Development: "According to representatives for the city permit department, there have been no recent apartment permits, nor are any rumored. The Oak Arbor Townhomes [9% LIHTC #01139] located at Berry and McGallion have recently been completed. They are the newest property in the

neighborhood, with first occupancy in January 2003. They reportedly have 94 units with 70 of said units offering LIHTC restricted rents. The Concord at Tidwell Apartments have broken ground, which were proposed to be 300+/- units with affordable rents...Other than these latter properties, no other new properties have been erected in the immediate vicinity in the last two years." (p. 2)

<u>Effect on Existing Housing Stock</u>: "The subject property will have minimal effect on the market, and will open up the property to a greater pool of possible renters." (p. 74)

Other Relevant Information: "According to interviews with local market participants, access to cable TV is the primary amenity request of tenants. The subject property does not currently have cable TV access. To achieve the rent levels noted in this report, access to this feature is required and recommended." (p. 25)

The Underwriter found the market study to provide sufficient information to make a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections are for the 30% and 40% AMI units are set at the LIHTC maximum rents, but the 50% and 60% AMI unit rents are significantly (\$73-\$247) below the maximum program rents and the one- and three-bedroom market rate unit rents are \$5 and \$77, respectively, above the Market Analyst's estimated market rents. The Underwriter adjusted rents on the LIHTC and market rate units to the lower of the LIHTC maximum rents or the Market Analyst's estimated market rents, which results in an additional \$21,576 in potential gross income. There is the potential for significant additional income (approximately \$319K) if the Applicant chooses to increase rents to the maximum allowed. On the other hand, if the HAP contract continues the maximum rents would be severely adjusted. The current inferred HAP rents would reduce gross potential rent by \$210K and severely impact NOI. The Applicant stated that the property will pay all utilities, and rents and expenses were calculated accordingly. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines; as a result of the Underwriter's rent adjustments the Underwriter's effective gross income exceeds the Applicant's by \$19,958.

Expenses: The Applicant's estimate of total operating expense is 2% lower than the Underwriter's estimate, an acceptable deviation. The Applicant provided two years' of historical operating data for the property, upon which the Underwriter placed considerable weight in evaluating the Applicant's estimates. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$33.5K lower), repairs and maintenance (\$28.6K lower), property tax (\$45.9K higher). Due to the property's restricted profit potential as a Section 236 property it is likely that the historical expenses are somewhat higher than average, and will be adjusted when if the property is released from HUD constrictions.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30. Again it should be noted that this conclusion is based on Non-HAP contract rents.

	ACQUISITION VALUATION INFORMATION										
	APPRAISED VALU	JE									
Land Only:	\$280,000	Date of Valuation:	2/ 2/	14/	2003						
Existing Building(s) "as is":	\$760,000	Date of Valuation:		14/	2003						
Total Value "as is":	\$1,040,000 (\$5,200/unit)	Date of Valuation:	2/	14/	2003						
Appraiser: Aaron & Wright, Inc.	City: Houston	Phone:	(713)	942-	8980						
	APPRAISED ANALYSIS/CO	NCLUSIONS									

Analysis: The appraiser used the sales comparison approach to estimate the value of the land as vacant and

the cost, sales comparison, and income approaches to value the development as a whole. The land value was concluded to be \$280,000. The appraiser placed the greatest weight upon the income approach to conclude an "as improved" market value of \$4,750,000, then subtracted \$48,000 in estimated rent loss during the rehabilitation and \$3,662,483 in rehabilitation costs to arrive at an "as is" market value of \$1,040,000. It should be noted, however, that the appraiser used market (unrestricted) rents rather than HAP or LIHTC or even mixed-income rents in deriving the income capitalization approach valuation, therefore this valuation could be considered inflated. Given the great disparity between the appraised valuation and the purchase price, the appraiser noted that, "As such, the purchaser appears to be purchasing the subject property above market value."

Conclusion: The proposed transfer of the property is not an identity of interest transaction; therefore, for the purposes of this analysis the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property and especially the building portion of acquisition. It is a condition of this report that the Applicant submit documentation from the Applicant's accountant and tax attorney that the limited partner investors are comfortable that the acquisition basis is justified considering the as-is appraised value, and that the cost differential is not for land, goodwill, or similar ineligible costs.

			ASS	ESSED VALUE						
Land:	\$435,	\$435,600 \$1,404,400		Assessment for	the Year of:	2002	2002			
Building:	\$1,40			Valuation by:	Harris Coun	nty Appraisal District				
Total Assessed Value:	\$1,840,000 (\$9,200/unit)		Tax Rate:	2.9626						
		EVID	ENCE of SIT	E or PROPERTY CO	ONTROL					
Type of Site Control:	Purch	ase option	n							
Contract Expiration Date:	10/	31/	2003	Anticipated Closing Date: 1		10/	31/	2003		
Acquisition Cost: \$	4,700,	,000		Other Terms/0	Conditions:					
Seller: Northline Point	Apartme	ents, LC		Related to Development Team Member: No						

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The acquisition cost of \$4,700,000 is significantly in excess of either the 2002 tax assessed value of \$1,840,000 or the as-is appraised value of \$1,040,000. Per the TDHCA underwriting guidelines, the Underwriter determined the eligible value of the improvements by prorating the sales price by the appraiser's concluded as-is improvements-to-total value ratio (\$760,000,1,040,000 = 73% X \$4.7M = \$3,434,615). Receipt, review, and acceptance of documentation from the Applicant's CPA and tax attorney and the limited party investors that they are comfortable. Thus the acquisition eligible basis is justified considering the as is appraised value and that the cost differential is not for land, goodwill or similar potentially ineligible costs.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$685 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate of \$6,600 per unit is in compliance with the TDHCA minimum guideline of \$6,000 per unit, was verified by a third party architect, and is therefore regarded as reasonable as submitted. The low level of rehabilitation suggests limited rehabilitation needs.

Fees: The Applicant's contractor's fees for general requirements and general and administrative expenses are within the maximums allowed by TDHCA guidelines, but the Applicant's contractor's profit exceeds the 6% maximum allowed by LIHTC guidelines based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by \$6,336 with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$3,817.

<u>Other</u>: The Applicant's contingency cost exceeds the Department's guideline of 10% of site work and direct construction costs for rehabilitation developments by \$19,114.

Conclusion: Despite the overstated fees and contingency allowance, the Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter and reflected on the THHCA column is used to calculate eligible basis. The Applicant used lower applicable percentages of 3.57% and 8.12% rather than the underwriting rates of 3.63% and 8.64% used for applications received in February 2002, and also miscalculated the applicable fraction by using the unit fraction of 80% instead of the lower net rentable square footage fraction of 77.15%. The Applicant also allocated the developer fees evenly between the acquisition/rehabilitation areas instead of splitting them in accordance with the 69%/31% acquisition/rehabilitation eligible basis allocation. As a result of these adjustments, an eligible basis of \$6,349,020 is used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE
INTERIM CONSTRUCTION or GAP FINANCING
Source: Mitchell Mortgage Company, LLC Contact: Wendy Maceo
Principal Amount:\$5,189,519Interest Rate:(See below)
Additional Information: 2 portions: \$4.8M fixed-rate loan forward-funded with permanent loan proceeds, interest rate to be fixed at permanent rate lock at 25 basis points over FNMA pass-through rate; \$389,519 funded by lender, adjustable interest rate to be 225 basis points over LIBOR with rate floor of 5%. Construction to be completed within 12 months of loan closing.
Amortization: N/ yrs Term: 2 yrs Commitment: None Firm Conditional
LONG TERM/PERMANENT FINANCING
Source: Mitchell Mortgage Company, LLC Contact: Wendy Maceo
Principal Amount:\$4,800,000Interest Rate:Estimated & underwritten at 7.2%
Additional Information:
Amortization: 30 yrs Term: 18 yrs Commitment: None Firm Conditional
Annual Payment: \$390,982 Lien Priority: 1st Commitment Date 2/ 26/ 2003
LIHTC SYNDICATION
Source: The Enterprise Social Investment Corporation Contact: Diana Morreale
Address:8419 Emmett F. Lowry ExpresswayCity:Texas City
State: TX Zip: 77591 Phone: (409) 908-9400 Fax: (409) 908-9404
Net Proceeds: \$2,842,132 Net Syndication Rate (per \$1.00 of 10-yr LIHTC) 78¢
Commitment None Firm Conditional Date: 2/ 18/ 2003
Additional Information:
APPLICANT EQUITY
Amount: \$720,350 Source: Deferred developer fee
FINANCING STRUCTURE ANALYSIS
<u>Permanent Financing</u> : The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.
<u>LIHTC</u> Syndication: The LIHTC syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.
Deferred Developer's Fees: The Applicant's proposed deferred fees of \$720,350 amount to 72% of the

total eligible fees.

Financing Conclusions: Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$311,282 annually for ten years, resulting in syndication proceeds of approximately \$2,425,573. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to \$1,136,910, which represents approximately 86% of the total eligible fee and which should be repayable from cash flow within 15 years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, significant additional deferred developer's fee may not be available to fund any development cost overruns.

DEVELOPMENT TEAM IDENTITIES of INTEREST

Donald Sowell is president and sole owner of the General Partner, president of the Developer, architectural firm, and property manager, and a shareholder of the General Contractor. Michael Sowell, principal of the General Contractor, is the son of Donald Sowell. These are permissible relationships for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights

- ∉ The Applicant and Developer are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- ∉ The Developer, DSD Development, Inc., submitted an unaudited financial statement as of March 19, 2003 listing total assets of \$1,000, consisting entirely of cash. No liabilities were reported.
- ∉ Donald Sowell, the 100% owner of the General Partner and Developer, submitted an unaudited joint financial statement with his wife Beatrice and is anticipated to be guarantor of the development.

Background & Experience:

- ∉ The Applicant and Developer are new entities formed for the purpose of developing the project.
- ∉ The General Partner, DSD Development, Inc., listed participation in three previous LIHTC-funded developments totaling 518 units since 1998.
- ∉ Donald Sowell listed participation in 37 previous LIHTC-funded housing developments totaling 2,275 units since 1981.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ Significant inconsistencies in the application could affect the financial feasibility of the project.
- ∉ Significant environmental risks exist regarding lead-based paint, asbestos-containing materials, and potential soil contamination.
- ∉ The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.
- ∉ The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- ∉ The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:		Date:	June 16, 2003
	Jim Anderson		
Director of Real Estate Analysis:		Date:	June 16, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Northline Point Apartments, Houston, 9% LIHTC #03153

					-	ts, Houston, 9				
Type of Unit TC (30%)	Number 2	Bedrooms 1	No. of Baths 1	Size in SF 664	Gross Rent Lmt. \$335	Net Rent per Unit \$335	Rent per Month \$670	Rent per SF \$0.50	\$45.00	Wtr, Swr, Trsh \$34.62
TC (40%)	3	1	1	664	447	447	1,341	0.67	45.00	34.62
TC (50%)	3	1	1	664	558	500	1,500	0.75	45.00	34.62
TC (60%)	29	1	1	664	670	500	14,500	0.75	45.00	34.62
MR	3	1	1	664		500	1,500	0.75	45.00	34.62
TC (30%)	3	2	1	884	402	402	1,206	0.45	57.00	40.62
TC (40%)	7	2	1	884	536	536	3,752	0.61	57.00	40.62
TC (50%)	7	2	1	884	670	600	4,200	0.68	57.00	40.62
TC (60%)	43	2	1	884	804	600	25,800	0.68	57.00	40.62
MR	4	2	1	884		600	2,400	0.68	57.00	40.62
TC (30%)	3	3	2	1,034	465	465	1,395	0.45	69.00	46.62
TC (40%)	6	3	2	1,034	620	620	3,720	0.60	69.00	46.62
TC (50%)	6	3	2	1,034	775	720	4,320	0.70	69.00	46.62
TC (60%)	48	3	2	1,034	930	720	34,560	0.70	69.00	46.62
MR	9	3	2	1,034		720	6,480	0.70	69.00	46.62
MR	24	3	2	1,144	¢/00	720	17,280	0.63	69.00	46.62
TOTAL:	200		AVERAGE:	925	\$609	\$623	\$124,624	\$0.67	\$60.36	\$42.30
INCOME		Total Net Re	entable Sq Ft:	<u>185,040</u>		TDHCA	APPLICANT		USS Region	6
	L GROSS R	ENT				\$1,495,488	\$1,473,912		IREM Region	Houston
Secondary			F	Per Unit Per Month:	\$11.00	26,400	26,400	\$11.00	Per Unit Per Month	
	port Income:	100145				0	0			
	L GROSS II				7 500/	\$1,521,888	\$1,500,312	7.500/		
	Collection Lo		or Concession	ntial Gross Income:	-7.50%	(114,142)	(112,524)	-7.50%	of Potential Gross R	lent
	E GROSS IN		or concession	3		\$1,407,746	\$1,387,788			
EXPENSES		IOOME	% OF EGI	PER UNIT	PER SQ FT	\$1,407,740	\$1,507,700	PER SQ FT	PER UNIT	% OF EGI
	<u>-</u> Administrativ	10	4.54%	\$320	0.35	\$63,922	\$30,457	\$0.16	\$152	2.19%
Manageme		e	5.00%	3520	0.38	70,387	\$69,810	0.38	349	5.03%
Payroll & F			12.80%	901	0.97	180,129	\$180,962	0.98	905	13.04%
,	Maintenance		4.96%	349	0.38	69,805	\$82,160	0.44	411	5.92%
Utilities	iviai nenance		4.98%	909	0.38	181,804	\$173.630	0.94	868	12.51%
	vor & Trach		6.44%	453	0.49	90,658	\$89,832	0.49	449	6.47%
	ver, & Trash					81,163	\$88,605			
Property Ir		0.0/0/	5.77%	406	0.44			0.48	443	6.38%
Property T		2.9626	6.66%	468	0.51	93,695 60,000	\$139,620 \$60,000	0.75	698	10.06%
	r Replacemer		4.26%	300 204	0.32	40,800	\$40,800	0.32	300	4.32%
TOTAL EXI	enses: securit	.y	2.90%		0.22	\$932,364	\$955,876	0.22 \$5.17	204 \$4,779	2.94% 68.88%
	RATING INC		66.23% 33.77%	\$4,662 \$2,377	\$2.57	\$475,382	\$431,912	\$2.33	\$2,160	31.12%
DEBT SER			33.77%	\$2,377	ψ2.57	\$470,002	\$401,712	¥2.33	\$2,100	51.1270
			27 770/	¢1.055	60.11	\$390,982	\$390,982	¢0.11	¢1.055	20.170/
Mitchell Mor			27.77%	\$1,955	\$2.11			\$2.11	\$1,955	28.17%
Additional F			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional F			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH			6.00%	\$422	\$0.46	\$84,400	\$40,930	\$0.22	\$205	2.95%
	E DEBT COVE					1.22	1.10			
		EBT COVERAC	SE RATIO			1.22				
	CTION COS	<u>51</u>					1			
	ription_	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	n Cost (site c	r bldg)	57.56%	\$23,500	\$25.40	\$4,700,000	\$4,700,000	\$25.40	\$23,500	56.20%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			1.68%	685	0.74	136,994	136,994	0.74	685	1.64%
Direct Con	struction		14.49%	5,915	6.39	1,183,006	1,183,006	6.39	5,915	14.15%
Contingen		10.00%	1.62%	660	0.71	132,000	151,114	0.82	756	1.81%
General Re	eq'ts	6.00%	0.97%	396	0.43	79,200	79,200	0.43	396	0.95%
Contractor	r's G & A	2.00%	0.32%	132	0.14	26,400	26,400	0.14	132	0.32%
Contractor	r's Profit	6.00%	0.97%	396	0.43	79,200	85,536	0.46	428	1.02%
Indirect Co	onstruction		1.75%	716	0.77	143,112	143,112	0.77	716	1.71%
Ineligible (Costs		2.34%	955	1.03	190,964	190,964	1.03	955	2.28%
0	s G & A	2.00%	1.35%	552	0.60	110,418	199,852	1.08	999	2.39%
Developer		13.00%	8.79%	3,589	3.88	717,715	799,406	4.32	3,997	9.56%
Developer'	SPIUII		3.75%	1,532	1.66	306,359	306,359	1.66	1,532	3.66%
				1,803	1.95	360,540	360,540	1.95	1,803	4.31%
Developer'			4.42%		-					
Developer' Interim Fir	nancing		4.42%		\$44.13	\$8,165,908	38,30Z.483	\$45.19	\$41.812	100.00%
Developer' Interim Fir Reserves TOTAL CO	nancing ST	n Costs	100.00%	\$40,830	\$44.13 \$8.85		\$8,362,483 \$1,662,250	\$45.19 <i>\$8.98</i>	\$41,812 \$8,311	100.00% 19.88%
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i>	nancing ST 1 Constructio				\$44.13 \$8.85	\$8,165,908 <i>\$1,636,800</i>	\$8,302,483 \$1,662,250	\$8.98	\$41,812 <i>\$8,311</i>	100.00% 19.88%
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES	nancing ST I Construction		100.00% 20.04%	\$40,830 \$8,184	\$8.85	\$1,636,800	\$1,662,250	\$8.98 RECOMMENDED	\$8,311	19.88%
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES Mitchell Mor	nancing ST <i>Constructio</i> <u>OF FUNDS</u> rtgage		100.00% 20.04% 58.78%	\$40,830 \$8,184 \$24,000	\$8.85 \$25.94	\$1,636,800 \$4,800,000	\$1,662,250 \$4,800,000	<i>\$8.98</i> <u>recommended</u> \$4,800,000	\$8,311 Developer Fe	19.88% ee Available
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES Mitchell Mon Additional F	nancing ST <i>Constructio</i> OF FUNDS rtgage Tinancing		100.00% 20.04% 58.78% 0.00%	\$40,830 \$8,184 \$24,000 \$0	\$8.85 \$25.94 \$0.00	\$1,636,800 \$4,800,000 0	\$1,662,250 \$4,800,000 0	\$8.98 <u>RECOMMENDED</u> \$4,800,000 0	<i>\$8,311</i> Developer Fe \$995,	19.88% ee Available 441
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES Mitchell Mon Additional F LIHTC Synd	nancing ST <i>Constructio</i> OF FUNDS rtgage Financing lication Proce		100.00% 20.04% 58.78% 0.00% 34.80%	\$40,830 \$8,184 \$24,000 \$0 \$14,211	\$8.85 \$25.94 \$0.00 \$15.36	\$1,636,800 \$4,800,000 0 2,842,132	\$1,662,250 \$4,800,000 0 2,842,132	\$8.98 <u>RECOMMENDED</u> \$4,800,000 0 2,425,573	<i>\$8,311</i> Developer Fe \$995, % of Dev. Fe	19.88% ee Available 441 ee Deferred
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES Mitchell Mon Additional F LIHTC Synd Deferred De	ST <i>Constructio</i> OF FUNDS rtgage "inancing lication Proce weloper Fees	eds	100.00% 20.04% 58.78% 0.00% 34.80% 8.82%	\$40,830 \$8,184 \$24,000 \$0 \$14,211 \$3,602	\$8.85 \$25.94 \$0.00 \$15.36 \$3.89	\$1,636,800 \$4,800,000 0 2,842,132 720,350	\$1,662,250 \$4,800,000 0 2,842,132 720,350	\$8.98 <u>RECOMMENDED</u> \$4,800,000 0 2,425,573 1,136,910	<i>\$8,311</i> Developer Fe \$995, % of Dev. Fe 114	19.88% ee Available 441 ee Deferred 1%
Developer' Interim Fir Reserves TOTAL CO <i>Recap-Hard</i> SOURCES Mitchell Mon Additional F LIHTC Synd Deferred De	ST Construction OF FUNDS rtgage inancing lication Proce weloper Fees excess) Fund	eds	100.00% 20.04% 58.78% 0.00% 34.80%	\$40,830 \$8,184 \$24,000 \$0 \$14,211	\$8.85 \$25.94 \$0.00 \$15.36	\$1,636,800 \$4,800,000 0 2,842,132	\$1,662,250 \$4,800,000 0 2,842,132	\$8.98 <u>RECOMMENDED</u> \$4,800,000 0 2,425,573	<i>\$8,311</i> Developer Fe \$995, % of Dev. Fe	19.88% ee Available 441 ee Deferred !% ive Cash Flow

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Northline Point Apartments, Houston, 9% LIHTC #03153

PAYMENT COMPUTATION

Primary	\$4,800,000	Term	360
Int Rate	7.20%	DCR	1.22
Secondary	\$0	Term	1.22
Int Rate	0.00%	Subtotal DCR	
Additional Int Rate	\$2,842,132	Term Aggregate DCR	1.22

RECOMMENDED FINANCING STRUCTURE:

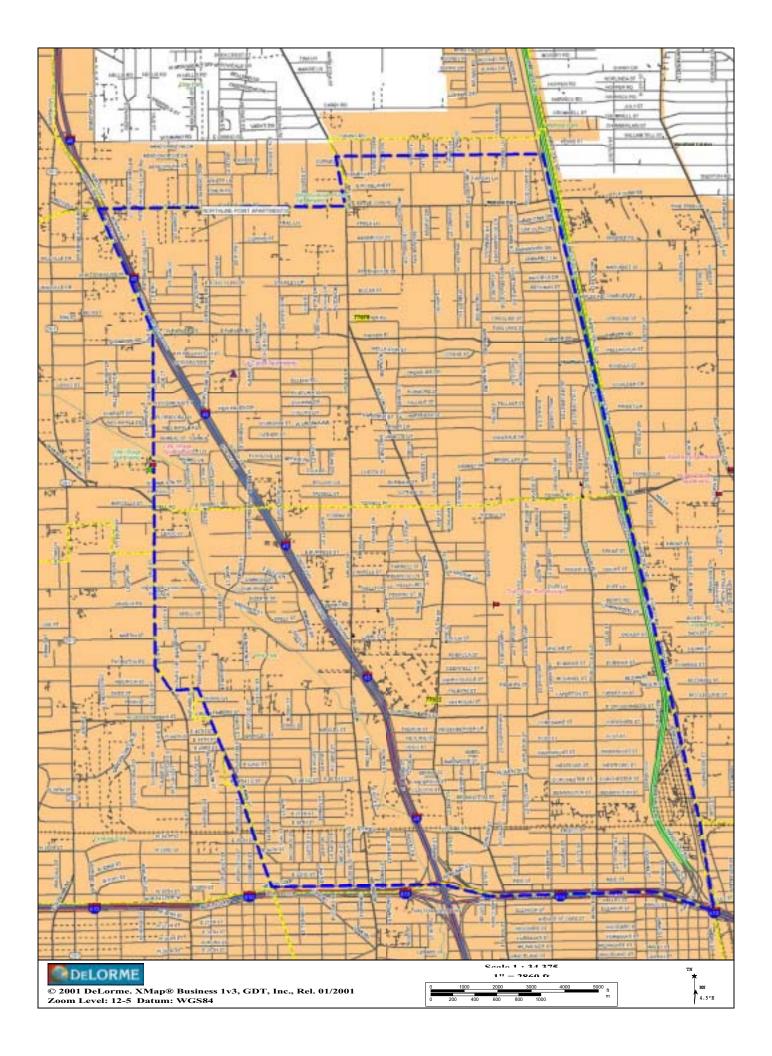
Primary Debt Service Secondary Debt Servi Additional Debt Servi NET CASH FLOW	ice	\$390,982 0 0 \$84,400	
Primary	\$4,800,000	Term	360
Int Rate	7.20%	DCR	1.22
Secondary	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.22
Additional	\$2,842,132	Term	0
Int Rate	0.00%	Aggregate DCR	1.22

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME	at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL	GROSS RENT	\$1,495,488	\$1,540,353	\$1,586,563	\$1,634,160	\$1,683,185	\$1,951,273	\$2,262,060	\$2,622,347	\$3,524,215
Secondary	Income	26,400	27,192	28,008	28,848	29,713	34,446	39,932	46,293	62,213
Other Supp	oort Income:	0	0	0	0	0	0	0	0	0
POTENTIAL	GROSS INCOME	1,521,888	1,567,545	1,614,571	1,663,008	1,712,898	1,985,719	2,301,992	2,668,640	3,586,429
Vacancy &	Collection Loss	(114,142)	(117,566)	(121,093)	(124,726)	(128,467)	(148,929)	(172,649)	(200,148)	(268,982)
Employee o	or Other Non-Rental	. 0	0	0	0	0	0	0	0	0
EFFECTIVE	GROSS INCOME	\$1,407,746	\$1,449,979	\$1,493,478	\$1,538,283	\$1,584,431	\$1,836,790	\$2,129,343	\$2,468,492	\$3,317,447
EXPENSES	at 4.00%									
General & A	Administrative	\$63,922	\$66,479	\$69,138	\$71,904	\$74,780	\$90,981	\$110,693	\$134,675	\$199,351
Manageme	nt	70,387	72,499	74,674	76,914	79,222	91,839	106,467	123,425	165,872
Payroll & P	ayroll Tax	180,129	187,335	194,828	202,621	210,726	256,380	311,926	379,506	561,761
Repairs & I	Maintenance	69,805	72,598	75,501	78,521	81,662	99,355	120,880	147,069	217,698
Utilities		181,804	189,076	196,640	204,505	212,685	258,764	314,826	383,034	566,984
Water, Sew	er & Trash	90,658	94,284	98,055	101,977	106,057	129,034	156,990	191,002	282,729
Insurance		81,163	84,409	87,786	91,297	94,949	115,520	140,548	170,998	253,118
Property Ta	ах	93,695	97,443	101,341	105,394	109,610	133,358	162,250	197,402	292,203
Reserve for	Replacements	60,000	62,400	64,896	67,492	70,192	85,399	103,901	126,411	187,119
Other		40,800	42,432	44,129	45,894	47,730	58,071	70,652	85,959	127,241
TOTAL EXPE	ENSES	\$932,364	\$968,955	\$1,006,988	\$1,046,521	\$1,087,613	\$1,318,701	\$1,599,132	\$1,939,480	\$2,854,078
NET OPERA	TING INCOME	\$475,382	\$481,024	\$486,490	\$491,762	\$496,818	\$518,088	\$530,210	\$529,012	\$463,369
DEE	BT SERVICE									
First Lien Fir	nancing	\$390,982	\$390,982	\$390,982	\$390,982	\$390,982	\$390,982	\$390,982	\$390,982	\$390,982
Second Lien		0	0	0	0	0	0	0	0	0
Other Finance	sing	0	0	0	0	0	0	0	0	0
NET CASH F	LOW	\$84,400	\$90,042	\$95,508	\$100,780	\$105,836	\$127,106	\$139,228	\$138,030	\$72,387
DEBT COVE	RAGE RATIO	1.22	1.23	1.24	1.26	1.27	1.33	1.36	1.35	1.19

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
(1) Acquisition Cost						
Purchase of land	\$150,000	\$1,265,385				
Purchase of buildings	\$4,550,000	\$3,434,615	\$4,550,000	\$3,434,615		
2) Rehabilitation/New Construction Cost	\$4,700,000	\$4,700,000		-		
On-site work	\$136,994	\$136,994			\$136,994	\$136,99
Off-site improvements						
3) Construction Hard Costs						
New structures/rehabilitation ha	\$1,183,006	\$1,183,006			\$1,183,006	\$1,183,00
4) Contractor Fees & General Requirement	ts					
Contractor overhead	\$26,400	\$26,400			\$26,400	\$26,40
Contractor profit	\$85,536	\$79,200			\$79,200	\$79,20
General requirements	\$79,200	\$79,200			\$79,200	\$79,20
5) Contingencies	\$151,114	\$132,000			\$132,000	\$132,00
6) Eligible Indirect Fees	\$143,112	\$143,112			\$143,112	\$143,11
7) Eligible Financing Fees	\$306,359	\$306,359			\$306,359	\$306,35
8) All Ineligible Costs	\$190,964	\$190,964				
9) Developer Fees			\$682,500	\$515,192	\$312,941	\$312,94
Developer overhead	\$199,852	\$110,418				
Developer fee	\$799,406	\$717,715				
(10) Development Reserves	\$360,540	\$360,540				
OTAL DEVELOPMENT COSTS	\$13,062,483	\$12,865,908	\$5,232,500	\$3,949,808	\$2,399,212	\$2,399,2
Deduct from Basis:						
All grant proceeds used to finance co	osts in eligible	basis				
B.M.R. loans used to finance cost in	eligible basis					
Non-qualified non-recourse financing	_					
Non-qualified portion of higher qual:	ity units [42(d)	(3)]				
Historic Credits (on residential por	tion only)					
OTAL ELIGIBLE BASIS			\$5,232,500	\$3,949,808	\$2,399,212	\$2,399,21
High Cost Area Adjustment					130%	13
OTAL ADJUSTED BASIS			\$5,232,500	\$3,949,808	\$3,118,975	\$3,118,97
Applicable Fraction			77.15%	77.15%	77.15%	77.1
OTAL QUALIFIED BASIS			\$4,036,637	\$3,047,098	\$2,406,148	\$2,406,14
Applicable Percentage			3.63%	3.63%	8.34%	8.3
OTAL AMOUNT OF TAX CREDITS			\$146,530	\$110,610	\$200,673	\$200,6
Syndic	ation Proceeds	0.7792	\$1,141,789	\$861,892	\$1,563,681	\$1,563,6
		Total	Credits (Eligible	e Basis Method)	\$347,203	\$311,28
			Syndio	cation Proceeds	\$2,705,470	\$2,425,57
			Red	quested Credits	\$364,740	

\$204,740	CIEUIUS	equested v	K		
\$2,842,124	roceeds	ication P	Synd		
\$3,562,483	Needed	Proceeds	f Syndication	Gap of	
\$457,186	Amount	Credit			



TDHCA # 03178 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Develo	pment N	Vame	· laciu	ato Ma	nor				-	TDHCA #:	03178
						0.110					03170
	OPMENT	LOCA	AIION A	ND DES	GNAI		~	704 14 1 14	24		
Region: City:		nto Cit	ty			Site Addres County:		701 Market S larris	Zip Code	e: 77029	
🗌 TT	C	DDA		QCT		Purpose / A	Activity	: New Con	struction		
Targete	ed Units	: Fan	nily: 0	Elde	rly: 200	Handicapp	ed/Di	sabled 14	Domestic Ab	use: 0 1	Fransitional: 0
Set As	ides:	✔ G	eneral	A	t-Risk	🗌 Nonpro	fit	Rural		A-RHS	 Elderly
OWNER	R AND P	RINCI	PAL INF	ORMAI	ION O	wner Entity	Name	: Jacinto Ma	anor, Ltd.		
Principa	al Names	5				Principal	Cont	act	Percentag	ge Ownersh	ip
Artisan/A	American	Corp.				H. Elizab	eth Yo	ung	.59% of C	Owner	
Inland G	eneral Co	onstruc	tion Co.			Vernon R	. Your	ıg, Jr.	.41% of C	Dwner	
				FORMA							
-	Credit A		-	-	-	\$782,3	54	Allocatio	on over 10 Yea	urs: \$	7,823,540
	Request		\$782			e Basis Amo		\$805,953	Equity/Gap		\$795,294
			ψi 02,	,001	Ligion			. ,			<i>Q</i> 100,201
UNITIN	FORMA		0.00	2 00	Tatal	Playgrou		AMENITIES	(no extra cost	Facility with	Internet
000/		<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	Recreat		ilities	Public Ph	-	internet
30%	0	16	16	0	32				lled Gate Acces		
40%	0	8	8	0	16 22		-	-	r Hook-Ups in L		
50%	0	16	16	0	32		-		enter or Commu	nity Meal Roc	m
60%	0	40	40 20	0	80 40	✓ Furnishe	ed Cor	nmunity Room			
MR	0	20	20 100	0	40				a cost to tenant		
Total	0	100	100	0	160	Covered V Mini Blin		es		r Line in all Be Tile - Entry, K	
Total LI		المتعالم الم			160	✓ Min Bin ✓ Laundry		ections	Storage F		IICHEII, Dallis
	Employe roject Un		.5.		0 200	✓ Laundry				hingle Roofin	g
	ble Fract				80.00		l Parki	ng		Patios or Balo	
	action is the les		unit fraction or			Garages				nan 75% Mas	
attributable to	low income u	nits.				Use of E	nergy	Efficient Alteri	native Construct	tion Materials	
	IG INFO										
	evelopm				\$	13,593,541		erage Square			806
	Building S					207,513			entable Square	e Foot	\$84.33
	et Renta					161,200		dits per Low	Income Uni		\$4,890
	IE AND I			ORMATI				ANCING	ainal Amaunt		¢7 217 000
	e Gross		ie		5	\$1,342,032		plicant Equity	cipal Amount:		\$7,317,000 \$102,125
	xpenses:					\$732,000		uity Source:		Deferred D	eveloper Fee
	erating Ir				otio	\$610,032		ndication Rat	٥.	Deletted D	\$0.7892
	ed 1st Y			-		1.15 = Not Yet Ava			.		φ0.7002
	OPMENT					- NUL TELAVA		at Analyst		Accesictor	
Develop			isan/Am and Gen		•			et Analyst:	NA	& Associates	
Housing					าอินินินินิ	511 00.	-	nator/UW:		& Associates	
-	er. stimator:	NA	own & G	ay				aiser:		Curth, Mayor	
Archited			M Archit	ecte In	c		Attor	ountant:		c & Compar	
						oup, LLC		Services	•	ult Developr	•
Syndica			nAmeric	-	ment OI	oup, LLO		nanent Lende		n Mortgage	
Synuica	at01.	Su		a			Pein		Davis-Peni	i wortgage	Company

reject runne: euclinte marier			riojooritaini		
UBLIC COMMENT SUMMARY	Note: "O" = Oppose,	"S" = Support, "N" = Ne	eutral, "NC" or E	Blank = No commen	t
of Letters, Petitions, or Witness	Affirmation Forms (no	ot from Officials):	Support:	3 Opposition:	0
A resolution was passed by the	e local government in	support of the develo	pment.		
ocal/State/Federal Officials with Jurisdie	ction:	Comment from Other Pu	blic Officials:		
-	or, City of Jacinto City, S				
	Moreno, District 143,S				
	egos, Jr., District 6, S				
JS Representative:	Gene Green, S				
JS Senator:	Ourses				
General Summary of Comment: Broad	Бирроп				
DEPARTMENT EVALUATION					
Points Awarded: 100 Site F	inding: Acceptable	Underwriting	Finding: App	proved with Condit	ions
CONDITIONS TO COMMITMEN	T				
Receipt, review, and acceptance of clar	ification of the status of the	e easement located along	the east property	y line and identified in	the
itle commitment by closing of the const		·			
Should the terms of the proposed debt of	or syndication be altered, t	he development should be	e re-evaluated.		
Alternate Recommendation: N	A				
ECOMMENDATION BY THE PRO RODUCTION AND THE THE EXE					
	Meeting a Required S		_	he Regional Allocatior	n
☐ To serve a greater number of lower i	- · ·		· · ·	·	
To ensure geographic dispersion with					
☐ To ensure the Development's consis		•	alization or prese	ervation plan.	
\Box To ensure the allocation of credits ar					ouilt.
☐ To give preference to a Developmen	•	•	-	. ,	
To provide integrated, affordable acc				e.	
xplanation: This Development has	-			-	
	·				
obert Onion, Manager of Awards and A	Allocation Date	Brooke Boston, Directo	or of Multifamily F		<u> </u>
					Date
dwina Carrington, Executive Director	Date				
hairman of Executive Award and Revie					
OARD OF DIRECTOR'S APPRON	AL AND DESCRIPTIC		RY FACTORS	(if any):	
Approved Credit Amount:	Date of	of Determination:			
L		L			
lichael E. Jones, Chairman of the Board	d Dat				

	Developer Evalu	uation
Project ID # 03178	Name: Jacinto Manor	City: Houston
LIHTC 9% 🗹 LIHTC 4% 🗆 HO	DME BOND HTF	□ SECO □ ESGP □ Other □
□ No Previous Participation in Texas	\Box Members of the develo	opment team have been disbarred by HUD
National Previous Participation Cer Noncompliance Reported on Nation		N/A \Box Yes \Box Notification: \Box Yes \Box No
	Portfolio Management ar	nd Compliance
Projects in Material Noncompliance:	No 🖌	Yes 🗌 # of Projects: 0
Total # of Projects monitored:0		0-9 0 10-19 0 20-29 0
Total # monitored with a score less	than 30: 0 # not	t yet monitored or pending review: 1
Program Monitoring/Draws		
🔄 .		sues Unresolved issues found mation/comments must be attached
Asset Management		
Not applicable Review pend Unresolved issues found that warrant	-	ssues ✓ Unresolved issues found □ mation/comments must be attached □
Reviewed by Sara Carr News	som	Date <u>iday, May 23, 2003</u>
	Multifamily Finance Productio)n
	ing No unresolved iss disqualification (Additional inform	sues ✓ Unresolved issues found □ mation/comments must be attached) □
Reviewed by R Meyer	Date 5/2	28/2003
S Not applicable Review pend Unresolved issues found that warrant		sues Unresolved issues found
Reviewed by	Date	
Not applicable v Review pend Unresolved issues found that warrant	disqualification (Additional inform	mation/comments must be attached) \Box
Reviewed by <u>EEF</u>	Date <u>5/1</u>	6/2003
Not applicable 🖌 Review pend Unresolved issues found that warrant		
Reviewed by <u>H Cabello</u>	Date <u>6/1</u>	0/2003
Real Estate Not applicable Review pend Unresolved issues found that warrant		sues Unresolved issues found
Reviewed by	Date	
Not applicable Delinquencies found that warrant disq	Loan Administration No delinquencies found ✓ ualification (Additional informati	Delinquencies found ion/comments must be attached)
Reviewed by Stephanie Stuntz	Date <u>5 /2</u>	3/2003
Executive Director: Edwir	a Carrington E	xecuted: Friday, June 13, 2003

9% LIHTC

FILE NUMBER:

03178

PROGRAM:

DATE:

June 9, 2003

			DEV	/ELOPME		ME				
				Jacinto N						
				APPLIC	ANT					
Name:	Jacinto Ma	nor, Ltd.		Тур	pe:]	For Profit				
Address:	5325 Katy	Freeway,	Suite One	Cit	ty:	Houstor	L		State	e: TX
Zip:	77007	Contact:	H Elizabeth Youn	ig Pho	one:	(713)	626-1400	Fax:	(713)	626-1098
			PRINCIPALS of the	e APPLIC/	ANT/ KE	Y PARTIC	IPANTS			
						Title:	Managin	g Gener	al Dartnar	Davalanar
Name:	Artisan/An	nerican C	orporation	(%):	0.0059	Thue.	Managin	5 Gener	airainei	Developer
Name: Name:			orporation struction Company	(%): (%):	0.0059			0		al Contractor
				_ ` `				0		1
			struction Company	_ ` `	0.0041	Title:		0		1
	Inland Gen	neral Cons	struction Company	(%):	0.0041	Title:		ral Partr		1
Name:	Inland Gen	ately 9701	PRO 1 Market Street	(%):	0.0041	Title:		ral Partr	ner/Genera	al Contractor
Name: Location:	Inland Gen Approxima	ately 9701	PRO 1 Market Street	(%):	0.0041	Title:		ral Partr	ner/Genera	al Contractor
Name: Location:	Inland Gen Approxima	ately 9701	PRO 1 Market Street	(%):		Title:		ral Partr	ner/Genera	al Contractor
Name: Location: City:	Inland Gen Approxima	ately 9701	PRO 1 Market Street	(%): <u>OPERTY LC</u> County:		Title:	Co-Gene	ral Partr	ner/Genera	al Contractor DDA 77029
Name: Location: City:	Inland Ger Approxima Jacinto Cit	ately 9701	struction Company PRO I Market Street	(%): <u>OPERTY LC</u> County:		Title:	Co-Gene	ral Partr	ner/Gener: CT Zip:	al Contractor DDA 77029
Name: Location: City: 1)	Inland Ger Approxima Jacinto Cit	ately 9701	PRO Market Street Interest Rate	(%): County: REQU	0.0041 OCATIC EST 	Title: DN Harris nortizatio N/A	Co-Gene	caral Parti	ner/Gener: CT Zip: <u>Tern</u>	al Contractor DDA 77029
Name: Location: City: 	Inland Ger Approxima Jacinto Cit Amount \$782,354	ately 9701 y	PRC Market Street I Market Street Interest Rate N/A	(%): DPERTY LC County: REQUI ation of low	0.0041 OCATIC EST 	Title: DN Harris nortizatio N/A ne housin	Co-Gene	Q	ner/Gener: CT Zip: <u>Tern</u>	al Contractor DDA 77029

RECOMMENDATION

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$782,354 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of clarification of the status of the easement located along the east property line and identified in the title commitment by closing of the construction loan.

- 2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report prior to Board approval;
- 3. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS								
IMPROVEMENTS Total # Rental # Common # of								
Total Units:200# Rental Buildings1# Common Area Bldgs# of 								
Net Rentable SF: 161,200 Av Un SF: 806 Common Area SF: 46,313 Gross Bldg SF: 207,513								
STRUCTURAL MATERIALS								
Wood frame on a concrete slab on grade, 100% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing. APPLIANCES AND INTERIOR FEATURES								
Carpeting & ceramic tile flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, tile tub/shower, washer & dryer with connections, cable, ceiling fans, laminated counter tops, heatpump.								
ON-SITE AMENITIES								
Community room, common dining, commercial kitchen, management offices, laundry facilities, restrooms, computer/business center, central mailroom, monitored unit security, perimeter fencingwith limited access gate(s); four 3-stop elevators.								
Uncovered Parking: 212 spaces Carports: N/A spaces Garages: N/A spaces								
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION								
Description: Jacinto Manor is a proposed new construction development of 200 units of mixed income housing for the elderly located in Harris County. The development is comprised of a single residential building housing one- and two-bedroom units as well as many common areas.								
<u>Architectural Review:</u> The E-shaped three-story building includes elevators located at the head of each wing. Some residents will be required to walk in excess of 300 feet in order to use an elevator. The four elevators serve 138 upper floor units or a moderate to high 34.5 units each. The department currently has no formal requirement for the number of units each elevator should serve; however additional dispersed elevators would likely improve the marketability to senior residents. However, there are interior stairways and sitting/entertainment areas located intermittently on each floor. The exterior of the building will have minimal ornamentation, but appears to be attractive.								
Supportive Services: The Applicant plans to contract with Child & Adult Development Center to provide community advancement, family skills development, education and personal growth services.								
Schedule: The Applicant anticipates construction to begin in February of 2004, to be completed in February of 2005, to be placed in service in February of 2005, and to be substantially leased-up in March of 2005.								
SITE ISSUES								
SITE DESCRIPTION								
Size: 9.3 acres 405,108 square feet Zoning/ Permitted Uses: Independent Seniors Living >55 yrs								
Flood Zone Designation: Zone C Status of Off-Sites: Fully Improved								
SITE and NEIGHBORHOOD CHARACTERISTICS								
Location: The subject site is located on the north side of Market Street, west of Oates Road, Harris County.								
Adjacent Land Uses:								

- North: vacant land and commercial development
- South: railroad track, vacant land and industrial development
- East: vacant land

• West: vacant land and commercial development

<u>Site Access</u>: The subject site is located east of Loop 610 South and south of Interstate Highway 10. Other principle thoroughfares include Beltway 8, State Highway 225, Market Street, Maxey Road, Federal Road and Clinton Drive.

Public Transportation: Transportation is available via private automobile and the METRO bus system.

Shopping & Services: Whitter Elementary, Woodland Junior High and Furr Senior High School are all located within ±2.0 miles radius. Shopping convenient to the subject property includes neighborhood shopping and strip centers. Numerous recreational facilities are located throughout the Houston area. Medical facilities include the Northshore Medical Hospital on Interstate 10 near Uvalde and the Tidelands General Hospital located on Interstate 10 east of Beltway 8.

Special Adverse Site Characteristics: An exception in the title commitment states, "NOTE: The road easement located along the east property line...would be cut from 60 feet to 30 feet when a release was executed and IF AND ONLY IF arrangements could be made with the owners of land east of subject property to extend the road 30 feet east thereof. We find no such release or agreements with adjoining property owner. If said easement has been reduced in width, we shall require evidence in recordable form, satisfactory to this Company..." The submitted site plan indicates that the building would not be affected by a 60-foot easement along the east property line. However, it appears that the parking spaces along the east property line may abut the easement. Receipt, review and acceptance of clarification of the status of this easement are a condition of this report.

<u>Site Inspection Findings</u>: The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 19, 2003 was prepared by Phase Engineering, Inc. and contained the following conclusion: "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 2)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for elderly tenants, while 160 of the units (80%) will be income restricted. Thirty-two of the units (16%) will be reserved for households earning 30% or less of AMGI, 16 units (8%) will be reserved for households earning 40% or less of AMGI, 32 of the units (16%) will be reserved for households earning 50% or less of AMGI, 80 units (40%) will be reserved for households earning 40 units (20%) will be offered at market rents.

ns 6 Persons
\$41,460
)

MARKET HIGHLIGHTS

A market feasibility study dated February 27, 2003 was prepared by O'Connor & Associates and highlighted the following findings:

Definition of Primary Market: "The subject's primary market is defined as that area within zip codes 77012, 77013, 77015, 77029, 77506 and 77547." (p. 10)

Population: The estimated 2001 population of the Primary Market Area was 165,140 and is expected to increase to approximately 178,793 by 2006. Within the primary market area there were estimated to be 49,584 households in 2001.

Total Local/Submarket Demand for Rental Units:

ANNUAL TARGETED INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY					
	Market Analyst	Underwriter			

Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	61	3%	171	9%
Resident Turnover	1,676	88%	1,704	91%
Other Sources:	174	9%	N/A	
TOTAL ANNUAL DEMAND	1,911	100%	1,875	100%

Ref: p. 68

Inclusive Capture Rate: The Market Analyst has concluded an inclusive capture rate for the 320 total unstabilized restricted units in the market area of 16.75%. (p. 69) Uvalde Ranch, which was included in the Market Analyst's capture rate estimate, is not at the time of this underwriting report being considered for a 2003 LIHTC allocation due to a lower score. The Underwriter calculated an inclusive capture rate of 8.50% based upon a revised supply of unstabilized comparable affordable units of only the subject 160 restricted units divided by a revised demand of 1,875.

<u>Market Rent Comparables</u>: The Market Analyst surveyed five comparable apartment projects totaling 1,256 units in the market area.

	RENT ANALYSIS (net tenant-paid rents)										
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential						
1-Bedroom (30%)	\$281	\$281	\$0	\$675	-\$394						
1-Bedroom (40%)	\$393	\$393	\$0	\$675	-\$282						
1-Bedroom (50%)	\$504	\$504	\$0	\$675	-\$171						
1-Bedroom (60%)	\$616	\$616	\$0	\$675	-\$59						
1-Bedroom (MR)	\$670	N/A		\$675	-\$5						
2-Bedroom (30%)	\$333	\$333	\$0	\$805	-\$472						
2-Bedroom (40%)	\$467	\$467	\$0	\$805	-\$338						
2-Bedroom (50%)	\$601	\$601	\$0	\$805	-\$204						
2-Bedroom (60%)	\$735	\$735	\$0	\$805	-\$70						
2-Bedroom (MR)	\$804	N/A		\$805	-\$1						

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

Primary Market Occupancy Rates: "The average occupancy in the subject's primary market area was reported at 92.11%...The selected comparable apartments surveyed in the primary market area of the proposed subject complex exhibited strong occupancy rates, with a median occupancy level of 96%..." (p. 10)

Absorption Projections: "Based on our research, most projects that are constructed in the Houston area typically lease-up within 12 months. Pre-leasing should commence prior to completion of the construction." (p. 12) "...we project that the subject property will lease an average of 25-30 units per month until it reaches stabilized occupancy. We anticipate that the subject property will achieve stabilized occupancy within 6-8 months following completion." (p. 71)

Known Planned Development: "To the best of our knowledge, there is one proposed LIHTC project in which applications will be filed with the TDHCA located within the subject's primary market area (excluding the subject). The project is Uvalde Ranch." (p. 47)

The Underwriter found the market study provided sufficient information for purposes of this analysis.

OPERATING PROFORMA ANALYSIS

Income: The Applicant's effective gross income figure is based on the 2003 LIHTC rents and underwriting guidelines for secondary income and vacancy loss. Therefore, it compares favorably with the Underwriter's estimate and is considered to be generally acceptable.

Expenses: The Applicant's total annual operating expense estimate of \$3,660 per unit is within 5% of the Underwriter's estimate.

<u>Conclusion</u>: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity.

In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guideline of 1.10 to 1.25.

		AC		ALUATION INFOR	MAIION			
Land: 5.2569 + 16.4738 ac	res	\$675,89	0	Assessment for	the Year of:	2002		
1 acre:	-	\$31,103		Valuation by:	Harris County	Appra	isal Distr	ict
Total Value: 9.3 acres pro	rated	\$289,25	8	Tax Rate:	2.308			
Type of Site Control:	Earne		DENCE of Si	TE or PROPERTY CO	ONTROL			
Contract Expiration Date:	03/	01/	2004	Anticipated Clo	sing Date:	03/	01/	2004
Acquisition Cost:	\$729	,194		Other Terms/Co	onditions:	2 trac	ts (4.04 &	z 5.26 acres
Frost Interest, I	Ltd., LL	Р		_				
Sellers: Vernon W Fros Frost Bailey Tr	, ,		•	tee for the Ann	Related to Devel	lopmen	t Team M	ember: N

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: Despite being two and half times the prorated assessed value, the acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$5,785 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$310K or 4% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$206K to reflect an apparent overestimation of eligible construction loan interest, 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.

<u>Fees</u>: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$30,916.

Conclusion: The Applicant's total development cost figure is within 5% of the Underwriter's estimate; therefore, the Applicant's total development cost, as adjusted by the Underwriter for overstated interim interest and developer fees, is used to calculate eligible basis and the overall need for funds. An adjusted eligible basis of \$12,079,632 results in eligible annual tax credits of \$805,953, which is \$23,599 more than requested. Therefore, the Applicant's requested credits of \$782,354 will be compared to the gap in need to determine the recommended tax credit award.

					FINAN	CING S	TRUCT	URE				
				LONG	G TERM/F	PERMAN	NENT FI	NANCIN	G			
Source:	Davis-Per	nn Moi	tgage Cor	npany				Contact:	Ra	y Landry		
Principal A	mount:	\$7,31	7,000]	Interest R	late:	6.75	%, fixed				
Additional l	Additional Information: 2-year construction period											
Amortization: 40 yrs Term: 40 yrs Commitment: DOI X Firm Conditional												
Annual Payment: \$529,771 Lien Priority: 1 st Commitment Date 02/ 27/ 2003												
					LIHTC	SYND	ICATIO	N				
Source:	SunAmer	rica						Contac	et:	Lee Stevens	5	
Address:	8144 Wa	ılnut H	ill Lane					City	: Da	llas		
State:	TX		Zip: 75	5231	Phone	e: (2	214)	932-250	00	Fax:	(214)	932-2549
Net Proceed	ls: §	6,189	416	N	let Syndio	cation R	ate (pe	r \$1.00 of	10-yr L	JHTC)	79¢	
Commitmer	nt	\boxtimes	LOI	F	irm		Conditi	ional	Date:	02/	26/	2003
Additional l	Informatio	n:	Bridge lo	an of \$5	,493,288	, intere	st rate o	of Prime	+ 2% o	n >\$3,713,6	50	
					APP	LICANT	EQUIT	Y				
Amount:	\$87,125			So	urce:	Defer	red Dev	veloper F	ee			
				FIN		STRUC						

<u>Permanent Financing</u>: The permanent financing commitment is consistent with the terms reflected in the sources and uses listed in the application.

<u>LIHTC Syndication</u>: The syndication proceeds will be contributed in three phases with the majority used to repay a bridge loan provided by SunAmerica during the construction period. A slight inconsistency in the commitment letter leads to a more conservative estimate of the syndication proceeds to be \$6,174,416.

Deferred Developer's Fees: The Applicant's anticipated deferred fees amount to 5% of total developer fees.

Financing Conclusions: As stated above, the Applicant's total development cost, as adjusted by the Underwriter for overstated interim interest and developer fees, is used to calculate eligible basis and eligible annual tax credits of \$805,953, which is higher than the requested tax credits. The overall gap in need supports the requested annual tax credits of \$782,354. A slight reduction in anticipated syndication funds indicates a need for an increase in the total deferred developer fee to \$102,125. Deferred fees in this amount appear to be repayable from development cash flow within two years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, developer, general contractor, and property manager are related entities. These are common relationships for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: Inland General Construction reported total assets of \$420K as of February 19, 2003. Total liabilities equaled \$54K for a net worth of \$365K.

Artisan/American Corporation reported total assets of \$1.3M as of February 19, 2003. Total liabilities equaled \$551K for a net worth of \$731K.

A joint interim financial statement was also provided by Vernon and Elizabeth Young, owners of the cogeneral partners.

Background & Experience: Artisan/American Corporation has indicated participation in one tax credit development totaling 198 units in 2002. Inland General Construction and Vernon R Young, Jr. have received certificates of experience from the Department.

SUMMARY OF SALIENT RISKS AND ISSUES

• None noted.

Underwriter:		Date:	June 9, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Jacinto Manor, Jacinto City, LIHTC 03178

	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Int Pd Util	Wtr & Swr
TC 30%	16	1	1	676	\$335	\$281	\$4,496	\$0.42	\$54.00	\$30.00
TC 40%	8	1	1	676	447	393	3,144	0.58	54.00	30.00
TC 50%	16	1	1	676	558	504	8,064	0.75	54.00	30.00
TC 60%	40	1	1	676	670	616	24,640	0.91	54.00	30.00
MR	20	1	1	676		670	13,400	0.99	54.00	30.00
TC 30%	16	2	1	936	402	333	5,328	0.36	69.00	36.00
TC 40%	8	2	1	936	536	467	3,736	0.50	69.00	36.00
TC 50%	16	2	1	936	670	601	9,616	0.64	69.00	36.00
TC 60%	40	2	1	936	804	735	29,400	0.79	69.00	36.00
MR	20	2	1	936		804	16,080	0.86	69.00	36.00
TOTAL:	200		AVERAGE:	806	\$491	\$590	\$117,904	\$0.73	\$61.50	\$33.00
NCOME		Total Net Re	entable Sq Ft:	161,200		TDHCA	APPLICANT		USS Region	6
OTENTIAL	_ GROSS R	ENT			l	\$1,414,848	\$1,414,848		IREM Region	Houstor
Secondary	Income		1	Per Unit Per Month:	\$15.00	36,000	36,000	\$15.00	Per Unit Per Month	
Other Supp	ort Income:	(describe)				0	0			
POTENTIAL	GROSS I	VCOME				\$1,450,848	\$1,450,848			
Vacancy &	Collection L	DSS	% of Pote	ntial Gross Income:	-7.50%	(108,814)	(108,816)	-7.50%	of Potential Gross R	Rent
			s or Concess	ions		0	0			
FFECTIVE	GROSS IN	ICOME				\$1,342,034	\$1,342,032			
XPENSES	<u>i</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & A	Administrati	/e	5.86%	\$393	0.49	\$78,614	\$63,800	\$0.40	\$319	4.75%
Managemer	nt		5.00%	336	0.42	67,102	\$65,000	0.40	325	4.84%
Payroll & Pa			13.48%	905	1.12	180,936	\$175,000	1.09	875	13.04%
,	Maintenance		4.85%	325	0.40	65,084	\$70,000	0.43	350	5.22%
Utilities	viaintenance		5.04%	339	0.42			0.50	400	5.96%
				360	0.42	67,704	\$80,000			
Water, Sew			5.37%			72,032	\$52,000	0.32	260	3.87%
Property In	surance		2.50%	168	0.21	33,581	\$40,000	0.25	200	2.98%
Property Ta		2.308	8.60%	577	0.72	115,400	\$140,000	0.87	700	10.43%
Reserve for	Replaceme	nts	2.98%	200	0.25	40,000	\$40,000	0.25	200	2.98%
Supportive	Services, Co	ompliance	0.46%	31	0.04	6,200	\$6,200	0.04	31	0.46%
OTAL EXP	PENSES		54.15%	\$3,633	\$4.51	\$726,654	\$732,000	\$4.54	\$3,660	54.54%
NET OPERA	ATING INC		45.85%	\$3,077	\$3.82	\$615,381	\$610,032	\$3.78	\$3,050	45.46%
DEBT SER	VICE									
irst Lien Mo			39.48%	\$2,649	\$3.29	\$529,771	\$529,771	\$3.29	\$2,649	39.48%
			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
dditional Fi	•					-	-			
dditional Fi	•		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH	FLOW		6.38%	\$428	\$0.53	\$85,609	\$80,261	\$0.50	\$401	5.98%
GGREGATE	DEBT COVE	RAGE RATIO	2			1.16	1.15			
ECOMMEN	DED DEBT (OVERAGE F	ATIO				1.15			
ONSTRUC	CTION COS	ST				-				
Descri	intion		% of TOTAL							
Deseri		Factor		DED LINIT	DED SO ET	TDHCA		DED SO ET	DED LINIT	% of TOTAL
caulcition	Cost (site a	Factor		PER UNIT \$2,646	PER SQ FT	TDHCA	APPLICANT	PER SQ FT \$4 52	PER UNIT	<u>% of TOTAL</u> 5 26%
•	Cost (site c		5.24%	\$3,646	\$4.52	\$729,194	\$729,194	\$4.52	\$3,646	5.36%
Off-Sites	Cost (site c		5.24% 0.00%	\$3,646 0	\$4.52 0.00	\$729,194 0	\$729,194 0	\$4.52 0.00	\$3,646 0	5.36% 0.00%
Off-Sites Sitework			5.24% 0.00% 8.32%	\$3,646 0 5,785	\$4.52 0.00 7.18	\$729,194 0 1,157,000	\$729,194 0 1,157,000	\$4.52 0.00 7.18	\$3,646 0 5,785	5.36% 0.00% 8.51%
Off-Sites Sitework Direct Cons	struction		5.24% 0.00% 8.32% 52.36%	\$3,646 0 5,785 36,401	\$4.52 0.00 7.18 45.16	\$729,194 0 1,157,000 7,280,299	\$729,194 0 1,157,000 6,970,000	\$4.52 0.00 7.18 43.24	\$3,646 0 5,785 34,850	5.36% 0.00% 8.51% 51.27%
)ff-Sites Sitework Direct Cons	struction		5.24% 0.00% 8.32% 52.36% 2.92%	\$3,646 0 5,785 36,401 2,032	\$4.52 0.00 7.18 45.16 2.52	\$729,194 0 1,157,000	\$729,194 0 1,157,000	\$4.52 0.00 7.18 43.24 2.52	\$3,646 0 5,785	5.36% 0.00% 8.51% 51.27% 2.99%
Off-Sites Sitework Direct Cons Contingenc	struction	r bldg)	5.24% 0.00% 8.32% 52.36%	\$3,646 0 5,785 36,401	\$4.52 0.00 7.18 45.16	\$729,194 0 1,157,000 7,280,299	\$729,194 0 1,157,000 6,970,000	\$4.52 0.00 7.18 43.24	\$3,646 0 5,785 34,850	5.36% 0.00% 8.51% 51.27%
Off-Sites Sitework Direct Cons Contingenc General Re	struction y q'ts	r bldg) 4.82%	5.24% 0.00% 8.32% 52.36% 2.92%	\$3,646 0 5,785 36,401 2,032	\$4.52 0.00 7.18 45.16 2.52	\$729,194 0 1,157,000 7,280,299 406,350	\$729,194 0 1,157,000 6,970,000 406,350	\$4.52 0.00 7.18 43.24 2.52	\$3,646 0 5,785 34,850 2,032	5.36% 0.00% 8.51% 51.27% 2.99%
Off-Sites Sitework Direct Cons Contingenc General Re Contractor	struction y q'ts s G & A	r bldg) 4.82% 5.78%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51%	\$3,646 0 5,785 36,401 2,032 2,438	\$4.52 0.00 7.18 45.16 2.52 3.02	\$729,194 0 1,157,000 7,280,299 406,350 487,620	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540	\$4.52 0.00 7.18 43.24 2.52 3.02	\$3,646 0 5,785 34,850 2,032 2,438	5.36% 0.00% 8.51% 51.27% 2.99% 3.59%
Off-Sites Sitework Direct Cons Contingenc General Re Contractor	struction y q'ts s G & A 's Profit	r bldg) 4.82% 5.78% 1.93%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17%	\$3,646 0 5,785 36,401 2,032 2,438 813	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01	\$3,646 0 5,785 34,850 2,032 2,438 813	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20%
off-Sites itework Direct Cons contingenc General Re contractor contractor ndirect Co	struction y q'ts s G & A 's Profit nstruction	r bldg) 4.82% 5.78% 1.93%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.28%
Off-Sites Sitework Direct Cons Contractor Contractor Contractor Indirect Co neligible C	struction y q'ts s G & A s Profit nstruction iosts	4.82% 5.78% 1.93% 5.78%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97%
Off-Sites Sitework Direct Cons Contingence Contractor Contractor Indirect Co neligible C Developer's	struction y q'ts s G & A s Profit nstruction costs s G & A	r bldg) 4.82% 5.78% 1.93% 5.78% 1.86%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00%
Off-Sites Sitework Direct Cons Contingenc Contractor Contractor Indirect Co neligible C Developer's Developer's	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit	4.82% 5.78% 1.93% 5.78%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00% 11.82%
off-Sites itework Direct Cons contingence contractor contractor ndirect Co neligible C Developer's Developer's Developer's	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit	r bldg) 4.82% 5.78% 1.93% 5.78% 1.86%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00% 11.82% 4.54%
Off-Sites Sitework Direct Cons Contingenc Contractor Contractor Indirect Co neligible C Developer's Developer's Developer's	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit	r bldg) 4.82% 5.78% 1.93% 5.78% 1.86%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00% 11.82% 4.54% 2.58%
off-Sites itework birect Cons- contingence contractor contractor ndirect Co neligible C beveloper's beveloper's neterim Fin ceserves	struction y q'ts s G & A 's Profit nstruction costs s G & A s Profit ancing	r bldg) 4.82% 5.78% 1.93% 5.78% 1.86%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00% 11.82% 4.54% 2.58%
Off-Sites Sitework Direct Cons Contingence Contractor' ndirect Co neligible C Developer's Developer's Developer's Cortactor' Cortactor Developer's Cortactor	struction y q'ts s G & A 's Profit nstruction costs s G & A s Profit ancing	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.20% 2.97% 0.00% 11.82% 4.54% 2.58%
off-Sites Sitework Direct Cons Contingence Contractor ¹ Contractor ¹ Contractor ¹ Contractor ¹ Contractor ¹ Contractor ¹ Contractor ² Contractor ² C	struction y q'ts s G & A 's Profit nstruction osts s G & A s Profit ancing GT <i>Constructio</i>	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.20% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00%
Off-Sites Sitework Direct Cons Contingence Contractor ¹ Contractor ¹ Contractor ¹ ndirect Co neligible C Developer's Developer's Developer's Cotal COS Recep-Hard COURCES	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit ancing GT <i>Constructio</i> OF FUNDS	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00% 71.79%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519 \$49,907	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25 \$61.92	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840 \$9,981,429	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541 \$9,671,130	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99 <u>RECOMMENDED</u>	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968 \$48,356	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.20% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00% 77.75%
off-Sites Sitework Direct Cons Contingenc Contractor ¹ Contractor ¹ Contractor ¹ andirect Co Developer's Developer's Developer's Developer's Cottal COS Recap-Hard COURCES of irst Lien Mo	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit ancing ST <i>Constructio</i> OF FUNDS ortgage	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00% 71.79%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519 \$49,907 \$36,585	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25 \$61.92 \$45.39	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840 \$9,981,429 \$7,317,000	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541 \$9,671,130	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99 RECOMMENDED \$7,317,000	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968 \$48,356	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.20% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00% 77.75%
off-Sites Sitework Direct Cons Contingenc Contractor ¹ Contractor ¹ Contractor ¹ Contractor ¹ ondirect Co neligible C Developer's Developer's Developer's Developer's Developer's Developer's Cotta COS Recap-Hard COURCES of irst Lien Mc dditional Fi	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit ancing ST Construction OF FUNDS ortgage nancing	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00% 77.79%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519 \$49,907 \$36,585 \$0	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25 \$61.92 \$45.39 \$0.00	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840 \$9,981,429 \$7,317,000 0	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541 \$9,671,130 \$7,317,000 0	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99 <u>RECOMMENDED</u> \$7,317,000	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968 \$48,356 Developer Fet \$1,575	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.28% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00% 77.15% ee Available 5,604
Off-Sites Sitework Direct Cons Contractor Contractor Indirect Co neligible C Developer's Developer's Developer's CotAL COS Recap-Hard GOURCES of irst Lien Mo diditional Fi	struction y q'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST Construction OF FUNDS ortgage nancing cation Proce	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00% 71.79%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519 \$49,907 \$36,585 \$0 \$30,947	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25 \$61.92 \$45.39 \$0.00 \$38.40	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840 \$9,981,429 \$7,317,000 0 6,189,416	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541 \$9,671,130 \$7,317,000 0 6,189,416	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99 <u>RECOMMENDED</u> \$7,317,000 (0 6,174,416	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968 \$48,356 \$48,356 \$48,356 \$48,356	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.20% 3.59% 1.58% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00% 77.75% ee Available 5,604 ee Deferred
Off-Sites Sitework Direct Cons Contractor Contractor Indirect Co neligible C Developer's Developer's Developer's CotAL COS Recap-Hard GOURCES of irst Lien Mo diditional Fi	struction y q'ts s G & A s Profit nstruction costs s G & A s Profit ancing ST Construction OF FUNDS ortgage nancing	4.82% 5.78% 1.93% 5.78% 1.86% 13.00%	5.24% 0.00% 8.32% 52.36% 2.92% 3.51% 1.17% 3.51% 1.55% 2.90% 1.44% 10.11% 4.44% 2.52% 100.00% 77.79%	\$3,646 0 5,785 36,401 2,032 2,438 813 2,438 1,077 2,017 1,003 7,029 3,088 1,752 \$69,519 \$49,907 \$36,585 \$0	\$4.52 0.00 7.18 45.16 2.52 3.02 1.01 3.02 1.34 2.50 1.24 8.72 3.83 2.17 \$86.25 \$61.92 \$45.39 \$0.00	\$729,194 0 1,157,000 7,280,299 406,350 487,620 162,540 487,620 215,300 403,403 200,658 1,405,862 617,598 350,397 \$13,903,840 \$9,981,429 \$7,317,000 0	\$729,194 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,593,541 \$9,671,130 \$7,317,000 0	\$4.52 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$84.33 \$59.99 <u>RECOMMENDED</u> \$7,317,000	\$3,646 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$67,968 \$48,356 \$48,356 \$48,356 \$48,356	5.36% 0.00% 8.51% 51.27% 2.99% 3.59% 1.26% 3.59% 1.58% 2.97% 0.00% 11.82% 4.54% 2.58% 100.00% 77.15% ee Available 5,604 ee Deferred

Jacinto Manor, Jacinto City, LIHTC 03178

DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.21	\$6,481,852
Adjustments	•			
Exterior Wall Finish	1.00%		\$0.40	\$64,819
Elderly	5.00%		2.01	324,093
Roofing			0.00	0
Subfloor			(0.67)	(108,541)
Floor Cover			1.92	309,504
Porches/Balconies	\$29.24	0	0.00	0
Plumbing	\$615	0	0.00	0
Built-In Appliances	\$1,625	200	2.02	325,000
Interior Stairs	\$865	12	0.06	10,380
Floor Insulation			0.00	0
Heat Pump			1.73	278,876
Garages/Carports			0.00	0
Common Areas	\$40.21	46,313	11.55	1,862,246
Elevators	\$48,575	4	1.21	194,300
SUBTOTAL			60.44	9,742,528
Current Cost Multiplier	1.03		1.81	292,276
Local Multiplier	0.89		(6.65)	(1,071,678)
TOTAL DIRECT CONSTRUC	TION COSTS		\$55.60	\$8,963,125
Plans, specs, survy, bld prr	n 3.90%		(\$2.17)	(\$349,562)
Interim Construction Intere	s 3.38%		(1.88)	(302,505)
Contractor's OH & Profit	11.50%		(6.39)	(1,030,759)
NET DIRECT CONSTRUCTION	ON COSTS		\$45.16	\$7,280,299

PAYMENT COMPUTATION

Primary	\$7,317,000	Term	480	
Int Rate	6.75%	DCR	1.16	
Secondary		Term		
Int Rate		Subtotal DCR	1.16	
Additional		Term		

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NO

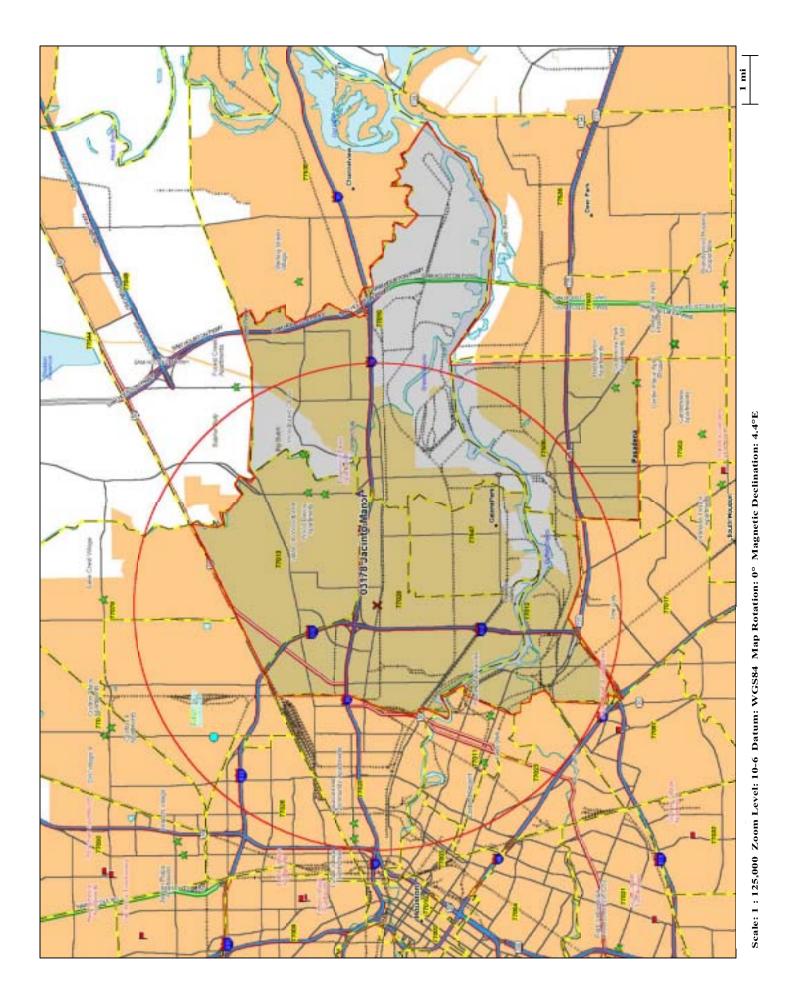
Primary Debt Servic	e	\$529,771				
Secondary Debt Ser	vice	0				
Additional Debt Ser	vice	0				
NET CASH FLOW		\$80,261				
Primary	\$7,317,000	Term	480			
Int Rate	6.75%	DCR 1.15				
Secondary	\$0	Term	0			
Int Rate	0.00%	Subtotal DCR	1.15			
Additional	\$0	Term	0			
Int Rate	0.00%	Aggregate DCR	1.15			

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

INCOME at	it 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL G	GROSS RENT	\$1,414,848	\$1,457,293	\$1,501,012	\$1,546,043	\$1,592,424	\$1,846,056	\$2,140,085	\$2,480,945	\$3,334,182
Secondary Ir	ncome	36,000	37,080	38,192	39,338	40,518	46,972	54,453	63,126	84,836
Contractor's P	Profit	0	0	0	0	0	0	0	0	0
POTENTIAL G	GROSS INCOME	1,450,848	1,494,373	1,539,205	1,585,381	1,632,942	1,893,028	2,194,538	2,544,071	3,419,018
Vacancy & C	Collection Loss	(108,816)	(112,078)	(115,440)	(118,904)	(122,471)	(141,977)	(164,590)	(190,805)	(256,426)
Developer's G	8 & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GF	ROSS INCOME	\$1,342,032	\$1,382,295	\$1,423,764	\$1,466,477	\$1,510,472	\$1,751,050	\$2,029,947	\$2,353,265	\$3,162,592
EXPENSES at	t 4.00%									
General & Ac	dministrative	\$63,800	\$66,352	\$69,006	\$71,766	\$74,637	\$90,807	\$110,481	\$134,417	\$198,970
Management	ıt	65,000	66950.12	68958.62332	71027.38202	73158.20348	84810.40862	98318.50794	113978.0973	153177.0318
Payroll & Pag	yroll Tax	175,000	182,000	189,280	196,851	204,725	249,080	303,043	368,699	545,764
Repairs & Ma	laintenance	70,000	72,800	75,712	78,740	81,890	99,632	121,217	147,479	218,306
Utilities		80,000	83,200	86,528	89,989	93,589	113,865	138,534	168,548	249,492
Water, Sewe	er & Trash	52,000	54,080	56,243	58,493	60,833	74,012	90,047	109,556	162,170
Insurance		40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Property Tax	x	140,000	145,600	151,424	157,481	163,780	199,264	242,435	294,959	436,611
Reserve for F	Replacements	40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Other		6,200	6,448	6,706	6,974	7,253	8,825	10,736	13,062	19,336
TOTAL EXPEN	NSES	\$732,000	\$760,630	\$790,386	\$821,312	\$853,454	\$1,034,159	\$1,253,347	\$1,519,246	\$2,233,318
NET OPERATI	ING INCOME	\$610,032	\$621,665	\$633,378	\$645,166	\$657,018	\$716,891	\$776,601	\$834,019	\$929,274
DEBT	T SERVICE									
First Lien Fina	ancing	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771
Second Lien		0	0	0	0	0	0	0	0	0
Other Financir	ng	0	0	0	0	0	0	0	0	0
NET CASH FL	.OW	\$80,261	\$91,894	\$103,607	\$115,394	\$127,246	\$187,120	\$246,829	\$304,248	\$399,503
DEBT COVERA	AGE RATIO	1.15	1.17	1.20	1.22	1.24	1.35	1.47	1.57	1.75

		-		
	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$729,194	\$729,194		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,157,000	\$1,157,000	\$1,157,000	\$1,157,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,970,000	\$7,280,299	\$6,970,000	\$7,280,299
(4) Contractor Fees & General Requirements				
Contractor overhead	\$162,540	\$162,540	\$162,540	\$162,540
Contractor profit	\$487,620	\$487,620	\$487,620	\$487,620
General requirements	\$487,620	\$487,620	\$487,620	\$487,620
(5) Contingencies	\$406,350	\$406,350	\$406,350	\$406,350
(6) Eligible Indirect Fees	\$215,300	\$215,300	\$215,300	\$215,300
(7) Eligible Financing Fees	\$617,598	\$617,598	\$617,598	\$617,598
(8) All Ineligible Costs	\$403,403	\$403,403		
(9) Developer Fees			\$1,575,604	
Developer overhead		\$200,658		\$200,658
Developer fee	\$1,606,520	\$1,405,862		\$1,405,862
(10) Development Reserves	\$350,397	\$350,397		
TOTAL DEVELOPMENT COSTS	\$13,593,541	\$13,903,840	\$12,079,632	\$12,420,846

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		\$12,079,632	\$12,420,846
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$12,079,632	\$12,420,846
Applicable Fraction		80%	80%
TOTAL QUALIFIED BASIS		\$9,663,705	\$9,936,677
Applicable Percentage		8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS		\$805,953	\$828,719
Syndication Proceeds	0.7892	\$6,360,662	\$6,540,332
Total Credits (Eligib	le Basis Method)	\$805,953	\$828,719
	lication Proceeds	\$6,360,662	\$6,540,332
R	equested Credits	\$782,354	
Synd	\$6,174,416		
Gap of Syndication F	Proceeds Needed	\$6,276,541	
	Credit Amount	\$795,294	



TDHCA # 03182 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DEVELOPMENT LOCATION AND DESIGNATIONS Region: 6 Site Address: 12400 Castlebridge Drive City: Jersey Village County: Harris Zip Code: 77065 TTC DDA QCT Purpose / Activity: New Construction Targeted Units: Family: 0 Elderly: 200 Handicapped/Disabled 14 Domestic Abuse: 0 Transitional: 0 Set Asides: Ø General At-Risk Nonprofit Rural TX-USDA-RHS Ø Elderly OWNER AND PRINCIPAL INFORMATION Owner Entity Name: The Manor at Jersey Village, Ltd. Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vermon R. Young, Jr. .41% of Owner Vermon R. Young, Jr. At1% of S7.823,540 Computer Facility with Internet <u>Eff</u> 1BR 2 BR 3 BR Total Playground Computer Facility with Internet 200 Om extra cost to tenant) Playground Computer Facility with Internet 200 200 Mit Playground Com
City: Jersey Village County: Harris Zip Code: 77065 TTC DDA QCT Purpose / Activity: New Construction Targeted Units: Family: 0 Elderly: 200 Handicapped/Disabled 14 Domestic Abuse: 0 Transitional: 0 Set Asides: © General At-Risk Nonprofit Rural TX-USDA-RHS © Elderly OWNER AND PRINCIPAL INFORMATION Owner Entity Name: The Manor at Jersey Village, Ltd. Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner .41% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION F782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) © \$904,360 0% 16 16 0 32 © Onsite Day Care, Senior Center or Community Multi Internet 0% 16
Targeted Units: Family: 0 Elderly: 200 Handicapped/Disabled 14 Domestic Abuse: 0 Transitional: 0 Set Asides: Image: General At-Risk Nonprofit Rural TX-USDA-RHS Elderly OWNER AND PRINCIPAL INFORMATION Owner Entity Name: The Manor at Jersey Village, Ltd. Principal Names Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner Vernot RY 2000 Owner Total Allocation Recommendatio TR2,354 Allocation over 10 Years: \$7,823,540 Ceredits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) © Computer Facility with Internet 30% 16 16 32 Perimeter Fence with Controlled Gate Access 40% 8 8 16 Community Laundry Room or Hook-Ups in Units 50% 16 16 32
Set Asides: ☑ General △ At-Risk ▷ Nonprofit □ Rural □ TX-USDA-RHS ☑ Elderly OWNER AND PRINCIPAL INFORMATION Owner Entity Name: The Manor at Jersey Village, Ltd. Principal Names Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) Playground © Computer Facility with Internet 0% 16 16 0 32 Perimeter Fence with Controlled Gate Access 0% 0 16 16 0 32 On Site Day Care, Senio Center or Community Meal Room 0% 0 16 16 32 On Site Day Care, Senio Center or Community Meal Room 0% 0 10 0 0
OWNER AND PRINCIPAL INFORMATION Owner Entry Name: The Manor at Jersey Village, Ltd. Principal Names Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant)
Principal Names Principal Contact Percentage Ownership Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) Playground Computer Facility with Internet 30% 16 16 0 32 Perimeter Fence with Controlled Gate Access 40% 8 8 16 Community Laundry Room or Hook-Ups in Units On Site Day Care, Senior Center or Community Meal Room 60% 0 40 0 80 Furnished Community Room Computer Line in all Bedrooms Total 0 100 0 100 Mini Blinds Ceramic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 20 0 Viandry Equipment 25 year Shingle Roofing Owner/Employee Units: 0 0 Covered Parking Covered Parking Cover
Artisan/American Corp. H. Elizabeth Young .59% of Owner Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) \$000 extra cost to tenant) <u> <u>Fff</u> 1BR 2 BR 3 BR Total Playground © Computer Facility with Internet <u> 0%</u> 0 16 16 0 32 © Perimeter Fence with Controlled Gate Access <u> 0%</u> 0 16 16 32 © On Site Day Care, Senior Center or Community Meal Room <u> 0%</u> 0 16 16 32 © On Site Day Care, Senior Center or Community Meal Room <u> 0%</u> 0 100 100 © Init AMENITIES (no extra cost to tenant) <u> 0</u> 100 100 © Initi Blinds © Computer Line in a</u>
Inland General Construction Co. Vernon R. Young, Jr. .41% of Owner TAX CREDIT ALLOCATION INFORMATION Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) \$904,360 30% 0 16 16 0 32 Playground Computer Facility with Internet 30% 0 16 16 0 32 Perimeter Fence with Controlled Gate Access 40% 0 8 8 0 6 Community Laundry Room or Hook-Ups in Units 50% 0 16 16 0 32 On Site Day Care, Senior Center or Community Meal Room 60% 0 40 0 80 Furnished Community Room MR 0 20 20 0 40 Votal LI Units: 160 Mini Blinds Coreanic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 Verone Requipment 25 year Shingle Roofi
TAX CREDIT ALLOCATION INFORMATION Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) <u>Éff</u> 1 BR 2 BR 3 BR Total 30% 0 16 16 0 32 Perimeter Fence with Controlled Gate Access 40% 0 8 8 16 Community Laundry Room or Hook-Ups in Units 50% 0 16 16 0 32 Perimeter Fence with Controlled Gate Access 60% 0 40 0 80 Perimished Community Room MR 0 20 20 0 40 MR 0 20 20 40 Mini Blinds UNIT AMENITIES (no extra cost to tenant) More/Employee Units: 160 Mini Blinds Coregate Community Connections
Annual Credit Allocation Recommendatio \$782,354 Allocation over 10 Years: \$7,823,540 Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) 30% 0 16 16 0 32 Playground Computer Facility with Internet 30% 0 16 16 0 32 Perimeter Fence with Controlled Gate Access 40% 0 8 8 0 16 Omethod State Perimeter Fence with Controlled Gate Access 50% 0 16 16 32 On Site Day Care, Senior Center or Community Meal Room 60% 0 40 0 80 Furnished Community Room MR 0 20 0 40 Vint AMENITIES (no extra cost to tenant) Owner/Employee Units: 0 0 0 Vint AMENITIES (no extra cost to tenant) Owner/Employee Units: 0 0 Vint AMENITIES (no extra cost to tenant) Owner/Employee Units: 0 0 Vini Blinds
Credits Requested \$782,354 Eligible Basis Amount: \$857,840 Equity/Gap Amount \$904,360 UNIT INFORMATION <u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>Total</u> <u>30% 0 16 </u>
UNIT INFORMATION DEVELOPMENT AMENITIES (no extra cost to tenant) Eff 1 BR 2 BR 3 BR Total 30% 0 16 16 0 32 40% 0 8 8 0 16 50% 0 16 16 0 32 60% 0 40 0 80 Perimeter Fence with Controlled Gate Access 60% 0 40 0 80 Perimeter Senior Center or Community Meal Room MR 0 20 20 0 40 Votal 0 100 00 Votal Votal Owner/Employee Units: 0 160 Votal Votal Votal Applicable Fraction: 80.00 Votal Li durdry Equipment Votal Storage Room Votered Parking Covered Parking Garages Greater than 75% Masonry Exterior
Eff 1 BR 2 BR 3 BR Total 30% 0 16 16 0 32 40% 0 8 8 0 16 50% 0 16 16 0 32 60% 0 40 40 80 16 50% 0 16 16 0 32 60% 0 40 40 80 16 70tal 0 100 100 80 Image: Formula in the lesser of the unit fraction or the source foot fraction Image: Formula in the lesser of the unit fraction or the source foot fraction Applicable Fraction is the lesser of the unit fraction or the source foot fraction 80.00
Eff 1 BR 2 BR 3 BR Total 30% 0 16 16 0 32 40% 0 8 8 0 16 50% 0 16 16 0 32 60% 0 40 40 80 16 50% 0 16 16 0 32 60% 0 40 40 80 16 70tal 0 100 100 80 Image: Formula in the lesser of the unit fraction or the source foot fraction Image: Formula in the lesser of the unit fraction or the source foot fraction Applicable Fraction is the lesser of the unit fraction or the source foot fraction 80.00
30% 0 16 16 0 32 ✓ Recreation facilities ✓ Public Phones 40% 0 8 8 0 16 16 0 32 ✓ Perimeter Fence with Controlled Gate Access 50% 0 16 16 0 32 ✓ Community Laundry Room or Hook-Ups in Units 50% 0 16 16 0 32 ✓ On Site Day Care, Senior Center or Community Meal Room 60% 0 40 40 80 ✓ Furnished Community Room MR 0 20 20 0 40 ✓ Covered Entries ✓ Computer Line in all Bedrooms Total 0 100 100 0 ✓ ✓ Covered Entries ✓ Computer Line in all Bedrooms Owner/Employee Units: 0 160 ✓ Mini Blinds ✓ Ceramic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 200 ✓ Laundry Connections ✓ Storage Room Applicable Fraction: 80.00 Garages Greater than 75% Masonry Exterior Greater than 75% Masonry Exterio
40% 0 8 8 0 16 16 0 32 Community Laundry Room or Hook-Ups in Units 50% 0 16 16 0 32 Community Laundry Room or Hook-Ups in Units 60% 0 40 40 0 80 ✓ Furnished Community Room MR 0 20 20 0 40 ✓ V Furnished Community Room MR 0 100 100 0 ✓ Covered Entries ✓ Computer Line in all Bedrooms Total LI Units: 160 ✓ Mini Blinds ✓ Ceramic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 0 ✓ Laundry Connections ✓ Storage Room Applicable Fraction: 80.00 ✓ Laundry Equipment ✓ 25 year Shingle Roofing Garages Garages Greater than 75% Masonry Exterior
50% 0 16 16 0 32 60% 0 40 40 0 80 MR 0 20 20 0 40 Total 0 100 100 0 Image: Section Center or Community Meal Room Total LI Units: 160 ✓ Mini Blinds ✓ Computer Line in all Bedrooms Owner/Employee Units: 0 0 ✓ Mini Blinds ✓ Ceramic Tile - Entry, Kitchen, Baths Applicable Fraction: 80.00 ✓ Laundry Equipment ✓ 25 year Shingle Roofing Garages Garages Greater than 75% Masonry Exterior
60% 0 40 40 0 80 Image: Function of the bay of the product of community mean room 60% 0 40 40 80 Image: Function of the bay of the product of community mean room MR 0 20 20 0 40 Image: Mark of the product of community mean room Total 0 100 100 0 Image: Mark of the product of community mean room Total 0 100 100 0 Image: Mark of the product of community mean room Total 100 100 0 Image: Mark of the product of community mean room Image: Mark of the product of community mean room Total 0 100 100 0 Image: Mark of the product of community mean room Image: Mark of the product of the
MR 0 20 20 0 40 Total 0 100 100 0 INIT AMENITIES (no extra cost to tenant) Total LI Units: 160 Image: Mini Blinds Corputer Line in all Bedrooms Owner/Employee Units: 0 Mini Blinds Ceramic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 Image: Laundry Connections Storage Room Total Project Units: 200 Laundry Equipment 25 year Shingle Roofing Applicable Fraction: 80.00 Garages Greater than 75% Masonry Exterior
Total 0 100 0 ✓ Covered Entries ✓ Computer Line in all Bedrooms Total LI Units: 160 ✓ Mini Blinds ✓ Ceramic Tile - Entry, Kitchen, Baths Owner/Employee Units: 0 ✓ Laundry Connections ✓ Storage Room Total Project Units: 200 ✓ Laundry Equipment ✓ Storage Room Applicable Fraction: 80.00 Covered Parking ○ Covered Parking Garages ○ Greater than 75% Masonry Exterior
Owner/Employee Units: 0 Total Project Units: 200 Applicable Fraction: 80.00 Applicable fraction is the lesser of the unit fraction or the square foot fraction Overed Parking Garages Greater than 75% Masonry Exterior
Total Project Units: 200 ✓ Laundry Equipment ✓ 25 year Shingle Roofing Applicable Fraction: 80.00 Covered Parking Covered Parking Covered Parking Applicable fraction is the lesser of the unit fraction or the square foot fraction Garages Greater than 75% Masonry Exterior
Applicable Fraction: 80.00 Applicable fraction is the lesser of the unit fraction or the square foot fraction Covered Parking Garages Greater than 75% Masonry Exterior
Applicable fraction is the lesser of the unit fraction or the square foot fraction
Applicable fraction is the lesser of the unit fraction of the square foot fraction
BUILDING INFORMATION
Total Development Cost:\$14,460,539Average Square Feet/Unit806
Gross Building Square Feet 223,161 Cost Per Net Rentable Square Foot \$89.71
Total Net Rentable Area Square Feet:161,200Credits per Low Income Uni\$4,890
INCOME AND EXPENSE INFORMATION FINANCING Effective Gross Income \$1 342 032 Permanent Principal Amount: \$7,317,000
Net Operating Income\$610,032Equity Source:Deferred Developer FeeEstimated 1st Year Debt Coverage Ratio1.15Syndication Rate:\$0.7899
DEVELOPMENT TEAM Note: "NA" = Not Yet Available
Developer: Artisan/American Corp. Market Analyst: O'Connor & Associates
Housing GC: Inland General Construction Co. Originator/UW: NA
Engineer: Brown & Gay Appraiser: O'Connor & Associates
Cost Estimator: NA Attorney: Andrews, Kurth, Mayor et.all
Architect: JRM Architects, Inc. Accountant: Novogradac & Company, LLC
Property Manager Investors Management Group, LLC Supp Services Child & Adult Development Center
Syndicator: SunAmerica Permanent Lender Davis-Penn Mortgage Company

Project Number:	03182
-----------------	-------

Project Name: The Manor	at Jersey Villa	ge		Project	number:	03182	
PUBLIC COMMENT SUMM	ARY Note: "	O" = Oppose,	"S" = Support, "N	I" = Neutral, "NC	" or Blan	k = No comme	nt
# of Letters, Petitions, or W	/itness Affirmat	ion Forms (n	ot from Officials): Suppo	ort: 3	Opposition:	1
A resolution was passed	by the local go	overnment in	support of the	development.			
Local/State/Federal Officials with	Jurisdiction:		Comment from O	her Public Official	s:		
Local Official:		NC					
TX Representative:	Gary Elkins, D	istrict 135,N					
TX Senator:	Jon Lindsay, D	istrict 7, S					
US Representative:	K	evin Brady, S					
US Senator: John Co	ornyn, United State	es Senator, N					
General Summary of Comment:	The stated reason the removal of tax development will	n for oppositior xable property f cause a remov	eived from the Cyp n is that the ISD is a from its tax roll. Th ral of taxable prope at this developmen	damantly oppose e ISD thinks that t ty from its tax roll	d to House he constru , causing g	e Bill 3383 that a iction of the tax	allows credit
DEPARTMENT EVALUATI	ON						
Points Awarded: 100	Site Finding:	Acceptable	e Under	writing Finding	Approv	ed with Cond	litions
				<u> </u>			
CONDITIONS TO COMMI							
Should the terms of the propose	ed debt or syndicat	ion be altered,	the development sl	ould be re-evalua	ited.		
Alternate Recommendation:	NA						
RECOMMENDATION BY TI PRODUCTION AND THE TH							
Score Score	Meetin	ng a Required S	Set Aside	✓ Me	eting the R	Regional Allocati	on
 To serve a greater number of To ensure geographic disper To ensure the Development's To ensure the allocation of cr To give preference to a Deve To provide integrated, affordation 	sion within each U s consistency with redits among as m elopment located ir able accessible ho	niform State Se local needs or any different er a QCT or DDA using for indivio	ervice Region. its impact as part or ntities as practicable A that contributes to duals_ families with	e w/out diminishing revitalization. different levels of	g the qualit		j built.
Robert Onion, Manager of Award	ls and Allocation	Date	Brooke Boston,	Director of Multifa	amily Finar	nce Production	Date
Edwina Carrington, Executive Dir Chairman of Executive Award an		Date Committee					
BOARD OF DIRECTOR'S A	PPROVAL AND	DESCRIPTIO	ON OF DISCRET	IONARY FAC	ORS (if	any):	
Approved Credit Amount:		Date	of Determination:				
Michael E. Jones, Chairman of th	an Poard	Da					

Developer Evaluation								
Project ID # 03182 Name: The Manor @ Jersey Village City: Jersey Village								
LIHTC 9% \checkmark LIHTC 4% \square HOME \square BOND \square HTF \square SECO \square ESGP \square Other \square								
□ No Previous Participation in Texas □ Members of the development team have been disbarred by HUD								
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No								
Portfolio Management and Compliance								
Projects in Material Noncompliance:NoYes# of Projects:0								
Total # of Projects monitored: 0 Projects grouped by score 0-9 0 10-19 0 20-29 0								
Total # monitored with a score less than 30: 0 # not yet monitored or pending review: 1								
Program Monitoring/Draws								
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached □								
Asset Management								
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached								
Reviewed by Sara Carr Newsom Date iday, May 23, 2003								
Multifamily Finance Production								
Not applicableReview pendingNo unresolved issues✓Unresolved issues foundUnresolved issues found that warrant disqualification (Additional information/comments must be attached)								
Reviewed by R Meyer Date 5 /28/2003								
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Incention Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Incention Incention								
Reviewed by Date								
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □								
Reviewed by EEF Date 5/16/2003								
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □								
Reviewed by H Cabello Date 6/10/2003								
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Cost Certification and Workout)								
Reviewed by Date								
Loan Administration Not applicable No delinquencies found ✓ Delinquencies found □ Delinquencies found that warrant disqualification (Additional information/comments must be attached) □								
Reviewed by <u>Stephanie Stuntz</u> Date <u>3/23/2003</u>								
Executive Director: Edwina Carrington Executed: Friday, June 13, 2003								

9% LIHTC

FILE NUMBER:

03182

PROGRAM:

June 9, 2003

DATE:

Set-Aside(s):

General

 \square

Rural

			DEV	/ELOP	MENT NA	AME					
			The Ma	anor a	at Jersey	Village					
				APP	LICANT						
Name:	The Manor at Jersey Village, Ltd.				Туре:	For Profit					
Address:	5325 Katy Fr	reeway	Suite One		City:	Houston	l		State:	TX	
Zip:	77007 Cor	ntact:	H Elizabeth Youn	g	Phone:	(713)	626-1400	Fax:	(713)	626-1098	
			PRINCIPALS of the	e APP	LICANT/ K	EY PARTIC	IPANTS				
Name:	Artisan/American Corporation			(%)	: 0.005	0.0059 Title: Managi			ing General Partner/Developer		
Name:	Inland General Construction Company			(%)	0.004	Title:	Co-Genera	Co-General Partner/General Contrac			
			PRC	PERT	Y LOCAT	ION					
Location:	12400 Castle	ebridge		OPERT	Y LOCAT	ION] QC	T] DDA	
Location: City:	12400 Castle Jersey Villag		Drive	OPERT		ION Harris	C] DDA 77065	
			Drive				C				
			Drive	Count							
City:			Drive	Count	ty: QUEST		<u> </u>				
City:	Jersey Villag		Drive	Count	ty: QUEST	Harris	<u> </u>		Zip:		
City:	Jersey Villag	ge	Drive	Count RE	ty: QUEST	Harris Amortizatio N/A	_		Zip:		

RECOMMENDATION

TX RD

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$782,354 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

Non-Profit

 \boxtimes

Elderly

 \square

At Risk

CONDITIONS

1. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS									
IMPROVEMENTS									
Total Units:200# Rental Buildings1# Common Area Bldgs0# of Floors3Age: <u>N/A</u> yrsVacant: <u>N/A</u> at//									
Net Rentable SF: 161,200 Av Un SF: 806 Common Area SF: 61,961 Gross Bldg SF: 223,161									
STRUCTURAL MATERIALS									
Wood frame on a concrete slab on grade, 100% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing.									
APPLIANCES AND INTERIOR FEATURES									
Carpeting & ceramic tile flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, tile tub/shower, washer & dryer with connections, cable, ceiling fans, laminated counter tops, heatpump.									
ON-SITE AMENITIES									
Community room, common dining, commercial kitchen, management offices, laundry facilities, restrooms, computer/business center, central mailroom, monitored unit security, perimeter fencing with limited access gate(s); three 3-stop elevators.									
Uncovered Parking: 212 spaces Carports: N/A spaces Garages: N/A spaces									
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION									
Description: Jacinto Manor is a proposed new construction development of 200 units of mixed income housing for the elderly located in Harris County. The development is comprised of a single residential building housing one- and two-bedroom units as well as many common areas.									
Architectural Review: The three-story building includes elevators located along the central hall. There are interior stairways and sitting/entertainment areas located intermittently on each floor. The exterior of the building will have minimal ornamentation, but appears to be attractive. The three centrally located elevators serve 140 upper floor units which represents a fairly high 47 units per elevator. The Department currently has no clear guideline on this issue other than all upper floor elderly units must be served by an elevator. The limited number of elevators per potential upper floor residents could prove to be a long term marketing obstacle for the development and consideration of a fourth elevator would be prudent.									
Supportive Services: The Applicant plans to contract with Child & Adult Development Center to provide community advancement, family skills development, education and personal growth services.									
Schedule: The Applicant anticipates construction to begin in February of 2004, to be completed in February of 2005, to be placed in service in February of 2005, and to be substantially leased-up in March of 2005.									
SITE ISSUES SITE DESCRIPTION									
Size: 6.0 acres 261,360 square feet Zoning/ Permitted Uses: Special Useto be issued at transfer of ownership									
Flood Zone Designation: Zone X Status of Off-Sites: Fully Improved									
SITE and NEIGHBORHOOD CHARACTERISTICS									
Location: The subject site is located on the north side of Castlebridge Street, northwest of West Road, in									

Location: The subject site is located on the north side of Castlebridge Street, northwest of West Road, in Jersey Village, Harris County.

Adjacent Land Uses:

• North: single-family residential

- South: regional office for the Texas Department of Safety
- East: vacant land
- West: vacant land

<u>Site Access</u>: The principal thoroughfares in the area include US Highway 290, Beltway 8, Jones Road, West Road, and FM 1960/Highway 6.

<u>Public Transportation</u>: Transportation is available via the METRO bus system. The proximity to the nearest stop is not known.

Shopping & Services: Emmott Elementary, Bang Elementary, Hairgrove Elementary, Cook Junior High and Cypress Falls Senior High are all located within ± 2.0 miles radius. Shopping in the area includes neighborhood shopping and strip centers near the subject property. Recreational facilities in the subject area include Grant Wood Park, Independence Park, Bear Creek Park, and Jersey Lake. Medical facilities include the Columbia/HCA Hospital and the Cypress-Fairbanks Medical Center Hospital, both located northeast of the subject off Jones Road.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on April 14, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 14, 2003 was prepared by Phase Engineering, Inc. and contained the following conclusion: "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 2)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for elderly tenants, while 160 of the units (80%) will be income restricted. Thirty-two of the units (16%) will be reserved for households earning 30% or less of AMGI, 16 units (8%) will be reserved for households earning 40% or less of AMGI, 32 of the units (16%) will be reserved for households earning 50% or less of AMGI, 80 units (40%) will be reserved for households earning 40 units (20%) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
1 Person 2 Persons		3 Persons 4 Persons		5 Persons	6 Persons	
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460

MARKET HIGHLIGHTS

A market feasibility study dated March 15, 2003 was prepared by O'Connor & Associates and highlighted the following findings:

Definition of Primary Market: "The subject's primary market is defined as that area within zip codes 77429, 77433, 77095, 77064, 77041, and 77040." (p. 10)

Population: The estimated 2001 population of the Primary Market Area was 220,117 and is expected to increase to approximately 253,807 by 2006. Within the primary market area there were estimated to be 75,171 households in 2001.

Total Local/Submarket Demand for Rental Units:

ANNUAL TARGETED INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY								
	Market	Analyst	Under	writer				
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand				
Household Growth	42	7%	159	25%				
Resident Turnover	473	84%	487	75%				
Other Sources:	52	9%	N/A					
TOTAL ANNUAL DEMAND	567	100%	646	100%				

Ref: p. 66

Inclusive Capture Rate: The Market Analyst has calculated a capture rate of 70.61% for the seniors' development. (p. 67) The Underwriter calculated a concentration capture rate of 25% based upon a revised supply of unstabilized affordable units of only the subject 160 restricted units divided by a revised demand of 646. Elderly developments are allowed a capture rate of up to 100% as acceptable.

<u>Market Rent Comparables</u>: The market analyst surveyed five comparable apartment projects totaling 1,721 units in the market area.

	RENT ANALYSIS (net tenant-paid rents)									
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential					
1-Bedroom (30%)	\$281	\$281	\$0	\$675	-\$394					
1-Bedroom (40%)	\$393	\$393	\$0	\$675	-\$282					
1-Bedroom (50%)	\$504	\$504	\$0	\$675	-\$171					
1-Bedroom (60%)	\$616	\$616	\$0	\$675	-\$59					
1-Bedroom (MR)	\$670	N/A		\$675	-\$5					
2-Bedroom (30%)	\$333	\$333	\$0	\$875	-\$542					
2-Bedroom (40%)	\$467	\$467	\$0	\$875	-\$408					
2-Bedroom (50%)	\$601	\$601	\$0	\$875	-\$274					
2-Bedroom (60%)	\$735	\$735	\$0	\$875	-\$140					
2-Bedroom (MR)	\$804	N/A		\$875	-\$71					

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Primary Market Occupancy Rates</u>: "The average occupancy in the subject's primary market area was reported at 93.87%." (p. 10)

Absorption Projections: "...we project that the subject property will lease an average of 25-30 units per month until it reaches stabilized occupancy...within 6-8 months following completion." (p. 69)

Known Planned Development: The market analyst indicated that an LIHTC development is currently under construction in the market area. Research reveals that there are two LIHTC projects that are likely to be unstabilized in the area, but neither is restricted to elderly tenants. Therefore, the units are not considered to be comparable in calculating the capture rate.

The Underwriter found the market study provided sufficient information to make a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant's effective gross income figure is based on the 2003 LIHTC rents and underwriting guidelines for secondary income and vacancy loss. Therefore, it compares favorably with the Underwriter's estimate and is considered to be generally acceptable.

Expenses: The Applicant's total annual operating expense estimate of \$3,660 per unit is within 5% of the Underwriter's estimate.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity.

In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guideline of 1.10 to 1.30.

		AC		VALUATION INFOR/	NOITAN				
Land: 35.0074 acres		\$1,448,6		SESSED VALUE Assessment for t	he Year of:	2002			
1 acre:		\$41,382		Valuation by:			y Appraisal District		
Total Value: 6.0 acres prora	ited	\$248,292		Tax Rate:	3.21677	17			
		EVI	DENCE of S	ITE or PROPERTY CO	ONTROL				
Type of Site Control:	Purcl	hase And	Sale Agree	ement					
Contract Expiration Date:	05/	31/	2004	Anticipated Clos	sing Date:	05/	31/	2004	
Acquisition Cost: \$		\$875,556		Other Terms/Conditions:					
Seller: Highway 290 (H	Seller: Highway 290 (Houston) Investors, LP					ment Tear	n Membe	r: No	

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: Despite being over three times the assessed value, the acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$5,785 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$747K or 10% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, which suggest the Applicant's costs are understated.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$206K to reflect an apparent overestimation of eligible construction loan interest, 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.

<u>Fees</u>: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$30,916.

Conclusion: The Applicant's total development cost figure is not within 5% of the Underwriter's estimate; therefore, the Underwriter's total development cost is used to calculate eligible basis and the overall need for funds. An eligible basis of \$12,857,320 results in eligible annual tax credits of \$857,840, which is \$75,486 more than requested. Therefore, the Applicant's requested credits of \$782,354 will be compared to the gap in need to determine the recommended tax credit award.

				FINANC	CING S	RUCT	URE				
			LOI	NG TERM/PI	ERMAN	ENT FI	NANCING				
Source:	Davis-Pe	enn Mortgage	Company				Contact:	Ray La	ndry		
Principal A	Amount:	\$7,317,000		Interest Ra	ate:	6.75	%, fixed				
Additional	Additional Information: 2-year construction period										
Amortizati	ion: 40	yrs Te	rm: 40	yrs	Commi	tment:		DI 🛛	Firm		Conditional
Annual Pa	yment:	\$565,486		Lien Prior	ity: _1	st	Commitm	ent Date	02	/ 27/	2003
				LIHTC	SYNDI	CATIO	N				
Source:	SunAme	erica					Contact:	Lee	Steven	ıs	
Address:	8144 W	alnut Hill Laı	ne				City:	Dallas			
State:	TX	Zip:	75231	Phone:	(2	14)	932-2500]	Fax:	(214)	932-2549
Net Procee	ds:	\$6,189,416		Net Syndica	ation R	ate (pe	r \$1.00 of 10	-yr LIHT	C)	79¢	

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ANALYSIS									
CommitmentIOIAdditional Information:Bridge load	Firm of \$5,458,514		Conditional st rate of Prim	Date: ne + 2% on >\$3	02/ ,713,650	26/ 2003			
APPLICANT EQUITY									
Amount: \$207,351	Source:		red Developer	Fee					
FINANCING STRUCTURE ANALYSIS Permanent Financing The permanent financing commitment is consistent with the terms reflected in the									
<u>Permanent Financing</u> : The permanent financing commitment is consistent with the terms reflected in the sources and uses listed in the application.									
<u>LIHTC Syndication</u> : The syndication repay a bridge loan provided by S commitment letter leads to a more of the syndication o	unAmerica du	aring the	e constructio	on period. A	slight in	nconsistency in			
Deferred Developer's Fees: The fees.	Applicant's a	inticipat	ed deferred	fees amount	to 13%	of total devel	loper		
<u>Financing Conclusions</u>: As stated above, the Underwriter's total development cost is used to calculate eligible basis and eligible annual tax credits of \$857,840, which is higher than the requested tax credits. The overall gap in need supports the requested annual tax credits of \$782,354. A slight reduction in anticipated syndication funds and use of the Underwriter's total development cost indicates a need for an increase in the total deferred developer fee to \$963,561. Deferred fees in this amount appear to be repayable from development cash flow within ten years of stabilized operation.									
	DEVELOPMENT TEAM								
IDENTITIES of INTEREST									
The Applicant, developer, general relationships for LIHTC-funded de		d prope	rty manager	are related en	tities.	These are com	nmon		
APPLICANT'S/PRINCIP	ALS' FINANCIA	AL HIGHL	IGHTS, BACK	GROUND, and	EXPERI	ENCE			
<u>Financial Highlights</u> : Inland Gene Total liabilities equaled \$54K for a			orted total as	ssets of \$420K	X as of]	February 19, 2	2003.		
Artisan/American Corporation rep equaled \$551K for a net worth of \$		ssets of	\$1.3M as c	of February 1	9, 2003	. Total liabi	ilities		
A joint interim financial statement general partners.	t was also pro	ovided b	by Vernon a	nd Elizabeth	Young,	owners of the	e co-		
Background & Experience: Article development totaling 198 units in received certificates of experience	n 2002. Inla	ind Gen							
	SUMMARY OF	SALIENT	RISKS AND I	SSIIFS					
• The Applicant's development of					imate b	y more than 5°	%.		
Undownitou				D - 4	т	- 0 2002			
Underwriter:	Lisa Vecchietti			Date:	Jur	ne 9, 2003			
Director of Real Estate Analysis:	Lisa i comotti			Date:	Jur	ne 9, 2003			
	Tom Gouris								

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

The Manor at Jersey Village, Jersey Village, LIHTC 03182

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Int Pd Util	Wtr & Swr
TC 30%	16	1	1	676	\$335	\$281	\$4,496	\$0.42	\$54.00	\$30.00
TC 40%	8	1	1	676	447	393	3,144	0.58	54.00	30.00
TC 50%	16	1	1	676	558	504	8,064	0.75	54.00	30.00
TC 60%	40	1	1	676	670	616	24,640	0.91	54.00	30.00
MR	20	1	1	676		670	13,400	0.99	54.00	30.00
TC 30%	16	2	1	936	402	333	5,328	0.36	69.00	36.00
TC 40%	8	2	1	936	536	467	3,736	0.50	69.00	36.00
TC 50%	16	2	1	936	670	601	9,616	0.64	69.00	36.00
TC 50%	40	2	1	936	804	735	29,400	0.79	69.00	36.00
MR	20	2	1	936	804	804	16,080	0.86	69.00	36.00
	200	2		930 806	\$491	\$590	\$117,904	\$0.73	\$61.50	\$33.00
TOTAL:	200		AVERAGE:	806	\$491	\$340	\$117,904	\$0.73	\$01.50	\$33.00
INCOME		Total Net Re	entable Sq Ft:	161,200	ſ	TDHCA	APPLICANT		USS Region	6
POTENTIA	L GROSS R	RENT			Ī	\$1,414,848	\$1,414,848		IREM Region	Houston
Secondary	Income		1	Per Unit Per Month:	\$15.00	36,000	36,000	\$15.00	Per Unit Per Month	
Other Supp	ort Income:	(describe)			-	0	0			
POTENTIA	L GROSS II	NCOME				\$1,450,848	\$1,450,848			
	Collection L			ntial Gross Income:	-7.50%	(108,814)	(108,816)	-7.50%	of Potential Gross F	Rent
			s or Concess	ions	-	0	0			
EFFECTIVE		ICOME				\$1,342,034	\$1,342,032			
EXPENSES	<u>5</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & /	Administrati	ve	5.86%	\$393	0.49	\$78,614	\$63,800	\$0.40	\$319	4.75%
Manageme	nt		5.00%	336	0.42	67,102	\$65,000	0.40	325	4.84%
Payroll & P	avroll Tax		13.48%	905	1.12	180,936	\$175,000	1.09	875	13.04%
5	Maintenance	2	4.85%	325	0.40	65,084	\$70,000	0.43	350	5.22%
Utilities	nam tonamoe		5.04%	339	0.42	67,704	\$80,000	0.50	400	5.96%
	or 9 Trach				0.45		1			
Water, Sew			5.37%	360		72,032	\$52,000	0.32	260	3.87%
Property In			3.00%	202	0.25	40,300	\$40,000	0.25	200	2.98%
Property Ta		3.21677	9.59%	643	0.80	128,671	\$140,000	0.87	700	10.43%
	Replaceme		2.98%	200	0.25	40,000	\$40,000	0.25	200	2.98%
	Services, Co	ompliance	0.46%	31	0.04	6,200	\$6,200	0.04	31	0.46%
TOTAL EXF	PENSES		55.64%	\$3,733	\$4.63	\$746,644	\$732,000	\$4.54	\$3,660	54.54%
NET OPER	ATING INC		44.36%	\$2,977	\$3.69	\$595,391	\$610,032	\$3.78	\$3,050	45.46%
DEBT SER	VICE									
First Lien Mo	ortgage		39.48%	\$2,649	\$3.29	\$529,771	\$529,771	\$3.29	\$2,649	39.48%
Additional Fi			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
					-					
Additional Fi			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH			4.89%	\$328	\$0.41	\$65,619	\$80,261	\$0.50	\$401	5.98%
AGGREGATE						1.12	1.15			
RECOMMEN	DED DEBT (COVERAGE F	2ATIO		_		1.15			
CONCEPTION						_				
CONSTRUC	CTION COS	<u>ST</u>								
			% of TOTAL	PER UNIT	PER SO ET	TDHCA	APPLICANT	PER SO ET	PER UNIT	% of TOTAL
Descr	iption	Factor	% of TOTAL	PER UNIT	PER SO FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	<u>% of TOTAL</u>
Descr Acquisition	iption	Factor	5.87%	\$4,247	\$5.27	\$849,420	\$849,420	\$5.27	\$4,247	6.19%
Descr Acquisition Off-Sites	iption	Factor	5.87% 0.00%	\$4,247 0	\$5.27 0.00	\$849,420 0	\$849,420 0	\$5.27 0.00	\$4,247 0	6.19% 0.00%
Descr Acquisition Off-Sites Sitework	i <u>ption</u> I Cost (site c	Factor	5.87% 0.00% 8.00%	\$4,247 0 5,785	\$5.27 0.00 7.18	\$849,420 0 1,157,000	\$849,420 0 1,157,000	\$5.27 0.00 7.18	\$4,247 0 5,785	6.19% 0.00% 8.44%
Descr Acquisition Off-Sites	i <u>ption</u> I Cost (site c	Factor	5.87% 0.00%	\$4,247 0	\$5.27 0.00	\$849,420 0	\$849,420 0	\$5.27 0.00	\$4,247 0	6.19% 0.00%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc	iption Cost (site o struction	Factor	5.87% 0.00% 8.00%	\$4,247 0 5,785	\$5.27 0.00 7.18	\$849,420 0 1,157,000	\$849,420 0 1,157,000	\$5.27 0.00 7.18	\$4,247 0 5,785	6.19% 0.00% 8.44%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc	iption Cost (site o struction	<u>Factor</u> or bldg)	5.87% 0.00% 8.00% 53.36%	\$4,247 0 5,785 38,584	\$5.27 0.00 7.18 47.87	\$849,420 0 1,157,000 7,716,772	\$849,420 0 1,157,000 6,970,000	\$5.27 0.00 7.18 43.24	\$4,247 0 5,785 34,850	6.19% 0.00% 8.44% 50.82%
Descr Acquisition Off-Sites Sitework Direct Cons	iption I Cost (site o struction Sy q'ts	Factor or bldg) 4.58%	5.87% 0.00% 8.00% 53.36% 2.81%	\$4,247 0 5,785 38,584 2,032	\$5.27 0.00 7.18 47.87 2.52	\$849,420 0 1,157,000 7,716,772 406,350	\$849,420 0 1,157,000 6,970,000 406,350	\$5.27 0.00 7.18 43.24 2.52	\$4,247 0 5,785 34,850 2,032	6.19% 0.00% 8.44% 50.82% 2.96%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor	iption Cost (site o struction cy q'ts s G & A	<u>Factor</u> pr bldg) 4.58% 5.50%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37%	\$4,247 0 5,785 38,584 2,032 2,438	\$5.27 0.00 7.18 47.87 2.52 3.02	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540	\$849,420 0 1,157,000 6,970,000 406,350 487,620	\$5.27 0.00 7.18 43.24 2.52 3.02	\$4,247 0 5,785 34,850 2,032 2,438	6.19% 0.00% 8.44% 50.82% 2.96% 3.56%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor	iption Cost (site of struction cy q'ts s G & A 's Profit	Factor pr bldg) 4.58% 5.50% 1.83% 5.50%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co	iption Cost (site of struction cy q'ts 's G & A 's Profit instruction	Factor pr bldg) 4.58% 5.50% 1.83% 5.50%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co Ineligible C	iption 1 Cost (site of struction cy q'ts 's G & A 's Profit instruction costs	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's	iption Cost (site of struction cy q'ts 's G & A 's Profit nstruction costs s G & A	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's Developer's	iption Cost (site of struction y d'ts 's G & A 's Profit instruction costs s G & A s Profit	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's	iption Cost (site of struction y d'ts 's G & A 's Profit instruction costs s G & A s Profit	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00%
Descr Acquisition Off-Sites Sitework Direct Con: Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's Developer's	iption Cost (site of struction y d'ts 's G & A 's Profit instruction costs s G & A s Profit	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71%
Descr Acquisition Off-Sites Sitework Direct Cons Contragence Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves	iption Cost (site of struction cy q'ts 's G & A 's Profit nostruction costs s G & A s Profit ancing	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50%
Descr Acquisition Off-Sites Sitework Direct Cons Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS	iption Cost (site of struction cy q'ts 's G & A 's Profit instruction costs s G & A s Profit ancing ST	Eactor or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56%
Descr Acquisition Off-Sites Sitework Direct Con: Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS Recap-Hard	iption Cost (site of struction cy q'ts 's G & A 's Profit instruction costs s G & A s Profit ancing ST <i>Construction</i>	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$14,460,539	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00%
Descr Acquisition Off-Sites Sitework Direct Cons Contragenc General Re Contractor Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS Recap-Hard SOURCES	iption i Cost (site of struction y q'ts 's G & A 's Profit nstruction costs s G & A s Profit ancing ST Construction OF FUNDS	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303 \$52,090	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$14,460,539 <i>\$10,417,902</i>	\$849,420 0 1,157,000 6,970,000 406,350 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 <i>\$9,671,130</i>	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED</u>	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% <i>70.52%</i>
Descr Acquisition Off-Sites Sitework Direct Cons Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS Recap-Hard SOURCES First Lien Mo	iption struction cost (site of struction cy q'ts s G & A s G & A s Profit ancing s G & A s Profit ancing ST <i>Construction</i> OF FUNDS ortgage	<u>Factor</u> or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 7,20 7,313 3,088 1,752 \$72,303 \$52,090 \$36,585	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63 \$45.39	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$14,460,539 <i>\$10,417,902</i>	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 \$9,671,130	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED</u> \$7,317,000	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356 Developer Fe	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% 70.52% ee Available
Descr Acquisition Off-Sites Sitework Direct Cons Contingenc General Re Contractor Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS Recap-Hard SOURCES First Lien Mo Additional Fin	iption cost (site of struction cy q'ts s G & A s G & A s Profit ancing s G & A s Profit ancing of FUNDS ortgage inancing	Factor Factor 0r bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303 \$52,090 \$36,585 \$0	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63 \$45.39 \$0.00	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$10,417,902 \$7,317,000 0	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 \$9,671,130 \$7,317,000 0	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED</u> \$7,317,000	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356 Developer Fe \$1,575	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% 70.52%
Descr Acquisition Off-Sites Sitework Direct Con: Contractor Contractor Indirect Co Ineligible C Developer's Developer's Developer's Developer's TOTAL COS Recap-Hard SOURCES First Lien Ma Additional Fi LIHTC Syndi	iption a Cost (site of struction y a G & A s Profit instruction costs a G & A s Profit ancing ST Construction OF FUNDS ortgage inancing cation Proce	Factor or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04% 50.60% 0.00% 42.80%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303 \$52,090 \$36,585 \$0 \$30,947	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63 \$45.39 \$0.00 \$38.40	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$14,460,539 \$10,417,902 \$7,317,000 0 6,189,416	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 \$9,671,130 \$7,317,000 0 6,189,416	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED \$7,317,000 (0 6,179,975)</u>	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356 Developer Fe \$1,575 % of Dev. Fe	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% 70.52% ee Available 5,604 ee Deferred
Descr Acquisition Off-Sites Sitework Direct Con: Contractor Indirect Co Ineligible C Developer's Interim Fin Reserves TOTAL COS Recap-Hard	iption a Cost (site of struction y a G & A s Profit instruction costs a G & A s Profit ancing ST Construction OF FUNDS ortgage inancing cation Proce	Factor or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303 \$52,090 \$36,585 \$0	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63 \$45.39 \$0.00	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$10,417,902 \$7,317,000 0	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 \$9,671,130 \$7,317,000 0	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED</u> \$7,317,000	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356 Developer Fe \$1,575 % of Dev. Fe	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% 70.52% ee Available 5,604 ee Deferred
Descr Acquisition Off-Sites Sitework Direct Con: Contractor Contractor Indirect Co Ineligible C Developer's Developer's Developer's Developer's TOTAL COS Recap-Hard SOURCES First Lien Ma Additional Fi LIHTC Syndi	iption a Cost (site of struction y a G & A s Profit instruction costs a G & A s Profit ancing ST Construction OF FUNDS ortgage inancing cation Proce veloper Fees	Factor or bldg) 4.58% 5.50% 1.83% 5.50% 1.28% 13.00%	5.87% 0.00% 8.00% 53.36% 2.81% 3.37% 1.12% 3.37% 1.49% 2.79% 1.00% 10.11% 4.27% 2.42% 100.00% 72.04% 50.60% 0.00% 42.80%	\$4,247 0 5,785 38,584 2,032 2,438 813 2,438 1,077 2,017 720 7,313 3,088 1,752 \$72,303 \$52,090 \$36,585 \$0 \$30,947	\$5.27 0.00 7.18 47.87 2.52 3.02 1.01 3.02 1.34 2.50 0.89 9.07 3.83 2.17 \$89.71 \$64.63 \$45.39 \$0.00 \$38.40	\$849,420 0 1,157,000 7,716,772 406,350 487,620 162,540 487,620 215,300 403,403 143,916 1,462,604 617,598 350,397 \$14,460,539 \$10,417,902 \$7,317,000 0 6,189,416	\$849,420 0 1,157,000 6,970,000 406,350 487,620 162,540 487,620 215,300 403,403 0 1,606,520 617,598 350,397 \$13,713,767 \$9,671,130 \$7,317,000 0 6,189,416	\$5.27 0.00 7.18 43.24 2.52 3.02 1.01 3.02 1.34 2.50 0.00 9.97 3.83 2.17 \$85.07 \$59.99 <u>RECOMMENDED \$7,317,000 (0 6,179,975)</u>	\$4,247 0 5,785 34,850 2,032 2,438 813 2,438 1,077 2,017 0 8,033 3,088 1,752 \$68,569 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$48,356 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$60 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$569 \$\$\$\$\$\$\$\$\$\$\$\$\$	6.19% 0.00% 8.44% 50.82% 2.96% 3.56% 1.19% 3.56% 1.57% 2.94% 0.00% 11.71% 4.50% 2.56% 100.00% 70.52% ee Available 5,604 ee Deferred %

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

The Manor at Jersey Village, Jersey Village, LIHTC 03182

DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook Average Quality Multiple Residence Basis

Average Quality Multiple Residence Basis								
CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT				
Base Cost			\$40.21	\$6,481,852				
Adjustments								
Exterior Wall Finish	1.00%		\$0.40	\$64,819				
Elderly	5.00%		2.01	324,093				
Roofing			0.00	0				
Subfloor			(0.67)	(108,541)				
Floor Cover			1.92	309,504				
Porches/Balconies	\$29.24	0	0.00	0				
Plumbing	\$615	0	0.00	0				
Built-In Appliances	\$1,625	200	2.02	325,000				
Interior Stairs	\$865	16	0.09	13,840				
Floor Insulation			0.00	0				
Heating/Cooling			1.73	278,876				
Garages/Carports			0.00	0				
Comm &/or Aux Bldgs	\$40.21	61,961	15.46	2,491,452				
Elevators	\$48,575	3	0.90	145,725				
SUBTOTAL			64.06	10,326,619				
Current Cost Multiplier	1.03		1.92	309,799				
Local Multiplier	0.89		(7.05)	(1,135,928)				
TOTAL DIRECT CONSTRUCT	ION COSTS		\$58.94	\$9,500,489				
Plans, specs, survy, bld prm	3.90%		(\$2.30)	(\$370,519)				
Interim Construction Interes	3.38%		(1.99)	(320,642)				
Contractor's OH & Profit	11.50%		(6.78)	(1,092,556)				
NET DIRECT CONSTRUCTIO	N COSTS		\$47.87	\$7,716,772				

PAYMENT COMPUTATION

Primary	\$7,317,000	Term	480	
Int Rate	6.75%	DCR	1.12	
Secondary		Term		
Int Rate		Subtotal DCR	1.12	
Additional		Term		

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NO

Primary Debt Servic Secondary Debt Ser Additional Debt Ser NET CASH FLOW	vice	\$529,771 0 0 \$80,261	
Primary	\$7,317,000	Term	480
Int Rate	Int Rate 6.75%		1.15
Secondary	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.15

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

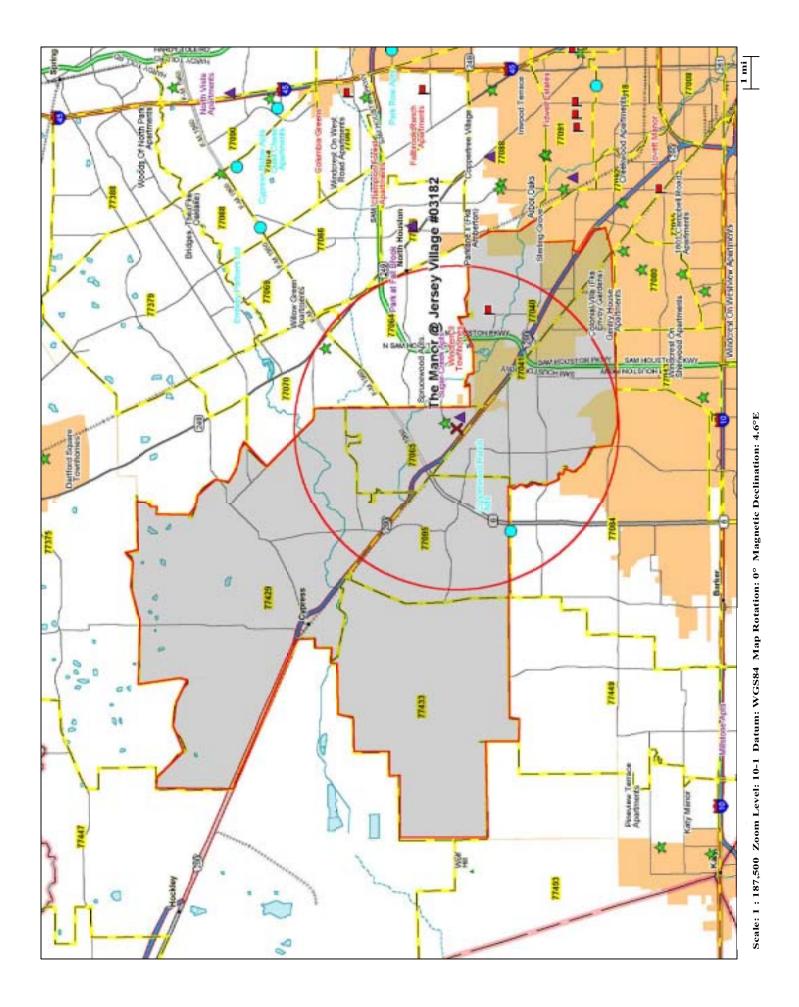
l

INCOME	at 3	8.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIA	L GROSS RE	NT	\$1,414,848	\$1,457,293	\$1,501,012	\$1,546,043	\$1,592,424	\$1,846,056	\$2,140,085	\$2,480,945	\$3,334,182
Secondar	y Income		36,000	37,080	38,192	39,338	40,518	46,972	54,453	63,126	84,836
Contractor	's Profit		0	0	0	0	0	0	0	0	0
POTENTIA	L GROSS INC	COME	1,450,848	1,494,373	1,539,205	1,585,381	1,632,942	1,893,028	2,194,538	2,544,071	3,419,018
Vacancy a	& Collection	Loss	(108,816)	(112,078)	(115,440)	(118,904)	(122,471)	(141,977)	(164,590)	(190,805)	(256,426)
Developer's	s G & A		0	0	0	0	0	0	0	0	0
EFFECTIVE	E GROSS INC	OME	\$1,342,032	\$1,382,295	\$1,423,764	\$1,466,477	\$1,510,472	\$1,751,050	\$2,029,947	\$2,353,265	\$3,162,592
EXPENSES	Sat 4	1.00%									
General 8	Administra	tive	\$63,800	\$66,352	\$69,006	\$71,766	\$74,637	\$90,807	\$110,481	\$134,417	\$198,970
Managem	nent		65,000	66950.12	68958.62332	71027.38202	73158.20348	84810.40862	98318.50794	113978.0973	153177.0318
Payroll &	Payroll Tax		175,000	182,000	189,280	196,851	204,725	249,080	303,043	368,699	545,764
Repairs &	& Maintenanc	ce	70,000	72,800	75,712	78,740	81,890	99,632	121,217	147,479	218,306
Utilities			80,000	83,200	86,528	89,989	93,589	113,865	138,534	168,548	249,492
Water, Se	ewer & Trash		52,000	54,080	56,243	58,493	60,833	74,012	90,047	109,556	162,170
Insurance	е		40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Property	Тах		140,000	145,600	151,424	157,481	163,780	199,264	242,435	294,959	436,611
Reserve f	or Replacem	ients	40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Other			6,200	6,448	6,706	6,974	7,253	8,825	10,736	13,062	19,336
TOTAL EXP	PENSES		\$732,000	\$760,630	\$790,386	\$821,312	\$853,454	\$1,034,159	\$1,253,347	\$1,519,246	\$2,233,318
NET OPER	ATING INCO	ME	\$610,032	\$621,665	\$633,378	\$645,166	\$657,018	\$716,891	\$776,601	\$834,019	\$929,274
D	EBT SERVICI	E									
First Lien F	Financing		\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771	\$529,771
Second Lie	en		0	0	0	0	0	0	0	0	0
Other Fina	ncing		0	0	0	0	0	0	0	0	0
NET CASH	FLOW		\$80,261	\$91,894	\$103,607	\$115,394	\$127,246	\$187,120	\$246,829	\$304,248	\$399,503
DEBT COV	ERAGE RATIO	0	1.15	1.17	1.20	1.22	1.24	1.35	1.47	1.57	1.75

LIHTC Allocation Calculation -	The Manor at Jersev Village	Jersey Village 1 IHTC 03182
	The Marior accesses village,	

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost	•			
Purchase of land	\$849,420	\$849,420		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,157,000	\$1,157,000	\$1,157,000	\$1,157,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,970,000	\$7,716,772	\$6,970,000	\$7,716,772
(4) Contractor Fees & General Requirements				
Contractor overhead	\$162,540	\$162,540	\$162,540	\$162,540
Contractor profit	\$487,620	\$487,620	\$487,620	\$487,620
General requirements	\$487,620	\$487,620	\$487,620	\$487,620
(5) Contingencies	\$406,350	\$406,350	\$406,350	\$406,350
(6) Eligible Indirect Fees	\$215,300	\$215,300	\$215,300	\$215,300
(7) Eligible Financing Fees	\$617,598	\$617,598	\$617,598	\$617,598
(8) All Ineligible Costs	\$403,403	\$403,403	-	
(9) Developer Fees			\$1,575,604	
Developer overhead		\$143,916		\$143,916
Developer fee	\$1,606,520	\$1,462,604		\$1,462,604
(10) Development Reserves	\$350,397	\$350,397		
TOTAL DEVELOPMENT COSTS	\$13,713,767	\$14,460,539	\$12,079,632	\$12,857,320

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		\$12,079,632	\$12,857,320
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$12,079,632	\$12,857,320
Applicable Fraction		80%	80%
TOTAL QUALIFIED BASIS		\$9,663,705	\$10,285,856
Applicable Percentage		8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS		\$805,953	\$857,840
Syndication Proceeds	0.7899	\$6,366,392	\$6,776,261
Total Credits (Eligi	ble Basis Method)	\$805,953	\$857,840
	dication Proceeds	\$6,366,392	\$6,776,261
F	Requested Credits	\$782,354	
	dication Proceeds	\$6,179,979	
Gap of Syndication	Proceeds Needed		\$7,143,539
	Credit Amount		\$904,336



TDHCA # 03231 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development Na	ame:	Mont	gome	ry Me	adows			TDHC	<i>۹</i> #: 0;	3231
DEVELOPMENT LO	OCAT		ND DES		IONS					
Region: 6 City: Hunts	ville				Site Addres County:		l Montgome Ilker	ry Rd. @ Cline St. Zip Code: 77	340	
🗆 TTC 🔽 D	DA		QCT		Purpose / A	Activity:	New Cons	truction		
Targeted Units:	Famil	y : 0	Elder	ly: 56	Handicapp	ed/Disa	abled 4	Domestic Abuse: 0	Trans	sitional: 0
Set Asides:	🗌 Ger	neral	🗆 At	-Risk	🗌 Nonpro	ofit	Rural	🗆 TX-USDA-RHS	S 🗹 El	derly
OWNER AND PRI	NCIPA	AL INFO	ORMATI	ON (Owner Entity	Name:	Montomery	Meadows, Ltd.		
Principal Names					Principal	Contac	ot	Percentage Owr	iership	
Lucky B Properties,	Inc.				Bryan Bro	own		.01% of Owner		
TAX CREDIT ALLC			FORMA	TION						
Annual Credit Allo	ocatior	n Reco	mmend	atio	\$382,28	86	Allocatior	n over 10 Years:	\$3,822	2,860
Credits Requeste	d	\$411,	107	Eligib	le Basis Amo	unt:	\$382,286	Equity/Gap Amoun	t \$383	3,617
UNIT INFORMATI	ON				DEVELOP		MENITIES	(no extra cost to tenal	nt)	
		2 BR	<u>3 BR</u>	Total	Playgrou			Computer Facility		net
30% 0	0	0	0	0	Recreat			Public Phones		
40% 0	0	0	0	0				ed Gate Access		
50% 0	0	0	0	0		-	-	Hook-Ups in Units Inter or Community Mea	al Room	
60% 0	26	24	0	50		-	nunity Room			
MR 0	2	4	0	6			(no extra	a cost to tenant)		
Total 0	28	28	0		Covered			Computer Line in	all Bedroo	ms
Total LI Units:				50	Mini Blir				try, Kitcher	n, Baths
Owner/Employee				0	Laundry	<pre>Connec Generation Connec Generation Connec</pre>		 └ Storage Room ✓ 25 year Shingle F 	Poofing	
Total Project Units Applicable Fractic				56		d Parking		Covered Patios o	-	3
Applicable fraction is the lesser		t fraction or		39.00 ot fraction	Garages	-	, ,	Greater than 75%		
attributable to low income units			ale equale le		Use of E	Energy E	fficient Altern	ative Construction Mat	erials	
BUILDING INFOR	MATIC	DN								
Total Developmer	nt Cos	t:			\$4,273,828	Avera	age Square	Feet/Unit		910
Gross Building Sc	quare I	Feet			51,998			ntable Square Foot		\$83.87
Total Net Rentabl	le Area	a Squa	re Feet:		50,960	Cred	its per Low I	ncome Uni		\$7,646
INCOME AND EX	(PENS	e info	RMATIC	ON			NCING			
Effective Gross In	ncome				\$347,053			ipal Amount:	\$1	,282,000
Total Expenses:					\$207,709		cant Equity:			\$0
Net Operating Inc			_		\$139,344		y Source:			NA
Estimated 1st Yea		t Cove			1.30		ication Rate			\$0.7799
DEVELOPMENT TI					= Not Yet Ava					
Developer:			H. Gloc				t Analyst:	J. Mikeska & Com	pany	
Housing GC:			ey Cons		on, Inc.	-	ator/UW:	NA		
Engineer:		ett Eng	jineering	9		Apprai		J. Mikeska & Com		
Cost Estimator: Architect:	NA		iana In	•		Attorne Accou		Stephen B. Syptal	-	
	•		igns, In					Lou Ann Monty &		
Property Manager		-					Services	Affordable Caring First National Ban	-	mb.
Syndicator:	DUSI	un Odh	oital Cor	μ.		LCIIIG	inent Lender	i iist ivalional Dan	n	

Project	Number:	03231

PUBLIC COMMENT SUMMARY Note:	"O" = Oppose	e, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
# of Letters, Petitions, or Witness Affirma	ition Forms (r	not from Officials): Support: 1 Opposition: 0
A resolution was passed by the local g	jovernment ir	n support of the development.
Local/State/Federal Officials with Jurisdiction:		Comment from Other Public Officials:
Local Official: William Green, Mayor, City		Dee McFarland, President, Huntsville Chamber of Commerce, S
TX Representative: Lois Kolkhorst,		Dan Ellis, State Representative District 18, S
TX Senator: Steve Ogden ,		Mary B. Harrelson, Director, Walker County Housing Authority, S
US Representative: US Senator:	Jim Turner, S	
General Summary of Comment: Broad Support		
DEPARTMENT EVALUATION		
Points Awarded: 81 Site Finding:	Acceptable	e Underwriting Finding: Approved with Conditions
CONDITIONS TO COMMITMENT		
Receipt, review, and acceptance of a revised per combination of additional debt plus initial deferred		mmitment reflecting an increase in the debt by \$182,000 or any
	•	change, the transaction should be re-evaluated and an adjustment to the
credit amount may be warranted.	or syndication c	
Alternate Recommendation: NA		
		, THE DIRECTOR OF MULTIFAMILY FINANCE ID REVIEW ADVISORY COMMITTEE IS BASED ON:
✓ Score ✓ Meet	ting a Required	Set Aside
□ To serve a greater number of lower income fa	milies for fewer	credits.
□ To ensure geographic dispersion within each	Uniform State S	ervice Region.
$\hfill\square$ To ensure the Development's consistency with	local needs or	its impact as part of a revitalization or preservation plan.
$\hfill\square$ To ensure the allocation of credits among as r	nany different e	ntities as practicable w/out diminishing the quality of the housing built.
$\hfill\square$ To give preference to a Development located	in a QCT or DD.	A that contributes to revitalization.
\Box To provide integrated, affordable accessible h	ousing for indivi	duals_ families with different levels of income.
Explanation: This Development has an accept	table score in	the Rural Set-Aside.
Robert Onion, Manager of Awards and Allocation	Date	Brooke Boston, Director of Multifamily Finance Production
Tobert Onion, Manager of Awards and Allocation	Date	Dioke Doston, Director of Malthamily I mance i roduction
Edwing Carrington, Executive Director	Date	
Edwina Carrington, Executive Director Chairman of Executive Award and Review Adviso		
		ON OF DISCRETIONARY FACTORS (if any):
Approved Credit Amount:		of Determination:
Michael E. Jones, Chairman of the Board		ate

Developer Evaluation
Project ID # 03231 Name: Montgomery Meadows City: Huntsville
LIHTC 9% 🗹 LIHTC 4% 🗆 HOME 🗆 BOND 🗆 HTF 🗆 SECO 🗆 ESGP 🗆 Other 🗆
\square No Previous Participation in Texas \square Members of the development team have been disbarred by HUD
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🖌 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 22 Projects grouped by score 0-9 22 10-19 0 20-29 0
Total # monitored with a score less than 30: 22 # not yet monitored or pending review: 2
Program Monitoring/Draws Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Asset Management Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Reviewed by Sara Carr Newsom Date iday, June 06, 2003
Multifamily Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ Reviewed by R Meyer Date 6 /5 /2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Incomparison Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Incomparison Incomparison
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ Reviewed by EEF Date 6/5/2003
Office of Colonia Initiatives Not applicable
Reviewed by H Cabello Date 6/10/2003
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Control of the state o
Reviewed by Date
Loan Administration Not applicable No delinquencies found Delinquencies found Delinquencies found that warrant disqualification (Additional information/comments must be attached) Image: Comments must be attached
Reviewed by <u>Stephanie Stuntz</u> Date <u>6 /6 /2003</u>

Executive Director: Edwina Carrington

Executed: Thursday, June 12, 2003

PROGRAM:

9% LIHTC

03231

FILE NUMBER:

				DEV	ELOPM	ENT N	AME						
				Mon	tgomer	y Mea	dows						
					APPLIC	CANT							
Name:	Montgon	nery Meado	ows , LTD.		T	ype:	For Profi	t					
Address:	4500 Carter Creek Parkway, Suite 101			С	ity:	Bryan			St	ate:	ТХ		
Zip:	77802	Contact:	Emanuel	Glockzi	n P	hone:	(979)	846-8878	Fax	:: (979) 8	846-0783	
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS													
Name:	Lucky B	Properties,	Inc.			(%):	0.01	Title:	Man	aging Ge	eneral	eral Partner	
Name:	Claire E. Brown							Title:	51%	Owner o	of MG	ŀΡ	
Name:	Bryan B. Brown					-		Title:	Title:49% Owner of MGP			ŀΡ	
Name:	Emanuel H. Glockzin, Jr.						Title:	itle: Developer					
				PRC	PERTY I		ION						
Location:	Old Mon	tgomery R	oad near Cl	ine Stree	t					QCT	\boxtimes	DDA	
City:	Huntsvill	le			County:		Walker			Zip:	7	7340	
					REQU	JEST							
4	<u>Amount</u>			st Rate		Amortization			<u>Term</u>				
1)	\$411,107		N	'A			N/A			Ν	/A		
Other Requ	uested Tern	ns: 1) An	nnual ten-ye	ear alloca	tion of l	ow-inco	ome housin	ig tax credit	S				
Proposed U	Jse of Funds	: New	Constructio	n	P	roperty	Type:	Multifa	amily				
Set-Aside(s): 🗌 (General	🛛 Rural		TX RD		Non-Profi	it 🛛 E	Elderly		At R	isk	

RECOMMENDATION

 \boxtimes

DATE:

June 14, 2003

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$382,286 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a revised permanent loan commitment reflecting an increase in the debt by \$182,000 or any combination of additional debt plus initial deferred developer fee totaling the same amount.

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS								
IMPROVEMENTS								
Total Units: <u>56</u> # Rental Buildings <u>14</u> # Common Area Bldgs <u># of</u> Floors <u>1</u> Age: <u>N/A</u> yrsVacant: <u>N/A</u> at <i>I</i> /								
Net Rentable SF: 50,960 Av Un SF: 910 Common Area SF: 1,038 Gross Bldg SF: 51,998								
STRUCTURAL MATERIALS								
Wood frame on a post-tensioned concrete slab on grade, 95% brick veneer 5% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing.								
APPLIANCES AND INTERIOR FEATURES								
Carpeting and vinyl flooring, range and oven, hood and fan, dishwasher, refrigerator, fiberglass tub/shower, washer and dryer connections, ceiling fans, cable, laminated counter tops, individual water heaters.								
Amenities include a 1,038 SF community building with activity room, management offices, laundry								
facilities, kitchen, restrooms, central mailroom, is located near the entrance of the property.								
Uncovered Parking: 90 spaces Carports: N/A spaces Garages: N/A spaces								
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION								
Description: Montgomery Meadows is a moderately dense 9.33 units per acres new construction development of 56 units of mixed income housing located in south central Huntsville. The development is comprised of 14 evenly distributed small fourplex residential buildings as follows:								
 ∉ (7) Building Type A with 4 one-bedroom/ one-bath units; ∉ (7) Building Type B with 4 two-bedroom/ two-bath units; 								
<u>Architectural Review</u> : The building elevations and unit floor plans are attractive and functional. The units all have covered patios.								
Supportive Services: Affordable Caring Housing, Inc. will provide supportive services that will consist of: adult education, health and nutritional training and social events. The services will be optional and the cost of the services is included in the rent.								
Schedule: The Applicant anticipates construction to begin in December of 2003, to be completed in November of 2004, to be placed in service in February of 2005, and to be substantially leased-up in December of 2004.								
SITE ISSUES								
SITE DESCRIPTION								
Size: 6.0 acres 261,360 square feet Zoning/ Permitted Uses: Management District								
Flood Zone Designation: Zone X Status of Off-Sites: Partially Improved								
SITE and NEIGHBORHOOD CHARACTERISTICS								
Location: Huntsville is located in Walker County approximately 170 miles south of Dallas/Fort Worth, 70 miles north of Houston, and approximately 54 miles east of Bryan/College Station. The site is an irregularly-shaped parcel located in the south central area of Huntsville. The site is situated on the northwest side of Old Montgomery Road.								
Adjacent Land Uses:								
✓ North: Huntsville Family Medicine Clinic								

- ∉ **South:** Mobile Home development
- ∉ East: Private Residence

∉ West: Wooded Tract

<u>Site Access</u>: Access to the property is from the northeast or southwest along Old Montgomery Road. The development is to have one main entry from Old Montgomery Road. Access to Interstate Highway 45 is less than one-half mile west, which provides connections to all other major roads serving the Huntsville area. **Public Transportation:** The availability of public transportation is unknown.

Shopping & Services: Local shopping is provided along the major thoroughfares which include IH-45, Sam Houston Avenue, and State Highways 30 and 19. There are numerous restaurants, grocery stores and health care services in the area.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on April 22, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 21, 2003 was prepared by Hodges Engineering, Inc. and contained the following findings and recommendations:

Findings: This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Fifty of the units (89% of the total) will be reserved for low-income/elderly tenants. All of the affordable units will be reserved for households earning 60% or less of AMGI and the remaining six units (11%) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES									
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons			
60% of AMI	\$20,220	\$23,160	\$26,040	\$28,920	\$31,260	\$33,540			

MARKET HIGHLIGHTS

A market feasibility study dated March 19, 2003 was prepared by J. Mikeska & Company and highlighted the following findings:

Definition of Market Area: "The market area is formed by the Walker County line" (p. 1.3) The market area includes over 800 square miles; however a market area this large is typical for rural areas.

Population: The estimated 2000 population of Walker County was 61,758 and is expected to increase by 12% to approximately 68,906 by 2007. Within the primary market area there were estimated to be 19,231 households in 2002.

<u>Total Local/Submarket Demand for Rental Units</u>: "It is estimated there is a total demand for 291 low income units at 60% of MFI in the EMA eligible under the Low Income Tax Credit Program. Subject will offer 50 units at 60% under this program" (p. 4.13)

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY								
	Market	Analyst	Underwriter					
Type of Domand	Units of	% of Total	Units of	% of Total				
Type of Demand	Demand	Demand	Demand	Demand				
Household Growth	33	11%	84	17%				
Resident Turnover/55+	258	89%	400	83%				
TOTAL ANNUAL DEMAND	291	100%	484	100%				

Ref: p. 4.11

Inclusive Capture Rate: "Based on this analysis, the Market Analyst is of the opinion that the subject will easily capture 19.2% of this estimated demand." (p. 4.14) The Underwriter calculated a capture rate of 10%

based upon a higher recalculated demand.

Local Housing Authority Waiting List Information: "Walker County Housing Authority oversees 251 vouchers and their waiting list has been closed since last year. They have 10 families on their list and they will soon reopen the waiting list and take up to 100 before closing it again." (p. 4.13)

<u>Market Rent Comparables</u>: The Market Analyst surveyed 11 comparable apartment projects in the market area. "They do not represent all apartments in Huntsville, but are those considered most similar to subject regarding location." (p. 4.5)

RENT ANALYSIS (net tenant-paid rents)										
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential					
1-Bedroom (60%)	\$492	\$492	\$0	\$575	-\$83					
1-Bedroom (MR)	\$575	N/A	N/A	\$575	\$0					
2-Bedroom (60%)	\$586	\$586	\$0	\$675	-\$89					
2-Bedroom (MR)	\$675	N/A	N/A	\$675	\$0					

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Submarket Occupancy Rates</u>: "The average occupancy rate of those rental units surveyed in the submarket area is 93.8%." (p. 4.12)

<u>Absorption Projections</u>: "We estimate that the subject will reach 92.5% occupancy in 9 to 12 months from start of construction." (p. 1.6)

The Underwriter found the market study to be acceptable.

OPERATING PROFORMA ANALYSIS

Income: At the time of application, the 2003 rent limits had not been released and thus the Applicant used estimated 2002 rent limits in setting rents. Based on the Applicant's intention to charge maximum program rents and the Market Analyst's confirmation that the maximum tax credit rents can be achieved currently, the Underwriter used the 2003 maximum rents in this analysis, which results in an increase of \$47.5K in potential gross rent. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines.

Expenses: The Applicant's total expense estimate of \$3,588 per unit is within 4% of a TDHCA databasederived estimate of \$3,709 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$4.8K lower), payroll (\$12K higher), repairs and maintenance (\$5.8K lower), utilities (\$4.4K lower), water, sewer, and trash (\$14.7K lower), insurance (\$11.1K higher), and property taxes (\$3K higher). The Underwriter discussed these differences with the Applicant but was unable to reconcile them with additional information provided by the Applicant.

Conclusion: The Applicant's estimated income and the Applicant's net operating income are not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. Due primarily to the 2003 rent limits being used, the Underwriter's estimated debt coverage ratio (DCR) of 1.51 exceeds the program maximum standard of 1.30. This suggests that the project could support additional debt service of at least \$14,891 annually. Based upon the terms indicated in the permanent loan commitment an additional \$182,000 in debt should be realized.

ACQUISITION VALUATION INFORMATION								
			AP	PRAISED VALU	E			
Land Only:	Only: 6.0 acres				Date of Valuation:	2/	19/	2003
Appraiser:	praiser: J. Mikeska & Company		y City: Hempstea		Phone:	(979)	79) 921-7530	
		APPRA	ISED A	NALYSIS/CON				

<u>Analysis</u>: After considering the tract's location, physical features, as well as the current trends within the immediate neighborhood, it is my opinion that the highest and best use for the subject site would be for

İ.

		AS	SESSED VALUE				
Land: 21.929 acres	\$219,290		Assessment for	the Year of:	2002		
1 ac:	\$10,000 \$60,000		Valuation by:	nty Appr	nty Appraisal District		
Prorated 6.0 acres:			Tax Rate:	ax Rate: 2.895			
	EV	IDENCE of SI	TE or PROPERTY C	ONTROL			
Type of Site Control:	Earnest Mon	ey Contract					
Contract Expiration Date:	10/ 15/	2003	Anticipated Closing Date:		10/	15/	2003
Acquisition Cost: \$145,000		Other Terms/Co	Other Terms/Conditions:		\$100 earnest money		
Seller: College Main A	partments, Ltd		Dole	ted to Develop	mont Toor	n Mombo	r: Yes

future multifamily residential.

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The seller, College Main Apartments, Ltd, is controlled by Elaina and Emanuel Glockzin, Jr. which are also the Developer and General Contractor on the development Montgomery Meadows. They acquired the site as part of a larger 21.929 acre parcel in December 1999 at a cost of \$477,615. This amounts to a prorated cost of \$.50 per SF or \$130,000 for the subject 6.0 acres. The Applicant provided documentation of holding costs or improvements made to the site that would provide justification for a higher non-arm's-length sale, therefore the acquisition/transfer price included is accepted.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$7,000 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

Direct Construction Cost: The Applicant's costs are more than 5% different than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are overstated.

Fees: The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$3,113.

Conclusion: As a result of the overstated development fees and slightly higher construction costs the Applicant's total development cost estimate is not within 5% of the Underwriter's verifiable estimate and is therefore the Underwriter's projected costs is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$3,966,350 is used to determine a credit allocation of \$382,286 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount. The Applicant also miscalculated the applicable fraction by using 90.0% instead of the square footage fraction of 88.90%.

FINANCING STRUCTURE
INTERIM CONSTRUCTION or GAP FINANCING
Source: First National Bank Contact: Nora Thompson
Principal Amount:\$1,100,000Interest Rate:7.5%
Additional Information: Interest only for one year
Amortization: N/A yrs Term: 1 yrs Commitment: LOI Firm Conditional
LONG TERM/PERMANENT FINANCING
Source: First National Bank Contact: Nora Thompson
Principal Amount:\$1,100,000Interest Rate:7.5%
Additional Information:
Amortization: 30 yrs Term: 16 yrs Commitment: LOI Di Firm Conditional
Annual Payment: \$93,137 Lien Priority: 1st Commitment Date 2/ 13/ 2003
LIHTC SYNDICATION
Source: Boston Capital Corporation Contact: Thomas W. W. Dixon
Address:One Boston PlaceCity:Boston
State: MA Zip: 02108 Phone: (617) 624-8900 Fax: (617) 624-8999
Net Proceeds:\$3,206,634Net Syndication Rate (per \$1.00 of 10-yr LIHTC)78¢
Commitment LOI Firm Conditional Date: 12/ 23/ 2002
APPLICANT EQUITY
Amount: \$213,366 Source: Deferred Developer Fee
FINANCING STRUCTURE ANALYSIS

<u>Permanent Financing</u>: The permanent financing commitment is consistent with the terms reflected in the sources and uses listed in the application. Based upon the additional debt service capacity resulting from the higher achievable 2003 rents, an additional \$182,000 in debt could be achieved at the proposed rates and terms and still yield a 1.30 DCR. The increase in debt could alternatively be derived from an increase in deferred developer fees as the additional cash flow would provide significant support for a rapid repayment term.

<u>LIHTC Syndication</u>: Boston Capital has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$3,206,634 based on a syndication factor of 78%. The funds would be disbursed in a 3-phased pay-in schedule:

- 1. 75% paid at the latest to occur of (i) Tax Credit Set Aside, (ii) closing of the Construction Mortgage Loan, (iii) receipt of a commitment acceptable to BCP for the Permanent Mortgage Loan, (iv) receipt of a final and approved set of construction drawings or;
- 2. 15% paid on the latest to occur of (i) the Completion Date, (ii) Updated Insurance Certificates, (iii) and updated title insurance policy in form and substance satisfactory to BCP, which policy in no event shall contain a survey exception, (iv) receipt of a contractor's payoff letter and Estoppel Letter from each lender or (v) satisfaction of all of the conditions to the payment of the first Installment;
- 3. 10% paid on the latest to occur of (i) State Designation, (ii) Cost Certification, (iii) Initial 100% Occupancy Date, (iv) closing of the Permanent Mortgage Loan), (v) receipt of 100% tax credit compliance audit, (vi) Rental Achievement or (vii) satisfaction of all of the conditions to the payment of the First and Second Installments.

Financing Conclusions: Based on the gap of funds approach and the Underwriter's total cost, the LIHTC allocation should not exceed \$383,606 which is more than the eligible basis recommendation of \$382,286 annually for ten years, resulting in syndication proceeds of approximately \$2,991,828. This represents a \$28,821 reduction from the requested credit amount of \$411,107 or 8%. Based on the underwriting analysis,

the Applicant will have no deferred developer fee. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, or the developer choose not to obtain additional serviceable debt, deferred developer's fee will be available to fund these amounts.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant, Developer, General Contractor, Architect and Property Manager firms are all related entities. These are common relationships for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- ∉ The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- ∉ The principals of the General Partner, Claire E. Brown and Bryan B. Brown, submitted an unaudited joint financial statement as of February 20, 2003 and anticipated to be guarantors of the development.
- ∉ The principals of the Developer, Elaina D. Glockzin and Emanuel H. Glockzin, Jr., submitted an unaudited joint financial statement as of December 31, 2002 and are anticipated to be guarantors of the development.

Background & Experience:

- ∉ The Applicant and General Partner are new entities formed for the purpose of developing the project.
- ∉ The Developer Emanuel H. Glockzin has completed 24 LIHTC/affordable housing developments totaling 978 units since 1986.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ The Applicant's estimated income and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- ∉ The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift* based estimate by more than 5%.
- ∉ The Applicant's total development costs differ from the Underwriter's verifiable estimate by more than 5%.
- \notin The seller of the property has an identity of interest with the Applicant.
- ∉ The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:		Date:	June 14, 2003
	Carl Hoover	_	
Director of Real Estate Analysis:		Date:	June 14, 2003
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Montgomery Meadows, Huntsville, LIHTC #03231

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trs
TC (60%)	26	1	1	811	\$542	\$492	\$12,792	\$0.61	\$50.00	\$30.00
MR	2	1	1	811		575	1,150	0.71	50.00	30.00
TC (60%)	24	2	2	1,009	651	586	14,064	0.58	65.00	33.00
MR	4	2	2	1,009		675	2,700	0.67	65.00	33.00
TOTAL:	56		AVERAGE:	910	\$531	\$548	\$30,706	\$0.60	\$57.50	\$31.50
NCOME		Total Net Re	entable Sq Ft:	50,960		TDHCA	APPLICANT		USS Region	6
POTENTIA			intable oq i t.	30,300		\$368,472	\$320,952		IREM Region	0
Secondary			1	Per Unit Per Month:	\$10.00	6,720	6,720	\$10.00	Per Unit Per Month	
Other Supp		(describe)		ci onici ci monai.	¢10.00	0,720	0,120	¢10.00		
POTENTIA		. ,				\$375,192	\$327,672			
	Collection L		% of Poter	ntial Gross Income:	-7.50%	(28,139)	(24,576)	-7.50%	of Potential Gross I	Rent
Employee o	or Other Nor	-Rental Unit	s or Concess	ions		0				
FFECTIVI	E GROSS	INCOME				\$347,053	\$303,096			
EXPENSES	<u>s</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & A	Administrativ	'e	4.93%	\$306	0.34	\$17,111	\$12,300	\$0.24	\$220	4.06%
Managemei	nt		5.00%	310	0.34	17,353	\$13,500	0.26	241	4.45%
Payroll & Pa			12.56%	778	0.86	43,590	\$56,057	1.10	1,001	18.49%
Repairs & M	•		5.80%	360	0.40	20,146	\$14,343	0.28	256	4.73%
Utilities			2.84%	176	0.40	9,853	\$5,466	0.28	256 98	4.73%
	or 9 Trest					9,853				
Water, Sew			5.74%	356	0.39	.,	\$5,219	0.10	93	1.72%
Property Ins			7.38%	457	0.50	25,600	\$36,691	0.72	655	12.11%
Property Ta		2.895	9.34%	579	0.64	32,424	\$35,667	0.70	637	11.77%
Reserve for	Replaceme	ents	3.23%	200	0.22	11,200	\$11,200	0.22	200	3.70%
		Fees,Supp	3.02%	187	0.21	10,496	\$10,496	0.21	187	3.46%
TOTAL EXI	PENSES		59.85%	\$3,709	\$4.08	\$207,709	\$200,939	\$3.94	\$3,588	66.30%
NET OPER	ATING IN	C	40.15%	\$2,488	\$2.73	\$139,344	\$102,157	\$2.00	\$1,824	33.70%
DEBT SER	VICE									
irst Nationa	l Bank		26.59%	\$1,648	\$1.81	\$92,296	\$93,137	\$1.83	\$1,663	30.73%
Additional Fir	nancing		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
Additional Fir	nancing		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH	I FLOW		13.56%	\$840	\$0.92	\$47,047	\$9,020	\$0.18	\$161	2.98%
AGGREGAT	E DEBT CC	VERAGE R	ATIO			1.51	1.10			
RECOMMEN	NDED DEBT	COVERAG	E RATIO			1.30				
CONSTRU	стю сс	ST								
Descri		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition							\$145,000			
	COSt (site o	r bidg)	3.39%	\$2,589	\$2.85	\$145,000		\$2.85	\$2,589	3.21%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			9.17%	7,000	7.69	392,000	392,000	7.69	7,000	8.67%
Direct Cons			51.75%	39,491	43.40	2,211,509	2,355,000	46.21	42,054	52.10%
Contingenc	•	1.27%	0.77%	589	0.65	33,000	33,000	0.65	589	0.73%
General Re		6.00%	3.66%	2,789	3.07	156,211	180,000	3.53	3,214	3.98%
	s G & A	2.00%	1.22%	930	1.02	52,070	60,000	1.18	1,071	1.33%
contractors	s Profit	6.00%	3.66%	2,789	3.07	156,211	180,000	3.53	3,214	3.98%
	netruction		7.21%	5,500	6.04	308,000	308,000	6.04	5,500	6.81%
Contractor's	Instruction		0.75%	571	0.63	32,000	32,000	0.63	571	0.71%
Contractor's ndirect Cor			1.61%	1,232	1.35	68,980	45,000	0.88	804	1.00%
Contractor's ndirect Cor neligible C	osts	2.00%			8.80	448,370	500,000	9.81	8,929	11.06%
Contractor's ndirect Con neligible Co Developer's	osts s G & A	2.00%	10 /00/	8 007			300,000			
Contractor's ndirect Cor neligible C Developer's Developer's	osts s G & A s Profit	2.00% 13.00%	10.49%	8,007		140.000	110 000			3.10%
Contractor's ndirect Con neligible Co Developer's Developer's nterim Fina	osts s G & A s Profit		3.28%	2,500	2.75	140,000	140,000	2.75	2,500	
Contractor's ndirect Con neligible C Developer's Developer's nterim Fina Reserves	osts s G & A s Profit ancing		3.28% 3.05%	2,500 2,330	2.75 2.56	130,478	150,000	2.94	2,679	3.32%
Contractor's ndirect Con neligible C Developer's Developer's nterim Fina Reserves TOTAL CO	osts s G & A s Profit ancing ST	13.00%	3.28% 3.05% 100.00%	2,500 2,330 \$76,318	2.75 2.56 \$83.87	130,478 \$4,273,828	150,000 \$4,520,000	2.94 \$88.70	2,679 \$80,714	3.32% 100.00%
Contractor's ndirect Con neligible C Developer's Developer's nterim Fina Reserves FOTAL CO Recap-Hard	osts s G & A s Profit ancing ST <i>Constructi</i>	13.00%	3.28% 3.05%	2,500 2,330	2.75 2.56	130,478	150,000	2.94	2,679	3.32%
Contractor's ndirect Con neligible C Developer's Developer's nterim Fina Reserves FOTAL CO Recap-Hard	osts s G & A s Profit ancing ST <i>Constructi</i>	13.00%	3.28% 3.05% 100.00%	2,500 2,330 \$76,318	2.75 2.56 \$83.87	130,478 \$4,273,828	150,000 \$4,520,000	2.94 \$88.70	2,679 \$80,714	3.32% 100.00%
Contractor's ndirect Con neligible C Developer's Developer's nterim Fina Reserves TOTAL CO Recap-Hard SOURCES	osts s G & A s Profit ancing ST Constructi OF FUND	13.00%	3.28% 3.05% 100.00%	2,500 2,330 \$76,318	2.75 2.56 \$83.87	130,478 \$4,273,828	150,000 \$4,520,000	2.94 \$88.70 \$62.79	2,679 \$80,714 \$57,143	3.32% 100.00% 70.80%
Contractors ndirect Con neligible C Developers Developers nterim Fina Reserves FOTAL CO Recap-Hard SOURCES	osts s G & A s Profit ancing ST <i>Constructi</i> OF FUND	13.00%	3.28% 3.05% 100.00% 70.22%	2,500 2,330 \$76,318 \$53,589	2.75 2.56 \$83.87 \$58.89	130,478 \$4,273,828 \$3,001,000	150,000 \$4,520,000 \$3,200,000	2.94 \$88.70 \$62.79 <u>RECOMMENDED</u>	2,679 \$80,714 \$57,143 Developer Fe	3.32% 100.00% 70.80%
Contractors Contractors ndirect Con neligible C Developers Developers nterim Fina Reserves FOTAL CO Recap-Hard SOURCES First Nationa Additional Fir	osts s G & A s Profit ancing ST <i>Constructi</i> OF FUND I Bank nancing	13.00% on Costs <u>S</u>	3.28% 3.05% 100.00% 70.22% 25.74%	2,500 2,330 \$76,318 \$53,589 \$19,643	2.75 2.56 \$83.87 \$58.89 \$21.59	130,478 \$4,273,828 \$3,001,000 \$1,100,000	150,000 \$4,520,000 \$3,200,000	2.94 \$88.70 \$62.79 <u>RECOMMENDED</u> \$1,282,000	2,679 \$80,714 \$57,143 Developer Fe \$517,	3.32% 100.00% 70.80% ee Available 350
Contractors ndirect Con neligible C Developers Developers nterim Fina Reserves FOTAL CO Recap-Hard SOURCES First Nationa Additional Fir	osts s G & A s Profit ancing ST Construction OF FUND I Bank nancing cation Proce	13.00% on Costs <u>S</u> eeds	3.28% 3.05% 100.00% 70.22% 25.74% 0.00%	2,500 2,330 \$76,318 \$53,589 \$19,643 \$0	2.75 2.56 \$83.87 \$58.89 \$21.59 \$0.00	130,478 \$4,273,828 \$3,001,000 \$1,100,000 0	150,000 \$4,520,000 \$3,200,000 \$1,100,000	2.94 \$88.70 \$62.79 <u>RECOMMENDED</u> \$1,282,000 0	2,679 \$80,714 \$57,143 Developer Fe \$517,	3.32% 100.00% 70.80% ee Available 350 ee Deferred
Contractors ndirect Con neligible C Developers Developers nterim Fina Reserves FOTAL CO Recap-Hard SOURCES First Nationa kiditional Fir .IHTC Syndi	osts s G & A s Profit ancing ST Constructi OF FUND I Bank nancing cation Proce veloper Fees	13.00% on Costs S eeds	3.28% 3.05% 100.00% 70.22% 25.74% 0.00% 75.03%	2,500 2,330 \$76,318 \$53,589 \$19,643 \$0 \$57,261	2.75 2.56 \$83.87 \$58.89 \$21.59 \$0.00 \$62.92	130,478 \$4,273,828 \$3,001,000 \$1,100,000 0 3,206,634	150,000 \$4,520,000 \$3,200,000 \$1,100,000 3,206,634	2.94 \$88.70 \$62.79 <u>RECOMMENDED</u> \$1,282,000 0	2,679 \$80,714 \$57,143 Developer Fe \$517, % of Dev. Fe 0%	3.32% 100.00% 70.80% ee Available 350 ee Deferred

MULTIFAMILY COMPARATIVE ANALYSIS (continued) Montgomery Meadows, Huntsville, LIHTC #03231

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook Average Quality Mixed Basis CATEGORY FACTOR UNITS/SQ FT AMOUNT PER SF Base Cost \$ 48.22 \$2,457,056 Adjustments Exterior Wall Finish 7.18% \$3.46 \$176,294 122,853 Elderly 5.00% 2.41 0.00 0 Roofing Subfloor (2.13 (108,290 Floor Cover 1.92 97,843 41,899 Porches/Balconies \$17.20 2.436 0.82 (0.38 (19,600 Plumbing \$700 (28) Built-In Appliances \$1,625 28 0.89 45,500 Stairs/Fireplaces 0.00 0 Floor Insulation 0.00 0 74,911 1.47 Heating/Cooling Garages/Carports 0 0.00 0 \$68.39 1,038 1.39 70,985 Comm &/or Aux Bldgs Other: 0.00 0 SUBTOTAL 58.07 2,959,451 Current Cost Multiplier 1.03 1.74 88,784 (6.39 Local Multiplier 0.89 (325.54 TOTAL DIRECT CONSTRUCTION COSTS \$53.43 \$2,722,694 Plans, specs, survy, bld prm 3.90% (\$2.08 (\$106,18 3.38% (1.80 (91,89 nterim Construction Interes Contractor's OH & Profit 11.50% (6.14 (313.110 NET DIRECT CONSTRUCTION COSTS \$43.40 \$2,211,509

PAYMENT COMPUTATION

Primary	\$1,100,000	Term	360
Int Rate	7.50%	DCR	1.51
Secondary	\$0	Term	
Int Rate	0.00%	Subtotal DCR	1.51
Additional	\$3,206,634	Term	
Int Rate		Aggregate DCR	1.51

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service)	\$107,567	
Secondary Debt Serv	/ice	0	
Additional Debt Servi	0		
NET CASH FLOW	\$31,776		
Primary	\$1,282,000	Term	360
Int Rate	7.50%	DCR	1.30
Secondary	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.30
Additional	\$3,206,634	Term	0
Int Rate	0.00%	Aggregate DCR	1.30

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

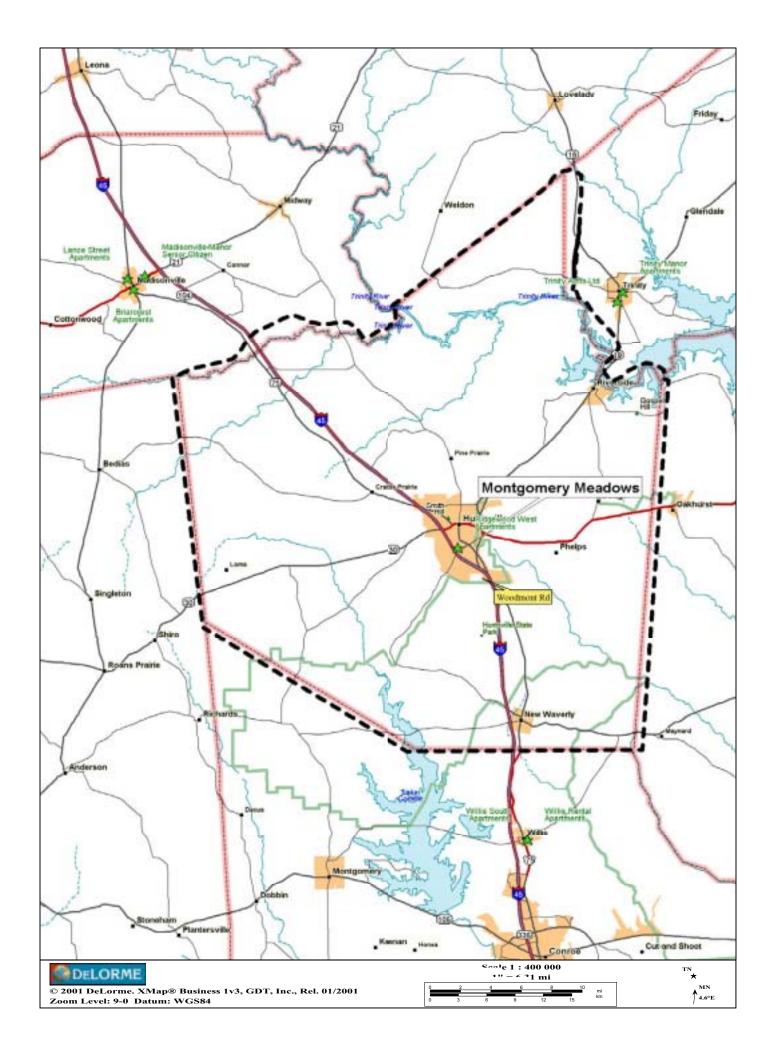
INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROS	SS RENT	\$368,472	\$379,526	\$390,912	\$402,639	\$414,718	\$480,772	\$557,347	\$646,118	\$868,328
Secondary Income	e	6,720	6,922	7,129	7,343	7,563	8,768	10,165	11,784	15,836
Other Support Inc	ome: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GROS	SS INCOME	375,192	386,448	398,041	409,982	422,282	489,540	567,512	657,901	884,165
Vacancy & Collect	tion Loss	(28,139)	(28,984)	(29,853)	(30,749)	(31,671)	(36,716)	(42,563)	(49,343)	(66,312)
Employee or Othe	er Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROS	S INCOME	\$347,053	\$357,464	\$368,188	\$379,234	\$390,611	\$452,825	\$524,948	\$608,559	\$817,852
EXPENSES at	4.00%									
General & Adminis	strative	\$17,111	\$17,795	\$18,507	\$19,248	\$20,017	\$24,354	\$29,631	\$36,050	\$53,363
Management		17,353	17,873	18,409	18,962	19,531	22,641	26,247	30,428	40,893
Payroll & Payroll T	Гах	43,590	45,334	47,147	49,033	50,995	62,043	75,485	91,839	135,944
Repairs & Mainter	nance	20,146	20,952	21,790	22,662	23,568	28,674	34,887	42,445	62,829
Utilities		9,853	10,247	10,657	11,084	11,527	14,024	17,063	20,759	30,729
Water, Sewer & T	rash	19,935	20,733	21,562	22,425	23,322	28,374	34,522	42,001	62,172
Insurance		25,600	26,624	27,689	28,797	29,948	36,437	44,331	53,935	79,837
Property Tax		32,424	33,721	35,070	36,473	37,931	46,149	56,148	68,312	101,119
Reserve for Repla	cements	11,200	11,648	12,114	12,598	13,102	15,941	19,395	23,597	34,929
Other	_	10,496	10,916	11,352	11,807	12,279	14,939	18,176	22,113	32,733
TOTAL EXPENSES	s _	\$207,709	\$215,844	\$224,299	\$233,087	\$242,220	\$293,578	\$355,883	\$431,480	\$634,548
NET OPERATING	INCOME	\$139,344	\$141,620	\$143,889	\$146,147	\$148,390	\$159,247	\$169,065	\$177,079	\$183,305
DEBT SER	VICE									
First Lien Financing	9	\$107,567	\$107,567	\$107,567	\$107,567	\$107,567	\$107,567	\$107,567	\$107,567	\$107,567
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	_	\$31,776	\$34,053	\$36,322	\$38,580	\$40,823	\$51,680	\$61,498	\$69,512	\$75,737
DEBT COVERAGE	RATIO	1.30	1.32	1.34	1.36	1.38	1.48	1.57	1.65	1.70

LIHTC Allocation Calculation - Montgomery Meadows, Huntsville, LIHTC #03231

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost	AMOONTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Purchase of land	\$145,000	\$145,000		
Purchase of buildings	<i>, , , , , , , , , , , , , , , , , , , </i>	<i>•••••••••••••••••••••••••••••••••••••</i>		
(2) Rehabilitation/New Construction Cost				
On-site work	\$392,000	\$392,000	\$392,000	\$392,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$2,355,000	\$2,211,509	\$2,355,000	\$2,211,509
(4) Contractor Fees & General Requirements	•			
Contractor overhead	\$60,000	\$52,070	\$54,940	\$52,070
Contractor profit	\$180,000	\$156,211	\$164,820	\$156,211
General requirements	\$180,000	\$156,211	\$164,820	\$156,211
(5) Contingencies	\$33,000	\$33,000	\$33,000	\$33,000
(6) Eligible Indirect Fees	\$308,000	\$308,000	\$308,000	\$308,000
(7) Eligible Financing Fees	\$140,000	\$140,000	\$140,000	\$140,000
(8) All Ineligible Costs	\$32,000	\$32,000		
(9) Developer Fees			\$541,887	
Developer overhead	\$45,000	\$68,980		\$68,980
Developer fee	\$500,000	\$448,370		\$448,370
(10) Development Reserves	\$150,000	\$130,478		
TOTAL DEVELOPMENT COSTS	\$4,520,000	\$4,273,828	\$4,154,467	\$3,966,350

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		\$4,154,467	\$3,966,350			
High Cost Area Adjustment		130%	130%			
TOTAL ADJUSTED BASIS		\$5,400,807	\$5,156,255			
Applicable Fraction		88.90%	88.90%			
TOTAL QUALIFIED BASIS		\$4,801,165	\$4,583,765			
Applicable Percentage		8.34%	8.34%			
TOTAL AMOUNT OF TAX CREDITS		\$400,417	\$382,286			
Syndication Proceeds	0.7799	\$3,122,941	\$2,981,532			
Total Credits (Eligi	Total Credits (Eligible Basis Method)					
Syn	\$3,122,941	\$2,981,532				
F	Requested Credits					
Syn	dication Proceeds	\$3,206,314				

Gap of Syndication Proceeds Needed	\$2,991,828
Credit Amount	\$383,606



TDHCA # 03236 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Davida	<i>«</i>								-	TDUOA	
	pment N									TDHCA #	[#] : 03236
DEVELC	PMENT L	OCA		ND DES	SIGNAT	ONS					
Region: City:	6 Hous	ton				Site Addres County:		900 Block o Iarris	f Nuben & W Zip Co		
	С 🗌 [DDA	\checkmark	QCT		Purpose / A	Activity	: New Con	struction		
Targete	d Units:	Fam	<mark>ily:</mark> 128	Elde	rly: 0	Handicapp	oed/Di	sabled 9	Domestic A	Abuse: 0	Transitional: 0
Set As	ides:	🗹 Ge	eneral	□ A	t-Risk	🗆 Nonpro	ofit	Rural	TX-U	SDA-RHS	Elderly
OWNER	AND PR	INCIP	AL INFO	ORMAI	I <mark>ON</mark> O	wner Entity	Name	: Little York	Villas, L.P.		
Principa	al Names					Principa	I Cont	act	Percen	tage Owner	ship
-	Little York Ventures,					Cherno N Cherno N	•		.01% c 100% c	of Owner of GP	
		OCAT		ORMA	TION						
Annual	Credit All	ocatio	n Reco	mmeno	latio	\$816,2 [,]	42	Allocatio	on over 10 Y	ears:	\$8,162,420
Credits	Requeste	ed	\$816,2	242	Eligible	e Basis Amo	unt:	\$817,243	Equity/Ga	p Amount	\$852,732
UNIT IN	FORMAT	ION				DEVELOP	MENT	AMENITIES	(no extra co	ost to tenant)	
	<u>Eff 1</u>	BR	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	Playgro				ter Facility wi	ith Internet
30%	0	0	11	11	22	Recreat				Phones	
40%	0	0	15	15	30			ce with Contro undry Room c			
50%	0	0	23	28	51		-	are, Senior Ce			Room
60%	0	0	0	0	0		-	nmunity Room			
MR	0	0	15	10	25			s (no ext	ra cost to tena	ant)	
Total	0	0	64	64		Covered		es		ter Line in all	
Total LI	Units:				103	Mini Blir					, Kitchen, Baths
	Employee		51		0	Laundry Laundry			Storage	e Room ⁻ Shingle Roc	fing
	oject Unit				128					d Patios or B	-
	ble Fraction is the lesse		ait fraction or t		80.00	Garage		5			lasonry Exterior
	low income unit			and square i	outinaction	Use of E	Energy	Efficient Alter	native Constr	uction Materi	als
BUILDIN		RMATI	ON								
	evelopme				\$`	10,814,865		erage Square			1,025
	Building S			_		136,644		st Per Net Re			\$82.43
	et Rentab					131,200		dits per Low	Income Uni		\$7,925
	E AND E			RMATI	ON			ANCING	ainal Amaun	4 .	¢4 164 400
	e Gross li	ncome	•			\$865,488		manent Prin		it:	\$4,164,409 \$284,409
	(penses:					\$490,036		uity Source:		Deferred	Developer Fee
	erating Ind ed 1st Ye		ht Cove	rade R	atio	\$375,452 1.12		ndication Rat	e:	Deleffet	\$0.7799
						= Not Yet Ava					+•••••••
Develop			ghai Liti					ot Analyst:	Anartmo	nt Market D	ata Research
Housing			-		g Const	ruction		et Analyst: nator/UW:	NA	n mainet D	
Enginee					sociates		-	aiser:	Butler Bu	ıraher	
Cost Es					g Const		Attor			-	& McKinley
Architec					-	rchitects		ountant:		Fedder & S	•
	y Manage							Services		Services of	
Syndica					ial Grou	-		nanent Lende	-		

Floject Name. Little To			Floject Number. 05250
PUBLIC COMMENT SUN	MARY Note: "O'	" = Oppose	, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
# of Letters, Petitions, or	· Witness Affirmatio	n Forms (r	not from Officials): Support: 1 Opposition: 6
A resolution was pass	sed by the local gov	ernment ir	n support of the development.
Local/State/Federal Officials	with Jurisdiction:		Comment from Other Public Officials:
Local Official:		NC	El Franco Lee, Harris County Commissioner, S
TX Representative:	Sylvester Turner, Dist	trict 139,N	Daisy A. Stiner, Director Housing and Community Development, N
TX Senator:	John Whitmire, Dist	trict 15, N	Kenton R. Pickles, Administrative Manager, City of Houston, N
US Representative:	Sheila Jack	son Lee, S	
US Senator:			
General Summary of Comme	other tax credit deve across from the pro being developed les	elopments in posed devel ss than three	ceived. The stated reasons for opposition include: 1) There are two in the area that have low occupancy rates, 2) The tax credit development opment is "not well kept and drug infested", 3) There are tax credit units a miles away from the proposed development, and 4) The writer does orly. It should be noted that there is also some support for this
DEPARTMENT EVALUA	TION		
Points Awarded: 10	00 Site Finding:	Acceptable	e Underwriting Finding: Approved with Conditions
CONDITIONS TO COM	MITMENT		
Receipt, review, and accepta to the initial closing on the pr		ease of lien o	on the property or an updated title commitment showing clear title prior
•	of the proposed debt or s	syndication c	change, the transaction should be re-evaluated and an adjustment to the
Alternate Recommendation	n: NA		
			, THE DIRECTOR OF MULTIFAMILY FINANCE D REVIEW ADVISORY COMMITTEE IS BASED ON:
Score		a Required	
□ To serve a greater number	er of lower income famili	es for fewer	credits.
To ensure geographic dis			
To ensure the Developme	ent's consistency with loc	cal needs or	its impact as part of a revitalization or preservation plan.
			ntities as practicable w/out diminishing the quality of the housing built.
	•	•	A that contributes to revitalization.
•			duals_ families with different levels of income.
Explanation: This Develop			
		•••••	
Robert Onion, Manager of Aw	ards and Allocation	Date	Brooke Boston, Director of Multifamily Finance Production
			Date
Edwina Carrington, Executive Chairman of Executive Award		Date	
			ON OF DISCRETIONARY FACTORS (if any):
Approved Credit Amount:		Date	of Determination:
Michael E. Jones, Chairman d	of the Board	Da	ate

	Developer Ev	valuation	
Project ID # 03236	Name: Little York	Villas	City: Houston
LIHTC 9% 🗹 LIHTC 4% 🗆	HOME BOND I	HTF SECO	ESGP Other
□ No Previous Participation in Tex	\Box Members of the σ	levelopment team h	ave been disbarred by HUD
National Previous Participation Noncompliance Reported on Na		✓ _{N/A} Certification:	
	Portfolio Manageme	ent and Compliand	ce
Projects in Material Noncomplianc		Yes	# of Projects: 0
Total # of Projects monitored:			
Total # monitored with a score le	ess than 30: <u>1</u>	# not yet monitored	or pending review: 2
Program Monitoring/DrawsNot applicable ✓Review pUnresolved issues found that warrant	ending No unresolv ant disqualification (Additional		
Asset Management Not applicable Review p Unresolved issues found that warra			Unresolved issues found \Box ats must be attached \Box
Reviewed by Sara Carr N	ewsom	Date <u>iday</u> , I	May 23, 2003
Not applicable Review p Unresolved issues found that warra Reviewed by R Meyer	Multifamily Finance Proc ending No unresoly ant disqualification (Additional Date	ved issues 🖌	Unresolved issues found \Box its must be attached) \Box
	Single Family Finance Pro	duction	
Not applicable Review p Unresolved issues found that warr	ending No unresoly	ved issues	Unresolved issues found \Box its must be attached)
Reviewed by	Date		-
Not applicable \checkmark Review p Unresolved issues found that warr	ant disqualification (Additional	ved issues information/commer	Unresolved issues found \Box its must be attached) \Box
Reviewed by EEF	Date	5 /16/2003	-
Not applicable 🔽 Review p Unresolved issues found that warr		ved issues	Unresolved issues found \square its must be attached) \square
Reviewed by <u>H Cabello</u>	Date	<u>6 /10/2003</u>	-
	tate Analysis (Cost Certificati ending No unresoly ant disqualification (Additional	ved issues	Unresolved issues found \Box its must be attached) \Box
Reviewed by	Date		-
Not applicable Delinquencies found that warrant of the second se	-	d 🖌 Deli	inquencies found nust be attached)
Reviewed by Stephanie Stun	tz Date	5 /23/2003	-
Executive Director: Edv	wina Carrington	Executed:	Friday, June 13, 2003

DATE: May 28, 2003

|

PROGRAM: 9% LIHTC

FILE NUMBER: 03

03236

DEVELOPMENT NAME

Little York Villas Apartments

	ł	APPLICANT						
Name:	Little York Villas, L.P.	Type:	For Profi	t				
Address:	1106 Clayton Lane, Suite 524W	City:	Austin			State:	TX	
Zip:	78723 Contact: Cherno Njie	Phone:	(512)	458-5577	Fax:	(512)	458-5565	
	PRINCIPALS of the A	APPLICANT/ I	EY PARTIC	CIPANTS				
Name:	Songhai Little York, LLC	(%):	.01	Title:	Managing General Partner			
Name:	El Dorado Housing Development Corp. (EDHDC)	(%):		Title:	Co-Developer			
Name:	Songhai Ventures, Inc. (SVI)	(%):	N/A	Title:	Sole m	ember of l	MGP	
Name:	Songhai Little York Development, LLC (SLYD)	(%):	N/A	Title:	Co-Developer			
Name:	Cherno Njie	(%):	N/A	Title:	49% owner of SVI & 100% owner of SLYD			
Name:	Nwaeju Njie	(%):	N/A	Title:	51% ov	wner of SV	/I	
Name:	Carlos Herrera	(%):	N/A	Title:	100% c	100% owner of EDHDC		

PROPERTY LOCATION										
Location:	Southwest corner of intersection of West Little York Road & Nuben Street 🛛 QCT 🗌									
City:	Houston		County:	Harris		Zip:	77091			
REQUEST										
<u> </u>	mount	Interest Rate		<u>Amortization</u>		Te	<u>rm</u>			
\$	316,242	N/A		N/A		N	'A			
Other Requ	ested Terms:	Annual ten-year allocati	on of low-inc	ome housing tax	credits					
Proposed Use of Funds: New construction		Prop	erty Type:	Multifamily						
Set-Aside(s)	: 🛛 Gener	al 🗌 Rural 🗌	TX RD] Non-Profit	Elderly	/	At Risk			

RECOMMENDATION

 RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$816,242 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
 CONDITIONS
 Receipt, review, and acceptance of a copy of the release of lien on the property or an updated title commitment showing clear title prior to the initial closing on the property;
 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

LIHTC #93099)

DEVELOPMENT SPECIFICATIONS							
IMPROVEMENTS							
Units: 128 # Kental 7 # Common 1 # of 3 Age: 0 yrs Vacant: N/A at / /							
Net Rentable SF: 131,200 Av Un SF: 1,025 Common Area SF: 5,444 Gross Bldg SF: 136,644							
STRUCTURAL MATERIALS							
Wood frame on a post-tensioned concrete slab on grade, 75% stucco/25% cultured stone veneer with wood trim, drywall interior wall surfaces, composite shingle roofing.							
APPLIANCES AND INTERIOR FEATURES							
Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters.							
ON-SITE AMENITIES							
A 5,444-SF community building with activity room, management offices, maintenance & laundry facilities, kitchen, restrooms, computer/business center, & a swimming pool are located at the entrance to the property. In addition, an equipped children's play area is to be located in the middle of the property, which will have perimeter fencing with a limited access gate.							
Uncovered Parking: 259 spaces Carports: 0 spaces Garages: 0 spaces							
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION							
 Description: Little York Villas Apartments is a moderately dense (12 units per acre) new construction development of 128 units of mixed income housing located in northwest Houston. The development is comprised of seven evenly distributed medium-to-large size, garden style, walk-up residential buildings as follows: ∉ Three Building Type A with 12 two-bedroom/two-bath units and eight three-bedroom/two-bath units; ∉ One Building Type B with 20 two-bedroom/two-bath units; 							
∉ Two Building Type E with 16 three-bedroom/two-bath units; and							
∉ One Building Type H with eight two-bedroom/two-bath units and eight three-bedroom/two-bath units.							
Architectural Review: The building elevations are functional and attractive, with pitched roofs and a significant amount of stone veneer accent. The units are well laid out, and both types feature covered porches or balconies with storage closets.							
Supportive Services: The Applicant intends to use Housing Services of Texas to provide supportive services at no cost to the tenants and has included \$18,000/year in the operating budget for these services.							
Schedule: The Applicant anticipates construction to begin in March of 2004, to be completed and placed in service in August of 2005, and to be substantially leased-up in January of 2006.							
SITE ISSUES							
Site Description Size: 10.68 acres 465,221 square feet Zoning/ Permitted Uses: No zoning in Houston							
Flood Zone Designation: Zone X Status of Off-Sites: Partially improved							
SITE and NEIGHBORHOOD CHARACTERISTICS Location: The site is a nearly rectangularly-shaped parcel located in the northwest area of Houston, approximately nine miles from the central business district. The site is situated on the southwest corner of the intersection of West Little York Road and Nuben Street. Adjacent Land Uses:							
∉ North: West Little York Road with multifamily residential beyond (Inwood Terrace Apartments,							

2

- *∉* **South:** single-family residential
- ∉ **East:** Nuben Street with vacant land and a church beyond
- ∉ West: commercial/industrial (Tom Wheatley Valve Company)

<u>Site Access</u>: Access to the property is from the east or west along West Little York Road or the north or south from Nuben Street. The development is to have a single entry from Little York Road. Access to Interstate Highway 45 is 2.8 miles east, which provides connections to all other major roads serving the Houston area.

<u>Public Transportation</u>: Although public bus transportation is available in Houston, the proximity of the nearest stop to the site is unknown.

Shopping & Services: The site is within two miles of two major grocery/pharmacies, and shopping centers and a variety of other retail establishments and restaurants as well as schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

<u>Special Adverse Site Characteristics</u>: The title commitment lists a notice of demolition order and a contractual lien affidavit that must be cleared by the closing. Receipt, review, and acceptance of documentation verifying the resolution of these issues is a condition of this report.

<u>Site Inspection Findings:</u> TDHCA staff performed a site inspection on April 15, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 21, 2003, was prepared by Tidewater Environmental Services, Inc. and contained the following findings and recommendations: "Based on investigations of the subject property completed to date, Tidewater Environmental Services found no recognized environmental conditions in connection with the subject property. Therefore, Tidewater Environmental does not recommend further field studies and/or environmental research at this time." (p. 16)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 103 of the units (80% of the total) will be reserved for low-income tenants. 22 of the units (17%) will be reserved for households earning 30% or less of AMGI, 30 units (23%) will be reserved for households earning 40% or less of AMGI, 51 units (40%) will be reserved for households earning 50% or less of AMGI, and the remaining 25 units (20%) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES									
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons			
60% of AMI	\$20,850	\$23,850	\$26,800	\$29,800	\$32,200	\$34,550			

MARKET HIGHLIGHTS

A market feasibility study dated March 31, 2002, 2003 was prepared by Apartment MarketData Research Services, LLC and highlighted the following findings:

Definition of Market/Submarket: "For this analysis we utilized a 'primary market area' comprising a 62-square mile trade area in northwest Houston." (p. 31) The site is approximately three miles south of the northern boundary of the sub market, four miles north of the southern boundary, five miles from the eastern and western boundary.

Population: The estimated 2002 population of the primary market area (PMA) was 242,312 and is expected to increase by 5.7% to approximately 256,032 by 2007. Within the PMA there were estimated to be 83,739 households in 2002. (p. 54-55)

Total Local/Submarket Demand for Rental Units: "The PMA is projected to continue to grow well into the year 2007. This growth will result in the additional need for housing, and based upon the tenure profile of the area 44.8% of the housing will be in rental units. Additionally, due to the economic base of the population and the average income levels of the area, there will be a strong need for more affordable rental housing." (p. 107)

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY									
	Market	Analyst	Underwriter						
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand					
Household Growth	29	1%	75	1%					
Resident Turnover	5,406	98%	5,105	99%					
Other Sources: 10 yrs pent-up demand	56	1%	0	0%					
TOTAL ANNUAL DEMAND	5,491	100%	5,180	100%					

Ref: p. 47

Inclusive Capture Rate: The analyst calculated an inclusive capture rate of 8.19%, but included all 192 of the Fountains at Tidwell Apartments' units as unstabilized comparable units instead of just the 141 LIHTC units, and did not include any of Woodglen Village's 250 LIHTC units, although the analyst reported the development to be in lease-up. (p. 48) In a supplemental letter the analyst confirmed the lease-up status of Woodglen and added those units to the numerator of the inclusive capture rate to conclude 12.75%. The Underwriter calculated an inclusive capture rate of 14.2% based upon a revised supply of unstabilized comparable affordable units from unstabilized developments were included, the Underwriter's capture rate would increase to 24.9%. Finally, if two unstabilized transactions that are just north of the analyst's defined market area but south of Sam Houston Parkway (a more natural geographic boundary) were included, the restricted unit capture rate would rise to 22%. The total capture rate on restricted and unrestricted in the market analyst's market area. Moreover, unrestricted units are not included in the market analyst's market area.

Local Housing Authority Waiting List Information: No information provided.

<u>Market Rent Comparables</u>: The market analyst surveyed four comparable apartment projects totaling 904 units in the market area. "The Little York Villas Apartments, in comparison to its proposed competition, is well positioned in regards to unit types, sizes, and rental rates. The 'base rent' (street asking rate) for each unit type is significantly lower than comparable market rate projects." (p. 105)

	RENT ANALYSIS (net tenant-paid rents)										
Unit Type (% AMI)	Proposed	Program Max	Differential	Avg. Market	Differential						
2-Bedroom (30%)	\$346	\$356	-\$10	\$777	-\$431						
2-Bedroom (40%)	\$479	\$490	-\$11	\$777	-\$298						
2-Bedroom (50%)	\$612	\$624	-\$12	\$777	-\$165						
2-Bedroom (MR)	\$678	N/A	N/A	\$777	-\$99						
3-Bedroom (30%)	\$400	\$410	-\$10	\$879	-\$479						
3-Bedroom (40%)	\$554	\$565	-\$11	\$879	-\$325						
3-Bedroom (50%)	\$707	\$720	-\$13	\$879	-\$172						
3-Bedroom (MR)	\$783	N/A	N/A	\$879	-\$96						

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Submarket Vacancy Rates</u>: "The current occupancy of the market area is 93.0% as a result of everincreasing demand." (p. 84) "...the overall average occupancy for income-restricted units is 92.0%...and the overall average occupancy for market rate units is 96.1%." (p. 105)"

Absorption Projections: "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 [resulting in a 12-month lease-up schedule]." (p. 81)

Known Planned Development: The analyst identified the following affordable projects currently under development in the PMA (p. 82):

∉ Fallbrook Ranch Apartments, 9% LIHTC #02080, 196 total units/156 tax credit units

- ∉ Yale Village Apartments, 9% LIHTC #02019, 250 total/tax credit units (rehab)
- ∉ Fountains at Tidwell Apartments, 9% LIHTC #01042, 188 total units/141 tax credit units
- ∉ Dominion Square Apartments, 4% LIHTC #00016T, 136 total/tax credit units (rehab)
- ∉ Woodglen Village Apartments, 4% LIHTC #99012T, 250 total/tax credit units (in lease-up)

The analyst excluded Windfern II, a 2000 9% LIHTC transaction that included 86 restricted and 144 total units and is located in the far northwestern section of the market area. The development has not submitted for cost certification yet and is assumed to be stabilized. The market area excludes two developments located within five miles north of the site. These are Champion Forest (115 restricted, 192 total units awarded in 2001 as a 2002 forward commitment) and Fallbrook Apartments (280 restricted units funded as a bond transaction in late 2001).

Effect on Existing Housing Stock: "The subject should not have a detrimental effect on any existing projects, as occupancies are strong throughout north Houston, and especially at quality affordable housing communities." (p. 82)

The Underwriter found the market study to be acceptable.

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections are the maximum rents allowed under LIHTC guidelines, and are achievable according to the market analyst. The Applicant miscalculated tenant-paid utility allowances by including the range and refrigerator allowances and by using slightly lower superseded allowances, which results in the Applicant's potential gross income estimate being understated by \$8,532. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of the revised utility allowances the Underwriter's effective gross income estimate exceeds the Applicant's by \$7,893.

Expenses: The Applicant's estimate of total operating expense is 3% lower than the Underwriter's TDHCA database-derived estimate, an acceptable deviation. The Applicant's general and administrative expense estimate is significantly (\$18.5K) lower than the database averages. The Underwriter discussed this difference with the Applicant but was unable to reconcile it despite additional information provided by the Applicant.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION										
Land: 10.692 acres	ASSE \$234,520	SSED VALUE Assessment for 1	the Year of:	2002	2					
Building:	N/A	Valuation by: Harris County Appraisal District				ict				
Total Assessed Value:	\$234,520	Tax Rate: 3.02477								
	EVIDENCE of SITE	- E or PROPERTY CO	ONTROL							
Type of Site Control:	Unimproved property comn	nercial contract								
Contract Expiration Date:	90 days after notice of LIHTC approval by TDHCA Board	Anticipated Closing Date:		11/	15/	2003				
Acquisition Cost:	\$578,749	\$578,749 Other Terms/Conditions: \$5,000 earnest money								
Seller: Mrs. Claude Maurer Related to Development Team Member: No										

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The site cost of \$578,749 (\$1.24/SF or \$21,934/acre) is reasonably substantiated by the tax assessed value of \$234,520 and is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$7,500 per unit are the maximum allowed under TDHCA guidelines without third party verification.

Direct Construction Cost: The Applicant's costs are 6.5% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated. A significant area of difference is that the Underwriter calculated 32,000 square feet of porches, balconies, and breezeways whereas the Applicant included only 6,464 square feet in the application though the floor plans provided clearly reflect a significantly larger number.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$40,775 to reflect an apparent overestimation of eligible construction loan interest, 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.

<u>Fees</u>: 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.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. The Applicant did not reduce eligible basis by the amount of the below market rate city HOME loan in accordance with Section 42(i)(2) of the Internal Revenue Code, and indicated that this was because the HOME funds would be applied to the land purchase or other ineligible basis. This is not generally accepted practice and is not accepted by TDHCA, and therefore the Underwriter reduced the Applicant's eligible basis by \$281,409. As a result an eligible basis of \$9,367,297 is used to determine a credit allocation of \$817,243 from this method. This is \$1,001 more than initially requested, however, due to the Applicant's use of a lower applicable percentage of 8.10% rather than the 8.34% underwriting rate used for applications received in February 2003. Therefore, the syndication proceeds from the Applicant's request of \$816,242 times the applicable percentage of 8.34% will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

	FINANCING STRUCTURE							
INTERIM CONSTRUCTION or GAP FINANCING								
Source: Bank One, N.A.		Contact:	Pauline Allen					
Principal Amount:\$3,883,000Interest Rate:Variable, 6-month LIBOR + 250 basis points, estimated & underwritten at 7.5%								
Additional Information: Commitment in a	amount of \$4,400,0	00, interest-only p	payments					
Amortization: N/A yrs Term: 2	yrs Commi	tment: 🛛 LC	I Firm Conditional					
LOI	NG TERM/PERMAN	ENT FINANCING						
Source: Bank One, N.A.		Contact:	Pauline Allen					
Principal Amount: \$3,883,000 Interest Rate: 10-year U.S. Treasury rate + 270 basis points, estimated & underwritten at 7.5%								
Additional Information:								
Amortization: 30 yrs Term: 18 yrs Commitment: 🛛 LOI 🗌 Firm 🗌 Conditional								
Annual Payment: \$325,806	Lien Priority: 1	st Commitme	ent Date 2/ 27/ 2003					

LONG TERM/PERMANENT FINANCING										
Source:	City of	Houston HOM	E funds			Contact:	Ken Fickes			
Principal A	Amount:	\$281,409	Int	terest Rate:	1% 1	requested				
Additional	Additional Information: Application only, amount & terms unconfirmed									
Amortizati	ion: 3() yrs Te	erm: 30	yrs Cor	nmitmer	nt: 🛛 N	Jone 🗌 Fir	rm	Conditional	
Annual Pa	Annual Payment:\$10,861Lien Priority:2ndCommitment Date2/26/2003									
	LIHTC SYNDICATION									
Source:	Paramo	unt Financial C	Group, Inc.			Contact:	Dale Cook	k		
Address:	150 Ea	st Main Street,	Suite 301			City:	Fredericksbur	g		
State:	TX	Zip:	78624	Phone: ((830)	997-6960	Fax:	(830)	997-5939	
Net Procee	ds:	\$6,371,561	Net	t Syndication	Rate (pe	r \$1.00 of 10)-yr LIHTC)	78¢		
Commitme	ent	LOI	Firm	m 🗌	Condit	ional Da	ate: 2/	27/	2003	
Additional	Additional Information:									
APPLICANT EQUITY										
Amount:	\$278,8	92	Sour	ce: Defe	erred dev	veloper fee				

FINANCING STRUCTURE ANALYSIS

Permanent Financing: The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. The City of Houston HOME funds were not confirmed as to the terms or even amount, therefore they are extremely speculative. Based upon the 1% rate anticipated by the Applicant they would need to be removed from eligible basis or relinquish the 130% boost for being in a QCT. Alternatively, if the interest rate on the HOME funds was increased to the applicable federal rate (AFR), no adjustments to eligible basis would be required and the full 130% high cost area adjustment could remain, however, the credit amount recommended would still be the lower amount requested. If the HOME funds are not awarded to this development the effect would be negligible to the projected DCR and would not affect the current amount, but would double the anticipated deferred developer fee, which would still be repayable in a satisfactory period of time.

<u>LIHTC</u> Syndication: The LIHTC syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$278,892 amount to 27% of the total eligible fees.

Financing Conclusions: Since the Applicant's total development costs were approximately 3% less than the Underwriter's estimate, the Applicant's adjusted development costs were used to determine eligible basis. This eligible basis amount was reduced by the amount of the below market rate City of Houston HOME loan, and the applicable percentage rate was adjusted in order to reflect the current underwriting rate of 8.34%. These adjustments increased the recommended tax credit allocation to \$817,243 per year. However, this is \$1,001 more than the Applicant's request. Therefore, the maximum potential tax credit allocation for this development should be \$816,242. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased slightly \$284,409, which represents approximately 27% of the eligible fee and which should be repayable from cash flow within six years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis or should the HOME funds not be awarded to this development, additional deferred developer's fee should be available to fund those development cost overruns or shortfalls.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The General Contractor is affiliated with the Property Manager. These are common relationships for LIHTCfunded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE Financial Highlights:

- ∉ The Applicant, General Partner, and Developer are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- ∉ The sole member of the General Partner, Songhai Ventures, Inc., submitted an unaudited financial statement as of January 15, 2003 reporting total assets of \$587K and consisting of \$85K in cash, \$165K in receivables, \$300K in partnership interests, and \$37K in office equipment and automobiles. Liabilities totaled \$65K, resulting in a net equity of \$522K. The partnership assets are questionable in that \$150K are associated with a 4% LIHTC application (Selinsky Villas Apartments) which was withdrawn earlier this year and the other \$150K are in pending 4% LIHTC applications. These assets could not be accrued until the transactions they represent have materialized. This has the effect of reducing net equity to \$222K.
- ∉ The Co-Developer, El Dorado Housing Development Corporation, submitted an unaudited financial statement as of May 13, 2003 reporting total assets of \$610K and consisting of \$10K in cash and \$600K in securities. No liabilities were reported.
- ∉ Cherno and Nwaeju Njie and Carlos Herrera, owners of the General Partner, Developer, and Co-Developer, submitted unaudited financial statements and are anticipated to be guarantors of the development.

Background & Experience:

- ∉ The Applicant, General Partner, and Developer are new entities formed for the purpose of developing the project.
- ∉ Cherno and Nwaeju Njie, owners of the General Partner, listed participation in one previous 280-unit LIHTC-funded housing development, but this project (Selinsky Villas, 4% LIHTC #02482) was terminated by the applicant during the application stage. Mr. Njie is also the former Manager of the TDHCA Tax Credit Program and has significant experience in tax credit developments from that perspective.
- ∉ Carlos Herrera, the sole member of the Co-Developer, submitted a TDHCA certificate of experience in constructing or developing residential units or comparable commercial property and listed ongoing participation in three previous LIHTC-funded housing developments totaling 409 units since 2001.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift* based estimate by more than 5%.
- ∉ The principals of the Applicant do not appear to have the financial capacity to support the project if needed.

Underwriter:		Date:	May 28, 2003
	Jim Anderson		
Director of Real Estate Analysis:		Date:	May 28, 2003
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Little York Villas Apartments, Houston, 9% LIHTC #03236

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trsh
TC (30%)	11	2	2	950	\$402	\$356	\$3,916	\$0.37	\$46.00	\$40.62
TC (40%)	15	2	2	950	536	490	7,350	0.52	46.00	40.62
TC (50%)	23	2	2	950	670	624	14,352	0.66	46.00	40.62
MR	15	2	2	950		678	10,170	0.71	46.00	40.62
TC (30%)	11	3	2	1,100	465	410	4,510	0.37	55.00	46.62
TC (40%)	15	3	2	1,100	620	565	8,475	0.51	55.00	46.62
TC (50%)	28	3	2	1,100	775	720	20,160	0.65	55.00	46.62
MR	10	3	2	1,100		783	7,830	0.71	55.00	46.62
TOTAL:	128		AVERAGE:	1,025	\$500	\$600	\$76,763	\$0.59	\$50.50	\$43.62
		Tatal Nat D	atable On Etc	121 200		TDHCA	APPLICANT			6
INCOME			entable Sq Ft:	<u>131,200</u>					USS Region	
POTENTIA		RENI			¢15.00	\$921,156 23,040	\$912,624	\$45 00	IREM Region	Houston
Secondary			,	Per Unit Per Month:	\$15.00	23,040	23,040 0	\$15.00	Per Unit Per Month	
POTENTIA	ort Income:					\$944,196	\$935,664			
			0/ -{ D-t-		7 50%	(70,815)	(70,176)	7 50%	- (Detential One - De	-4
•	Collection L		s or Concess	ntial Gross Income:	-7.50%	(70,813)	(70,178)	-7.50%	of Potential Gross Re	nt
	E GROSS		S OF COLICESS	sions		\$873,381	\$865,488			
EXPENSE			% OF EGI	PER UNIT	PER SQ FT	ψ075,501	ψ000, + 00	PER SQ FT	PER UNIT	% OF EGI
						¢44.000	¢00.040			
	Administrativ	е	5.14%	\$350	0.34	\$44,860	\$26,340	\$0.20	\$206	3.04%
Manageme			5.00%	341	0.33	43,669	\$44,796	0.34	350	5.18%
Payroll & P	ayroll Tax		12.75%	870	0.85	111,360	\$120,000	0.91	938	13.87%
Repairs & M	Maintenance		8.14%	555	0.54	71,059	\$64,700	0.49	505	7.48%
Utilities			2.26%	155	0.15	19,780	\$23,000	0.18	180	2.66%
Water, Sew	ver, & Trash		5.21%	355	0.35	45,472	\$48,708	0.37	381	5.63%
Property In:			2.85%	195	0.19	24,928	\$22,272	0.17	174	2.57%
Property Ta		3.02477	10.24%	698	0.68	89,405	\$87.000	0.66	680	10.05%
	r Replaceme		2.93%	200	0.20	25,600	\$25,600	0.20	200	2.96%
	svcs, compl f	ees, sec	3.16%	216	0.21	27,620	\$27,620	0.21	216	3.19%
TOTAL EX		_	57.68%	\$3,936	\$3.84	\$503,753	\$490,036	\$3.74	\$3,828	56.62%
NET OPER	RATING IN	C	42.32%	\$2,888	\$2.82	\$369,628	\$375,452	\$2.86	\$2,933	43.38%
DEBT SER	RVICE									
Bank One			37.30%	\$2,545	\$2.48	\$325,806	\$325,806	\$2.48	\$2,545	37.64%
City of Houst			1.24%	\$85	\$0.08	10,861	10,861	\$0.08	\$85	1.25%
Additional Fi	inancing		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH	I FLOW		3.77%	\$258	\$0.25	\$32,961	\$38,785	\$0.30	\$303	4.48%
AGGREGAT	TE DEBT CC	VERAGE R	ATIO			1.10	1.12			
RECOMMEN	NDED DEBT	COVERAG	E RATIO				1.12			
CONSTRU	ICTION CC	<u>ST</u>								
Descr	ription	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition			5.17%	\$4,521	\$4.41	\$578,749	\$578.749	\$4.41	\$4,521	5.35%
Off-Sites		blug)				\$370,749 0	, .			
			0.00%	0	0.00		0	0.00	0	0.00%
Sitework			8.58%	7,500	7.32	960,000	960,000	7.32	7,500	8.88%
Direct Cons	struction		51.25%	44,792	43.70	5,733,348	5,361,597	40.87	41,887	49.58%
Contingend	су	4.72%	2.83%	2,469	2.41	316,080	316,080	2.41	2,469	2.92%
General Re	eq'ts	5.67%	3.39%	2,963	2.89	379,296	379,296	2.89	2,963	3.51%
Contractor'	's G & A	1.89%	1.13%	988	0.96	126,432	126,432	0.96	988	1.17%
Contractor'	's Profit	5.67%	3.39%	2,963	2.89	379,296	379,296	2.89	2,963	3.51%
Contractor	Instruction		6.00%	5,245	5.12	671,422	671,422	5.12	5,245	6.21%
			2.12%	1,855	1.81	237,409	237,409	1.81	1,855	2.20%
Indirect Co		0.0001					-			
Indirect Co Ineligible C			0.00%	0	0.00	0	0	0.00	0	0.00%
Indirect Co Ineligible C Developer's	s G & A	0.00%	9.28%	8,111	7.91	1,038,159	1,038,159	7.91	8,111	9.60%
Indirect Co Ineligible C Developer's Developer's	s G & A s Profit	11.56%				416,425	416,425	3.17	3,253	3.85%
Indirect Co Ineligible C Developer's Developer's Interim Fina	s G & A s Profit		3.72%	3,253	3.17					3.24%
Indirect Co Ineligible C Developer's Developer's Interim Fins Reserves	s G & A s Profit ancing			3,253 2,734	2.67	350,000	350,000	2.67	2,734	0.2170
Indirect Co Ineligible C Developer's Developer's Interim Fina Reserves TOTAL CO	s G & A s Profit ancing DST	11.56%	3.72%			350,000 \$11,186,616	\$10,814,865	\$82.43	2,734 \$84,491	100.00%
	s G & A s Profit ancing DST	11.56%	3.72% 3.13%	2,734	2.67	350,000				
Indirect Co Ineligible C Developer's Developer's Interim Fina Reserves TOTAL CO	s G & A s Profit ancing DST I Constructi	11.56% on Costs	3.72% 3.13% 100.00%	2,734 \$87,395	2.67 \$85.26	350,000 \$11,186,616	\$10,814,865	\$82.43	\$84,491	100.00%
Indirect Co Ineligible C Developer's Developer's Interim Fina Reserves TOTAL CO Recap-Hard SOURCES	s G & A s Profit ancing DST I Constructi	11.56% on Costs	3.72% 3.13% 100.00%	2,734 \$87,395	2.67 \$85.26	350,000 \$11,186,616	\$10,814,865	\$82.43 \$57.34	\$84,491	100.00% 69.56%
Indirect Co Ineligible C Developer's Interim Fina Reserves TOTAL CO <i>Recap-Hard</i> <u>SOURCES</u> Bank One	s G & A s Profit ancing DST d Constructi s OF FUND	11.56% on Costs	3.72% 3.13% 100.00% 70.57%	2,734 \$87,395 \$61,675	2.67 \$85.26 \$60.17	350,000 \$11,186,616 \$7,894,452	\$10,814,865 \$7,522,701	\$82.43 \$57.34 RECOMMENDED	\$84,491 \$58,771	100.00% 69.56% e Available
Indirect Co Ineligible C Developer's Interim Fina Reserves TOTAL CO Recap-Hard <u>SOURCES</u> Bank One City of Houst	s G & A s Profit ancing DST d Constructi S OF FUND ton Funds	11.56% on Costs <u>S</u>	3.72% 3.13% 100.00% 70.57% 34.71% 2.52%	2,734 \$87,395 \$61,675 \$30,336 \$2,199	2.67 \$85.26 \$60.17 \$29.60 \$2.14	350,000 \$11,186,616 \$7,894,452 \$3,883,000 281,409	\$10,814,865 \$7,522,701 \$3,883,000 281,409	\$82.43 \$57.34 <u>RECOMMENDED</u> \$3,883,000 281,409	\$84,491 \$58,771 Developer Fee \$1,038,	100.00% 69.56% e Available 159
Indirect Co Ineligible C Developer's Interim Fina Reserves TOTAL CO Recap-Hard SOURCES Bank One City of Houst LIHTC Syndi	s G & A s Profit ancing DST d Constructi S OF FUND ton Funds ication Proce	11.56% on Costs <u>S</u> eeds	3.72% 3.13% 100.00% 70.57% 34.71% 2.52% 56.96%	2,734 \$87,395 \$61,675 \$30,336 \$2,199 \$49,778	2.67 \$85.26 \$60.17 \$29.60 \$2.14 \$48.56	350,000 \$11,186,616 \$7,894,452 \$3,883,000 281,409 6,371,561	\$10,814,865 \$7,522,701 \$3,883,000 281,409 6,371,561	\$82.43 \$57.34 <u>RECOMMENDED</u> \$3,883,000 281,409 6,366,047	\$84,491 \$58,771 Developer Fer \$1,038, % of Dev. Fer	100.00% 69.56% e Available 159 e Deferred
Indirect Co Ineligible C Developer's Interim Fina Reserves TOTAL CO Recap-Hard SOURCES Bank One City of Hous! LIHTC Syndi Deferred Dev	s G & A s Profit ancing DST d Constructi s OF FUND ton Funds ication Proce veloper Fees	11.56% on Costs <u>S</u> eeds	3.72% 3.13% 100.00% 70.57% 34.71% 2.52% 56.96% 2.49%	2,734 \$87,395 \$61,675 \$30,336 \$2,199 \$49,778 \$2,179	2.67 \$85.26 \$60.17 \$29.60 \$2.14 \$48.56 \$2.13	350,000 \$11,186,616 \$7,894,452 \$3,883,000 281,409 6,371,561 278,892	\$10,814,865 \$7,522,701 \$3,883,000 281,409 6,371,561 278,892	\$82.43 \$57.34 <u>RECOMMENDED</u> \$3,883,000 281,409 6,366,047 284,409	\$84,491 \$58,771 Developer Fer \$1,038 % of Dev. Fer 27%	100.00% 69.56% e Available 159 e Deferred 6
Indirect Co Ineligible C Developer's Interim Fina Reserves TOTAL CO Recap-Hard SOURCES Bank One City of Houst LIHTC Syndi	s G & A s Profit ancing DST d Constructi s OF FUND ton Funds ication Proce veloper Fees excess) Fund	11.56% on Costs <u>S</u> eeds	3.72% 3.13% 100.00% 70.57% 34.71% 2.52% 56.96%	2,734 \$87,395 \$61,675 \$30,336 \$2,199 \$49,778	2.67 \$85.26 \$60.17 \$29.60 \$2.14 \$48.56	350,000 \$11,186,616 \$7,894,452 \$3,883,000 281,409 6,371,561	\$10,814,865 \$7,522,701 \$3,883,000 281,409 6,371,561	\$82.43 \$57.34 <u>RECOMMENDED</u> \$3,883,000 281,409 6,366,047	\$84,491 \$58,771 Developer Fer \$1,038, % of Dev. Fer	100.00% 69.56% e Available 159 e Deferred 6 e Cash Flow

MULTIFAMILY COMPARATIVE ANALYSIS (continued) Little York Villas Apartments, Houston, 9% LIHTC #03236

l

L

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis									
CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT					
Base Cost			\$41.56	\$5,452,061					
Adjustments									
Exterior Wall Finish	2.00%		\$0.83	\$109,041					
9-Ft. Ceilings	3.25%		1.35	177,192					
Roofing			0.00	0					
Subfloor			(0.81)	(106,010					
Floor Cover			1.92	251,904					
Porches/Balconies	\$24.67	32,000	6.02	789,440					
Plumbing	\$615	384	1.80	236,160					
Built-In Appliances	\$1,625	128	1.59	208,000					
Stairs	\$1,625	36	0.45	58,500					
Floor Insulation			0.00	0					
Heating/Cooling			1.47	192,864					
Garages/Carports		0	0.00	0					
Comm &/or Aux Bldgs	\$55.70	5,444	2.31	303,239					
Other:			0.00	0					
SUBTOTAL			58.48	7,672,391					
Current Cost Multiplier	1.03		1.75	230,172					
Local Multiplier	0.89		(6.43)	(843,963					
TOTAL DIRECT CONSTRUC	TION COST	ſS	\$53.80	\$7,058,600					
Plans, specs, survy, bld prm	3.90%		(\$2.10)	(\$275,285					
Interim Construction Interest	3.38%		(1.82)	(238,228					
Contractor's OH & Profit	11.50%		(6.19)	(811,739					
NET DIRECT CONSTRUCT	ON COSTS		\$43.70	\$5,733,348					

PAYMENT COMPUTATION

Primary	\$3,883,000	Term	360
Int Rate	7.50%	DCR	1.13
Secondary	\$281,409	Term	360
Int Rate	1.00%	Subtotal DCR	1.10
Additional	\$6,371,561	Term	
Int Rate		Aggregate DCR	1.10

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

\$38,785
0
10,861
\$325,806

Primary	\$3,883,000	Term	360	
Int Rate	7.50%	DCR	1.15	
Secondary	\$281,409 Term		360	
Int Rate	1.00%	Subtotal DCR	1.12	
Additional	ional \$6,371,561 Term		0	
Int Rate	0.00%	Aggregate DCR	1.12	

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

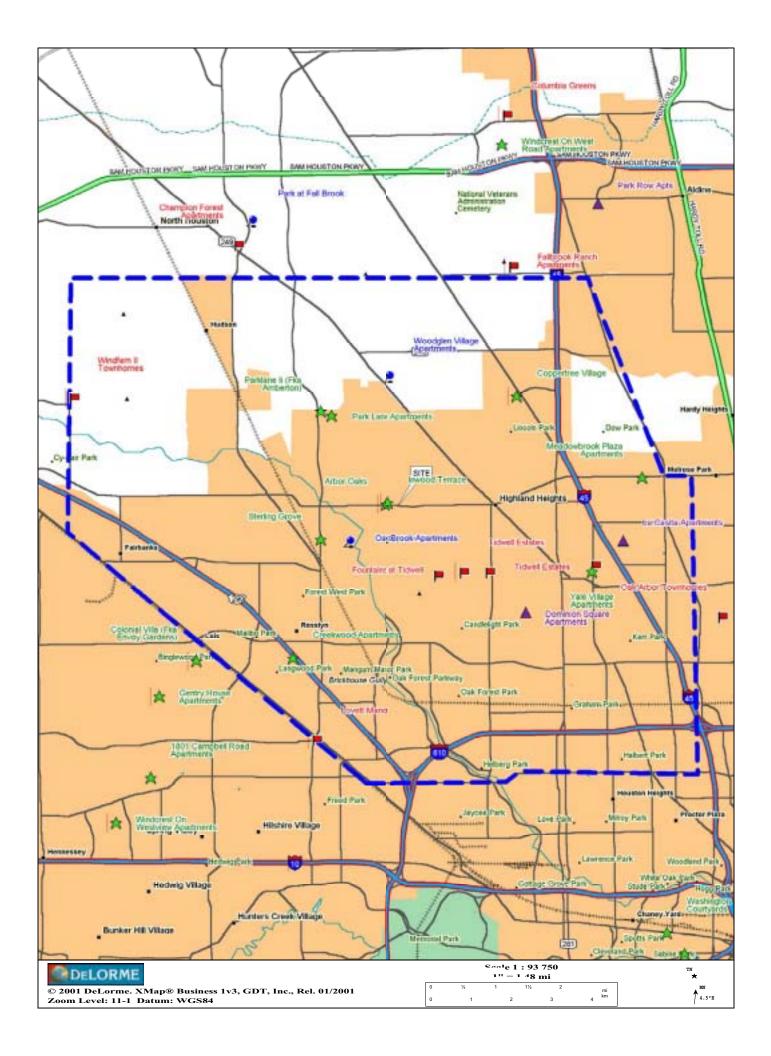
INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT		\$912,624	\$940,003	\$968,203	\$997,249	\$1,027,166	\$1,190,767	\$1,380,426	\$1,600,292	\$2,150,658
Secondary Income		23,040	23,731	24,443	25,176	25,932	30,062	34,850	40,401	54,295
Contractor's Profit		0	0	0	0	0	0	0	0	0
POTENTIAL GRO	OSS INCOME	935,664	963,734	992,646	1,022,425	1,053,098	1,220,829	1,415,276	1,640,692	2,204,954
Vacancy & Colle	ection Loss	(70,176)	(72,280)	(74,448)	(76,682)	(78,982)	(91,562)	(106,146)	(123,052)	(165,372)
Developer's G &	A	0	0	0	0	0	0	0	0	0
EFFECTIVE GRO	OSS INCOME	\$865,488	\$891,454	\$918,197	\$945,743	\$974,116	\$1,129,267	\$1,309,130	\$1,517,641	\$2,039,582
EXPENSES at	4.00%									
General & Admi	nistrative	\$26,340	\$27,394	\$28,489	\$29,629	\$30,814	\$37,490	\$45,612	\$55,494	\$82,145
Management		44,796	46,140	47,524	48,950	50,418	58,449	67,758	78,550	105,565
Payroll & Payrol	II Tax	120,000	124,800	129,792	134,984	140,383	170,797	207,801	252,822	374,238
Repairs & Maint	enance	64,700	67,288	69,980	72,779	75,690	92,088	112,039	136,313	201,777
Utilities		23,000	23,920	24,877	25,872	26,907	32,736	39,829	48,458	71,729
Water, Sewer &	Trash	48,708	50,656	52,683	54,790	56,981	69,327	84,346	102,620	151,903
Insurance		22,272	23,163	24,089	25,053	26,055	31,700	38,568	46,924	69,459
Property Tax		87,000	90,480	94,099	97,863	101,778	123,828	150,656	183,296	271,323
Reserve for Rep	placements	25,600	26,624	27,689	28,797	29,948	36,437	44,331	53,935	79,837
Other		27,620	28,725	29,874	31,069	32,311	39,312	47,829	58,191	86,137
TOTAL EXPENS	ES	\$490,036	\$509,190	\$529,096	\$549,784	\$571,286	\$692,164	\$838,770	\$1,016,604	\$1,494,113
NET OPERATING	G INCOME	\$375,452	\$382,264	\$389,102	\$395,959	\$402,830	\$437,103	\$470,360	\$501,037	\$545,469
DEBT SE	RVICE									
First Lien Financi	ng	\$325,806	\$325,806	\$325,806	\$325,806	\$325,806	\$325,806	\$325,806	\$325,806	\$325,806
Second Lien		10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861
Other Financing		0	0	0	0	0	0	0	0	0
NET CASH FLOW	N	\$38,785	\$45,597	\$52,434	\$59,292	\$66,162	\$100,436	\$133,693	\$164,369	\$208,801
DEBT COVERAG	GE RATIO	1.12	1.14	1.16	1.18	1.20	1.30	1.40	1.49	1.62

LIHTC Allocation Calculation - Little York Villas Apartments, Houston, 9% LIHTC #03236

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$578,749	\$578,749		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$960,000	\$960,000	\$960,000	\$960,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$5,361,597	\$5,733,348	\$5,361,597	\$5,733,348
(4) Contractor Fees & General Requirements				
Contractor overhead	\$126,432	\$126,432	\$126,432	\$126,432
Contractor profit	\$379,296	\$379,296	\$379,296	\$379,296
General requirements	\$379,296	\$379,296	\$379,296	\$379,296
(5) Contingencies	\$316,080	\$316,080	\$316,080	\$316,080
(6) Eligible Indirect Fees	\$671,422	\$671,422	\$671,422	\$671,422
(7) Eligible Financing Fees	\$416,425	\$416,425	\$416,425	\$416,425
(8) All Ineligible Costs	\$237,409	\$237,409		
(9) Developer Fees				
Developer overhead				
Developer fee	\$1,038,159	\$1,038,159	\$1,038,159	\$1,038,159
(10) Development Reserves	\$350,000	\$350,000	\$ 1,291,582	\$ 1,347,345
TOTAL DEVELOPMENT COSTS	\$10,814,865	\$11,186,616	\$9,648,706	\$10,020,458

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis		\$281,409	\$281,409
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$9,367,297	\$9,739,049
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$12,177,487	\$12,660,763
Applicable Fraction		80.47%	80.47%
TOTAL QUALIFIED BASIS		\$9,799,071	\$10,187,958
Applicable Percentage		8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS		\$817,243	\$849,676
Syndication Proceeds	0.7799	\$6,373,850	\$6,626,804
Total Credits (Eligil	ble Basis Method)	\$817,243	\$849,676
Sync	dication Proceeds	\$6,373,850	\$6,626,804
я	Requested Credits	\$816,242	
Sync	dication Proceeds	\$6,366,047	
Gap of Syndication	Proceeds Needed	\$6,650,456	

Credit Amount \$852,708



TDHCA # 03245

Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Develop	ment l	Name	Mead	dows	Place	Senior Vil	lage			TDHCA #:	03245
DEVELO	PMENT	LOCA		ND DES	IGNAT	IONS	-				
Region: City:	6 Mea	dows	Place			Site Addres County:		221 South I ort Bend	Kirkwood Zip Co	de: 77477	
		DDA		QCT		Purpose / A	Activity:	New Con	struction		
Targetee	d Units	: Fan	nily: 0	Elder	rly: 182	Handicapp	ed/Dis	abled 30	Domestic A	buse: 0	Transitional: 0
Set Asi	des:	✔ G	eneral	A	t-Risk	🗌 Nonpro	fit	Rural	TX-US	SDA-RHS	Elderly
OWNER	AND P	RINCI	PAL INF	ORMAT	ION C	wner Entity	Name:	Meadows	Place Village	e L.P.	
Principal	Names	s				Principal	Conta	ct	Percent	age Owners	hip
Chaparra		Inc.				Rae Fairf				f Owner	
Rae Fairfi						Rae Fairf			53% o	-	
Stephen I Al Fairfiel						Stephen I Al Fairfiel			33% o 14% o		
	-					AI Failliei	u		14%0	IGF	
Annual (-	-	-	\$675,60	05	Allocatio	on over 10 Y	oare: (6,756,050
Credits F			\$681,			ə Basis Amo		\$675,605	Equity/Ga		\$741,355
			φυστ,	030	Eligible						\$741,333
UNIT INF			0.00	0.00	-	DEVELOP		AMENITIES	(no extra co	st to tenant) ter Facility with	Internet
000/	Eff	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	Recreat		ities			rinternet
30%	0	30	0	0	30				olled Gate Acc		
40%	0	14	0	0	14	Commu	nity Lau	ndry Room o	or Hook-Ups in	Units	
50%	0	29 27	0	0	29 72		-			nunity Meal Ro	om
60%	0 0	27 0	45 37	0	72 37	✓ Furnishe	ed Com	munity Room	1		
MR Total	0	100	82	0 0	51			•	ra cost to tena	· ·	
Total LI	-	100	02	Ū	145	 Covered Mini Blir 		5		ter Line in all E c Tile - Entry I	Kitchen, Baths
Owner/E		o I Init	e.		0	✓ Laundry		ctions		-	dionen, Danis
Total Pro			3.		182	Laundry			-	Shingle Roofi	ng
Applicab					80.00			g		d Patios or Ba	
Applicable frac			unit fraction or	the square f	oot fraction					than 75% Ma uction Material	
attributable to I											5
BUILDIN Total Do					¢.	12 624 000	A				700
Total De Gross Bi					Φ	12,624,000 167,416		age Square	e Feet/Unit entable Squa	ure Foot	720 \$96.33
Total Ne	-			ire Feet		131,050			Income Uni		\$ 9 0.55 \$4,659
INCOM						101,000					φ4,000
Effective					-	\$1,284,425			cipal Amoun	t:	\$6,767,883
Total Ex			•			\$724,679	Appl	icant Equity	<i>I</i> .		\$519,370
Net Ope						\$559,746	Equi	ty Source:		Deferred	Developer Fee
Estimate	d 1st Y	ear De	ebt Cove	erage R	atio	1.10	Sync	dication Rat	e:		\$0.7899
DEVELO	PMENT	TEAM		Not	:e: "NA" :	= Not Yet Ava	ilable				
Develop	er:	Me	adows N	Manage	ment, L	LC	Marke	et Analyst:	Apartmer	nt Market Dat	a Research
Housing	GC:	Lux	kury Livi	ng Con	structor	s, Inc.	Origin	ator/UW:	NA		
Enginee			te Engin	eering			Appra	iser:	NA		
Cost Est							Attorn	•		ose, Yale, Ry	
Architect			ite Archi					intant:	Thomas	Stephen & C	ompany, L.L.P.
Property		·	•		-	ment		Services	NA		
Syndicat	or:	Mu	ni Mae I	Midland	, LLC		Perma	anent Lende	er Southwe	st Bank of Te	exas

Project Name: Meadows Place Senior Village	Project Number: 03245
PUBLIC COMMENT SUMMARY Note: "O" = Opp	ose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
# of Letters, Petitions, or Witness Affirmation Form ☐ A resolution was passed by the local government	
Local/State/Federal Officials with Jurisdiction:	Comment from Other Public Officials:
Local Official: //ark McGrath, Mayor, City of Meadows Place TX Representative: Charlie Howard, District 26, TX Senator: Kyle Janek, District 17, US Representative: US Senator: General Summary of Comment: Broad Support	S
DEPARTMENT EVALUATION	
Points Awarded: 99 Site Finding: Accept	able Underwriting Finding: Approved with Conditions
Should the terms or rates of the proposed debt or syndication credit amount may be warranted.	two elevators spread through the four story structure. commitment(s) reflecting a total lien debt service not to exceed \$508,860. In change, the transaction should be re-evaluated and an adjustment to the
Alternate Recommendation: NA	
RECOMMENDATION BY THE PROGRAM MANAG PRODUCTION AND THE THE EXECUTIVE AWARD	ER, THE DIRECTOR OF MULTIFAMILY FINANCE AND REVIEW ADVISORY COMMITTEE IS BASED ON:
Score Meeting a Requi	red Set Aside
$\hfill\square$ To serve a greater number of lower income families for fe	wer credits.
To ensure geographic dispersion within each Uniform Sta	-
☐ To ensure the Development's consistency with local need	
	nt entities as practicable w/out diminishing the quality of the housing built.
☐ To give preference to a Development located in a QCT or	
□ To provide integrated, affordable accessible housing for ir	
Explanation: This Development has a competitive score	in the Elderly Set-Aside.
Robert Onion, Manager of Awards and Allocation Date	Brooke Boston, Director of Multifamily Finance Production
	Date
Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee	e
BOARD OF DIRECTOR'S APPROVAL AND DESCR	PTION OF DISCRETIONARY FACTORS (if any):
Approved Credit Amount:	Date of Determination:
Michael E. Jones, Chairman of the Board	Date

Developer Evaluation
Project ID # 03245 Name: Meadows Place Senior Village City: Meadows Place
LIHTC 9% \checkmark LIHTC 4% \square HOME \square BOND \square HTF \square SECO \square ESGP \square Other \square
\square No Previous Participation in Texas \square Members of the development team have been disbarred by HUD
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No
Portfolio Management and Compliance
Projects in Material Noncompliance:NoYes# of Projects:0
Total # of Projects monitored: 2 Projects grouped by score 0-9 1 10-19 1 20-29 0
Total # monitored with a score less than 30: 2 # not yet monitored or pending review: 1
Program Monitoring/Draws
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Asset Management
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached
Reviewed by Sara Carr Newsom Date iday, May 23, 2003
Multifamily Finance Production
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by R Meyer Date 5 /28/2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Comments must be attached
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ Reviewed by EEF Date 5/16/2003
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □
Reviewed by <u>H Cabello</u> Date <u>6 /10/2003</u>
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Content of the second se
Reviewed by Date
Loan Administration Not applicable No delinquencies found Delinquencies found Delinquencies found that warrant disqualification (Additional information/comments must be attached) Image: Comment Structure
Reviewed by <u>Stephanie Stuntz</u> Date <u>5 /23/2003</u>
Executive Director: Edwina Carrington Executed: Friday, June 13, 2003

PROGRAM:

9% LIHTC

03245

FILE NUMBER:

				DEVE	LOPMENT	NAME				
			Me	adows	Place Seni	or Village	;			
						•				
Name:	Meadows Place Village, L.P.				Type:	For Profi	t			
Address:	11123 Katy	Freeway	/		City:	Houston	n		Stat	e: TX
Zip:	77079 Co	ontact:	Rae Fairfiel	d	Phone:	(713)	468-150) Fax:	(713)	468-3833
			PRINCIPAL	S of the A	APPLICANT/	KEY PARTIC	CIPANTS			
Name:	Chaparral G	roup, In	с.		(%):	0.01	Title:	Manag	ing Gene	eral Partner
Name:	Rae Fairfiel	d					Title:	53% O	wner of	MGP
Name:	Stephan Fair	rfield					Title:	33% O	wner of	MGP
Name:	Al Fairfield						Title:	14% O	wner of	MGP
				PROP						
Location:	12221 South	n Kirkwo	ood			-			CT	DDA
City:	Meadows P	lace		С	ounty:	Fort Bend	1		Zip:	77477
					REQUEST					
A	Amount		Interest	Rate		<u>Amortizatio</u>	<u>on</u>		Tern	<u>1</u>
1) 5	\$681,630		N/A			N/A			N/A	
Other Requ	ested Terms:	1) An	nual ten-year	allocatio	on of low-in	come housin	ig tax cred	its		
Proposed U	se of Funds:	New	Construction		Propert	у Туре:	Multi	family		
Set-Aside(s)): 🛛 Gen	eral [Rural	ТУ ТУ	KRD	Non-Profi	it 🖂	Elderly		At Risk

RECOMMENDATION

 \boxtimes

DATE:

June 9, 2003

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$675,605 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of plans that include at least two elevators spread through the four story structure.
- 2. Receipt, review, and acceptance of revised permanent loan commitment(s) reflecting total debt service not to exceed \$508,860.

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS
IMPROVEMENTS
Total Units:# Rental Buildings2# Common Area Bldngs0# of Floors4Age:M/AYTSVacant:M/ANet Rentable SF:131,050Av Un SF:720Common Area SF:36,366Gross Bldg SF:167,416
STRUCTURAL MATERIALS
Wood frame on a post-tensioned concrete slab on grade, 45% stucco/30% brick veneer/25% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.
APPLIANCES AND INTERIOR FEATURES
Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, laminated counter tops, individual water heaters.
ON-SITE AMENITIES
Each of the two structures will have common area on each floor that will consist of: media rooms, crafts rooms, card rooms, and libraries. In addition a common pool, exercise room, picnic area and walking trail will be provided.
Uncovered Parking: 181 spaces Carports: N/A spaces Garages: N/A spaces
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION
 Description: Meadows Place Senior Village is a very dense 34 units per acres new construction development of 182 units of mixed income housing located in Meadow Place. The development is comprised of one two story and one four story residential buildings as follows: ∉ (1) Building Type A with 67 one-bedroom/ one-bath units, 34 two- bedroom/ one-bath units, and 18 two
 bedroom/ two-bath units; ∉ (1) Building Type B with 33 one-bedroom/ one-bath units, 20 two- bedroom/ one-bath units, and 10 two-bedroom/ two-bath units;
<u>Architectural Review</u> : The building elevations and unit floor plans are attractive and functional. Each building is designed with one centrally located elevator. In the larger four story building this means that 96 upper floor units (119 units total) will be served by just one elevator. While the Department has no formal units per elevator ratio, Department rules do require that all elderly developments with two or more stories be elevator served. Robert Beyer, President of Elevator Advisors, Inc. recommends one elevator for every 60 to 90 units with a maximum distance of 150 feet from the most distant unit for residential buildings. He also recommends one oversized elevator to accommodate furniture. Therefore, this report is conditioned upon receipt, review and acceptance of revised plans that include at least two elevators spread throughout the four story structure.
Supportive Services: Sheltering Arms Senior Services will provide supportive services that will consist of: counseling services, senior employment training, and social event planning. The services will be optional and the cost of the services is included in the rent.
Schedule: The Applicant anticipates construction to begin in January of 2004, to be completed in December of 2004, to be placed in service in December of 2004, and to be substantially leased-up in September of 2004.
SITE ISSUES

				SITE ISSUES								
	SITE DESCRIPTION											
Size: 5.278 acres 229,910				square feet Zoning/ Permitt	ted Uses: C-3							
Flood 2	Zone Design	ation:	Zone X	Status of Off-Sites: Pa	rtially Improved							

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject site is a developed tract of land located at 12221 South Kirkwood, Meadows Place, Texas. The location is in the southwest quadrant of the Houston MSA which is more specifically described as the southeast corner of the intersection of West Airport Boulevard and Kirkwood Road.

Adjacent Land Uses:

- ∉ North: Walgreen, strip center, church, residential properties
- ∉ South: Vacant land, commercial properties, Sugar Grove
- ∉ East: Sams Club and vacant properties, US 59
- ∉ West: Kirkwood, vacant land, residential

Site Access: Access to the property is from the north or south along South Kirkwood Drive or the northwest or southeast from West Airport Boulevard. The development is to have two main entries, one from the west from South Kirkwood and one from the northeast from West Airport Boulevard. Access to Interstate Highway 59 is less that a mile southeast, which provides connections to all other major roads serving the Houston area.

<u>Public Transportation</u>: The availability of public transportation was not discussed in the Application but a park and ride is located about a mile from the site.

Shopping & Services: The site is within a few miles of major grocery shopping, shopping centers, hospitals, and a variety of other retail establishments and restaurants.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on April 16, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT

A Phase I Environmental Site Assessment report dated March, 2003 was prepared by The Murillo Company Environmental Consultants and contained the following findings and recommendations:

<u>Findings</u>: No direct evidence was found indicating recognized environmental conditions exist at the subject site.

Recommendations: No further action at this time.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. One hundred forty-five of the units (80% of the total) will be reserved for low-income/elderly tenants. Thirty of the units (16%) will be reserved for households earning 30% or less of AMGI, 14 of the units (8%) will be reserved for households earning 40% or less of AMGI, 29 of the units (16%) will be reserved for households earning 50% or less of AMGI, 72 of the units (40%) will be reserved for households earning 37 units (20%) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES									
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons			
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460			
		•		•	•	•			

MARKET HIGHLIGHTS

A market feasibility study dated March 28, 2003 was prepared by Apartment MarketData Research Services and highlighted the following findings:

Definition of Primary Market Area: "For this analysis we utilized a primary market area comprising a 53 square mile Trade Area in southwest Houston." (p. 30) This represents a 4.1 mile radius around the site.

Population: The estimated 2000 population of the primary market area was 236,901 and is expected to increase by 15% to approximately 273,398 by 2007. Within the primary market area there were estimated to be 80,092 households in 2000.

Total Local/Submarket Demand for Rental Units: "Utilizing the household growth analysis, and based

on the forecast growth in population and households, it is projected that the market will accommodate an average of 145 additional units per year into 2007." (p. 56)

ANNUAL INCOME-ELIG	GIBLE SUBMAI	RKET DEMAN	D SUMMARY	
	Market	Analyst	Under	writer
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	92	6%	147	3%
Resident Turnover	1,510	94%	4,655	97%
TOTAL ANNUAL DEMAND	1,602	100%	4,802	100%

Ref: p. 44

Inclusive Capture Rate: The Market Analyst indicated a capture rate of 9.1%. The Underwriter calculated an inclusive capture rate of 3% based upon a revised demand of 4,802.

<u>Market Rent Comparables</u>: The Market Analyst surveyed 1,372 existing income restricted comparable apartment projects and 2,155 conventional units in the market area. (p. 88)

	RENT ANALYSIS (net tenant-paid rents)										
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential						
1-Bedroom (30%)	\$281	\$281	\$0	\$667	-\$386						
1-Bedroom (40%)	\$393	\$393	\$0	\$667	-\$274						
1-Bedroom (50%)	\$504	\$504	\$0	\$667	-\$163						
1-Bedroom (60%)	\$616	\$616	\$0	\$667	-\$51						
2-Bedroom (60%)	\$735	\$735	\$0	\$987	-\$252						
2-Bedroom (MR)	\$775	N/A	N/A	\$987	-\$212						
2-Bedroom (MR)	\$815	N/A	N/A	\$987	-\$172						

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Market Area Occupancy Rates</u>: "The current occupancy of the market area is 91.4% as a result of stable demand." (p. 103)

Absorption Projections: "Absorption over the previous twelve years is estimated to be 449 units per year. We expect this to increase as the number of new household continues to grow, and as additional rental units become available." (p. 103)

Other Relevant Information: "Additionally, due to the economic base of the population and the average income levels of the area, there will be a strong need for more affordable rental housing." (p. 103)

The Underwriter found the market study to be acceptable.

OPERATING PROFORMA ANALYSIS

Income: The 2003 rent limits were used by the Applicant in setting the rents. Estimates of secondary income and vacancy and collection losses are also in line with TDHCA underwriting guidelines.

Expenses: The Applicant's total expense estimate of \$3,586 per unit is 10% less than the TDHCA databasederived estimate of \$3,982 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, particularly general and administrative (\$47K lower), insurance (\$21K higher) and property tax (\$21.3K lower). The Underwriter discussed these differences with the Applicant but was unable to reconcile them with the additional information provided by the Applicant. The general and administrative difference may be derived from the Applicant's expectation that supportive service expenses are accounted for in G & A. They are not because they can cause a sizeable variance in expectation. In this case the \$55K in supportive services projected represents 77% of the Applicant's anticipated G & A expense and is likely overstated. Nonetheless, the entire supportive service expense amount is treated as an other expense and accounted for by the Underwriter in addition to and separate from normal G & A expense.

Conclusion: The Applicant's estimated total estimated operating expense is inconsistent with the Underwriter's expectations and the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. Due primarily to the difference in general & administrative expenses, the Underwriter's estimated debt coverage ratio (DCR) of 0.99 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this development should be limited to \$508,818 by a reduction of the loan amount or interest rate.

				<u>ALUATION INFORM</u> SESSED VALUE				
Land: (5.278) acres	\$663	3,860		Assessment for t	the Year of:	2002	2	
Tax Rate:	2.9767		Valuation by:	County Appraisal District				
		EVI	DENCE of SI	TE or PROPERTY CO	ONTROL			
Type of Site Control:	Earne	st Mone	y Contract					
Contract Expiration Date:	8/	1/	2003	Anticipated Clos	sing Date:	8/	1/	2003
Acquisition Cost:	\$1,15	0,000		Other Terms/Conditions:		\$10,0	000 earnes	st money
Seller: The Grove Town Center-Texas, Ltd.			Rela	ted to Develop	ment Tea	m Membe	er: No	

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$4,000 per unit are considered reasonable if not low compared to historical sitework costs for multifamily projects.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$274.7K or 4% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's contractor's for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant's eligible contingency exceeds the 5% maximum guideline by \$44,362 and this amount was removed to ineligible costs. The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$50,944.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$10,674,249 is used to determine a credit allocation of \$675,605 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE									
INTERIM CONSTRUCTION or GAP FINANCING									
Source: Southwest	Source: Southwest Bank of Texas Contact: Brian Stoker								
Principal Amount:	\$7,802,756	Interest Rate: 6%							
Amortization: <u>N/A</u>	yrs Term: 2	yrs Commitment:	E LC	DI 🗌 Firm	Conditional				
	LON	NG TERM/PERMANENT F	INANCING						
Source: Southwest	Bank of Texas		Contact:	Brian Stoker					
Principal Amount: \$7,194,056 Interest Rate: 6.5%									
Amortization: 30	yrs Term: 18	yrs Commitment	E LC	DI 🗌 Firm	Conditional				

Annual Payment:	\$545,656	Lien Priority:	1st	Commitme	ent Date	2/	28/	2003
	НОМ	E/LONG TERM/PE	RMANENT	FINANCI	NG			
Source: Fort Ber	nd County-HOME		C	Contact:	Carol Bo	rrego		
Principal Amount:	\$300,000	Interest Rate:	4.5%					
Additional Informat	ion: Applicable Fea	leral Rate will app	lv					
Amortization: 30 Annual Payment:	yrs Term:	30 yrs Co Lien Priority:	mmitment:		OI	Firm /	/	Conditional
		LIHTC SYN	DICATION					
Source: MuniM	ae Midland			Contact:	Dan F	lick		
Address: 13455]	Noel Road, Suite 1430			City:	Dallas			
State: TX	Zip: 75240		(888) 3		Fa	x:	(972)	404-9133
Net Proceeds:	\$5,129,844	Net Syndication	· · · -		-vr LIHTC)	79¢	
- Commitment Additional informati	LOI [Firm	Condition	nal Dat	•	2/	27/	2003
	1	APPLICA		,				
Amount: \$100		Source: Def	erred Deve	loper Fee				
			ICTURE AN					
sources and uses service to no mor would require a re The interest rate a most likely solution LIHTC Syndicate commitment letter	ncing: The perman- listed in the applic e than \$508,861. Ste eduction in basis, the and amortization ter- on is a reduction in t tion: MuniMae Mi r shows net proceeds credits than request	ation. The Und ince the HOME e most effective of m appear to be c he primary loan a dland LLC has s are anticipated	lerwriter's loan is at debt service ompetitive amount of offered te to be \$5,1	a proform a lower i ce reducti e in the c \$726,173 rms for s 29,844 ba	na reflects interest ra ion would urrent ma 3. syndicatio ased on a	the n te, an invol rket e n of t syndi	heed to d a red ve the nviron he tax cation	o reduce debt uction in rate primary loan. ment thus the credits. The factor of 79%

- 1. 30% paid at the latest to occur of (i) admission of the Investment Partnership to the Operating Partnership, (ii) closing of the construction loan and Project land acquisition;
- 2. 30% paid within ten (10) business days of 50% construction completion as evidenced by MEC's inspecting architect;
- 3. 20% paid within thirty (30) days of the later of: (i) completion of the Project; or (ii) receipt by the Investment Partnership of the cost and credit certification from the independent accountants; or (iii) application for Form(s) 8609;
- 4. 20% paid within thirty (30) days of the later of: (i) closing of the permanent loan; or (ii) receipt of the Form(s) 8609; or (iii) 90% physical occupancy for three (3) consecutive calendar months; or (iv) 1.15 Debt Service Coverage for ninety (90) days.

The Underwriter's recalculation of Applicant's credits results in higher syndication proceeds of \$5,336,747.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$100 amount to less than 1% of the total fees. The Underwriter's analysis reflects an increase in deferral to \$519,370 or 36% of the eligible fee.

Financing Conclusions: Based on the Applicant's estimate of eligible basis, the LIHTC allocation should not exceed \$675,605 annually for ten years, resulting in syndication proceeds of approximately \$5,336,747. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to \$519,370

which should be repayable from cash flow with in ten years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis or should the HOME funds not be allocated, additional deferred developer's fee will be available to fund those development gaps.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant, Developer, and General Contractor firms are all related entities. These are common relationships for LIHTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- ∉ The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statement.
- ∉ The General Partner, Chaparral Group, Inc. submitted an unaudited financial statement as of December 31, 2002 reporting total assets of \$5.4M and consisting of \$1.2M in cash, \$731K in receivables, \$36.5K in real property, and \$3.5M in partnership interests. Liabilities totaled \$554K, resulting in a net worth of \$4.9M.
- ∉ The principals of the General Partner, Chaparral Group, Inc., submitted an unaudited financial statement as of December 31, 2002 and are anticipated to be guarantors of the development.

Background & Experience:

- ∉ The Applicant is a new entity formed for the purpose of developing the project.
- ∉ Stephen Fairfield, one of the principals of the General Partner, has completed five LIHTC/affordable housing developments totaling 532 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ The Applicant's estimated operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- ∉ The development only has one elevator per building and Building Type I is a four story structure which would be serving 96 units on floors two, three, and four.
- ∉ The significant financing structure changes being proposed have not been accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:		Date:	June 9, 2003
	Carl Hoover		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Meadows Place Senior Village, Meadows Place, LIHTC #03245

Number	Bedrooms	Her of Ballio	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trs
30	1	1	644	\$335	\$281	\$8,430	\$0.44	\$54.00	\$30.00
14	1	1	644	447	393	5,502	0.61	54.00	30.00
29	1	1	644	558	504	14,616	0.78	54.00	30.00
27	1	1	644	670	616	16,632	0.96	54.00	30.00
45	2	1	779	804	735	33,075	0.94	69.00	36.00
9	2	1	779	775	775	6,975	0.99	69.00	36.00
28	2	2	878	815	815	22,820	0.93	69.00	36.00
182		AVERAGE:	720	\$640	\$594	\$108,050	\$0.82	\$60.76	\$32.70
	Total Net Re	entable Sq Ft:	131,050		TDHCA	APPLICANT		USS Region	6
AL GROSS F	RENT			I	\$1,296,600	\$1,296,600		IREM Region	Houston
Income		P	er Unit Per Month:	\$15.00	32,760	32,760	\$15.00	Per Unit Per Month	
port Income: F	Retail Space	e			59,208	59,208			
AL GROSS I	NCOME				\$1,388,568	\$1,388,568			
				-7.50%	(104,143)	(104,148)	-7.50%	of Potential Gross R	Rent
		s or Conces	sions		-	<u> </u>			
	NCOME				\$1,284,425	\$1,284,420			
<u>s</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
Administrative	e	4.77%	\$337	0.47	61,280	-	\$0.11	\$81	1.15%
ent		5.00%	353	0.49	64,221	\$64,221	0.49	353	5.00%
Payroll Tax		12.16%	858	1.19	156,199	\$148,000	1.13	813	11.52%
Maintenance		5.95%	420	0.58	76,467	\$72,470	0.55	398	5.64%
		2.63%	186	0.26	33,837	\$31,886	0.24	175	2.48%
wer, & Trash		4.84%	342	0.47	62,160	\$51,325	0.39	282	4.00%
surance		3.05%	216	0.30	39,224	\$60,060	0.46	330	4.68%
ax	2.9767	10.54%	744	1.03	135,440	\$114,172	0.87	627	8.89%
or Replacemer	nts	2.83%	200	0.28	36,400	\$36,400	0.28	200	2.83%
enses: Supp :	Serv, Comp	4.63%	327	0.45	59,450	\$59,450	0.45	327	4.63%
PENSES		56.42%	\$3,982	\$5.53	\$724,679	\$652,739	\$4.98	\$3,586	50.82%
RATING INC		43.58%	\$3,076	\$4.27	\$559,747	\$631,681	\$4.82	\$3,471	49.18%
RVICE									
Bank of Texas		42.48%	\$2,998	\$4.16	\$545,656	\$545,656	\$4.16	\$2,998	42.48%
ounty-HOME		1.42%	\$100	\$0.14	18,241	18,241	\$0.14	\$100	1.42%
ounty-HOME		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
H FLOW		-0.32%	(\$23)	(\$0.03)	(\$4,150)	\$67,784	\$0.52	\$372	5.28%
TE DEBT COV	/ERAGE R	ATIO			0.99	1.12			
NDED DEBT	COVERAG	E RATIO			1.10	I			
	ST								
				PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
ription	Factor	% of TOTAL							
	Factor	<u>% of TOTAL</u> 8 94%		\$8.79	\$1 150 000	\$1 150 000	\$ <u>9</u> 7 <u>9</u>	\$6.310	
<u>ription</u> 1 Cost (site or		8.94%	\$6,319	\$8.78	\$1,150,000	\$1,150,000 0	\$8.78 0.00	\$6,319 0	9.11%
		8.94% 0.00%	\$6,319 0	0.00	0	0	0.00	0	9.11% 0.00%
n Cost (site or		8.94% 0.00% 5.66%	\$6,319 0 4,000	0.00 5.56	0 728,000	0 728,000	0.00 5.56	0 4,000	9.11% 0.00% 5.77%
Cost (site or	bldg)	8.94% 0.00% 5.66% 47.59%	\$6,319 0 4,000 33,625	0.00 5.56 46.70	0 728,000 6,119,710	0 728,000 5,844,968	0.00 5.56 44.60	0 4,000 32,115	9.11% 0.00% 5.77% 46.30%
struction	bldg) 5.00%	8.94% 0.00% 5.66% 47.59% 2.66%	\$6,319 0 4,000 33,625 1,881	0.00 5.56 46.70 2.61	0 728,000 6,119,710 342,385	0 728,000 5,844,968 373,010	0.00 5.56 44.60 2.85	0 4,000 32,115 2,050	9.11% 0.00% 5.77% 46.30% 2.95%
struction cy eq'ts	5.00% 5.73%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05%	\$6,319 0 4,000 33,625 1,881 2,157	0.00 5.56 46.70 2.61 3.00	0 728,000 6,119,710 342,385 392,643	0 728,000 5,844,968 373,010 392,643	0.00 5.56 44.60 2.85 3.00	0 4,000 32,115 2,050 2,157	9.11% 0.00% 5.77% 46.30% 2.95% 3.11%
struction cy eq'ts 's G & A	5.00% 5.73% 1.91%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02%	\$6,319 0 4,000 33,625 1,881 2,157 719	0.00 5.56 46.70 2.61 3.00 1.00	0 728,000 6,119,710 342,385 392,643 130,881	0 728,000 5,844,968 373,010 392,643 130,881	0.00 5.56 44.60 2.85 3.00 1.00	0 4,000 32,115 2,050 2,157 719	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04%
a Cost (site or struction cy eq'ts 's G & A 's Profit	5.00% 5.73%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05%	\$6,319 0 4,000 33,625 1,881 2,157	0.00 5.56 46.70 2.61 3.00	0 728,000 6,119,710 342,385 392,643 130,881 392,643	0 728,000 5,844,968 373,010 392,643 130,881 392,643	0.00 5.56 44.60 2.85 3.00	0 4,000 32,115 2,050 2,157	9.11% 0.00% 5.77% 46.30% 2.95% 3.11%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction	5.00% 5.73% 1.91%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78	0 4,000 32,115 2,050 2,157 719 2,157 4,158	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00%
a Cost (site or struction cy eq'ts 's G & A 's Profit	5.00% 5.73% 1.91%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157	0.00 5.56 46.70 2.61 3.00 1.00 3.00	0 728,000 6,119,710 342,385 392,643 130,881 392,643	0 728,000 5,844,968 373,010 392,643 130,881 392,643	0.00 5.56 44.60 2.85 3.00 1.00 3.00	0 4,000 32,115 2,050 2,157 719 2,157	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction	5.00% 5.73% 1.91%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78	0 4,000 32,115 2,050 2,157 719 2,157 4,158	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs	bldg) 5.00% 5.73% 1.91% 5.73%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A	5.00% 5.73% 1.91% 5.73% 9.97%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62%
a Cost (site or cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit	5.00% 5.73% 1.91% 5.73% 9.97%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81%
a Cost (site or cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit	5.00% 5.73% 1.91% 5.73% 9.97%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing	5.00% 5.73% 1.91% 5.73% 9.97% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing DST	5.00% 5.73% 1.91% 5.73% 9.97% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13	0 728,000 6,119,710 342,385 392,643 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 100.00%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing OST d Construction S OF FUNDS	5.00% 5.73% 1.91% 5.73% 9.97% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00% 63.03%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662 \$44,540	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13 \$61.86	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445 \$8,106,262	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000 \$7,862,145	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99 <u>RECOMMENDED</u>	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363 \$43,199	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 100.00% 62.28%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing OST d Construction S OF FUNDS Bank of Texas	5.00% 5.73% 1.91% 5.73% 9.97% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00% 63.03%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662 \$44,540 \$39,528	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13 \$61.86 \$54.90	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445 \$8,106,262	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000 \$7,862,145	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99 <u>RECOMMENDED</u> \$6,467,883	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363 \$43,199 Developer Fe	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 100.00% 62.28%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing OST d Construction S OF FUNDS Bank of Texas county-HOME	5.00% 5.73% 1.91% 5.73% 9.97% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00% 63.03%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662 \$44,540 \$39,528 \$1,648	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13 \$67.86 \$54.90 \$2.29	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445 \$8,106,262 \$7,194,056 300,000	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000 \$7,862,145 \$7,194,056 300,000	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99 <u>RECOMMENDED</u> \$6,467,883 300,000	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363 \$43,199 Developer Fe \$1,435	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 100.00% 62.28%
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing OST d Construction S OF FUNDS Bank of Texas iounty-HOME dication Process	5.00% 5.73% 1.91% 5.73% 9.97% 5.03% 5.03%	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00% 63.03% 55.94% 2.33% 39.89%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662 \$44,540 \$39,528 \$1,648 \$28,186	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13 \$61.86 \$54.90 \$2.29 \$39.14	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445 \$8,106,262 \$7,194,056 300,000 5,129,844	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000 \$7,862,145 \$7,194,056 300,000 5,129,844	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99 <u>RECOMMENDED</u> \$6,467,883 300,000 5,336,747	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363 \$43,199 Developer Fe \$1,435 % of Dev. Fe	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 62.28% e.e.Available 5.565 e.Deferred
a Cost (site or struction cy eq'ts 's G & A 's Profit onstruction Costs 's G & A 's Profit ancing OST d Construction S OF FUNDS Bank of Texas county-HOME	5.00% 5.73% 1.91% 5.73% 9.97% 5.03% 0 Costs	8.94% 0.00% 5.66% 47.59% 2.66% 3.05% 1.02% 3.05% 5.88% 3.24% 7.42% 3.74% 5.50% 2.24% 100.00% 63.03%	\$6,319 0 4,000 33,625 1,881 2,157 719 2,157 4,158 2,288 5,244 2,643 3,886 1,583 \$70,662 \$44,540 \$39,528 \$1,648	0.00 5.56 46.70 2.61 3.00 1.00 3.00 5.78 3.18 7.28 3.67 5.40 2.20 \$98.13 \$67.86 \$54.90 \$2.29	0 728,000 6,119,710 342,385 392,643 130,881 392,643 756,832 416,343 954,486 481,079 707,340 288,103 \$12,860,445 \$8,106,262 \$7,194,056 300,000	0 728,000 5,844,968 373,010 392,643 130,881 392,643 756,832 416,343 962,158 481,079 707,340 288,103 \$12,624,000 \$7,862,145 \$7,194,056 300,000	0.00 5.56 44.60 2.85 3.00 1.00 3.00 5.78 3.18 7.34 3.67 5.40 2.20 \$96.33 \$59.99 <u>RECOMMENDED</u> \$6,467,883 300,000	0 4,000 32,115 2,050 2,157 719 2,157 4,158 2,288 5,287 2,643 3,886 1,583 \$69,363 \$43,199 Developer Fe \$1,435	9.11% 0.00% 5.77% 46.30% 2.95% 3.11% 1.04% 3.11% 6.00% 3.30% 7.62% 3.81% 5.60% 2.28% 62.28% e Available 5.65 e Deferred %
	14 29 27 45 9 28 182 182 182 182 182 182 182 182 182 182 182 182 182 182 182 182 182 182 182 183 194 284 195 Administrative Int ayroll Tax Maintenance ver, & Trash surance ax r Replacemer Intrastructure axtrinit IFLOW IPLOW IEDEBT COV NDED DEBT	14 1 29 1 27 1 45 2 9 2 28 2 182 1 Total Net Re L GROSS RENT Income port Income: Retail Space L GROSS INCOME Collection Loss pr Other Non-Rental Unit E GROSS INCOME S Administrative nt ayroll Tax Waintenance ver, & Trash surance ax 2.9767 r Replacements inses: Supp Serv, Comp PENSES RATING INC XVICE iank of Texas ounty-HOME UFLOW 'E DEBT COVERAGE R NDED DEBT COVERAGE R NDED DEBT COVERAGE R	14 1 14 1 29 1 27 1 45 2 9 2 128 2 182 AVERAGE: Total Net Rentable Sq Ft: L GROSS RENT Income Proteins port Income: Retail Space L GROSS INCOME Collection Loss % of Potent prother Non-Rental Units or Concess E GROSS INCOME S <u>% OF EGI</u> Administrative 4.77% nt 5.00% ayroll Tax 12.16% Vaintenance 5.95% 2.63% 2.63% ver, & Trash 4.84% surance 3.05% ax 2.9767 10.54% r Replacements 2.83% PENSES 56.42% ATING INC 43.58% VICE 42.48% ounty-HOME 1.42% ounty-HOME 1.42% oun	14 1 644 29 1 1 644 27 1 1 644 45 2 1 779 9 2 1 779 9 2 1 779 28 2 2 878 Income Per Unit Per Month: Total Net Rentable Sq Ft: 131,050 L GROSS RENT Income Per Unit Per Month: Dottal Net Rentable Sq Ft: 131,050 L GROSS INCOME Collection Loss % of Potential Gross Income: Collection Loss % of Potential Gross Income: Dot Three Month: Dot Total Net Rentable Sq Ft: 131,050 L GROSS INCOME Collection Loss % of Potential Gross Income: Of ther Non-Rental Units or Concessions E GROSS INCOME 5.00% 353 ayroll Tax 12.16% 858 Maintenance 5.95% 420 2.63% 186 4.84% 342 surance	14 1 644 447 29 1 1 644 558 27 1 1 644 670 45 2 1 779 804 9 2 1 779 804 9 2 1 779 775 28 2 2 878 815 Image: T20 \$640 Total Net Rentable Sq Ft: 131,050 L GROSS RENT Income Per Unit Per Month: \$15.00 Total Net Rentable Sq Ft: 131,050 L GROSS INCOME Collection Loss % of Potential Gross Income: -7.50% Collection Loss % of Potential Gross Income: -7.50% or Other Non-Rental Units or Concessions E GROSS INCOME S % OF EGI PER UNIT PER SQ FT Administrative 4.77% \$337 0.47 nt 5.00% 353 0.49 ayroll Tax 12.16% 858 <t< td=""><td>14 1 1 644 447 393 29 1 1 644 558 504 27 1 1 644 670 616 45 2 1 779 804 735 9 2 1 779 775 775 28 2 2 878 815 815 182 AVERAGE: 720 \$640 \$594 Total Net Rentable Sq Ft: 131,050 L GROSS RENT Income Per Unit Per Month: \$15.00 32,760 1 GOROSS INCOME (104,143) 0 \$1,286,602 \$1,286,602 Collection Loss % of Potential Gross Income: -7.50% 0 \$2,760 of Other Non-Rental Units or Concessions 0 \$1,284,425 \$ \$ S <u>% OF EGI</u> PER UNIT PER SO FI \$ \$ Administrative 4.77% \$337 0.47 \$ \$ ayroll Tax</td><td>14 1 644 447 393 5,502 29 1 1 644 558 504 14,616 27 1 1 644 670 616 16,632 45 2 1 779 804 735 33,075 9 2 1 779 775 6,975 28 2 2 878 815 815 22,820 Total Net Rentable Sq Ft: 131,050 L GROSS RENT Stade \$1296,600 \$1,296,600 \$1,296,600 1A GROSS INCOME Collection Loss % of Patential Gross income: -7.50% 0 \$1,286,568 \$1,380,568 20 Other Non-Rental Units or Concessions 0 \$1,286,400 \$1,482,508 \$1,284,425 \$1,284,420 S % OF EGI PER.UNIT PER.S0.FT 64,221 \$\$42,221 \$\$42,221 ayroll Tax 12.16% 858 1.19 156,199 \$14,755 nt 5.00% 320<td>14 1 1 644 447 393 5,502 0.61 29 1 1 644 558 504 14,616 0.78 27 1 1 644 670 616 16,632 0.96 45 2 1 779 804 735 33,075 0.94 9 2 1 779 804 735 33,075 0.99 28 2 2 873 815 815 22,820 0.93 182 Average: 720 \$640 \$594 \$108,050 \$0.82 182 Average: 720 \$640 \$594 \$108,050 \$0.82 160 Continuome: 7.50% \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600</td><td>14 1 1 644 447 383 5,502 0.61 54.00 27 1 1 644 558 504 1.4616 0.78 54.00 45 2 1 779 804 735 33,075 0.94 69.00 9 2 1 779 875 775 6,975 0.99 69.00 28 2 2 878 815 815 2,820 0.93 69.00 182 VerAce: 720 \$640 \$594 \$108.050 \$0.62 \$60.76 182 VerAce: 720 \$640 \$128.06 \$1,286,600 \$12.896,600 \$12.896,600 \$15.00 Perule Nergion 10come Perule Per Month: \$15.00 \$1,286,600 \$12.886,660 \$13.885,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,284,425 \$1,284,420 \$1,284,425 \$1,284,420 \$1,284,420 \$1,48,000 \$1,38,35,664 \$2,188,568 <t< td=""></t<></td></td></t<>	14 1 1 644 447 393 29 1 1 644 558 504 27 1 1 644 670 616 45 2 1 779 804 735 9 2 1 779 775 775 28 2 2 878 815 815 182 AVERAGE: 720 \$640 \$594 Total Net Rentable Sq Ft: 131,050 L GROSS RENT Income Per Unit Per Month: \$15.00 32,760 1 GOROSS INCOME (104,143) 0 \$1,286,602 \$1,286,602 Collection Loss % of Potential Gross Income: -7.50% 0 \$2,760 of Other Non-Rental Units or Concessions 0 \$1,284,425 \$ \$ S <u>% OF EGI</u> PER UNIT PER SO FI \$ \$ Administrative 4.77% \$337 0.47 \$ \$ ayroll Tax	14 1 644 447 393 5,502 29 1 1 644 558 504 14,616 27 1 1 644 670 616 16,632 45 2 1 779 804 735 33,075 9 2 1 779 775 6,975 28 2 2 878 815 815 22,820 Total Net Rentable Sq Ft: 131,050 L GROSS RENT Stade \$1296,600 \$1,296,600 \$1,296,600 1A GROSS INCOME Collection Loss % of Patential Gross income: -7.50% 0 \$1,286,568 \$1,380,568 20 Other Non-Rental Units or Concessions 0 \$1,286,400 \$1,482,508 \$1,284,425 \$1,284,420 S % OF EGI PER.UNIT PER.S0.FT 64,221 \$\$42,221 \$\$42,221 ayroll Tax 12.16% 858 1.19 156,199 \$14,755 nt 5.00% 320 <td>14 1 1 644 447 393 5,502 0.61 29 1 1 644 558 504 14,616 0.78 27 1 1 644 670 616 16,632 0.96 45 2 1 779 804 735 33,075 0.94 9 2 1 779 804 735 33,075 0.99 28 2 2 873 815 815 22,820 0.93 182 Average: 720 \$640 \$594 \$108,050 \$0.82 182 Average: 720 \$640 \$594 \$108,050 \$0.82 160 Continuome: 7.50% \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600</td> <td>14 1 1 644 447 383 5,502 0.61 54.00 27 1 1 644 558 504 1.4616 0.78 54.00 45 2 1 779 804 735 33,075 0.94 69.00 9 2 1 779 875 775 6,975 0.99 69.00 28 2 2 878 815 815 2,820 0.93 69.00 182 VerAce: 720 \$640 \$594 \$108.050 \$0.62 \$60.76 182 VerAce: 720 \$640 \$128.06 \$1,286,600 \$12.896,600 \$12.896,600 \$15.00 Perule Nergion 10come Perule Per Month: \$15.00 \$1,286,600 \$12.886,660 \$13.885,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,284,425 \$1,284,420 \$1,284,425 \$1,284,420 \$1,284,420 \$1,48,000 \$1,38,35,664 \$2,188,568 <t< td=""></t<></td>	14 1 1 644 447 393 5,502 0.61 29 1 1 644 558 504 14,616 0.78 27 1 1 644 670 616 16,632 0.96 45 2 1 779 804 735 33,075 0.94 9 2 1 779 804 735 33,075 0.99 28 2 2 873 815 815 22,820 0.93 182 Average: 720 \$640 \$594 \$108,050 \$0.82 182 Average: 720 \$640 \$594 \$108,050 \$0.82 160 Continuome: 7.50% \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600 \$1,296,600	14 1 1 644 447 383 5,502 0.61 54.00 27 1 1 644 558 504 1.4616 0.78 54.00 45 2 1 779 804 735 33,075 0.94 69.00 9 2 1 779 875 775 6,975 0.99 69.00 28 2 2 878 815 815 2,820 0.93 69.00 182 VerAce: 720 \$640 \$594 \$108.050 \$0.62 \$60.76 182 VerAce: 720 \$640 \$128.06 \$1,286,600 \$12.896,600 \$12.896,600 \$15.00 Perule Nergion 10come Perule Per Month: \$15.00 \$1,286,600 \$12.886,660 \$13.885,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,388,568 \$1,284,425 \$1,284,420 \$1,284,425 \$1,284,420 \$1,284,420 \$1,48,000 \$1,38,35,664 \$2,188,568 <t< td=""></t<>

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadows Place Senior Village, Meadows Place, LIHTC #03245

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost		00.00011	\$40.91	\$5,361,904
Adjustments				+-,,
Exterior Wall Finish	2.65%		\$1.08	\$142,090
Elderly	5.00%		2.05	268,095
9' Ceilings	3.30%		1.35	176,943
Subfloor			(0.67)	(88,240)
Floor Cover			1.92	251,616
Porte Cahe/Porches	\$13.92	600	0.06	8,352
Plumbing	\$615	84	0.39	51,660
Built-In Appliances	\$1,625	182	2.26	295,750
Stairs	\$865	16	0.11	13,840
Common/Retail Area	\$40.91	4,921	1.54	201,342
Heating/Cooling			1.47	192,644
Elevators	\$43,750	2	0.67	87,500
All Cooridor/Lobby Areas	\$40.91	36,366	11.35	1,487,913
Fireplaces	\$3,725	2	0.06	7,450
SUBTOTAL			64.55	8,458,860
Current Cost Multiplier	1.03		1.94	253,766
Local Multiplier	0.89		(7.10)	(930,475)
TOTAL DIRECT CONSTRUC	CTION COST	ſS	\$59.38	\$7,782,151
Plans, specs, survy, bld prm	3.90%		(\$2.32)	(\$303,504)
Interim Construction Interest	3.38%		(2.00)	(262,648)
Contractor's OH & Profit	11.50%		(6.83)	(894,947)
NET DIRECT CONSTRUCT	ON COSTS		\$48.23	\$6,321,052

PAYMENT COMPUTATION

Primary	\$7,194,056	Term	360	
Int Rate	6.50%	DCR	1.03	
Secondary	\$300,000	Term	360	
Int Rate	4.50%	Subtotal DCR	0.99	
Additional		Term		
Int Rate		Aggregate DCR	0.99	

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Servio Secondary Debt Ser Additional Debt Ser NET CASH FLO	ervice vice	\$490,577 18,241 0 \$50,929	
Primary	\$6,467,883	Term	360
Int Rate	6.50%	DCR	1.14
Secondary	\$300,000	Term	360
Int Rate	4.50%	Subtotal DCR	1.10
Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

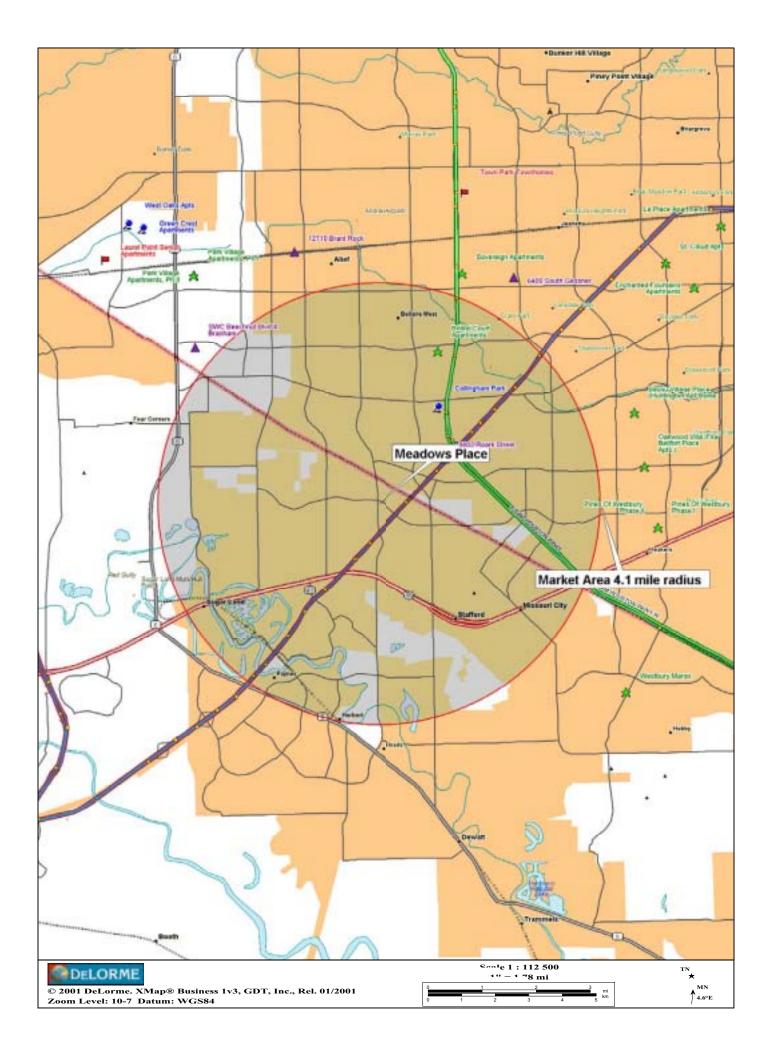
INCOME	at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIA	L GROS	S RENT	\$1,296,600	\$1,335,498	\$1,375,563	\$1,416,830	\$1,459,335	\$1,691,769	\$1,961,224	\$2,273,596	\$3,055,523
Secondar	y Income	э	32,760	33,743	34,755	35,798	36,872	42,744	49,552	57,445	77,201
Other Sup	port Inco	ome: Retail S	59,208	60,984	62,814	64,698	66,639	77,253	89,557	103,822	139,528
POTENTIA	L GROS	S INCOME	1,388,568	1,430,225	1,473,132	1,517,326	1,562,846	1,811,766	2,100,334	2,434,862	3,272,251
Vacancy 8	& Collect	tion Loss	(104,143)	(107,267)	(110,485)	(113,799)	(117,213)	(135,882)	(157,525)	(182,615)	(245,419)
Employee	or Othe	r Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIV	E GROS	S INCOME	\$1,284,425	\$1,322,958	\$1,362,647	\$1,403,526	\$1,445,632	\$1,675,884	\$1,942,809	\$2,252,248	\$3,026,833
EXPENSES	S at	4.00%									
General &	Adminis	strative	\$61,280	\$63,731	\$66,280	\$68,931	\$71,689	\$87,220	\$106,117	\$129,107	\$191,110
Managem	ent		64,221	66,148	68,132	70,176	72,282	83,794	97,140	112,612	151,342
Payroll & I	Payroll T	ax	156,199	162,447	168,945	175,703	182,731	222,320	270,486	329,088	487,130
Repairs &	Mainten	nance	76,467	79,526	82,707	86,015	89,456	108,836	132,416	161,105	238,474
Utilities			33,837	35,191	36,599	38,063	39,585	48,161	58,596	71,290	105,527
Water, Se	wer & Tr	rash	62,160	64,647	67,233	69,922	72,719	88,473	107,642	130,962	193,856
Insurance			39,224	40,793	42,425	44,122	45,887	55,828	67,923	82,639	122,326
Property 1	Гах		135,440	140,857	146,492	152,351	158,445	192,773	234,538	285,351	422,390
Reserve fe	or Repla	cements	36,400	37,856	39,370	40,945	42,583	51,809	63,033	76,689	113,519
Other			59,450	61,828	64,301	66,873	69,548	84,616	102,948	125,252	185,404
TOTAL EX	PENSES	3	\$724,679	\$753,024	\$782,483	\$813,101	\$844,923	\$1,023,831	\$1,240,839	\$1,504,097	\$2,211,078
NET OPER	ATING I	INCOME	\$559,747	\$569,935	\$580,164	\$590,425	\$600,709	\$652,053	\$701,970	\$748,151	\$815,754
DE	BT SER	VICE									
First Lien F	inancing	1	\$490,577	\$490,577	\$490,577	\$490,577	\$490,577	\$490,577	\$490,577	\$490,577	\$490,577
Second Lie	n		18,241	18,241	18,241	18,241	18,241	18,241	18,241	18,241	18,241
Other Finar	ncing		0	0	0	0	0	0	0	0	0
NET CASH	FLOW		\$50,929	\$61,117	\$71,346	\$81,608	\$91,891	\$143,235	\$193,152	\$239,333	\$306,937
DEBT COV	'ERAGE	RATIO	1.10	1.12	1.14	1.16	1.18	1.28	1.38	1.47	1.60

LIHTC Allocation Calculation - Meadows Place Senior Village, Meadows Place, LIHTC #03245

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,150,000	\$1,150,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cos	st			
On-site work	\$728,000	\$728,000	\$728,000	\$728,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard c	\$5,844,968	\$6,119,710	\$5,844,968	\$6,119,710
(4) Contractor Fees & General Requirem	ients			
Contractor overhead	\$130,881	\$130,881	\$130,881	\$130,881
Contractor profit	\$392,643	\$392,643	\$392,643	\$392,643
General requirements	\$392,643	\$392,643	\$392,643	\$392,643
(5) Contingencies	\$373,010	\$342,385	\$328,648	\$342,385
(6) Eligible Indirect Fees	\$756,832	\$756,832	\$756,832	\$756,832
(7) Eligible Financing Fees	\$707,340	\$707,340	\$707,340	\$707,340
(8) All Ineligible Costs	\$416,343	\$416,343		
(9) Developer Fees			\$1,392,293	
Developer overhead	\$962,158	\$954,486		\$954,486
Developer fee	\$481,079	\$481,079		\$481,079
(10) Development Reserves	\$288,103	\$288,103		
TOTAL DEVELOPMENT COSTS	\$12,624,000	\$12,860,445	\$10,674,249	\$11,005,999

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		\$10,674,249	\$11,005,999
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$10,674,249	\$11,005,999
Applicable Fraction		75.89%	75.89%
TOTAL QUALIFIED BASIS		\$8,100,781	\$8,352,550
Applicable Percentage		8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS		\$675,605	\$696,603
Syndication Proceeds	0.7899	\$5,336,747	\$5,502,611
Total Credits (Eligil	ble Basis Method)	\$675,605	\$696,603
Sync	dication Proceeds	\$5,336,747	\$5,502,611
Я	Requested Credits	\$681,630	

Syndication Proceeds	\$5,384,339
Gap of Syndication Proceeds Needed	\$5,856,117
Credit Amount	\$741,355



TDHCA # 03252

Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Develop	ment N	lame:	Pine	Mead	ows A	partment	s			TDHCA #	03252
DEVELO						-					
Region: City:	6 Prairi	e Viev	v			Site Addres County:		968 Pine Isl aller	and Rd Zip Code	e: 77446	6
		DDA		QCT		Purpose / A	Activity:	Acquisitio	n/Rehab		
Targetec	d Units:	Fam	ily: 60	Elde	rly: 0	Handicapp	ed/Dis	abled 5	Domestic Ab	use: 0	Transitional: 0
Set Asic	des:	✔ Ge	eneral	✓ A	t-Risk	🗆 Nonpro	fit	Rural	✓ TX-USE	A-RHS	Elderly
OWNER	AND PR	INCIP	AL INFO	ORMAI	TION C	wner Entity	Name:	FDI-PM 20	03, LTD		
Principal	Names					Principal	Conta	ct	Percentag	ge Owners	hip
Fieser Rea	al Estate	Invest	ments, Ir	IC.		James W	. Fieser		.01% of C)wner	
TAX CRE			-	-	-						
Annual C						\$94,12			n over 10 Yea		\$941,200
Credits R	Requeste	ed	\$94, ⁻	120	Eligibl	e Basis Amo	unt:	\$94,324	Equity/Gap /	Amount	\$97,743
UNIT INF 30%		ION <u>I BR</u> 0	<u>2 BR</u> 0	<u>3 BR</u> 0	<u>Total</u> 0	DEVELOP Playgrou	und	AMENITIES	(no extra cost ☐ Computer ✔ Public Ph	Facility wit	h Internet
40%	0	0	0	0	0				led Gate Acces		
40 % 50%	0	0	12	0	12		-	-	Hook-Ups in U		
60%	0	0	48	0	48		-	re, Senior Ce munity Room	nter or Commu	nity Meal Ro	oom
MR	0	0	40 0	0	0					、 、	
Total	0	0	60	0	Ū				a cost to tenant	:) r Line in all I	Bedrooms
Total LI U	-	•		Ū	60	Mini Blir		,			Kitchen, Baths
Owner/E		- Units	s.		0	Laundry		ctions	Storage F	-	,
Total Pro					60	Laundry				hingle Roof	
Applicabl				1	00.00			g		Patios or Ba	
Applicable fracti attributable to lo			nit fraction or f	the square t	oot fraction	Garages		- fficient Altern	Greater tr ative Construct		asonry Exterior
BUILDING											
Total Dev						\$1,908,020	Aver	age Square	Feet/Unit		796
Gross Bu						49,039		•	ntable Square	e Foot	\$39.95
Total Net				re Feet	:	47,755		lits per Low			\$1,569
INCOME		XPEN		RMATI	ON		FINA				
Effective						\$219,780			pipal Amount:		\$1,155,475
Total Exp						\$169,291	Appl	icant Equity	:		\$27,893
Net Oper		come				\$50,489	Equi	ty Source:		Deferred	Developer Fee
Estimate	d 1st Ye	ear De	bt Cove	rage R	atio	1.10	Sync	dication Rate	e:		\$0.7699
DEVELO	PMENT 1	EAM		No	te: "NA"	= Not Yet Ava	ilable				
Develope	er:	Fies	ser Deve	elopme	nt, Inc.		Marke	t Analyst:	The Gerald	Teel Com	ipany
Housing			structio	•		Inc.		ator/UW:	NA		
Engineer		NA		•			Appra		The Gerald	I Teel Corr	npany
Cost Esti		NA					Attorn		Wilson, Cril		
Architect	:	Dav	vid J. Alb	oright			Accou	•	Marshall &		
Property	Manage	er Har	nilton Va	alley M	anagen	nent	Supp	Services	NA		
Syndicate	-		land Equ		-				r U.S. Depar	tment of A	griculture (RHS)

Project Number:	03252
-----------------	-------

PUBLIC COMMENT SUMMARY Note: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment # of Letters, Petitions, or Witness Afirmation Forms (not from Officials): Support: 2 Opposition: 0 A resolution was passed by the local government in support of the development. Comment from Other Public Officials: 0 Local Official: NC NC NC XS sentor: Ken Ambrister, District 28, S NC Stantor: Genn Hegar, Jr., District 28, S NC Dereast State/Federal Officials NC NC Dereast Dimary of Comment: Some Support Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from USDA note Corryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Sonid the terms of the proposed remts, debt, or syndication be altered, the development should be re-evaluated.	Project Name: Pine Meadows Apar	linents	Project Number: 03252
A resolution was passed by the local government in support of the development. Local State/Federal Officials with Jurisdiction: Comment from Other Public Officials: Local Official: NC X Representative: Gienn Hegar, Jr., District 28, S X Senator: Ken Armbrister, District 18, N Senator: General Summary of Comment: Senator: Senator: General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CODDITIONS TO COMMITMENT Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales pri	PUBLIC COMMENT SUMMARY	Note: "O" = Oppose	, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
Local Official: Comment from Other Public Officials: Comment: C	# of Letters, Petitions, or Witness Af	firmation Forms (r	not from Officials): Support: 2 Opposition: 0
Local Official: NC TX Representative: Glenn Hegar, Jr., District 28,S TX Senator: Ken Armbrister, District 18, N US Representative: US Senator: General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction lea. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt review and acceptance of a firm commitment from TX-USDA-RHS acomposition of macting the proposed acceptance	A resolution was passed by the lo	cal government ir	n support of the development.
TX Representative: Glenn Hegar, Jr., District 28, S TX Senator: Ken Armbrister, District 18, N US Senator: General Summary of Comment: General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be uitized in the proposed acquisition and rehabilistion development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding lean balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE CEXCUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the housing bulk. To ensure the allocation of rendits among asmany different entitis as practicable woot diminishing t	Local/State/Federal Officials with Jurisdiction	ו:	Comment from Other Public Officials:
TX Senator: Ken Ambrister, District 18, N US Representative: US Representative: US Senator: General Summary of Comment: Some Support DEFARTMENT EVALUATION Points Awarded: S8 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of a dirm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: In onsure the Development income families for fewer credits. Meeting a Required Set Aside Meeting alt quivi			
US Representative: US Senator: General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be attered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE FROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting a smart different entities as practicable wout diminishing the quality of the housing built. So asive the allocation of credits among as mary different entities as practicable wout diminishing the quality of the housing built. So a provide integrated, affordable accessible housing for individuals. families with different levels of income. Explanation: This Development located in a QCT or DDA that contributes to revitalization. So as provide integrated, affordable accessible housing for individuals. families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Ri	TX Representative: Glenn Hegar	, Jr., District 28,S	
US Senator: General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CODITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be tilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE RECOUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score		ster, District 18, N	
General Summary of Comment: Some Support DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting a Required Set Aside Meeting the quality of the housing built. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entibles as practicable widu diminishing the quality of the housing built. To ensure the allocation of credits among as many different e	•		
DEPARTMENT EVALUATION Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carrover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable widut diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA tha			
Points Awarded: 58 Site Finding: Poor Underwriting Finding: Approved with Conditions CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation To ensure the Development's consistency with local needs or its impact as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To goive preference to a Development located in a QCT or DDA that contributes to revitalization. Date Date Date	General Summary of Comment: Some Sup	роп	
CONDITIONS TO COMMITMENT Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals, families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production	DEPARTMENT EVALUATION		
Receipt, review and acceptance prior to Carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation Score Meeting a Required Set Aside Meeting the Regional Allocation To serve a greater number of lower income families for fewer credits. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals, families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Chairman of Executive Director Date Chairman of Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if gray):	Points Awarded: 58 Site Find	ling: Poor	Underwriting Finding: Approved with Conditions
utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation Meeting the Regional Allocation Meeting the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals. families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Chairman of Executive Director Date Chairman of Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRPTION OF DISCRETIONARY FACTORS (if any):	CONDITIONS TO COMMITMENT		
construction loan. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms. Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals. families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Edwina Carrington, Executive Director Date Brooke Boston, Director of Multifamily Finance Production Date			
Receipt, review and acceptance of documentation from USDA prior to Carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation To serve a greater number of lower income families for fewer credits. Meeting the Regional Allocation To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals. families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Brooke Boston, Director of Multifamily Finance Production Date Brooke Boston, Director of Multifamily Finance Production Date Brooke Boston,	1 7 1	A-RHS approval of a	n increase of at least 7.5% in the Basic Rent prior to close of
more than the current outstanding loan balance of the USDA notes. Should the terms of the proposed rents, debt, or syndication be altered, the development should be re-evaluated. Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation To serve a greater number of lower income families for fewer credits. To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if cny):	Receipt, review and acceptance of a firm co	mmitment from TX-U	ISDA-RHS indicating actual principle and terms.
Alternate Recommendation: NA RECOMMENDATION BY THE PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside Meeting the Regional Allocation To serve a greater number of lower income families for fewer credits. Meeting the Regional Allocation To ensure geographic dispersion within each Uniform State Service Region. Meeting the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production			
Recommendation by the PROGRAM MANAGER, THE DIRECTOR OF MULTIFAMILY FINANCE PRODUCTION AND THE THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Score Meeting a Required Set Aside To serve a greater number of lower income families for fewer credits. Meeting the Regional Allocation To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production	Should the terms of the proposed rents, de	bt, or syndication be a	altered, the development should be re-evaluated.
	Alternate Recommendation: NA		
To serve a greater number of lower income families for fewer credits. To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Edwina Carrington, Executive Director Date Brooke Boston, Director of Multifamily Finance Production			•
To ensure geographic dispersion within each Uniform State Service Region. To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Chairman of Executive Director Date Chairman of Executive Award and Review Advisory Committee Chairman of Executive Award and Review Advisory Committee Chairman of Executive Award and Review Advisory Committee	☐ Score	Meeting a Required	Set Aside
To ensure the Development's consistency with local needs or its impact as part of a revitalization or preservation plan. To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production	\Box To serve a greater number of lower inco	me families for fewer	credits.
To ensure the allocation of credits among as many different entities as practicable w/out diminishing the quality of the housing built. To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production	•		
To give preference to a Development located in a QCT or DDA that contributes to revitalization. To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	\Box To ensure the Development's consistence	y with local needs or	its impact as part of a revitalization or preservation plan.
To provide integrated, affordable accessible housing for individuals_ families with different levels of income. Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	\Box To ensure the allocation of credits amon	g as many different e	ntities as practicable w/out diminishing the quality of the housing built.
Explanation: This Development is needed to meet the USDA and At-Risk Set-Asides. Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Date Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee Date BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	\Box To give preference to a Development loc	ated in a QCT or DD	A that contributes to revitalization.
Robert Onion, Manager of Awards and Allocation Date Brooke Boston, Director of Multifamily Finance Production Edwina Carrington, Executive Director Date Edwina of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	\Box To provide integrated, affordable access	ible housing for indivi	duals_ families with different levels of income.
Date Chairman of Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	Explanation: This Development is needed	ed to meet the USDA	A and At-Risk Set-Asides.
Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):		-tion Data	Dracha Dastan Diractas (Multiferrilly Firenes Drachatics
Edwina Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):	Robert Onion, Manager of Awards and Alloc	ation Date	· · · · · · · · · · · · · · · · · · ·
Chairman of Executive Award and Review Advisory Committee BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):			Duk
BOARD OF DIRECTOR'S APPROVAL AND DESCRIPTION OF DISCRETIONARY FACTORS (if any):			
Approved Credit Amount: Date of Determination:			
	Approved Credit Amount:	Date	of Determination:
	Vichael E. Jones, Chairman of the Board	Da	ate

Developer Evaluation
Project ID # 03252 Name: Pine Meadows Apartments City: Prairie View
LIHTC 9% \checkmark LIHTC 4% \square HOME \square BOND \square HTF \square SECO \square ESGP \square Other \square
□ No Previous Participation in Texas □ Members of the development team have been disbarred by HUD
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🖌 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 3 Projects grouped by score 0-9 2 10-19 1 20-29 0
Total # monitored with a score less than 30: 3 # not yet monitored or pending review: 0
Program Monitoring/Draws
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached □
Asset Management
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached
Reviewed bySara Carr NewsomDatesday, May 08, 2003
Multifamily Finance Production
Not applicable \square Review pending \square No unresolved issues \checkmark Unresolved issues found \square Unresolved issues found that warrant disqualification (Additional information/comments must be attached) \square
Reviewed by R Meyer Date 5/28/2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Incention Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Incention Incention
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □
Reviewed by Eddie Fariss Date 5 /5 /2003
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □
Reviewed by H Cabello Date 6/10/2003
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Contract of the second s
Reviewed by Date
Loan Administration Not applicable No delinquencies found ✓ Delinquencies found □ Delinquencies found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by Stephanie Stuntz Date 5/6/2003
Executive Director: Edwina Carrington Executed: Friday, June 13, 2003

DATE:	June 9, 2003		PROGRAM	: 9% LI HOME			FILE	NUMBER	•	3252 003-0020
			DE	VELOPMENT	NAME					
			Pine N	Aeadows Ap	artmer	nts				
Name:	FDI-PM 200	3. Ltd.		APPLICAN Type:	For P	Profit				
Address:	26735 Stock		Road	City:	Kat				State	: TX
Zip:			nes W. Fieser			-	371-7320	Fax:	(281)	371-2470
		PRI	NCIPALS of th		KEY PA	ARTIC				
Name:	Fieser Real E			(%			Title:	Managi	ng Genei	ral Partner
Name:	James W. Fie	eser		(%): N/	Ά	Title:	Develop	per	
L										
			PRO	OPERTY LOC	ATION					
Location:	20968 Pine I	sland Road						QC	T	DDA
City:	Prairie View			County:	Walle	er			Zip:	77446
				REQUEST						
	Amount		Interest Rate	KEQUESI	Amort	tizatio	on		Term	
) \$94,120		N/A			/A			N/A	
2)	\$250,000		3%		30	yrs			30 yrs	5
Other Requested Terms: 1) Annual ten-year allocation of low-income housing tax credits 2) HOME funds										
Proposed V	Use of Funds:	Acquisitic	on/rehabilitation	on Prope	ty Type	:	Multifa	mily		
Set-Aside(s): 🗌 Gene	ral 🛛	Rural	TX RD	Non-	Profit	E	lderly	A A	t Risk
IXI	RECOMMENDATION Image: Recommend Approval of an liht allocation not to exceed \$94,120 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.									

RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$250,000, STRUCTURED AS A 30-YEAR TERM FULLY-AMORTIZING LOAN AT 1% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report prior to Board approval;
- 2. Receipt, review, and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rent prior to close of construction loan;
- 3. Receipt review and acceptance prior to carryover of a firm commitment from TX-USDA-RHS indicates the actual principal and terms;
- 4. Receipt, review and acceptance of documentation from USDA prior to carryover, recognizing the

transfer sales price of this property of more than the current outstanding loan balance of the USDA notes;

- 5. Receipt, review and acceptance prior to carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed; and,
- 6. Should the terms of the proposed rents, debt, or syndication be altered, the development should be reevaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS					
IMPROVEMENTS					
Total Units:60# Rental Buildings15# Common Area Bldgs1# of Floors1Age: 2020yrsVacant: 44at 12/24/2002Net Rentable SF:47,755Av Un SF:796Common Area SF:1,284Gross Bldg SF:49,039					
STRUCTURAL MATERIALS					
Wood frame on a post-tensioned concrete slab on grade,90% masonry brick veneer 10% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.					
APPLIANCES AND INTERIOR FEATURES					
Carpeting & vinyl flooring, range & oven, refrigerator, microwave oven, tile tub/shower, ceiling fans, laminated counter tops, individual water heaters, heat pump, evaporative cooling.					
ON-SITE AMENITIES					
Community room, management office, laundry facility, kitchen, restrooms, equipped children's play area, perimeter fencing with limited access gate(s)					
Uncovered Parking: 128 spaces Carports: 0 spaces Garages: 0 spaces					
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION					
The total property is comprised of nine residential buildings entirely consisting of two-bedroom units. An office/laundry building is located at the entrance to the site. Existing Subsidies: The property currently operates under TX-USDA-RHS rent restrictions. All 60 units have rents restricted to the 2003 approved Basic Rent for the property of \$296 per month. Upon transfer of the property and existing note, the Applicant plans to request an increase in the Basic Rent limit to \$320 per month. The requested rent level represents a moderate 7.5% increase. According to the rent roll, 11 units					
currently receive rental assistance.					
Development Plan: The work write-up, signed by the architect, includes: demolition work on sidewalks and curbs; repair of ramps, paving, fencing, mailbox area, addition of trees, safety surfacing and curbs for playground area, foundation repair, installation of insulation, gutter & downspouts, exterior security lights, tubs/showers, air conditioners, ceiling fans, new doors, carpeting, counter tops, cabinets, and ranges and refrigerators, the roofs will be replaced, and the plumbing fixtures will be resurfaced. In addition, work will be done to convert three units to allow for handicapped accessibility.					
The development is currently 95% occupied. The Applicant has indicated that a relocation plan and budget are not applicable because no tenants will be relocated.					
<u>Architectural Review</u> : The construction of the single-story buildings is typical for the time period. The unit floor plan appears to offer adequate living and storage space.					
Supportive Services: The Applicant does not plan to provide supportive services.					
Schedule: The Applicant anticipates construction to begin in November of 2003 and to be completed, placed					

in service, and substantially leased-up in May of 2004.

	SITE ISSUES							
	SITE DESCRIPTION							
Size:	5.0	acres	217,800	square feet Zoning/ Permitted Uses: MF				
Flood Zone Designation:		Zone X	Status of Off-Sites: Fully improved					

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject is located on the west line of Pine Island Road, approximately 500 feet south of Old US Highway 290. The City of Prairie View is located approximately 9-10 miles northwest of the Harris/Waller County line. As the crow flies, it is approximately 45-55 miles northwest of the Houston Central Business District.

<u>Adjacent Land Uses</u>: Surrounding land uses are residential in nature. Predominate land use in the immediate vicinity consist of older detached single-family residences, mobile homes, and open or pasture land.

<u>Site Access</u>: The subject immediate area is accessed via US Highway 290, which runs to Houston to the south and Austin to the north. State Highway 6 provides access to Bryan/College Station.

<u>Public Transportation</u>: The availability of public transportation is unknown.

Shopping & Services: The availability of shopping and services was not discussed in the appraisal.

<u>Site Inspection Findings</u>: The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Section 49.9(e)(13)(A) of the 2003 QAP states, "Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply [a Phase I Environmental Site Assessment]..."

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants. Twelve of the units (20%) will have rents restricted to the lesser of the low HOME rent or those affordable at 50% or less of AMGI, and the remaining units (80%) will have rents restricted to the lesser of the lesser of the high HOME rent or those affordable at 60% or less of AMGI.

As stated above, the development's rents are currently restricted by TX-USDA-RHS and the Applicant plans to continue to operate the development under the restrictions. Therefore, all tenants will pay only 30% of their monthly income towards rent. In addition. Due to the layering of LIHTCs and the below-market HOME funds, 40% of the units in each building must be leased to tenants with incomes at or below 50% of AMGI. Because this property is located within the Houston MSA the maximum tax credit and HOME rents are significantly (\$296 for 50% units) higher then the proposed USDA rents.

MAXIMUM ELIGIBLE INCOMES								
1 Person2 Persons3 Persons4 Persons5 Persons6 Persons								
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460		

MARKET HIGHLIGHTS

Section 49.9(e)(13)(B) of the 2003 QAP states, "For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (11)(A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required..."

OPERATING PROFORMA ANALYSIS

Income: The development rents are currently restricted by TX-USDA-RHS at levels below the LIHTC 50% and 60% of AMGI limits. The Applicant plans to continue the TX-USDA-RHS restrictions, but to request a

7.5% increase in the Basic Rents.

The Applicant's secondary income projection of \$10 per unit per month appears to be overstated compared to the property's actual secondary income in 2002 of \$5.43 per unit per month despite which the Underwriter used the Applicant's \$10 estimate. The Applicant's vacancy and collection loss assumption of 7.5% is inline with Department guidelines. The Applicant's effective gross income figure is identical to the Underwriter's estimate and considered to be generally acceptable.

Expenses: The underwriting projection of line item operating expenses is based upon information drawn from the most current TDHCA internal database, IREM (year-end 2001), and the subject development's actual operating expenses for 2002. The Applicant's total annual operating expense estimate of \$2,742 per unit is within 5% of the Underwriter's estimate. However, when compared to underwriting estimates, the following line item operating expenses exceeded the tolerance levels indicated in Section 1.32(d)(5) of the 2003 Underwriting, Market Analysis, Appraisal and Environmental Site Assessment Rules and Guidelines – utilities (more than 30% lower) and property tax (more than 10% lower).

<u>Conclusion</u>: The Applicant's estimated income and total estimated operating expense are consistent with the Underwriter's expectations, but the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity.

Due to the difference in net operating income estimates, the Underwriter's estimated debt coverage ratio (DCR) of 1.03 is less than the program minimum standard of 1.10. Therefore, the maximum total annual debt service for this development should be limited to \$46,080, which will be discussed in more detail in the Financing Structure Analysis section of this report. The above DCR and maximum debt service are based upon an increase of 7.5% as proposed by the Applicant. Failure to garner the proposed 7.5% increase will result in an even lower DCR and overall infeasibility of the development. Therefore, receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 7.5% in the Basic Rents is a condition of this report.

ACQUISITION VALUATION INFORMATION									
APPRAISED VALUE									
Land Only: 5.0 acres	\$90,000	Date of Valuation:	02/	25/	2003				
Existing Building(s): "as is"	\$1,940,000	Date of Valuation:	02/	25/	2003				
Total Development: "as is"	\$2,030,000	Date of Valuation:	02/	25/	2003				
Appraiser: The Gerald A Teel	Company City: Houston	Phone:	(713)	467	-5858				

APPRAISED ANALYSIS/CONCLUSIONS

<u>Analysis</u>: The appraiser utilized the sales comparison approach to estimate the value of the land as vacant and only the income approach to value the development as a whole. The reason for not performing an analysis of the value based on the sales comparison and cost approaches is not clear. Therefore, the "as is" value of the property is based on the subsidized Basic Rent of \$305 per month for the units, total annual expenses of a \$2,620 per unit, and an extremely low capitalization rate of 2.8%.

Conclusion: The proposed transfer of the property is not an identity of interest transaction; therefore, for purposes of this analysis the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property.

ASSESSED VALUE								
Land: 5.0 acres	\$50,000		Assessment for t	he Year of:	2002	2		
Building:	\$430,020		Valuation by:	Waller Cou	nty Appr	aisal Dist	rict	_
Total Assessed Value:	\$480,020		Tax Rate:	2.88339				_
	I	EVIDENCE of SIT	E or PROPERTY CO	ONTROL				
Type of Site Control:	Type of Site Control: One to Four Family Residential Contract (Resale)							
Contract Expiration Date:	10/ 31	/ 2003	Anticipated Cl	osing Date:	10/	31/	2003	

Acquisiti	on Cost:	\$1,055,476	Other Terms/	Conditions:	\$150K cash to seller	
Seller:	Pine Meadows I	& Pine Meadows II (Donald V	V. Sowell)	Related to Devo	elopment Team Member:	No

Pine Meadows I & Pine Meadows II (Donald W. Sowell) Seller:

Related to Development Team Member:

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price is assumed to be reasonable since the acquisition is an arm'slength transaction. The submitted appraisal was used to determine the proportion of land to building value for calculation of the eligible basis for acquisition credits. Based on an appraised land value of \$90,000 and a total appraised value of \$2,030,000, the ratio of land cost to total cost is 44.3%. Applying this ratio to the sales price of \$1,055,476 results in a land cost of \$46,795 and an acquisition eligible basis of \$1,008,681. This actually provides a slightly higher acquisition value than claimed by the Applicant thus the Applicant's estimate is acceptable. The Department understands from previous discussions with USDA staff that the transfer of a USDA property can not occur for more than the existing debt without USDA approval. USDA has been willing to allow such transfers if the seller's exit taxes can be proven to be more as a result of the transfer than through a USDA foreclosure. In this case, the proposed sales price appears to be \$150,000 more than the outstanding loan balance. Therefore receipt, review and acceptance of USDA approval of the transfer of the note in an amount greater than the balance of the note is a condition of this report. In addition, it is not known what will become of the \$90K existing replacement reserve account. These funds could be used to fund a portion of the rehabilitation or lessen the need for new reserves to be established. USDA considers reserves to be fully funded at 10% of the outstanding loan balance and requires annual reserve contributors of 1% until that balance is met. Receipt, review and acceptance of a reconciliation of the reserve account with regard to how it will be used in the proposed acquisition and rehabilitation is a condition of this report.

Site work Cost: The Applicant's claimed site work costs of \$547 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate was verified by both the third party general contractor and architect, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$782. In addition, the Applicant allocated a disproportionate amount of this fee to the rehabilitation portion thus overstating the rehabilitation credit and understating the acquisition credit.

Other: The Applicant's eligible basis estimate included contingency cost exceeding the Department guideline for rehabilitation developments of 10% of site work and direct construction by \$5,208 and a reduction of equal amount from eligible basis was required.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is after adjustments therefore generally acceptable. The Applicant's total development cost estimate is also within the HUD 221(d)(3) HOME subsidy limit of \$4,559,400.

Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter for overstated contingency cost and developer fees, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$1,780,102 is used to determine a credit allocation of \$94,324 from this method. It should be noted that the Applicant's eligible basis calculation had several significant errors discussed above, however these errors were offset by the Applicant's use of low applicable percentages which resulted in a request of only \$94,120. The resulting syndication proceeds based on the requested amount will be used to compare to the gap of need using the Applicant's total development cost to determine the recommended credit amount.

	FINANCING STRUCTURE							
	INTERIM CONSTRUCTION or GAP FINANCING							
Source:	MuniMa	e Midland		Contact:	Stacey Kulyk			
Principal	Principal Amount: \$519,574 Interes		Interest Rate:	6% as of comm	itment, set at closing			
Additiona	Additional Information: Subject to RD commitment							

Amortization: <u>n/a</u> yrs	Term: <u>1</u> yrs Com	mitment: None	Firm 🔀 Conditional				
	LONG TERM/PERM	ANENT FINANCING					
Source: TX-USDA-RHS		Contact: William	Taylor				
Original Principal Amount:	\$845,000 (Phase I note)	Original Principal Amount:	\$588,000 (Phase II note)				
Unpaid Principal: (12/2002)	\$526,700	Unpaid Principal: (12/2002)	\$378,776				
Interest Rate:	10.75%, subsidized to 1%	Interest Rate:	13.25%, subsidized to 1%				
Additional Information: A	Assumption of existing loans	-					
Amortization: 50 yrs	Term: 29 yrs Com	mitment: 🛛 None 🗌	Firm Conditional				
Annual Payment: \$36,4	68 Lien Priority:	1 st Commitment Date	/ /				
	LIHTC SYN	DICATION					
Source: Midland Equity	Corporation	Contact: Ryar	n Luxon				
Address: Two Galleria To	ower, 13455 noel Road, Suite 14	430 City: Dallas					
State: TX Z	Zip: 75240 Phone:	(888) 223-5794 F	ax: (972) 404-9133				
Net Proceeds: \$724,13	7 Net Syndication	Rate (per \$1.00 of 10-yr LIHT)	C) 77¢				
Commitment 🛛	None Firm	Conditional Date:	02/ 18/ 2003				
Additional Information:							
APPLICANT EQUITY							
Amount: \$28,406	Source: Def	ferred developer fee					
FINANCING STRUCTURE ANALYSIS							

Interim Financing: MunieMae Midland will provide a construction loan of \$519,574 at an interest rate of 6.00% and term of twelve months.

Permanent Financing: The Applicant plans to assume payment of the existing TX-USDA-RHS loans. The deed of trust for the two loans indicates \$845,000 at an interest rate of 10.75% and a final installment date of February 11, 2031, and \$588,000 at an interest rate of 13.25% and a final installation date of April 8, 2032. These notes are paid at 1% interest via an interest rate reduction program which requires the owner to change not more than the Basic Rents established annually based upon higher operating expense performance. As of December 31, 2002, the combined remaining balance for the loans was \$905,476.81. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual remaining principle and terms is a condition of this report.

<u>LIHTC</u> Syndication: MuniMae Midland also proposes to purchase a 99.99% interest in the Applicant providing syndication proceeds of \$724,137. The tax credits allocated to the partnership will be purchased at a rate of \$0.77 per tax credit dollar. The majority of the funds will be contributed upon completion of the planned rehabilitation and used to repay the construction loan.

Deferred Developer's Fees: The Applicant plans to defer \$28,406 in fees, which amounts to 12% of total proposed developer fees.

Financing Conclusions: As stated above, the Applicant's total development cost, as adjusted by the Underwriter, was used to determine eligible basis and recommended annual tax credit allocation of \$94,324. This amount is supported by the gap in need but is more than the Applicant's request. Thus the requested credit amount is recommended.

Due to the projection of a DCR below the Department's minimum guideline of 1.10, it was determined that the total annual debt service should be limited to no more than \$46,080. The current USDA note payments have been estimated to be \$36,341 annually though documentation provided by the Applicant appears to suggest the annual note payment is \$42,603. It is not likely that a reduction will be approved by TX-USDA-RHS. Therefore, it is suggested that the annual debt service for the requested HOME funds be reduced by

lowering the interest rate from the requested 3% to 1%. The term of the HOME loan would remain at 30 years. The recommendations of this report are conditioned upon receipt, review and acceptance of approval by TX-USDA-RHS of the proposed increase in Basic Rents. Also, without the requested HOME funds, the 15 year projection indicates that the development would not be able to repay the resulting deferred developer fees. Without the HOME funds and the increase in the Basic Rents, the development appears to be infeasible. The long term feasibility of the development is measured by a standard 30 year proforma with 3% income growth and 4% expense growth reflects the developments failure after even with the rent increase and HOME funds 20 years. The reason for this is the high expense to income ratio caused by the low rents and tight monitoring of performance by USDA. The 100 basis point spread between growth in expenses and growth in income must be and is controlled by USDA at less than 60 basis points in order to maintain long term feasibility.

<u>Return on Equity</u>: Since the Applicant is not projected to contribute only a modest amount of owner equity to this project, a cash-on-cash rate of return on equity is not a reliable measure of the subsidy layering concern for which the calculation is required.

DEVELOPMENT TEAM IDENTITIES of INTEREST

James Fieser is listed as the principle of the Applicant, general partner and developer. The interim lender is also the proposed syndicator. These are common identities of interest for LIHTC/HOME-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant and General Partner are newly formed entities and, therefore, have no significant financial histories. However, James Fieser, owner of the general partner, submitted a joint financial statement with his wife Patricia dated as of February 5, 2003.

Background & Experience: James Fieser reports previous participation in two LIHTC developments totaling 64 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated operating proforma is more than 5% outside of the Underwriter's verifiable range.
- Significant inconsistencies in the Application could affect the financial feasibility of development.
- The development could potentially achieve an excess profit level (i.e. a DCR over 1.30) if the maximum tax credit rents could be achieved.

Underwriter:		Date:	June 9, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Pine Meadow Apartments, Prairie View, 9% LIHTC 03252/HOME #2003-0020

Type of Unit	Number		No. of Baths	Size in SF	Gross Rent Lmt.			Rent per SF		Wtr, Swr, Trs
TC 50%/LH	12	2	1	793	\$670	\$320	\$3,840	\$0.40	\$54.00	n/a
TC 60%/HH	23	2	1	793	804	320	7,360	0.40	54.00	n/a
TC 60%/HH	25	2	1	800	804	320	8,000	0.40	54.00	n/a
IOTE: To avoid	d Federal tair	t regarding th	e combination	of HOME and LI	HTC funds, 24 units r	nust be leased to tena	ants earning not more	than 50% of AMI i	n the HOME LURA	1
TOTAL:	60		AVERAGE:	796	\$777	\$320	\$19,200	\$0.40	\$54.00	n/a
NCOME		Total Net Re	entable Sq Ft:	47,755	Г	TDHCA	APPLICANT		USS Region	6
POTENTIAL	GROSS R	ENT				\$230,400	\$230,400		IREM Region	Houston
Secondary			Pe	er Unit Per Month:	\$10.00	7,200	7,200	\$10.00	Per Unit Per Month	
Other Supp					_	0	0			
POTENTIAL Vacancy & (0/ of Doton	tial Gross Income:	-7.50%	\$237,600	\$237,600	-7.50%	of Potential Gross R	opt
			s or Concess		-7.50%	(17,820)	(17,820) 0	-7.50%	OF POTENTIAL GLOSS R	ent
EFFECTIVE					-	\$219,780	\$219,780			
EXPENSES			% OF EGI	PER UNIT	PER SQ FT	\$217,700	\$217,700	PER SQ FT	PER UNIT	% OF EGI
General & A	Administrati	ve	2.98%	\$109	0.14	\$6,555	\$5,650	\$0.12	\$94	2.57%
Managemer	nt		9.24%	339	0.43	20,312	\$21,240	0.44	354	9.66%
Payroll & Pa			14.39%	527	0.66	31,622	\$33,700	0.71	562	15.33%
Repairs & N	-		14.86%	544	0.68	32,651	\$27,800	0.58	463	12.65%
Utilities			1.45%	53	0.07	3,195	\$1,500	0.03	25	0.68%
Water, Sewe	er, & Trash		12.59%	461	0.58	27,660	\$30,550	0.64	509	13.90%
Property In:	surance		5.43%	199	0.25	11,939	\$12,300	0.26	205	5.60%
Property Ta	ах	2.88339	7.87%	288	0.36	17,300	\$13,700	0.29	228	6.23%
Reserve for	Replaceme	nts	8.19%	300	0.38	18,000	\$18,000	0.38	300	8.19%
Other Exper	nses: Secur	ity	0.03%	1	0.00	58	\$58	0.00	1	0.03%
FOTAL EXP	ENSES		77.03%	\$2,822	\$3.54	\$169,291	\$164,498	\$3.44	\$2,742	74.85%
NET OPERA	ATING INC		22.97%	\$841	\$1.06	\$50,489	\$55,282	\$1.16	\$921	25.15%
DEBT SER	/ICE									
TX-USDA-RH	S (existing	notes)	16.58%	\$607	\$0.76	\$36,431	\$49,116	\$1.03	\$819	22.35%
ГДНСА НОМ	E		5.75%	\$211	\$0.26	12,648	0	\$0.00	\$O	0.00%
TDHCA HOM	E		0.00%	\$0	\$0.00	0	0	\$0.00	\$O	0.00%
NET CASH	FLOW		0.64%	\$23	\$0.03	\$1,409	\$6,166	\$0.13	\$103	2.81%
AGGREGATE	DEBT COVI	ERAGE RATIO	0			1.03	1.13			
RECOMMENI	DED DEBT (COVERAGE F	RATIO			1.10				
CONSTRUC	CTION COS	ST			-	-				
Descri	intion	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition			55.47%	\$17,591	\$22.10	\$1.055.476	\$1,055,476	\$22.10	\$17,591	55.32%
Off-Sites	0001 (5100	i bidg)	0.00%	0	0.00	0	\$1,000,470 0	0.00	0	0.00%
Sitework			1.72%	547	0.69	32,800	32,800	0.69	547	1.72%
Direct Cons	struction		17.83%	5,653	7.10	339,200	339,200	7.10	5,653	17.78%
Contingenc		10.00%	1.96%	620	0.78	37,200	42,408	0.89	707	2.22%
General Red	2	6.00%	1.17%	372	0.47	22,320	22,320	0.47	372	1.17%
Contractor's	•	2.00%	0.39%	124	0.16	7,440	7,440	0.16	124	0.39%
Contractor'		6.00%	1.17%	372	0.47	22,320	22,320	0.47	372	1.17%
Indirect Co		2.5676	2.75%	872	1.10	52,320	52,320	1.10	872	2.74%
neligible C			0.58%	185	0.23	11,095	11,095	0.23	185	0.58%
Developer's		2.99%	2.45%	777	0.98	46,594	46,594	0.98	777	2.44%
Developer's		11.97%	9.79%	3,106	3.90	186,375	186,375	3.90	3,106	9.77%
Interim Fina		,,,,	1.83%	581	0.73	34,835	34,835	0.73	581	1.83%
Reserves	9		2.88%	914	1.15	54,833	54,833	1.15	914	2.87%
TOTAL COS	т		100.00%	\$31,714	\$39.85	\$1,902,812	\$1,908,020	\$39.95	\$31,800	100.00%
rotal COS Recap-Hard		n Coste	24.24%	\$7,688	\$9.66	\$461,280	\$466,488	\$9.77	\$7,775	24.45%
'			//0	<i>\$7,000</i>	Ψ7.00	\$401,28U	\$ \$ \$00,408		Ψ1,11 3	
SOURCES (47 500/	¢1E 001	¢10.07	#005 /T	#005 / T	RECOMMENDED	1	
TX-USDA-RH		notes)	47.59%	\$15,091	\$18.96	\$905,476	\$905,476	\$905,475		
TDHCA HOM			13.14%	\$4,167	\$5.24	250,000	250,000	250,000	\$232,	
LIHTC Syndic			38.06%	\$12,069	\$15.16	724,137	724,137	724,652	% of Dev. Fe	
	IOIODOR EOOS		1.49%	\$473	\$0.59	28,406	28,406	27,893	129	%
Deferred Dev		_		100-1						
Deferred Dev Additional (e TOTAL SOL	xcess) Func	ls Required	-0.27%	(\$87)	(\$0.11)	<mark>(5,207)</mark> \$1,902,812	1 \$1,908,020	0 \$1,908,020	Dev Fee Repaya \$36,82	

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Pine Meadow Apartments, Prairie View, 9% LIHTC 03252/HOME #2003-0020

PAYMENT COMPUTATION

Primary	\$1,433,000	Term	600
Int Rate	1.00%	DCR	1.39
Secondary	\$250,000	Term	360
Int Rate	3.00%	Subtotal DCR	1.03
Additional		Term	
Int Rate		Aggregate DCR	1.03

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service
Secondary Debt Service
Additional Debt Service
NET CASH FLOW

Int Rate

\$36,431	
9,649	
0	
\$4,408	

Aggregate DCR

1.10

Primary	\$1,433,000	Term	600
Int Rate	1.00%	DCR	1.39
			_
Secondary	\$250,000	Term	360
Int Rate	1.00%	Subtotal DCR	1.10
Additional	\$0	Term	0

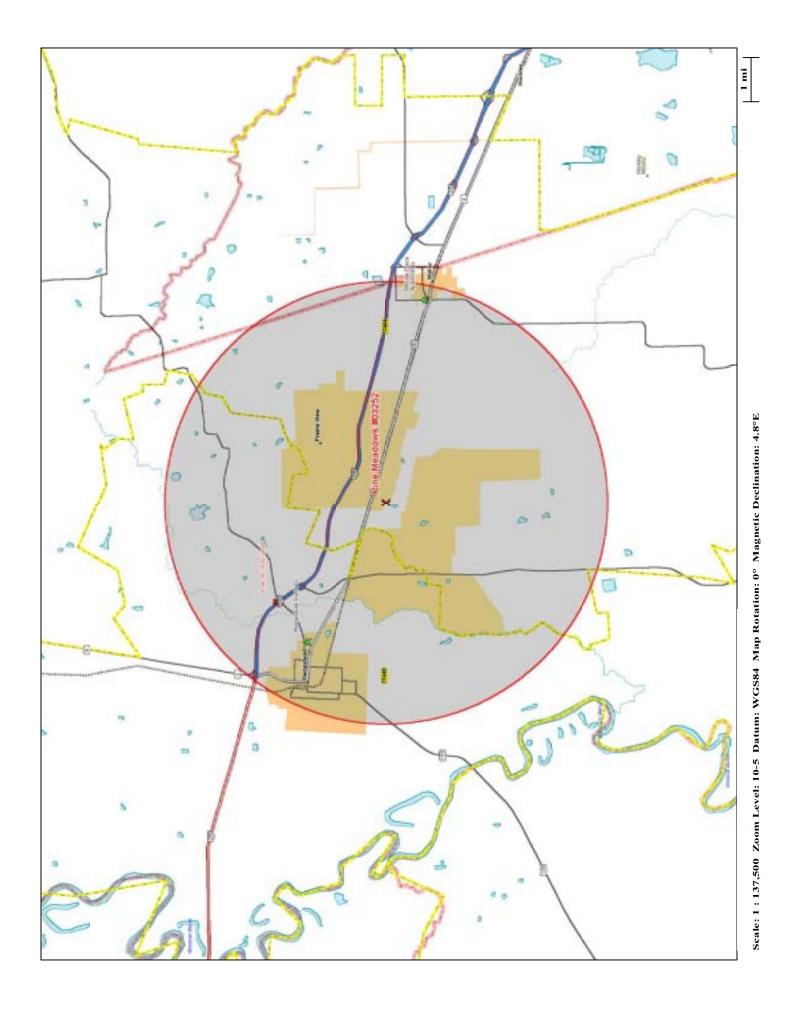
0.00%

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROS	S RENT	\$230,400	\$237,312	\$244,431	\$251,764	\$259,317	\$300,620	\$348,501	\$404,008	\$542,953
Secondary Incor	ne	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
Other Support In	ncome: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GROS	S INCOME	237,600	244,728	252,070	259,632	267,421	310,014	359,391	416,633	559,920
Vacancy & Colle	ction Loss	(17,820)	(18,355)	(18,905)	(19,472)	(20,057)	(23,251)	(26,954)	(31,247)	(41,994)
Employee or Oth	ier Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROS	S INCOME	\$219,780	\$226,373	\$233,165	\$240,160	\$247,364	\$286,763	\$332,437	\$385,386	\$517,926
EXPENSES at	4.00%									
General & Admir	nistrative	\$6,555	\$6,817	\$7,090	\$7,373	\$7,668	\$9,330	\$11,351	\$13,810	\$20,443
Management		20,312	20,921	21,549	22,195	22,861	26,502	30,723	35,617	47,866
Payroll & Payrol	Тах	31,622	32,887	34,202	35,570	36,993	45,008	54,759	66,623	98,618
Repairs & Maint	enance	32,651	33,957	35,315	36,728	38,197	46,472	56,540	68,790	101,826
Utilities		3,195	3,323	3,456	3,594	3,738	4,547	5,533	6,731	9,964
Water, Sewer &	Trash	27,660	28,766	29,917	31,114	32,358	39,369	47,898	58,275	86,262
Insurance		11,939	12,416	12,913	13,429	13,967	16,993	20,674	25,153	37,233
Property Tax		17,300	17,992	18,712	19,461	20,239	24,624	29,959	36,449	53,954
Reserve for Repl	acements	18,000	18,720	19,469	20,248	21,057	25,620	31,170	37,923	56,136
Other		58	60	63	65	68	83	100	122	181
TOTAL EXPENSES	-	\$169,291	\$175,860	\$182,685	\$189,777	\$197,146	\$238,547	\$288,708	\$349,494	\$512,482
NET OPERATING	INCOME	\$50,489	\$50,513	\$50,479	\$50,383	\$50,218	\$48,216	\$43,729	\$35,891	\$5,444
DEBT SE	RVICE									
First Lien Financi	ng	\$36,431	\$36,431	\$36,431	\$36,431	\$36,431	\$36,431	\$36,431	\$36,431	\$36,431
Second Lien		9,649	9,649	9,649	9,649	9,649	9,649	9,649	9,649	9,649
Other Financing		0	0	0	0	0	0	0	0	0
NET CASH FLOW	_	\$4,408	\$4,433	\$4,399	\$4,302	\$4,138	\$2,136	(\$2,351)	(\$10,189)	(\$40,636)
DEBT COVERAGE	RATIO	1.10	1.10	1.10	1.09	1.09	1.05	0.95	0.78	0.12

LIHTC Allocation Calculation - Pine Meadow Apartments, Prairie View, 9% LIHTC 03252/HOME #2003-0020

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
(1) Acquisition Cost						
Purchase of land	\$56,000	\$46,795				
Purchase of buildings	\$999,476	\$1,008,681	\$999,476	\$1,008,681		
(2) Rehabilitation/New Construction Cost						
On-site work	\$32,800	\$32,800			\$32,800	\$32,800
Off-site improvements			I	I	<u> </u>	
(3) Construction Hard Costs	1					
New structures/rehabilitation hard costs	\$339,200	\$339,200			\$339,200	\$339,200
(4) Contractor Fees & General Requirements	I I					
Contractor overhead	\$7,440	\$7,440			\$7,440	\$7,440
Contractor profit	\$22,320	\$22,320			\$22,320	\$22,320
General requirements	\$22,320	\$22,320			\$22,320	\$22,320
(5) Contingencies	\$42,408	\$37,200			\$37,200	\$37,200
(6) Eligible Indirect Fees	\$52,324	\$52,324			\$52,324	\$52,324
(7) Eligible Financing Fees	\$34,835	\$34,835			\$34,835	\$34,835
(8) All Ineligible Costs	\$11,095	\$11,095				
(9) Developer Fees			\$149,921		\$82,266	
Developer overhead	\$46,594	\$46,594		\$30,183		\$16,411
Developer fee	\$186,375	\$186,375		\$120,731		\$65.644
(10) Development Reserves	\$54,833	\$54,833		+ · = = / · = ·]		+/- · ·
TOTAL DEVELOPMENT COSTS	\$1,908,020	\$1,902,812	\$1,149,397	\$1,159,596	\$630,705	\$630,494
Deduct from Basis:						
All grant proceeds used to finance costs in eligib	le basis					
B.M.R. loans used to finance cost in eligible bas	is					
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42]	(d)(3)]					
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,149,397	\$1,159,596	\$630,705	\$630,494
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS		ć	\$1,149,397	\$1,159,596	\$630,705	\$630,494
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$1,149,397	\$1,159,596	\$630,705	\$630,494
Applicable Percentage			3.63%	3.63%	8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS			\$41,723	\$42.093	\$52,601	\$52,583
Syndi	ication Proceeds	0.7699	\$321,236	\$324,086	\$404,986	\$404,850
_			,			
Т	otal Credits (Eligit	ole Basis Method)			\$94,324	\$94,677
	Synd	dication Proceeds			\$726,221	\$728,936
	F	Requested Credits			\$94,120	
	Synd	dication Proceeds			\$724,652	
G	ap of Syndication	Proceeds Needed			\$752,545	
		Credit Amount			\$97,743	



TDHCA # 03253 Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development	Name	Gree	n Mai	nor Ap	artments			Т	DHCA #	03253
DEVELOPMENT			ND DE	SIGNAT	IONS					
Region: 6 City: Hen	npstead	d			Site Addres County:	ss: 2000 4 Waller	4th Street	t Zip Code:	77445	5
	DDA		QCT		Purpose / A	Activity: A	cquisitior	n/Rehab		
Targeted Units	s: Fan	nily: 40	Elde	rly: 0	Handicapp	oed/Disable	ed 3	Domestic Abu	se: 0	Transitional: 0
Set Asides:	✓ G	eneral	✓ A	t-Risk	🗆 Nonpro	ofit 🗹	Rural	✓ TX-USDA	A-RHS	Elderly
OWNER AND P	RINCI	PAL INF	ORMA	rion C	wner Entity	Name: FD	0I-GM 20	03, Ltd		
Principal Name	S				Principal	I Contact		Percentage	e Owners	hip
Fieser Real Estat	te Inves	tments, I	nc.		James W	/. Fieser		.01% of O	wner	
	LOCA		FORM	ATION						
Annual Credit A	Allocatio	on Reco	mmen	datio	\$84,4	81 /	Allocatior	n over 10 Year	s:	\$844,810
Credits Reques	sted	\$85,	495	Eligibl	e Basis Amo	ount: \$8	34,481	Equity/Gap A	mount	\$86,709
UNIT INFORMA	TION				DEVELOP	MENT AMI	INITIES	(no extra cost to	o tenant)	
Eff	1 BR	<u>2 BR</u>	3 BR	Total	Playgrou					h Internet
30% 0	0	0	0	0		ion facilities		Public Pho	-	
40% 0	0	0	0	0				ed Gate Access		
50% O	8	0	0	8				Hook-Ups in Ur		
60% O	0	32	0	32		Day Care, S ed Commun		ter or Communi	ty meal R	moc
MR 0	0	0	0	0				a contra tonont)		
Total 0	8	32	0		UNIT AME		(no exite	cost to tenant)	ine in all	Bedrooms
Total LI Units:				40	Mini Blir					Kitchen, Baths
Owner/Employe	ee Unit	s:		0	Laundry	Connection	IS	Storage Ro	-	
Total Project Ur				40		equipment		✓ 25 year Sh	-	-
Applicable Frac			1	00.00		d Parking		Covered Pa		
Applicable fraction is the le attributable to low income u		unit fraction or	the square	foot fraction	Garages		ent Altern	ative Construction		asonry Exterior Is
BUILDING INFO						- 37				-
Total Developm					\$1,853,676	Average	Square	Feet/Unit		764
Gross Building					32,204	-		ntable Square	Foot	\$60.63
Total Net Renta			re Fee	t:	30,576			ncome Uni		\$2,112
INCOME AND						FINANC				
Effective Gross					\$157,354			ipal Amount:		\$1,186,105
Total Expenses		-			\$119,835	Applicar	nt Equity:			\$17,130
Net Operating I					\$37,519	Equity S	ource:		Deferred	Developer Fee
Estimated 1st Y			erage R	atio	1.11	Syndica	tion Rate	:		\$0.7699
DEVELOPMENT	TEAM		No	te: "NA"	= Not Yet Ava	ilable				
Developer:	Fie	ser Dev	elopme	ent, Inc.		Market Ar	nalyst:	The Gerald	Teel Com	ipany
Housing GC:	Co	nstructio	on Supe	ervisors,	Inc.	Originator	/UW:	NA		
Engineer:	NA					Appraiser	:	The Gerald	Teel Con	npany
Cost Estimator:	NA					Attorney:		Wilson, Crib	bs, Gorei	n & Flaum
Architect:	Dav	vid J. All	bright			Accounta	nt:	Marshall & S	Shafer, P	C
Property Manag	ger Hai	milton V	alley M	anagem	nent	Supp Ser	vices	NA		
Syndicator:	Mic	lland Eq	uity Co	rporatio	n	Permanei	nt Lender	U.S. Departi	ment of A	griculture (RHS)

Project Number:	03253
-----------------	-------

Project Name: Green Manor Apartment	S		Project Num	nber: 03253	
UBLIC COMMENT SUMMARY Note:	"O" = Oppose, "	'S" = Support, "N	N" = Neutral, "NC" or	Blank = No commer	nt
of Letters, Petitions, or Witness Affirmation	ation Forms (no	ot from Officials	s): Support:	0 Opposition:	0
] A resolution was passed by the local g	government in s	support of the	development.		
ocal/State/Federal Officials with Jurisdiction:		Comment from Of	ther Public Officials:		
ocal Official: Hayden Barry, Mayor, City of					
X Representative: Glenn Hegar, Jr.,					
X Senator: Ken Armbrister,	District 18, N				
JS Representative:					
JS Senator:	- nt				
eneral Summary of Comment: Minimal Comme					
DEPARTMENT EVALUATION					
Points Awarded: 42 Site Finding:	Acceptable	Underv	writing Finding: Ap	proved with Condi	itions
Receipt, review and acceptance of TX-USDA-RH construction loan.	IS approval of an	increase of al leas	t 7.5% in the Basic Re	nt prior to close of	
Receipt, review and acceptance of a firm commi	tment from TX-US	DA-RHS indicatin	g actual principle and t	erms.	
Receipt, review and acceptance of documentatic more than the current outstanding loan balance of			ognizing the transfer s	ales price of this prope	erty of
Receipt, review and acceptance prior to Carryov utilized in the proposed acquisition and rehabilita					
Should the terms of the proposed rents, debt, or				• • •	
Alternate Recommendation: NA		•			
ECOMMENDATION BY THE PROGRAM RODUCTION AND THE THE EXECUTIVE					
☐ Score ✓ Mee	ting a Required Se	et Aside	Meeting	the Regional Allocatio	n
\square To serve a greater number of lower income fa	milies for fewer cr	edits.			
\square To ensure geographic dispersion within each	Uniform State Ser	vice Region.			
\exists To ensure the Development's consistency wit	h local needs or its	s impact as part of	a revitalization or pres	servation plan.	
\square To ensure the allocation of credits among as	many different enti	ities as practicable	w/out diminishing the	quality of the housing	built.
\square To give preference to a Development located	in a QCT or DDA	that contributes to	revitalization.		
\square To provide integrated, affordable accessible h	ousing for individu	uals_ families with	different levels of incor	ne.	
xplanation: This Development is needed to	meet the USDA a	and At-Risk Set-/	\sides.		
Robert Onion, Manager of Awards and Allocation	Dete	Procke Posten	Director of Multifamily	Einange Dreduction	
obert Onion, Manager of Awards and Allocation	Date	DIOOKE DUSION,	Director of Multilaritity	Finance Froduction	Date
iduine Operington Frequetive Director					
idwina Carrington, Executive Director Chairman of Executive Award and Review Advisc	Date orv Committee				
OARD OF DIRECTOR'S APPROVAL AN	-			S (if any):	
				7	
Approved Credit Amount:	Date of	f Determination:]	
liebeel E. Jones, Obsiming a of the Doord					
lichael E. Jones, Chairman of the Board	Date	3			

Developer Evaluation
Project ID # 03253 Name: Green Manor Apartments City: Hempstead
LIHTC 9% \square LIHTC 4% \square HOME \square BOND \square HTF \square SECO \square ESGP \square Other \square
□ No Previous Participation in Texas □ Members of the development team have been disbarred by HUD
National Previous Participation Certification Received:Image: N/AImage: YesImage: NoNoncompliance Reported on National Previous Participation Certification:Image: YesImage: No
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🗹 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 3 Projects grouped by score 0-9 2 10-19 1 20-29 0
Total # monitored with a score less than 30: 3 # not yet monitored or pending review: 0
Program Monitoring/Draws
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments must be attached
Asset Management
Not applicable Review pending No unresolved issues ✓ Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached \Box
Reviewed by Sara Carr Newsom Date sday, May 08, 2003
Multifamily Finance Production
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by R Meyer Date 5/28/2003
Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Image: Colspan="2">Image: Colspan="2">Image: Colspan="2">Colspan="2">Image: Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2" Not applicable Review pending No unresolved issues Unresolved issues found Image: Colspan="2">Image: Colspan="2" Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Colspan="2">Image: Colspan="2"
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □
Reviewed by Eddie Fariss Date 5/5/2003
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □ □
Reviewed by H Cabello Date 6/10/2003
Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) Image: Contract of the second s
Reviewed by Date
Loan Administration Not applicable No delinquencies found ✓ Delinquencies found □ Delinquencies found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by <u>Stephanie Stuntz</u> Date <u>5 /6 /2003</u>
Executive Director: Edwina Carrington Executed: Friday, June 13, 2003

DATE:	June 9, 2003	PROGRAM:	9% LIHT	С	FILE N	NUMBER:	032	53		
			HOME				200	3-017		
		DEV	ELOPMENT N	AME						
			Green Manor	•						
			APPLICANT							
Name:	FDI-GM 200	03, Ltd.	Туре:	For Profi	t					
Address:	26735 Stocke	dick School Road	City:	Katy			State:	ΤХ		
Zip:	77493 Con	ntact: James W Fieser	Phone:	(281)	371-7320	Fax:	(281)	371-2470		
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS										
Name:	Fieser Real E	(%):	0.01	Title:	Managin	Managing General Partner				
Name:	James W Fier	ser	(%):	n/a	Title:	Develop	er			
PROPERTY LOCATION										
Location:	2000 4 th Stre	et			[r [DDA		
City:	Hempstead		County:	Waller		Z	ip:	77445		
			REQUEST							
	Amount	Interest Rate	:	Amortizati	ion		<u>Term</u>			
) \$85,495	n/a		n/a			n/a			
2)	\$200,000	3%		30 yrs			30 yrs			
Other Req	uested Terms:	Annual ten-year allocation HOME funds	on of low-incon	ne housing	g tax credits					
Proposed	Use of Funds:	Acquisition/ Rehab	Propert	у Туре:	Multifar	nily				
Set-Aside(s): 🗌 Gene	ral 🛛 Rural 🖂	TX RD	Non-Prof	it 🗌 El	derly	At At	Risk		
L								1		
		REC	COMMENDAT	ON						
IXI		D APPROVAL OF A FOR TEN YEARS, SUE				Г ТО Е	XCEED	\$84,481		

RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$200,000, STRUCTURED AS A FULLY-AMORTIZING LOAN TO BE REPAID AT AN INTEREST RATE OF 3% OVER A TERM OF 30 YEARS, SUBJECT TO CONDITIONS.

CONDITIONS 1. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 5% in the Basic Rents prior to construction close 2. Receipt, review and acceptance prior to carryover of a firm commitment from TX-USDA-RHS

- 2. Receipt, review and acceptance prior to carryover of a firm commitment from TX-USDA-RHS indicating actual principle and terms;
- 3. Receipt, review and acceptance of documentation from USDA prior to carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes;

- 4. Receipt, review and acceptance prior to carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed; and,
- 5. Should the terms of the proposed rent, debt, or syndication be altered, the development should be reevaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Green Manor was submitted and underwritten in the 2002 9% LIHTC cycle. The underwriting analysis recommended the project be approved subject to the following conditions:

∉ Receipt, review, and acceptance of confirmation that TXRD/USDA has approved the loan transfer on an existing terms basis. Should the terms of the TXRD loan change a re-evaluation of the conclusions herein should be conducted.

The Applicant requested \$87,971 annually in tax credits. The project received an allocation of \$63,915 in tax credits, but returned the credits on September 9, 2002 due to the difference in the amount requested and the actual allocation.

DEVELOPMENT SPECIFICATIONS									
IMPROVEMENTS									
Total Units:40# Rental Buildings5# Common Area Bldgs1# of Floors2Age:20yrsVacant:4at08/01/2002									
Net Rentable SF: 30,576 Av Un SF: 764 Common Area SF: 1628 Gross Bldg SF: 32204									
STRUCTURAL MATERIALS									
Wood frame on a post-tensioned concrete slab on grade, 75% masonry brick veneer 25% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.									
APPLIANCES AND INTERIOR FEATURES									
Carpeting & vinyl flooring, range & oven, hood & fan, refrigerator, tile tub/shower, individual water heaters,									
heat pump, evaporative cooling.									
ON-SITE AMENITIES									
Community room, management office, laundry facility, kitchen, restrooms, equipped children's play area.									
Uncovered Parking: 65 spaces Carports: n/a spaces Garages: n/a spaces									
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION									
Description: Green Manor is a proposed acquisition and rehabilitation development of 40 units of affordable housing located in Hempstead. The development was built in 1984 and is comprised of five residential buildings as follows:									
∉ One Building Style A with eight one-bedroom units and									
∉ Four Building Style B with eight two-bedroom units.									
Based on the site plan the apartment buildings are distributed evenly throughout the site with the community building and mailboxes located at the southwest corner of the site. The community building appears to include a large common room with kitchen and leasing/management offices.									
Existing Subsidies: The property currently operates under TX-USDA-RHS rent restrictions. All 40 units have rents restricted to the 2003 approved Basic Rent for the property: \$280 per month for one-bedroom units and \$340 per month for two-bedroom units. Upon transfer of the property and existing note, the Applicant plans to request an increase in the Basic Rent limits to \$294 per month and \$357 per month. The requested rent level represents a moderate 5% increase. According to the rental assistance worksheet provided in the Application, only one unit is currently receiving rental assistance.									
Development Plan: The work write-up, signed by the architect, includes: new parking signs and striping, landscaping, playground work, repair of stair treads, handrails, toilets, fixtures, doors and drywall,									

replacement of weather stripping, insulation, gutters, electrical, toilets, sinks, lavatories, fixtures, air conditioners, doors, carpeting, cabinets, range, hood/fan and refrigerator, and install solar screens, ceiling fans and bathroom vent fans as well as interior and exterior painting. In addition, work will be done to convert two units to allow for handicapped accessibility.

The development is currently 90% occupied. The Applicant has indicated that a relocation plan and budget are not applicable because no tenants will be relocated.

<u>Architectural Review</u>: The elevations are typical of 1980's construction with majority brick exteriors and breezeways. All units are of average size for market rate units in the area, and they have functional floor plans with adequate storage space. The units are in two-story walk-up structures and each unit has a single entry that is off an interior breezeway shared with three other units on each floor.

Supportive Services: The Applicant does not plan to provide supportive services.

<u>Schedule</u>: The Applicant anticipates construction to begin in November of 2003, to be completed in May of 2004, to be placed in service in May of 2004, and to be substantially leased-up in May of 2004.

SITE ISSUES									
SITE DESCRIPTION									
Size:	1.434	acres	62,465	square feet Zoning/ P	ermitted Uses:	R3/Multifamily			
Flood Zone Designation:		Zone X	Status of Off-Sites:	Fully Improv	red				

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject is located on the city block bound by 4th Street to the east, McDade Street to the north, 3rd Street to the west and Baker Street to the south in the southeastern quadrant of the City of Hempstead. Hempstead is located approximately 9-10 miles northwest of the Harris/Waller County line off of US 290, 45-55 miles northwest of the Houston Central Business District. Houston is located about 50 miles northwest of the Gulf of Mexico in southeast Texas.

Population: Currently, almost four million people live in the Houston metropolitan area. In 2000, Waller County had a population of 27,488, which is expected to increase to 37,796 by 2010. The immediate neighborhood had a population of 11,076 in 2000, projected at 11,913 for 2005. This equates to 3,150 households in 200 and 3,440 households in 2005.

<u>Adjacent Land Uses</u>: The area is developed primarily with residential concerns. Typical development consists of single- and multi-family residential, vacant SFR lots, mobile homes and the Hempstead High School campus. Adjacent land uses include:

<u>Site Access</u>: Immediate access to the site is from 4th Street. The subject area is accessed via US Highway 290, the primary roadway between Houston and the subject. Additionally, State Highway 6, just west of Hempstead, provides access to the main campus of the Texas A & M University, 35-45 miles northerly. Interstate 10, the primary intercoastal route from California to Florida is located about 22-25 miles to the south.

Public Transportation: The availability of public transportation is unknown.

Shopping & Services: Shopping and services within the subject area was not directly addressed by the submitted market study.

<u>Site Inspection Findings</u>: The site was inspected by an ORCA staff member on April 23, 2003 and found to be acceptable for the proposed development. The inspector noted a conversation with the site manager who indicated the property is hard to keep up with and in need of lots of rehabilitation.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Section 49.9(e)(13)(A) of the 2003 QAP states, "Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply [a Phase I Environmental Site Assessment]..."

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants. Eight of the units (20%) will have rents restricted to the lesser of the low HOME rent or those affordable at 50% or less of AMGI, and the remaining units (80%) will have rents restricted to the lesser of the lesser of the high HOME rent or those affordable at 60% or less of AMGI.

As stated above, the development's rents are currently restricted by TX-USDA-RHS and the Applicant plans to continue to operate the development under the restrictions. Therefore, all tenants will pay only 30% of their monthly income towards rent. In addition. Due to the layering of LIHTCs and the below-market HOME funds, 40% of the units in each building must be leased to tenants with incomes at or below 50% of AMGI. Because the property is located within the Houston MSA the maximum tax credit and HOME rents are significantly higher than the proposed USDA rents.

MAXIMUM ELIGIBLE INCOMES										
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons				
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460				

MARKET HIGHLIGHTS

Section 49.9(e)(13)(B) of the 2003 QAP states, "For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (11)(A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required..."

OPERATING PROFORMA ANALYSIS

Income: The development rents are currently restricted by TX-USDA-RHS at levels below the LIHTC 50% and 60% of AMGI limits. The Applicant plans to continue the TX-USDA-RHS restrictions, but to request a 5% increase in the Basic Rents. The Applicant's secondary income projection of \$10 per unit per month and vacancy and collection loss assumption of 7.5% is inline with Department guidelines and the development's operating history. Due to the difference in potential gross rent estimates, the Applicant's effective gross income figure is lower than the Underwriter's estimate, but within 5% and considered to be generally acceptable.

The Applicant's secondary income projection of \$10 per unit per month and vacancy and collection loss assumption of 7.5% is consistent with Department guidelines and the development's operating history. The Applicant's effective gross income figure is identical to the Underwriter's estimate and considered to be generally acceptable.

Expenses: The underwriting projection of line item operating expenses is based upon information drawn from the most current TDHCA internal database, IREM (year-end 2001), and the subject development's actual operating expenses for 2002. The Applicant's total annual operating expense estimate of \$2,941 per unit is within 5% of the Underwriter's estimate. However, when compared to underwriting estimates, the following line item operating expenses exceeded the tolerance levels indicated in Section 1.32(d)(5) of the 2003 Underwriting, Market Analysis, Appraisal and Environmental Site Assessment Rules and Guidelines – property tax (more than 10% lower).

Conclusion: The Applicant's estimated income and total estimated operating expense are consistent with the Underwriter's expectations, but the Applicant's net operating income does not differ by less than 5% as compared to the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity.

Even with the proposed increase of 5% in Basic Rents, the Underwriter's estimated debt coverage ratio (DCR) is below the program minimum standard of 1.10 thus an adjustment to the HOME loan rate to 1% is required. An increase in Basic Rents less than that proposed by the Applicant, results in a DCR that is below

the Department's minimum standard. Therefore, receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 5% in the Basic Rents is a condition of this report.

ACQUISITION VALUATION INFORMATION APPRAISED VALUE									
\$1,270,000	Date of Valuation:	02/	25/	2003					
\$1,300,000	Date of Valuation:	02/	25/	2003					
Company City: Houston	Phone:	(713)	467-:	5858					
	APPRAISED VA \$30,000 \$1,270,000 \$1,300,000	APPRAISED VALUE\$30,000Date of Valuation:\$1,270,000Date of Valuation:\$1,300,000Date of Valuation:	APPRAISED VALUE \$30,000 Date of Valuation: 02/ \$1,270,000 Date of Valuation: 02/ \$1,300,000 Date of Valuation: 02/	APPRAISED VALUE \$30,000 Date of Valuation: 02/ 25/ \$1,270,000 Date of Valuation: 02/ 25/ \$1,300,000 Date of Valuation: 02/ 25/					

APPRAISED ANALYSIS/CONCLUSIONS

<u>Analysis</u>: The appraiser utilized the sales comparison approach to estimate the value of the land as vacant and only the income approach to value the development as a whole. The reason for not performing an analysis of the value based on the sales comparison and cost approaches is not clear. Therefore, the "as is" value of the property is based on the subsidized Basic Rents of \$280 per month for one-bedroom units and \$340 per month for two-bedroom units, total annual expenses of a \$2,751 per unit, and an extremely low capitalization rate of 3.4%.

Conclusion: The proposed transfer of the property is not an identity of interest transaction; therefore, for purposes of this analysis, the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property.

			ASS	ESSED VALUE						
Land:	\$50,	\$50,000 Assessment for the Year of:				2002	2002			
Building:	\$280,000 \$330,000		Valuation by:	nty Appr	aisal Dist	rict				
Total Assessed Value:			Tax Rate:							
		EVID	ENCE of SI	TE or PROPERTY CO	ONTROL					
Type of Site Control:	One to	o Four Fa	mily Reside	ential Contract (Res	sale)					
Contract Expiration Date:	10/	31/	2003	Anticipated Cl	osing Date:	10/	31/	2003		
Acquisition Cost:	\$1,186,105			Other Terms/O	Other Terms/Conditions:			\$200K cash to seller		
Seller: Green Manor Ap	artment	ts, Ltd. (I	Donald W S	owell) Rela	ted to Developr	nent Tea	m Membe	r: No		

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price is assumed to be reasonable since the acquisition is an arm'slength transaction. The submitted appraisal was used to determine the proportion of land to building value for calculation of the eligible basis for acquisition credits. Based on an appraised land value of \$30,000 and a total appraised value of \$1,300,000, the ratio of land cost to total cost is 23.1%. Applying this ratio to the sales price of \$1,186,105 results in a land cost of \$27,372 and an acquisition eligible basis of \$1,158,733. This actually provides a slightly higher acquisition value than claimed by the Applicant and thus the Applicant's value is acceptable. It should be noted that this amount of acquisition basis is \$196,067 more than was accepted in the previous year application when it was determined that the same seller was intending to remain as a part of the new development team. While the principal of the General Partner is known to be a long time business associate of the seller, no direct or indirect relationship between the seller and any development team member was disclosed or discovered in the current application. The Underwriter understands from previous discussions with USDA that a transfer of a USDA Section 515 property can not occur for more than the existing debt amount without USDA approval. USDA has been willing to approve such transfers if the seller's exit taxes can be proven to be more as a result of the transfer at the note balance than through foreclosure. In such cases, the proven difference has been allowed to escape the transaction in order to bring in new ownership and encourage rehabilitation of the property. In this case the sales price

appears to be \$200,000 more than the outstanding loan balance. Therefore, receipt review and acceptance of USDA approval of the transfer of the note in an amount greater than the balance of the note is a condition of this report. In addition, it is not known what will become of the \$39K existing replacement reserve account. These funds could be used to fund a portion of the rehabilitation or lessen the need for new reserves to be established. The USDA considers reserves to be fully funded at 10% of the outstanding balance and requires annual reserve contributions of at least 1% of the note amount until that balance is met. Receipt review and acceptance of a reconciliation of the replacement reserve account with regard to how it will be used in the proposed transaction is a condition of this report.

<u>Site work Cost</u>: The Applicant's claimed sitework costs of \$473 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate was verified by both the third party general contractor and architect, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$529. In addition, the Applicant allocated a disproportionate amount of this fee to the rehabilitation portion thus overstating the higher credit percentage rehabilitation basis and understating the lower credit percentage acquisition basis.

<u>Other</u>: The Applicant's eligible basis estimate included contingency cost exceeding the Department guideline for rehabilitation developments of 10% of site work and direct construction by \$3,528 and a reduction of equal amount from eligible basis was required.

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is after adjustments, therefore generally acceptable. The Applicant's total development cost estimate is also within the HUD 221(d)(3) HOME subsidy limit of \$2,931,616.

Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter for overstated contingency cost and developer fees, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$1,750,821 is used to determine a credit allocation of \$84,481 from this method. It should be noted that the Applicant's eligible basis calculation had several significant errors discussed above, but these errors were materially offset by the Applicant's use of applicable percentages that are lower than the current underwriting percentages. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's total development cost to determine the recommended credit amount.

	FINANCING STRUCTURE											
	INTERIM CONSTRUCTION or GAP FINANCING											
Source:	MuniMae	e Midlan	d					Contact:	Stace	ey Kulyk		
Principal Amount: \$438,674 Interest Rate: 6%						6% a	s of com	mitment,	set at clos	ing		
Additional Information: Subject to RD commitment												
Amortizatio	on: n/a	yrs	Term:	1	yrs	Comm	itment:		None [Firm	\boxtimes	Conditional
LONG TERM/PERMANENT FINANCING												
Source:	TX-USD.	A-RHS						Contact:	Will	am Taylor	•	
Original Pr	incipal An	nount:	\$1,020,0	000		1	Unpaid 1	Principal	: (12/2002	\$986	,104	
Interest Ra	te:	10.75	%, subsid	ized t	io 1%		Additior	itional Information: Assumption of existing loan				existing loan
Amortizatio	on: 50	yrs	Term:	30	yrs	Comm	itment:		None	Firm		Conditional
Annual Pay	ment:	\$36,050)		Lien Pri	ority: _	1 st	Commit	ment Da	e /	/	
					LIHT	C SYND	ICATIO	N				
Source:	Midland	Equity C	Corporatio	n				Conta	ict: R	yan Luxoi	1	
Address:	Two Gal	leria To	wer, 1345:	5 noe	l Road, S	Suite 143	0	City	: Dalla	IS		

State:	TX		Zip:	75240	Phone:	(888)	223-5	794	Fax:	(972)	404-9133
Net Proceeds:\$657,770Net Syndication Rate (per \$1.00 of 10-yr LIHTC)77¢												
Commitme	ent	\boxtimes	None		Firm		Condi	tional	Date:	02/	18/	2003
Additional Information:												
		_			APPLI	CAN	t equi	ſY				
Amount:	\$9,801	l		S	ource:	Deff	ered De	eveloper	Fee			
FINANCING STRUCTURE ANALYSIS												

Interim Financing: MunieMae Midland will provide a construction loan of \$438,674 at an interest rate of 6.00% and term of twelve months.

Permanent Financing: The Applicant plans to assume payment of the existing TX-USDA-RHS loan. The deed of trust for the loan indicates \$1,020,000 at an interest rate of 10.75% and a final installment date of August 11, 2033. These notes are paid at 1% interest via an interest rate reduction program which requires in turn that the owner charge no more than the annually revised, budget based, Basic Rents. The remaining balance for the loan as of December 2002 was \$986,104.84. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating the actual remaining principle and terms is a condition of this report.

<u>LIHTC</u> Syndication: MuniMae Midland also proposes to purchase a 99.99% interest in the Applicant providing syndication proceeds of \$657,770. The tax credits allocated to the partnership will be purchased at a rate of \$0.77 per tax credit dollar. The majority of the funds will be contributed upon completion of the planned rehabilitation and used to repay the construction loan.

Deferred Developer's Fees: The Applicant plans to defer \$9,801 in fees, which amounts to 4% of total proposed developer fees.

Financing Conclusions: As stated above, the Applicant's total development cost, as adjusted by the Underwriter, was used to determine eligible basis and recommended annual tax credit allocation of \$84,481. This amount is supported by the gap in need and is equal to the Applicant's request.

Due to the projection of a DCR below the Department's minimum guideline of 1.10, the annual debt service should not exceed \$34,108. The current USDA note payments have been estimated to be \$28.3K, though documentation from USDA was not provided to confirm this. The Underwriter calculated a slightly lower \$25.9K which given the requested increase in rent would allow the HOME loan to achieve only a 1% interest rate return. Without the HOME loan the resulting gap could be absorbed by deferral of additional developer fee, however, such fee would not be repayable in 15 years and the transaction would be characterized as infeasible.

The requested HOME funds of \$200,000 are recommended to be allocated but the requested terms of 3% interest amortized over a term of 30 years should be reduced to 1% in order to maintain a DCR above 1.10. Alternatively a larger USDA rent increase could be sought.

The recommendations of this report are conditioned upon receipt, review and acceptance of approval by TX-USDA-RHS of a 5% increase in Basic Rents. Also, without the requested HOME funds, the 15 year projection indicates that the development would not be able to repay the resulting deferred developer fees and the development appears to be infeasible. The long term feasibility of the development as measured by a standard 30-year proforma with 3% income growth and 4% expense growth reflects the developments failure after 20 years. The reason for the failure is the high expense to income ration resulting from the artificially low USDA Basic Rents and tight monitoring of performance by USDA. The 100 basis point spread traditionally used in proforma analysis must be, and generally is, more tightly monitored in real life USDA loan performance in order to maintain long term feasibility.

<u>Return on Equity</u>: Since the Applicant is projected to contribute only a modest amount of owner equity to this project, a cash-on-cash rate of return on equity is not a reliable measure of the subsidy layering concern for which the calculation is required.

DEVELOPMENT TEAM

James Fieser is listed as the principle of the Applicant, general partner and developer. The interim lender is also the proposed syndicator. These are common identities of interest for LIHTC/HOME-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant and General Partner are newly formed entities and, therefore, have no significant financial histories. However, James Fieser, owner of the general partner, submitted a joint financial statement with his wife Patricia dated as of February 5, 2003.

Background & Experience: James Fieser reports previous participation in two LIHTC developments totaling 64 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ Items identified in previous reports have not been satisfactorily addressed.
- ∉ The Applicant's estimated operating proforma is more than 5% outside of the Underwriter's verifiable range.
- ∉ The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.
- ∉ Significant inconsistencies in the application could affect the financial feasibility of the project.

Underwriter:		Date:	June 9, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis Green Manor, Hempstead, LIHTC 03253/HOME 2003-0017

Type of Unit	Number 8	Bedrooms 1	No. of Baths 1	Size in SF 650	Gross Rent Lmt. \$558	Net Rent per Unit \$294	Rent per Month \$2,352	Rent per SF \$0.45	Tnt Pd Util \$52.00	Wtr, Swr, Tr n/a
TC 50%/LH	32	2	1	793	\$008 804	\$294	\$2,352 11,424	0.45	\$32.00 59.00	n/a
TC 60%/HH	52	2		195	004	φ33 <i>1</i>	11,424	0.45	33.00	n/a
	L									
NOTE: To avoi	.d Federal tair	it regarding the	e combination	of HOME and L	HTC funds, 16 units	s must be leased to t	enants earning not	more than 50% of	AMI in the HOME	LURA
TOTAL:	40		AVERAGE:	764	\$755	\$344	\$13,776	\$0.45	\$57.60	#VALUE
NCOME	10	Total Net Rer		30,576		TDHCA	APPLICANT		USS Region	6
POTENTIAI	I GROSS		Trable Oq I t.	<u>30,370</u>		\$165,312	\$165,312		IREM Region	Houstor
Secondary I			P	er Unit Per Month:	\$10.00	4,800	4,800	\$10.00	Per Unit Per Month	11003101
•	ort Income:	(describe)			• • • • •	0	0			
OTENTIA	L GROSS	INCOME				\$170,112	\$170,112			
Vacancy & 0	Collection Lo	oss	% of Poten	tial Gross Income:	-7.50%	(12,758)	(12,756)	-7.50%	of Potential Gross F	Rent
		-Rental Units	or Concess	sions		0				
	E GROSS	INCOME				\$157,354	\$157,356			
EXPENSES	-		<u>% OF EGI</u> 5.77%	<u>PER UNIT</u> \$227	PER SQ FT	¢0.005	¢0.077	PER SQ FT \$0.27	PER UNIT \$207	<u>% OF EG</u> 5.26%
	Administrativ	е	5.77% 8.44%	332	0.30 0.43	\$9,085		0.43	332	5.20% 8.43%
Managemer				332 684	0.43	13,276	,	0.43	332 662	8.43%
Payroll & Pa	•		17.39% 13.57%	684 534	0.89	27,361	\$26,470	0.87	662 540	16.82%
•	<i>Naintenance</i>					21,346	\$21,610			
Utilities			3.23%	127	0.17	5,084	\$3,800	0.12	95 255	2.41% 9.02%
Water, Sewe			7.45% 4.86%	293	0.38 0.25	11,727	\$14,200	0.46	355	9.02% 5.24%
Property Ins	surance			191		7,644	\$8,240	0.27	206	
Property Ta:	.х	2.88339	7.33%	288	0.38	11,534	\$9,000	0.29	225	5.72%
Reserve for	Replaceme	nts	7.63%	300	0.39	12,000	\$12,000	0.39	300	7.63%
	nses: Comp	liance	0.49%	19	0.03	778	\$778	0.03	19	0.49%
OTAL EXP		-	76.16%	\$2,996	\$3.92	\$119,835	\$117,635	\$3.85	\$2,941	74.76%
NET OPER	ATING ING	с <u>-</u>	23.84%	\$938	\$1.23	\$37,519	\$39,721	\$1.30	\$993	25.24%
DEBT SER	VICE		10 100/	A 0.40	A 0.05				0 004	00.040/
	-	n Assumptio	16.48% 6.43%	\$648 \$253	\$0.85 \$0.33	\$25,932	\$36,050	\$1.18 \$0.00	\$901 \$0	22.91% 0.00%
TDHCA HOM			0.00%	\$253 \$0	\$0.33 \$0.00	10,118 0	0	\$0.00	\$0 \$0	0.00%
		-	0.93%	\$37	\$0.05	\$1,468	\$3,671	\$0.00	\$92	2.33%
NET CASH				φοι	\$0.00	۶1,400 1.04	\$3,071 1.10	\$0.12	ψ 5 2	2.00 /0
		VERAGE RA					1.10]		
		COVERAGE	RATIO			1.11				
CONSTRU										
Descri		Factor	% of TOTAL 64.11%	PER UNIT \$29,653	PER SQ FT \$38.79	TDHCA	APPLICANT	PER SQ FT \$38.79	PER UNIT \$29,653	<u>% of TOTA</u> 63.99%
Acquisition	COSt (site or	r bldg)	0.00%	¢20,000	0.00	\$1,186,105 0	\$1,186,105 0	0.00	¢20,000	0.00%
Off-Sites			1.02%	473	0.62		-		473	1.02%
Sitework			12.60%	5,827	7.62	18,905			5,827	
Direct Cons			12.60%	5,827 630	0.82	233,095	233,095	0.94	5,827 718	12.57% 1.55%
Contingenc		10.00%	0.82%	378	0.82	25,200		0.94	378	0.82%
General Re	•	6.00%		378 126	0.49	15,120				0.82%
Contractor's		2.00%	0.27%			5,040	5,040	0.16	126	
Contractor's		6.00%	0.82%	378	0.49	15,120			378	0.82%
ndirect Cor			2.42%	1,120	1.47	44,800	44,800	1.47	1,120	2.42%
neligible Co			0.52%	240	0.31	9,586	9,586		240	0.52%
Developer's		2.96%	2.47%	1,144	1.50	45,779	45,779	1.50	1,144	2.47%
	3 Profit	11.85%	9.90%	4,578	5.99	183,118			4,578	9.88%
	ancing		1.57%	727	0.95	29,068			727	1.57%
		-	2.12%	980	1.28	39,212	39,212	1.28	980	2.12%
nterim Fina Reserves		-	100.00%	\$46,254	\$60.51	\$1,850,148			\$46,342	100.00%
nterim Fina Reserves FOTAL CO			16.89%	\$7,812	\$10.22	\$312,480	\$316,008	\$10.34	\$7,900	17.05%
nterim Fina Reserves FOTAL CO		on Costs						RECOMMENDED		
nterim Fina Reserves OTAL CO: Recap-Hard	Constructi									
nterim Fina Reserves FOTAL COS Recap-Hard	Construction	<u>s</u>	53.30%	\$24,653	\$32.25	\$986,105	\$986,105	\$986,105	Developer fe	e Avalable
nterim Fina Reserves FOTAL COS Recap-Hard SOURCES	Construction OF FUND Existing Loan	<u>s</u>	10.81%	\$5,000	\$6.54	\$986,105 200,000		-	Developer id	
nterim Fina Reserves FOTAL COS Recap-Hard SOURCES JSDA-RHS E FDHCA HOM	Construction OF FUND Existing Loan	<u>S</u> n Assumptio					200,000	200,000	\$228	,897
Developer's nterim Fina Reserves IOTAL CO: Recap-Hard SOURCES JSDA-RHS E IDHCA HOM LIHTC Syndic Deferred Dev	Construction OF FUND Existing Loan ME Incation Process	S n Assumptio eeds	10.81%	\$5,000	\$6.54	200,000	200,000	200,000	\$228 % of Dev. Fe	,897 e Deferred
nterim Fina Reserves FOTAL COS Recap-Hard SOURCES JSDA-RHS E FDHCA HOM -IHTC Syndio	Construction OF FUND Existing Loan ME Incation Processive Veloper Fees	<u>S</u> n Assumptio eeds s	10.81% 35.55%	\$5,000 \$16,444	\$6.54 \$21.51	200,000 657,770	200,000 657,770	200,000 650,441 17,130	\$228 % of Dev. Fe	,897 ee Deferred %

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued) Green Manor, Hempstead, LIHTC 03253/HOME 2003-0017

PAYMENT COMPUTATION

Primary Int Rate	\$1,020,000 1.00%	Term DCR	600 1.45
Secondary	\$200,000	Term	360
Int Rate	3.00%	Subtotal DCR	1.04
Additional		Term	
Int Rate		Aggregate DCR	1.04

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Se Secondary Debt Additional Debt S NET CASH FL	Service Service	\$25,932 7,719 0 \$3,868	
Primary	\$1,020,000	Term	600
Int Rate	1.00%	DCR	1.45
Secondary	\$200,000	Term	360
Int Rate	1.00%	Subtotal DCR	1.11
			-
Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.11

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL G	ROSS RENT	\$165,312	\$170,271	\$175,380	\$180,641	\$186,060	\$215,695	\$250,049	\$289,876	\$389,569
Secondary In	come	4,800	4,944	5,092	5,245	5,402	6,263	7,260	8,417	11,312
Other Suppor	rt Income: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL G	ROSS INCOME	170,112	175,215	180,472	185,886	191,463	221,958	257,310	298,292	400,880
Vacancv & C	ollection Loss	(12,758)	(13,141)	(13,535)	(13,941)	(14,360)	(16,647)	(19,298)	(22,372)	(30,066)
Employee or	Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE G	ROSS INCOME	\$157,354	\$162,074	\$166,936	\$171,945	\$177,103	\$205,311	\$238,011	\$275,920	\$370,814
EXPENSES a	t 4.00%									
General & Ad	Iministrative	\$9,085	\$9,448	\$9,826	\$10,219	\$10,628	\$12,931	\$15,732	\$19,141	\$28,333
Management		13,276	13,675	14,085	14,508	14,943	17,323	20,082	23,280	31,287
Payroll & Pay	roll Tax	27,361	28,456	29,594	30,778	32,009	38,944	47,381	57,646	85,330
Repairs & Ma		21,346	22,200	23,088	24,011	24,972	30,382	36,964	44,973	66,570
Utilities		5,084	5,287	5,499	5,719	5,948	7,236	8,804	10,711	15,855
Water, Sewer	r & Trash	11,727	12,196	12,684	13,191	13,719	16,691	20,307	24,707	36,572
Insurance		7,644	7,950	8,268	8,598	8,942	10,880	13,237	16,105	23,839
Property Tax		11,534	11,995	12,475	12,974	13,493	16,416	19,972	24,299	35,969
	Replacements	12,000	12,480	12,979	13,498	14,038	17,080	20,780	25,282	37,424
Other	topidoomonto	778	809	841	875	910	1,107	1,347	1,639	2,426
TOTAL EXPEN	-	\$119,835	\$124,496	\$129,339	\$134,372	\$139,601	\$168,989	\$204,607	\$247,783	\$363,606
NET OPERAT	-	\$37,519	\$37,578	\$37,598	\$37,573	\$37,502	\$36,322	\$33,405	\$28,137	\$7,208
DEBT	SERVICE									
First Lien Fina	ncina	\$25,932	\$25,932	\$25,932	\$25,932	\$25,932	\$25,932	\$25,932	\$25,932	\$25,932
Second Lien	noing	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719	7,719
		0	0	0	0	0	0	0	0	0
Other Financin		\$3,868	\$3,928	\$3,947	\$3,922	\$3,851	\$2,671	(\$246)	(\$5,514)	(\$26,443)
NET CASH FL	=	1.11	1.12	1.12	1.12	1.11	1.08	0.99	0.84	0.21
DEBT COVER	AGE RATIO							2.00	2.01	

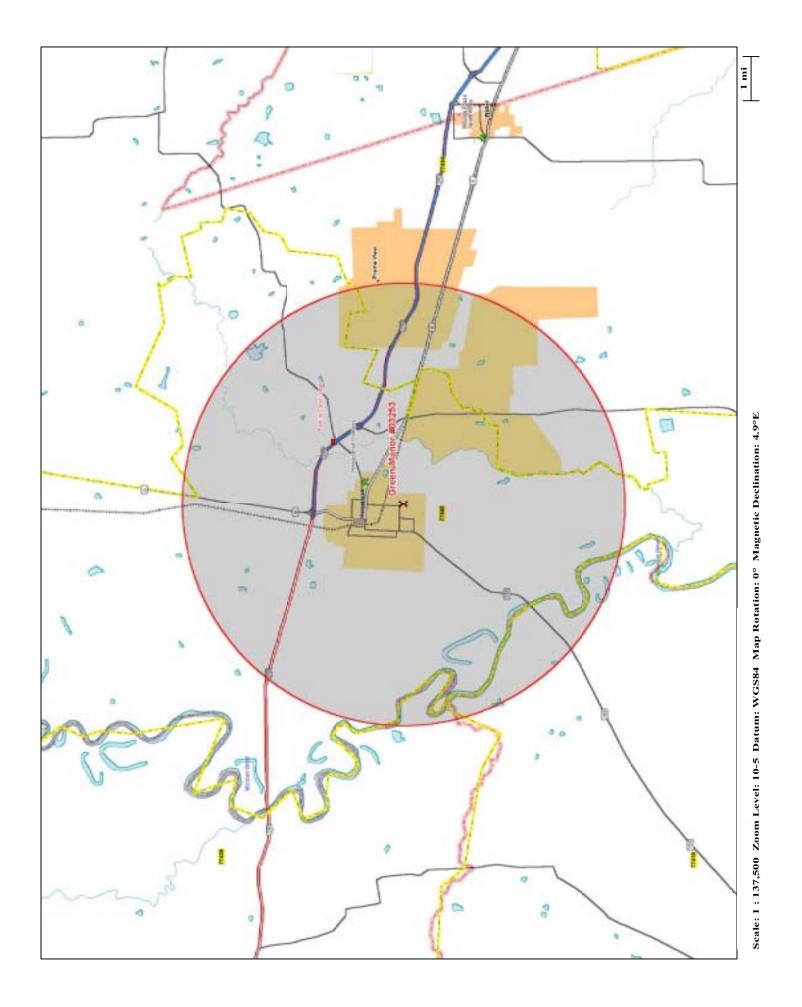
LIHTC Allocation Calculation - Green Manor, Hempstead, LIHTC 03253/HOME 2003-0017

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost	·					
Purchase of land	\$50,000	\$27,372				
Purchase of buildings	\$1,136,105	\$1,158,733	\$1,136,105	\$1,158,733		
(2) Rehabilitation/New Construction Cost						
On-site work	\$18,905	\$18,905			\$18,905	\$18,905
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$233,095	\$233,095			\$233,095	\$233,095
(4) Contractor Fees & General Requirements				· ·		
Contractor overhead	\$5,040	\$5,040			\$5,040	\$5,040
Contractor profit	\$15,120	\$15,120			\$15,120	\$15,120
General requirements	\$15,120	\$15,120			\$15,120	\$15,120
(5) Contingencies	\$28,728	\$25,200			\$25,200	\$25,200
(6) Eligible Indirect Fees	\$44,800	\$44,800			\$44,800	\$44,800
(7) Eligible Financing Fees	\$29,068	\$29,068			\$29,068	\$29,068
(8) All Ineligible Costs	\$9,586	\$9,586				
(9) Developer Fees			\$170,416		\$57,952	
Developer overhead	\$45,779	\$45,779		\$34,332		\$11,447
Developer fee	\$183,118	\$183,118		\$137,329		\$45,789
(10) Development Reserves	\$39,212	\$39,212				
TOTAL DEVELOPMENT COSTS	\$1,853,676	\$1,850,148	\$1,306,521	\$1,330,395	\$444,300	\$443,584
	1					
Deduct from Basis:						
All grant proceeds used to finance costs in eligil	ole basis					
B.M.R. loans used to finance cost in eligible bas	is					
Non-qualified non-recourse financing						

Total Credits (Eligible E	Basis Method)			\$84,481	\$85,288
Syndication Proceeds	0.7699	\$365,149	\$371,821	\$285,292	\$284,832
TOTAL AMOUNT OF TAX CREDITS		\$47,427	\$48,293	\$37,055	\$36,995
Applicable Percentage		3.63%	3.63%	8.34%	8.34%
TOTAL QUALIFIED BASIS		\$1,306,521	\$1,330,395	\$444,300	\$443,584
Applicable Fraction		100%	100%	100%	100%
TOTAL ADJUSTED BASIS		\$1,306,521	\$1,330,395	\$444,300	\$443,584
High Cost Area Adjustment				100%	100%
TOTAL ELIGIBLE BASIS		\$1,306,521	\$1,330,395	\$444,300	\$443,584
Historic Credits (on residential portion only)					
Non-qualified portion of higher quality units [42(d)(3)]					
Non-qualified non-recourse financing					
B.M.R. loans used to finance cost in eligible basis					

\$650,441
\$85,495
\$658,246
\$667,571
\$86,706

\$656,654



TDHCA # 03254

Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Development Name: Ba	you Bend Ap	artments		TDHCA #	#: 03254
DEVELOPMENT LOCATION	AND DESIGNAT	IONS			
Region: 6 City: Waller		Site Address County:	s: 3025 Waller S Waller	treet Zip Code: 7748	4
	QCT	Purpose / A	ctivity: Acquisitio	n/Rehab	
Targeted Units: Family: 5	6 Elderly: 0	Handicappe	ed/Disabled 3	Domestic Abuse: 0	Transitional: 0
Set Asides: Genera	I 🗹 At-Risk	□ Nonprof	it 🗹 Rural	✓ TX-USDA-RHS	Elderly
OWNER AND PRINCIPAL IN	NFORMATION	Owner Entity N	lame: FDI-BB 20	03, Ltd	
Principal Names		Principal	Contact	Percentage Owner	ship
Fieser Real Estate Investments	s, Inc.	James W.	Fieser	.01% of Owner	
TAX CREDIT ALLOCATION					
Annual Credit Allocation Re		\$119,81	2 Allocatio	n over 10 Years:	\$1,198,120
		le Basis Amou		Equity/Gap Amount	\$120,827
			. ,		φ120,021
		Playgrou	MENT AMENITIES	(no extra cost to tenant)	ith Internet
Eff <u>1 BR</u> <u>2 BR</u>			on facilities	✓ Public Phones	lan memer
30% 0 0 C		Perimete	r Fence with Contro		
40% 0 0 0 50% 0 12 0			•	r Hook-Ups in Units	
00,0			•	nter or Community Meal F	Room
60% 0 1 43 MR 0 0 0			d Community Room		
Total 0 13 43				a cost to tenant)	Dedreeme
Total LI Units:	56	Covered Mini Blind		Computer Line in all	
Owner/Employee Units:	0		Connections	Storage Room	, ratoriori, Batrio
Total Project Units:	56		Equipment	✓ 25 year Shingle Roo	ofing
Applicable Fraction:	100.00		Parking	Covered Patios or B	
Applicable fraction is the lesser of the unit fraction			array Efficient Alter	Greater than 75% N	
attributable to low income units.			lergy Ellicient Altern	native Construction Materi	ais
BUILDING INFORMATION					
Total Development Cost:		\$2,610,391	Average Square	Feet/Unit	749
Gross Building Square Feet	t	46,206	Cost Per Net Re	entable Square Foot	\$58.06
Total Net Rentable Area Sq	uare Feet:	44,957	Credits per Low	Income Uni	\$2,140
INCOME AND EXPENSE IN	FORMATION		FINANCING		
Effective Gross Income		\$228,026	Permanent Prine	-	\$1,680,114
Total Expenses:		\$175,015	Applicant Equity		\$7,816
Net Operating Income		\$53,011	Equity Source:		d Developer Fee
Estimated 1st Year Debt Co	overage Ratio	1.12	Syndication Rate	e:	\$0.7699
DEVELOPMENT TEAM	Note: "NA"	= Not Yet Avail	able		
Developer: Fieser D	evelopment, Inc.		Market Analyst:	The Gerald Teel Cor	mpany
•	ction Supervisors		Originator/UW:	NA	
Engineer: NA			Appraiser:	The Gerald Teel Co	
Cost Estimator: NA			Attorney:	Wilson, Cribbs, Gore	
Architect: David J.	-		Accountant:	Marshall & Shafer, F	PC .
Property Manager Hamilton			Supp Services	NA	
Syndicator: Midland	Equity Corporation	on	Permanent Lende	er U.S. Department of	Agriculture (RHS)

Project Name: Bayou Bend Apartments	Project Number: 03254
PUBLIC COMMENT SUMMARY Note: "O" = Oppo	se, "S" = Support, "N" = Neutral, "NC" or Blank = No comment
# of Letters, Petitions, or Witness Affirmation FormsA resolution was passed by the local government	
Local/State/Federal Officials with Jurisdiction:	Comment from Other Public Officials:
Local Official:Danny Marburger, Mayor City of Waller,TX Representative:Glenn Hegar, Jr., District 28, S	
TX Senator: Ken Armbrister, District 18, N	
US Representative: US Senator:	
General Summary of Comment: Some Support	
DEPARTMENT EVALUATION	
Points Awarded: 44 Site Finding: Accepta	ble Underwriting Finding: Approved with Conditions
	f an increase of at least 6.0% in the Basic Rent prior to close of
Receipt, review and acceptance of a firm commitment from TX	C-USDA-RHS indicating actual principle and terms.
Receipt, review and acceptance of documentation from USDA more than the outstanding loan balance of the USDA notes.	prior to Carryover, recognizing the transfer sales price of this property of
	iliation of the reserve account with respect to how those reserves will be nent and documentation from USDA accepting their use as proposed.
Should the terms of the proposed rents, debt, or syndication b	e altered, the development should be re-evaluated.
Alternate Recommendation: NA	
RECOMMENDATION BY THE PROGRAM MANAGE PRODUCTION AND THE THE EXECUTIVE AWARD A	R, THE DIRECTOR OF MULTIFAMILY FINANCE
□ Score	ed Set Aside
\Box To serve a greater number of lower income families for few	er credits.
To ensure geographic dispersion within each Uniform State	-
To ensure the Development's consistency with local needs	
	t entities as practicable w/out diminishing the quality of the housing built.
☐ To give preference to a Development located in a QCT or E ☐ To provide integrated, affordable accessible housing for inc	
Explanation: This Development is needed to meet the US	
· · ·	
Robert Onion, Manager of Awards and Allocation Date	Brooke Boston, Director of Multifamily Finance Production Date
	Dale
Edwina Carrington, Executive Director Date	—
Chairman of Executive Award and Review Advisory Committee	
BOARD OF DIRECTOR'S APPROVAL AND DESCRIP	TION OF DISCRETIONARY FACTORS (if any):
Approved Credit Amount: Da	ate of Determination:
Michael E. Jones, Chairman of the Board	Date

		1
	eveloper Evaluation	
Project ID # 03254 Nat	me: Bayou Bend Apartments	City: Waller
LIHTC 9% 🗹 LIHTC 4% 🗆 HOM	$_{\rm E}$ \square $_{\rm BOND}$ \square $_{\rm HTF}$ \square $_{\rm SECO}$	ESGP Other
□ No Previous Participation in Texas	\Box Members of the development team	have been disbarred by HUD
National Previous Participation Certifi	cation Received: V/A	\Box Yes \Box No
	Previous Participation Certification:	
	Portfolio Management and Complia	nce
Projects in Material Noncompliance:	No 🖌 Yes 🗌	# of Projects: 0
Total # of Projects monitored:3	Projects grouped by score 0-9 2	10-19 1 20-29 0
Total # monitored with a score less that	n 30: <u>3</u> # not yet monitore	ed or pending review: 0
Program Monitoring/Draws		
Not applicable 🖌 Review pending	No unresolved issues	Unresolved issues found
Unresolved issues found that warrant dise	qualification (Additional information/comm	ents must be attached \Box
Asset Management		
Not applicable Review pending	No unresolved issues 🗸	Unresolved issues found
Unresolved issues found that warrant dise	qualification (Additional information/comm	ents must be attached
Reviewed by Sara Carr Newson	n Date <u>sday</u>	r, May 08, 2003
M	ultifamily Finance Production	
Not applicable Review pending		Unresolved issues found
Reviewed by R Meyer	Date 5 /28/2003	
-		
Not applicable Review pending	Le Family Finance Production	Unresolved issues found
	qualification (Additional information/comm	
Reviewed by	Date	
	Community Affairs	
Not applicable r Review pending	No unresolved issues unalification (Additional information/comm	Unresolved issues found
Reviewed by Eddie Fariss	Date <u>5 /5 /2003</u>	
Not applicable 🗸 Review pending	Office of Colonia Initiatives No unresolved issues	Unresolved issues found
	qualification (Additional information/comm	
Reviewed by <u>H Cabello</u>	Date <u>6 /10/2003</u>	
Real Estate A	nalysis (Cost Certification and Workout)	
Not applicable Review pending	No unresolved issues unalification (Additional information/comm	Unresolved issues found
Reviewed by	Date	
	Loan Administration	
Not applicable 🗌		elinquencies found 🗌
Delinquencies found that warrant disqual	ification (Additional information/comments	must be attached) \Box
Reviewed by Stephanie Stuntz	Date <u>5 /6 /2003</u>	
Executive Director: Edwina	Carrington Executed:	Friday, June 13, 2003

DATE:	June 10, 2003	3 PROGRA	9% LIH	ГС	FILE N	NUMBER:	032				
			HOME				200	03-0018			
		D	EVELOPMENT N	AME							
			Bayou Bend	l							
			APPLICANT								
Name:	FDI-BB 2003	3, Ltd.	Туре:	For Profit	t						
Address:	26735 Stockd	lick School Road	City:	Katy			State:	TX			
Zip:	77493 Con	ntact: James W Fiese	Phone:	(281)	371-7320	Fax:	(281)	371-2470			
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS											
Name:	Fieser Real E	state Investments	(%):	0.01	Title:	Managing	g Genera	al Partner			
Name:	James W Fies	ser	(%)	n/a	Title:	Develope	er				
		P	ROPERTY LOCA	TION							
Location:	3025 Waller	Street			[QCT		DDA			
City:	Waller		County:	Waller		Zi	p: _	77484			
			REQUEST								
	Amount	Interest Rat		Amortizati	0.10		Term				
	\$120,931	n/a	<u> </u>	n/a			<u>Term</u> n/a				
<i>,</i>	\$250,000	3%		30 yrs			30 yrs				
2)	\$230,000			•		4	50 yis				
Other Req	uested Terms:	1) Annual ten-year all	location of low-in	come nous	ing tax credi	ts					
		2) HOME funds									
Proposed I	Use of Funds:	Acquisition/ Rehab	Propert	у Туре:	Multifa	•					
Set-Aside(s): 🗌 Gener	ral 🛛 Rural 🖂	TX RD	Non-Profi	t 🗌 El	lderly	At At	Risk			
		R	ECOMMENDA1	ION							
IXI		O APPROVAL OF FOR TEN YEARS, SI				TO EX	CEED	\$119,812			

RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$250,000, STRUCTURED AS A 30-YEAR FULLY-AMORTIZING LOAN AT 1% INTEREST, SUBJECT TO CONDITIONS

CONDITIONS

- 1. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 6.0% in the Basic Rents prior to construction close;
- 2. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms;
- 3. Receipt, review, and acceptance of documentation from USDA prior to carryover, recognizing the transfer sales price of this property of more than outstanding loan balance of the USDA notes;

- 4. Receipt, review, and acceptance prior to carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting there use as proposed;
- 5. Receipt, review, and acceptance of documentation clarifying the unit mix discrepancy prior to carryover;
- 6. Should the terms of the proposed rents, debt or syndication be altered, the development should be reevaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Bayou Bend was submitted and underwritten in the 2002 9% LIHTC cycle. The underwriting analysis recommended the project be approved subject to the following conditions:

- Receipt, review, and acceptance of confirmation that TXRD/ USDA has approved the loan transfer on an existing terms basis. Should the terms of the TXRD loan change a re-evaluation of the conclusions herein should be conducted; and,
- Receipt review and acceptance of documentation clarifying this discrepancy in the number of onebedroom and two-bedroom units. Documentation should include revised building plans and rent roll if there are less than 14 one-bedroom units or reschedule and TXRD/USDA budgets if there are 14 onebedroom units.

The Applicant requested \$123,808 annually in tax credits. The project received an allocation of \$96,390 in tax credits, but returned the credits on September 9, 2002 due to the difference in the amount requested and the actual allocation.

-					DE		OPME	NT SP	ECIFIC	ATIO	NS							
							IMPE	ROVE	MENTS									
Total Units:	<u>56</u>	# Re Buile	ntal dings	<u>8</u>	# Common Area Bldgs	<u>1</u>	# of Floors	<u>2</u>	Age:	<u>20</u>	yrs	Vacai	nt:	<u>7</u>	at	<u>01</u> /	<u>16</u> /	<u>2003</u>
Net Rei	ntable	SF:	44,95	7	Av Un SF:	7	49	Comn	ion Are	a SF:	1,2	.49	Gros	s Bld	g SF:	4	6,206	

STRUCTURAL MATERIALS

Wood frame on a post-tensioned concrete slab on grade, 75% masonry brick veneer 25% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.

APPLIANCES AND INTERIOR FEATURES

Carpeting & vinyl flooring, range & oven, hood & fan, refrigerator, tile tub/shower, individual water heaters, heat pump.

ON-SITE AMENITIES

Community room, management office, laundry facility, kitchen, restrooms, equipped children's play area.

Uncovered Parking: 92 spaces Carports: n/a spaces Garages: n/a spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Bayou Bend is a proposed acquisition and rehabilitation development of 56 units of affordable housing located in Waller. The development was built in 1984 and is comprised of eight residential buildings as follows:

- Six Building Style A with two one-bedroom units and six two-bedroom units;
- One Building Style B with two one-bedroom units and two two-bedroom units; and
- One Building Style C with four two-bedroom units.

The above building configuration suggests a total of 14 one-bedroom units and 42 two-bedroom units, while the rent schedule indicates 13 one-bedroom units and 43 two-bedroom units. The current rent roll confirms 14 one-bedroom units but the latest TXRD/USDA budget reflects 13 one-bedroom units. The rehabilitation plan does not indicate conversion of any units to accommodate this difference. Receipt review and acceptance of documentation clarifying this discrepancy in the number of one-bedroom and two-bedroom

units is a condition of this report. Based on the site plan the apartment buildings are distributed evenly throughout the site with the community building located at the entrance. A floor plan for the community building was not provided.

Existing Subsidies: The property currently operates under TX-USDA-RHS rent restrictions. All 56 units have rents restricted to the 2003 approved basic rent for the property: \$293 per month for one-bedroom units and \$350 per month for two-bedroom units. Upon transfer of the property and existing note, the Applicant plans to request an increase in the basic rent limits to \$310 per month and \$371 per month. The requested rent level represents a moderate 6% increase. According to the rental assistance worksheet provided in the Application, 16 units are currently receiving rental assistance.

Development Plan: The work write-up, signed by the architect, includes: rough grading, flush site sanitary lines, new signage, parking striping, landscaping, work to the playground area, dumpster screens, porch repair, stair tread, replace doors, install insulation, new roofing, replace gutters, electrical work, repair/replace toilets and sinks, upgrade water heaters, replace air conditioners, install ceiling fans and vent fans, replace doors, new solar screens, repair drywall, replace flooring, power wash building, interior and exterior paint, and replace range, hood/fan and refrigerator. In addition, work will be done to convert two units to allow for handicapped accessibility.

The development is currently 87.5% occupied. The Applicant has indicated that a relocation plan and budget are not applicable because no tenants will be relocated.

<u>Architectural Review</u>: The elevations are typical of 1980's construction with majority brick exteriors and breezeways. All units are of average size for market rate units in the area, and they have functional floor plans with adequate storage space. The buildings are in two-story walk-up structures and each unit has a single entry that is off an interior breezeway shared with other units on each floor.

Supportive Services: The Applicant does not plan to provide supportive services.

Schedule: The Applicant anticipates construction to begin in November of 2003, to be completed in May of 2004, to be placed in service in May of 2004, and to be substantially leased-up in May of 2004.

				SITE ISSUES	
				SITE DESCRIPTION	
Size:	3.458	acres	150,630	square feet Zoning/ Permitte	ed Uses: R3/Multifamily
Flood 2	Zone Designa	tion:	Zone X	Status of Off-Sites: Fu	lly Improved

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject is located on the east line of Waller Street between Old US Highway 290 and Reinke Road in the northwest quadrant of the City of Waller. Waller is located on the Harris/Waller County line off of US 290, 45-55 miles northwest of the Houston Central Business District. Houston is located about 40 miles northwest of the Gulf of Mexico in southeast Texas.

Population: Currently, almost four million people live in the Houston metropolitan area. In 2000, Waller County had a population of 27,488, which is expected to increase to 37,796 by 2010. The immediate neighborhood had a population of 9,821 in 2000, projected at 11,660 for 2005. This equates to 2,643 households in 2000 and 3,299 households in 2005.

<u>Adjacent Land Uses</u>: The area is developed primarily with residential concerns. Typical development consists of single- and multi-family residential, vacant SFR lots, duplexes and mobile homes.

<u>Site Access</u>: Immediate access to the site is from Waller Street. The subject area is accessed via US Highway 290, the primary roadway between Houston and the subject. Additionally, State Highway 6, just west of Hempstead, provides access to the main campus of the Texas A & M University, 35-45 miles northerly. Interstate 10, the primary intercoastal route from California to Florida is located about 22-25 miles to the south.

<u>Public Transportation</u>: The availability of public transportation is unknown.

Shopping & Services: Shopping and services within the subject area was not directly addressed by the submitted market study.

Site Inspection Findings: The site was inspected by an ORCA staff member on April 24, 2003, and found to

be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Section 49.9(e)(13)(A) of the 2003 QAP states, "Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply [a Phase I Environmental Site Assessment]..."

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants. Twelve of the units (21%) will have rents restricted to the lesser of the low HOME rent or those affordable at 50% or less of AMGI, and the remaining units (79%) will have rents restricted to the lesser of the lesser of the high HOME rent or those affordable at 60% or less of AMGI.

As stated above, the development's rents are currently restricted by TX-USDA-RHS and the Applicant plans to continue to operate the development under the restrictions. Therefore, all tenants will pay only 30% of their monthly income towards rent. In addition. Due to the layering of LIHTCs and the below-market HOME funds, 40% of the units in each building must be leased to tenants with incomes at or below 50% of AMGI. Because the property is located within the Houston MSA the maximum tax credit and HOME rents are significantly higher than the proposed USDA rents.

		MAXIMUN	A ELIGIBLE	INCOMES		
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460

MARKET HIGHLIGHTS

Section 49.9(e)(13)(B) of the 2003 QAP states, "For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (11)(A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required..."

OPERATING PROFORMA ANALYSIS

Income: The development rents are currently restricted by TX-USDA-RHS at levels below the LIHTC 50% and 60% of AMGI limits. The Applicant plans to continue the TX-USDA-RHS restrictions, but to request a 6% increase in the basic rents.

The Applicant's secondary income projection of \$10 per unit per month appears to be overstated compared to the property's actual secondary income in 2002 despite which the Underwriter used the Applicant's \$10 estimate. The Applicant's vacancy and collection loss assumption of 7.5% is inline with Department guidelines. The Applicant's effective gross income figure is identical to the Underwriter's estimate.

Expenses: The underwriting projection of line item operating expenses is based upon information drawn from the most current TDHCA internal database, IREM (year-end 2001), and the subject development's actual operating expenses for 2002. The Applicant's total annual operating expense estimate of \$3,064 per unit is within 5% of the Underwriter's estimate.

<u>Conclusion</u>: The Applicant's income and expense are consistent with the Underwriter's estimate; however, net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity.

Due to the difference in net operating income estimates, the Underwriter's estimated debt coverage ratio (DCR) of 1.06 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this development should be limited to \$48,192 by reducing the HOME loan interest rate to 1%, which will be discussed in more detail in the Financing Structure Analysis section of this report. The above DCR and maximum debt service are based upon an increase of 6.0% increased as proposed by the Applicant. An increase of less than $\approx 6.0\%$ results in an even lower DCR and overall infeasibility of the development. Therefore, receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 6% in the Basic Rents is a condition of this report.

	ACQUISITION VALUATIO	N INFORMATION			
	APPRAISED V	ALUE			
Land Only: 3.46 acres	\$70,000	Date of Valuation:	02/	27/	2003
Existing Building(s): "as is"	\$2,040,000	Date of Valuation:	02/	27/	2003
Total Development: "as is"	\$2,110,000	Date of Valuation:	02/	27/	2003
Appraiser: The Gerald A Teel	Company City: Houston	Phone:	(713)	467-	-5858

APPRAISED ANALYSIS/CONCLUSIONS

<u>Analysis</u>: The appraiser utilized the sales comparison approach to estimate the value of the land as vacant and only the income approach to value the development as a whole. The reason for not performing an analysis of the value based on the sales comparison and cost approaches is not clear. Therefore, the "as is" value of the property is based on the subsidized basic rents of \$293 per month for one-bedroom units and \$350 per month for two-bedroom units, total annual expenses of a \$2,764 per unit, and an extremely low capitalization rate of 3.0%.

<u>Conclusion</u>: The proposed transfer of the property is not an identity of interest transaction; therefore, for purposes of this analysis, the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property.

			ASS	SESSED VALUE				
Land: 3.46 acres	\$55,360			Assessment for	2002			
Building:	\$392,620		Valuation by:	Waller Cour	nty Appraisal District			
Total Assessed Value:	\$447,980		Tax Rate:	Tax Rate: 2.88339				
		EVID	ENCE of SI	TE or PROPERTY CO	ONTROL			
Type of Site Control:	One to	Four Fa	mily Reside	ential Contract (Res	sale)			
Contract Expiration Date:	10/	31/	2003	Anticipated Cl	osing Date:	10/	31/	2003
Acquisition Cost:	\$1,605,	,044		Other Terms/Conditions:		\$175 F	K cash to	seller
Seller: Willowchase Ap	artments	, Ltd. (E	onald W So	owell) Rela	ted to Develop	nent Tear	n Membe	r: No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction. The submitted appraisal was used to determine the proportion of land to building value for calculation of the eligible basis for acquisition credits. Based on an appraised land value of \$70,000 and a total appraised value of \$2,110,000, the ratio of land cost to total cost is 33.2%. Applying this ratio to the sales price of \$1,605,044 results in a land cost of \$53,248 and an acquisition eligible basis of \$1,551,797. This actually provides a slightly higher acquisition value than claimed by the Applicant, thus the Applicant's value is acceptable. It should be noted that this amount of acquisition basis is \$169,724 more than was accepted in the previous year application when it was determined that the same seller was intending to remain as a part of the new development team. While the principal of the General Partner is known to be a long time business associate of the seller, no direct or indirect relationship between the seller and any development team member was disclosed or discovered in the current application. The Underwriter understands from previous discussions with USDA that a transfer of a USDA Section 515 property can not occur for more than the existing debt amount without USDA approval. USDA has been willing to approve such transfers if the seller's exit taxes can be proven to be more as a result of the transfer at the note balance than through foreclosure. In such cases the proven difference has been allowed to escape the transaction in order to bring in new ownership and encourage rehabilitation of the property. In this case the sales price appears to be \$175K more than the outstanding loan balance. Therefore, receipt review and acceptance of USDA approval of the transfer of the note in an amount greater than the balance of the note is a condition of this report. In addition it is not known what will become of the \$102K existing replacement reserve account. These funds could be used to fund a portion of the rehabilitation or lessen the need for new reserves to be established.

The USDA considers reserves to be fully funded at 10% of the outstanding balance and requires annual reserve contributions of at least 1% of the note amount until that balance is met. Receipt review and acceptance of a reconciliation of the replacement reserve account with regard to how it will be used in the proposed transaction is a condition of this report.

<u>Site work Cost</u>: The Applicant's claimed sitework costs of \$612 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate was verified by both the third party general contractor and architect, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$812. In addition, the Applicant allocated a disproportionate amount of this fee to the rehabilitation portion thus overstating the higher credit percentage rehabilitation basis and understating the lower credit percentage acquisition basis.

<u>**Other</u>:** The Applicant's eligible basis estimate included contingency cost exceeding the Department guideline for rehabilitation developments of 10% of site work and direct construction by \$5,410 and a reduction of an equal amount from eligible basis was required.</u>

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is after adjustments therefore generally acceptable. The Applicant's total development cost estimate is also within the HUD 221(d)(3) HOME subsidy limit of \$4,079,966.

Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter for overstated contingency cost and developer fees, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$2,434,067 is used to determine a credit allocation of \$119,812 from this method. It should be noted that the Applicant's eligible basis calculation had several significant errors discussed above, but these errors were materially offset by the Applicant's use of applicable percentages that are lower than the current underwriting percentages. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's total development cost to determine the recommended credit amount.

FINANCING STRUCTURE								
INTERIM CONSTRUCTION or GAP FINANCING								
Source: MuniMae Midland Contact: Stacey Kulyk								
Principal Amount:\$612,047Interest Rate:6% as of commitment, set at closing								
Additional Information: Subject to RD commitment								
Amortization: n/a yrs Term: 1 yrs Commitment: None Firm X Conditional								
LONG TERM/PERMANENT FINANCING								
Source: TX-USDA-RHS Contact: William Taylor								
Original Principal Amount: \$1,475,000 Unpaid Principal: (12/2002) \$1,430,044								
Interest Rate:10.75%, subsidized to 1%Additional Information:Assumption of existing loan								
Amortization: 50 yrs Term: 31 yrs Commitment: None Firm Conditional								
Annual Payment: \$37,254 Lien Priority: 1 st Commitment Date /								
LIHTC SYNDICATION								
Source: Midland Equity Corporation Contact: Ryan Luxon								
Address:Two Galleria Tower, 13455 noel Road, Suite 1430City:Dallas								
State: TX Zip: 75240 Phone: (888) 223-5794 Fax: (972) 404-9133								
Net Proceeds: \$930,346 Net Syndication Rate (per \$1.00 of 10-yr LIHTC) 77¢								
Commitment None Firm Conditional Date: 02/ 18/ 2003								

Additional Information:

APPLICANT EQUITY

Amount: n/a

Source: n/a

FINANCING STRUCTURE ANALYSIS

Interim Financing: MunieMae Midland will provide a construction loan of \$612,047 at an interest rate of 6.00% and term of twelve months.

<u>Permanent Financing</u>: The Applicant plans to assume payment of the existing TX-USDA-RHS loan. The deed of trust for the loan indicates \$1,475,000 at an interest rate of 10.75% and a final installment date of August 26, 2034. These notes are paid at 1% interest via an interest rate reduction program which requires in turn that the owner charge no more than the annually revised, budget based, Basic Rents. The remaining balance for the loan as of December 2002 was \$1,430,044.56. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual remaining principle and terms is a condition of this report.

<u>LIHTC</u> Syndication: MuniMae Midland also proposes to purchase a 99.99% interest in the Applicant providing syndication proceeds of \$930,346. The tax credits allocated to the partnership will be purchased at a rate of \$0.77 per tax credit dollar. The majority of the funds will be contributed upon completion of the planned rehabilitation and used to repay the construction loan.

Financing Conclusions: As stated above, the Applicant's total development cost, as adjusted by the Underwriter, was used to determine eligible basis and recommended annual tax credit allocation of \$119,812. This amount is supported by the gap in need and is slightly less than the gap and the Applicant's request.

Due to the projection of a DCR below the Department's minimum guideline of 1.10, it was determined that the total annual debt service should be limited to no more than \$48,192. The current USDA note payments have been estimated to be \$46K, though documentation from USDA was not provided to confirm this. It is not likely that a reduction will be approved by TX-USDA-RHS. The Underwriter calculated USDA debt service to be \$37,498 however. Even at this lower amount there is very limited room for additional debt service. Therefore, it is suggested that the annual debt service for the requested HOME funds be reduced by lowering the interest rate from the requested 3% to 1%. The term of the HOME loan would remain at 30 years. The recommendations of this report are conditioned upon receipt, review and acceptance of approval by TX-USDA-RHS of a 6% increase in Basic Rents. Also, without the requested HOME funds, the 15 year projection indicates that the development would not be able to repay the resulting deferred developer fees. Without the HOME funds and a 6% increase in the Basic Rents, the development appears to be infeasible. The long term feasibility of the development as measured by a standard 30-year proforma with 3% income growth and 4% expense growth reflects the developments failure after 20 years even with the increase in Basic Rents and award of HOME funds. The reason for the failure is the high expense to income ratio resulting from the artificially low USDA Basic Rents and tight monitoring of performance by USDA. The 100 basis point spread traditionally used in proforma analysis must be more tightly monitored in real life USDA loan performance in order to maintain long term feasibility.

<u>Return on Equity</u>: Since the Applicant is projected to contribute only a modest amount of owner equity to this project, a cash-on-cash rate of return on equity is not a reliable measure of the subsidy layering concern for which the calculation is required.

DEVELOPMENT TEAM IDENTITIES of INTEREST

James Fieser is listed as the principle of the Applicant, general partner and developer. The interim lender is also the proposed syndicator. These are common identities of interest for LIHTC/HOME-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant and General Partner are newly formed entities and, therefore, have no significant financial histories. However, James Fieser, owner of the general partner, submitted a joint financial statement with his wife Patricia dated as of February 5, 2003.

Background & Experience: James Fieser reports previous participation in two LIHTC developments totaling 64 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated operating expenses/operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.
- Significant inconsistencies in the application could affect the financial feasibility of the project.
- Items identified in previous reports have not been satisfactorily addressed.

Credit Underwriting Supervisor:		Date:	June 10, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 10, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Bayou Bend, Waller, LIHTC 03254/ HOME 2003-0018

	Number 12	1	No. of Baths	Size in SF 693	Gross Rent Lmt. \$558	Net Rent per Unit \$310	\$3,720	Rent per SF \$0.45	Tht Pd Util \$76.00	Wtr, Swr, Tr n/a
TC 50%/LH TC 60%/HH	12	1	1	693	670	310	310	0.45	76.00	n/a
TC 60%/HH	43	2	1	836	804	371	15,953	0.45	84.00	n/a
IC 60%/HH	43	2	I	630	804	371	15,955	0.44	84.00	11/ d
OTE: To avoid	d Federal taint	regarding th	e combination	of HOME and LIH	TC funds, 23 units	must be leased to te	nants earning not m	ore than 50% of AMI	in the HOME LUR	2A
TOTAL	56			803	\$749	\$357	\$19,983	\$0.44	\$82.14	n/a
TOTAL:	50	Total Not Do	AVERAGE:		\$749	TDHCA	\$19,983	\$0.44		6
POTENTIAL	GROSS RI		ntable Sq Ft:	44,957		\$239,795	\$239,796		USS Region IREM Region	Houstor
Secondary I			P	er Unit Per Month:	\$10.00	6,720	6,720	\$10.00	Per Unit Per Month	
	ort Income:					0	0			
	_ GROSS IN				7.500/	\$246,515	\$246,516	7.500/		
	Collection Lo		% of Poter s or Concess	itial Gross Income:	-7.50%	(18,489)	(18,492)	-7.50%	of Potential Gross R	ent
1 5	GROSS IN		3 01 0010033	10113		0 \$228,026	0 \$228,024			
EXPENSES		OOME	% OF EGI	PER UNIT	PER SQ FT	\$220,020	\$220,024	PER SQ FT	PER UNIT	% OF EGI
General & A	Administrativ	е	4.32%	\$176	0.22	\$9,855	\$10,852	\$0.24	\$194	4.76%
Managemer			8.35%	340	0.42	19,039	\$19,520	0.43	349	8.56%
Payroll & Pa			17.64%	718	0.89	40,230	\$37,183	0.83	664	16.31%
-	<i>Maintenance</i>		13.42%	546	0.68	30,603	\$28,045	0.62	501	12.30%
Utilities			1.52%	62	0.08	3,471	\$3,096	0.07	55	1.36%
Water, Sewe	er, & Trash		11.33%	461	0.57	25,831	\$28,700	0.64	513	12.59%
Property In:			4.93%	201	0.25	11,239	\$10,495	0.23	187	4.60%
Property Ta	ах	2.88339	7.08%	288	0.36	16,147	\$15,108	0.34	270	6.63%
, ,	Replacemer	its	7.37%	300	0.37	16,800	\$16,800	0.37	300	7.37%
Other Exper	nses: Compl	iance	0.79%	32	0.04	1,800	\$1,800	0.04	32	0.79%
TOTAL EXP	ENSES		76.75%	\$3,125	\$3.89	\$175,015	\$171,599	\$3.82	\$3,064	75.25%
NET OPERA	ATING INC		23.25%	\$947	\$1.18	\$53,012	\$56,425	\$1.26	\$1,008	24.75%
DEBT SER	VICE									
JSDA-RHS e	xisting loan		16.45%	\$670	\$0.83	\$37,499	\$49,902	\$1.11	\$891	21.88%
ГДНСА НОМ	0		5.55%	\$226	\$0.28	12,648		\$0.00	\$0	0.00%
TDHCA HOM			0.00%	\$0	\$0.00	0		\$0.00	\$O	0.00%
NET CASH			1.26%	\$51	\$0.06	\$2,865	\$6,523	\$0.15	\$116	2.86%
	DEBT COVE	RAGE RATIO)			1.06	1.13			
	DED DEBT C					1.12				
CONSTRUC	CTION COS	T								
Descri	iption	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	<u>% of TOTA</u>
Acquisition	Cost (site or	bldg)	61.61%	\$28,662	\$35.70	\$1,605,045	\$1,605,045	\$35.70	\$28,662	61.49%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			1.32%	612	0.76	34,260	34,260	0.76	612	1.31%
Direct Cons	struction		13.52%	6,288	7.83	352,140	352,140	7.83	6,288	13.49%
		40.000/	1.48%	690	0.86	38,640	44,050	0.98	787	1.69%
	:y	10.00%						0.52	414	0.89%
Contingenc	5	6.00%	0.89%	414	0.52	23,184	23,184			0.000/
Contingenc General Rec	q'ts		0.89% 0.30%	414 138	0.52 0.17	23,184 7,728	23,184 7,728	0.17	138	0.30%
Contingenc General Rec Contractor's	q'ts s G & A	6.00%						0.17 0.52	138 414	0.30%
Contingenc General Rec Contractor's Contractor's	q'ts s G & A s Profit	6.00% 2.00%	0.30%	138	0.17	7,728	7,728			
Contingenc General Rec Contractor's Contractor's ndirect Co	q'ts s G & A s Profit nstruction	6.00% 2.00%	0.30% 0.89%	138 414	0.17 0.52	7,728 23,184	7,728 23,184	0.52	414	0.89%
Contingenc General Red Contractor' Contractor' ndirect Con neligible Co	q'ts s G & A s Profit nstruction osts	6.00% 2.00%	0.30% 0.89% 2.22%	138 414 1,031	0.17 0.52 1.28	7,728 23,184 57,727	7,728 23,184 57,727	0.52 1.28	414 1,031	0.89% 2.21%
Contingenc General Red Contractor's Contractor's ndirect Col neligible Co Developer's	q'ts s G & A s Profit nstruction osts s G & A	6.00% 2.00% 6.00%	0.30% 0.89% 2.22% 0.65%	138 414 1,031 303	0.17 0.52 1.28 0.38	7,728 23,184 57,727 16,957	7,728 23,184 57,727 16,957	0.52 1.28 0.38	414 1,031 303	0.89% 2.21% 0.65%
Contingenc General Rec Contractor' Contractor's ndirect Cou neligible Co Developer's Developer's	q'ts s G & A s Profit nstruction osts s G & A s Profit	6.00% 2.00% 6.00% 2.99%	0.30% 0.89% 2.22% 0.65% 2.44%	138 414 1,031 303 1,137	0.17 0.52 1.28 0.38 1.42	7,728 23,184 57,727 16,957 63,660	7,728 23,184 57,727 16,957 63,660	0.52 1.28 0.38 1.42	414 1,031 303 1,137	0.89% 2.21% 0.65% 2.44%
Contingenc General Red Contractor Contractor ndirect Con neligible Co Developer's Developer's nterim Fina	q'ts s G & A s Profit nstruction osts s G & A s Profit	6.00% 2.00% 6.00% 2.99%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78%	138 414 1,031 303 1,137 4,547	0.17 0.52 1.28 0.38 1.42 5.66	7,728 23,184 57,727 16,957 63,660 254,639	7,728 23,184 57,727 16,957 63,660 254,639	0.52 1.28 0.38 1.42 5.66	414 1,031 303 1,137 4,547	0.89% 2.21% 0.65% 2.44% 9.75%
Contingenc; General Rec Contractor' Contractor' ndirect Con neligible Co Developer's Developer's nterim Fina Reserves	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing	6.00% 2.00% 6.00% 2.99%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68%	138 414 1,031 303 1,137 4,547 783	0.17 0.52 1.28 0.38 1.42 5.66 0.98	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945	7,728 23,184 57,727 16,957 63,660 254,639 43,872	0.52 1.28 0.38 1.42 5.66 0.98	414 1,031 303 1,137 4,547 783	0.89% 2.21% 0.65% 2.44% 9.75% 1.68%
Contingenc, General Rec Contractor' Contractor' ndirect Con neligible Co Developer's Developer's nterim Fina Reserves FOTAL COS	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22%	138 414 1,031 303 1,137 4,547 783 1,499	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87	7,728 23,184 57,727 16,957 63,660 254,639 43,872	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945	0.52 1.28 0.38 1.42 5.66 0.98 1.87	414 1,031 303 1,137 4,547 783 1,499	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22%
Contingenc: General Rec Contractor's Indirect Con neligible Co Developer's Developer's nterim Fina Reserves FOTAL COS Recap-Hard	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construction</i>	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78	414 1,031 303 1,137 4,547 783 1,499 \$46,614	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00%
Contingenc: General Rec Contractor's Contractor's Indirect Con neligible Co Developer's Developer's Neterim Fina Reserves TOTAL COS Recap-Hard GOURCES (q'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construction</i> OF FUNDS	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00% 18.39%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518 \$8,556	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94 \$10.66	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981 \$479,136	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391 \$484,546	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78 RECOMMENDED	414 1,031 303 1,137 4,547 783 1,499 \$46,614 \$8,653	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00% <i>18.56%</i>
Contingenc, General Rec Contractor's Contractor's Indirect Con neligible Co Developer's Developer's Neterim Fina Reserves FOTAL COS Recap-Hard SOURCES (JSDA-RHS e)	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing GT <i>Construction</i> OF FUNDS xisting Ioan	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00% 78.39% 54.90%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518 \$8,556 \$25,537	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94 \$70.66 \$31.81	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981 \$479,136 \$1,430,045	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391 \$484,546 \$1,430,045	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78 <u>RECOMMENDED</u> \$1,430,114	414 1,031 303 1,137 4,547 783 1,499 \$46,614 \$8,653 Developer fee	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00% <i>18.56%</i> e Available
Contingenc, General Rec Contractor's Contractor's Indirect Con neligible Co Developer's Developer's Developer's Neterim Fina Reserves FOTAL COS Recap-Hard SOURCES (JSDA-RHS e) FDHCA HOM	q'ts s G & A s Profit nstruction osts G & A s Profit ancing GT <i>Construction</i> OF FUNDS xisting Ioan IE	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00% 78.39% 54.90% 9.60%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518 \$8,556 \$25,537 \$4,464	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94 \$70.66 \$31.81 \$5.56	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981 \$479,136 \$1,430,045 250,000	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391 \$484,546 \$1,430,045 250,000	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78 <u>RECOMMENDED</u> \$1,430,114 250,000	414 1,031 303 1,137 4,547 783 1,499 \$46,614 \$8,653 Developer fee \$318,	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00% <i>18.56%</i> e Available 299
Contingenc, General Re Contractor' Contractor' Indirect Cou Ineligible Co Developer's Developer's Developer's Interim Fina Reserves TOTAL COS Recap-Hard SOURCES (JSDA-RHS e TDHCA HOM LIHTC Syndia	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing of <i>Construction</i> OF FUNDS xisting loan IE cation Proce	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00% 18.39% 54.90% 9.60% 35.71%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518 \$8,556 \$25,537 \$4,464 \$16,613	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94 \$70.66 \$31.81 \$5.56 \$20.69	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981 \$479,136 \$1,430,045 250,000 930,346	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391 \$484,546 \$1,430,045 250,000 930,346	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78 <u>RECOMMENDED</u> \$1,430,114 250,000 922,461	414 1,031 303 1,137 4,547 783 1,499 \$46,614 \$8,653 Developer fet \$318, % of Dev. Fet	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00% 78.56% e Available 299 e Deferred
Contingenci General Rec Contractor' Contractor' Indirect Coi Ineligible C Developer's Developer's Interim Fina Reserves TOTAL COS Recap-Hard SOURCES (USDA-RHS e TDHCA HOM LIHTC Syndia Deferred Dev Additional (e	q'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construction</i> OF FUNDS xisting loan IE cation Proce reloper Fees	6.00% 2.00% 6.00% 2.99% 11.94%	0.30% 0.89% 2.22% 0.65% 2.44% 9.78% 1.68% 3.22% 100.00% 78.39% 54.90% 9.60%	138 414 1,031 303 1,137 4,547 783 1,499 \$46,518 \$8,556 \$25,537 \$4,464	0.17 0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$57.94 \$70.66 \$31.81 \$5.56	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,604,981 \$479,136 \$1,430,045 250,000	7,728 23,184 57,727 16,957 63,660 254,639 43,872 83,945 \$2,610,391 \$484,546 \$1,430,045 250,000	0.52 1.28 0.38 1.42 5.66 0.98 1.87 \$58.06 \$10.78 <u>RECOMMENDED</u> \$1,430,114 250,000	414 1,031 303 1,137 4,547 783 1,499 \$46,614 \$8,653 Developer fee \$318,	0.89% 2.21% 0.65% 2.44% 9.75% 1.68% 3.22% 100.00% 18.56% e Available 299 e Deferred 6

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Bayou Bend, Waller, LIHTC 03254/ HOME 2003-0018

PAYMENT COMPUTATION

Primary	\$1,475,000	Term	600
Int Rate	1.00%	DCR	1.41
Secondary	\$250,000	Term	360
Int Rate	3.00%	Subtotal DCR	1.06
Additional		Term	
Int Rate		Aggregate DCR	1.06

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service
Secondary Debt Service
Additional Debt Service
NET CASH FLOW

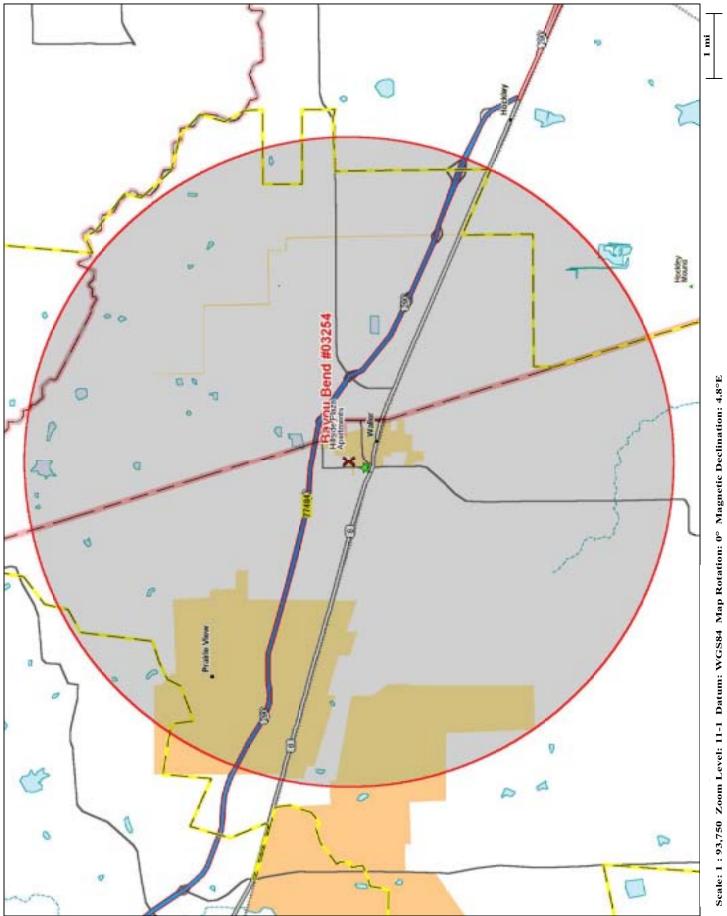
\$37,499	
9,649	
0	
\$5,863	

Primary	\$1,475,000	Term	600
Int Rate	1.00%	DCR	1.41
-			
Secondary	\$250,000	Term	360
Int Rate	1.00%	Subtotal DCR	1.12
Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.12

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GR	ROSS RENT	\$239,795	\$246,989	\$254,399	\$262,031	\$269,891	\$312,878	\$362,712	\$420,482	\$565,093
Secondary In	icome	6,720	6,922	7,129	7,343	7,563	8,768	10,165	11,784	15,836
Other Suppor	rt Income: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GR	ROSS INCOME	246,515	253,911	261,528	269,374	277,455	321,646	372,876	432,266	580,929
Vacancy & Co	ollection Loss	(18,489)	(19,043)	(19,615)	(20,203)	(20,809)	(24,123)	(27,966)	(32,420)	(43,570)
Employee or	Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GR	ROSS INCOME	\$228,026	\$234,867	\$241,913	\$249,171	\$256,646	\$297,523	\$344,910	\$399,846	\$537,359
EXPENSES at	t 4.00%									
General & Ad	iministrative	\$9,855	\$10,249	\$10,659	\$11,086	\$11,529	\$14,027	\$17,066	\$20,763	\$30,734
Management	t	19,039	19,610	20,198	20,804	21,428	24,841	28,797	33,384	44,866
Payroll & Pay	yroll Tax	40,230	41,839	43,513	45,253	47,064	57,260	69,666	84,759	125,464
Repairs & Ma	aintenance	30,603	31,827	33,100	34,424	35,801	43,557	52,994	64,475	95,439
Utilities		3,471	3,610	3,754	3,904	4,061	4,940	6,011	7,313	10,825
Water, Sewer	r & Trash	25,831	26,864	27,939	29,056	30,219	36,766	44,731	54,422	80,558
Insurance		11,239	11,689	12,156	12,643	13,148	15,997	19,463	23,679	35,051
Property Tax	:	16,147	16,793	17,465	18,163	18,890	22,982	27,961	34,019	50,357
Reserve for R	Replacements	16,800	17,472	18,171	18,898	19,654	23,912	29,092	35,395	52,393
Other		1,800	1,872	1,947	2,025	2,106	2,562	3,117	3,792	5,614
TOTAL EXPEN	ISES	\$175,015	\$181,825	\$188,902	\$196,256	\$203,898	\$246,844	\$298,898	\$362,002	\$531,301
NET OPERATIN	NG INCOME	\$53,012	\$53,042	\$53,011	\$52,915	\$52,748	\$50,679	\$46,013	\$37,843	\$6,058
DEBT	SERVICE									
First Lien Finar	incing	\$37,499	\$37,499	\$37,499	\$37,499	\$37,499	\$37,499	\$37,499	\$37,499	\$37,499
Second Lien		9,649	9,649	9,649	9,649	9,649	9,649	9,649	9,649	9,649
Other Financin	ng	0	0	0	0	0	0	0	0	0
NET CASH FLC	DW	\$5,863	\$5,894	\$5,863	\$5,766	\$5,599	\$3,531	(\$1,136)	(\$9,305)	(\$41,090)
DEBT COVERA	AGE RATIO	1.12	1.13	1.12	1.12	1.12	1.07	0.98	0.80	0.13

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
(1) Acquisition Cost						
Purchase of land	\$69,200	\$53,248				
Purchase of buildings	\$1,535,845	\$1,551,797	\$1,535,845	\$1,551,797		
(2) Rehabilitation/New Construction Cost	\$1,000,010	¢1,001,777	\$1,000,010	¢1/001////		
On-site work	\$34,260	\$34,260			\$34,260	\$34,26
Off-site improvements	\$017200	<i>401/200</i>			\$011200	\$01723
3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$352,140	\$352,140			\$352,140	\$352,14
4) Contractor Fees & General Requirements	\$552/115	¢002/110			\$002,110	\$002/1
Contractor overhead	\$7,728	\$7,728			\$7,728	\$7,72
Contractor profit	\$23,184	\$23,184			\$23,184	\$23,18
General requirements	\$23,184	\$23,184			\$23,184	\$23,18
(5) Contingencies	\$44,050	\$38,640			\$38,640	\$38,64
(6) Eligible Indirect Fees	\$57,727	\$57,727			\$57,727	\$57,72
(7) Eligible Financing Fees	\$43,872	\$43,872			\$43,872	\$43,8
(8) All Ineligible Costs	\$16,957	\$16,957			¢10/072	\$ 10/01
(9) Developer Fees	+ /	+ · -/ · - ·	\$230,377		\$87,110	
Developer overhead	\$63,660	\$63,660	\$200,077	\$46,324	\$377110	\$17,33
Developer fee	\$254,639	\$254,639		\$185,295		\$69,34
(10) Development Reserves	\$83,945	\$83,945		+		+ 1
TOTAL DEVELOPMENT COSTS	\$2,610,391	\$2,604,981	\$1,766,222	\$1,783,416	\$667,845	\$667,41
Deduct from Basis: All grant proceeds used to finance costs in eligi	ble basis				-	
B.M.R. loans used to finance cost in eligible bas Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (or residential portion only)	sis					
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only)	sis		¢1 744 000	¢1 702 414	\$447.045	¢447 M
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS	sis		\$1,766,222	\$1,783,416	\$667,845	
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) FOTAL ELIGIBLE BASIS High Cost Area Adjustment	sis				100%	100
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS	sis		\$1,766,222	\$1,783,416	100% \$667,845	100 \$667,4
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction	sis		\$1,766,222 100%	\$1,783,416 100%	100% \$667,845 100%	100 \$667,4 100
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS	sis		\$1,766,222 100% \$1,766,222	\$1,783,416 100% \$1,783,416	100% \$667,845 100% \$667,845	100 \$667,41 100 \$667,41
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction	sis		\$1,766,222 100% \$1,766,222 3.63%	\$1,783,416 100% \$1,783,416 3.63%	100% \$667,845 100% \$667,845 8.34%	\$667,4' 100 \$667,4' 100 \$667,4' 8.34 \$55,66
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS Applicable Percentage TOTAL AMOUNT OF TAX CREDITS	sis [2(d)(3)] 	0.7699	\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698	100 \$667,41 100 \$667,41 8.34 \$55,66
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) FOTAL ELIGIBLE BASIS High Cost Area Adjustment FOTAL ADJUSTED BASIS Applicable Fraction FOTAL QUALIFIED BASIS Applicable Percentage FOTAL AMOUNT OF TAX CREDITS Synd	sis	0.7699	\$1,766,222 100% \$1,766,222 3.63%	\$1,783,416 100% \$1,783,416 3.63%	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834	100 \$667,4 100 \$667,4 8.34 \$55,66 \$428,5
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) FOTAL ELIGIBLE BASIS High Cost Area Adjustment FOTAL ADJUSTED BASIS Applicable Fraction FOTAL QUALIFIED BASIS Applicable Percentage FOTAL AMOUNT OF TAX CREDITS Synd	sis [2(d)(3)] 		\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834 \$119,812	100 \$667,4 100 \$667,4 8.34 \$55,66 \$428,5 \$120,4
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) FOTAL ELIGIBLE BASIS High Cost Area Adjustment FOTAL ADJUSTED BASIS Applicable Fraction FOTAL QUALIFIED BASIS Applicable Percentage FOTAL AMOUNT OF TAX CREDITS Synd	sis		\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834	100 \$667,4 100 \$667,4 8.34 \$55,66 \$428,5 \$120,4
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS Applicable Percentage TOTAL AMOUNT OF TAX CREDITS Synd	sis 2(d)(3)] 2(d)(3)] 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	le Basis Method)	\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834 \$119,812	100 \$667,4 100 \$667,4 8.34 \$55,6 \$428,5 \$120,4
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS Applicable Percentage TOTAL AMOUNT OF TAX CREDITS Synd	sis 2(d)(3)] 2(d)(3)] 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	le Basis Method) ication Proceeds	\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834 \$119,812 \$922,461	100 \$667,4 100 \$667,4 8.34 \$55,6 \$428,5 \$120,4
Non-qualified non-recourse financing Non-qualified portion of higher quality units [42 Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS Applicable Percentage TOTAL AMOUNT OF TAX CREDITS Synd	sis 2(d)(3)] 2(d)(3)] 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	le Basis Method) ication Proceeds equested Credits ication Proceeds	\$1,766,222 100% \$1,766,222 3.63% \$64,114	\$1,783,416 100% \$1,783,416 3.63% \$64,738	100% \$667,845 100% \$667,845 8.34% \$55,698 \$428,834 \$119,812 \$922,461 \$120,931	100 \$667,41 100 \$667,41 8.34



TDHCA # 03255

Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	~											
Develo	pment	Name	Ceda	ar Cov	ve Apa	rtments				TDHCA #	#: ()3255
DEVELC	DPMEN		TION A	ND DES	SIGNAT	IONS						
Region: City:	: 6 Sea	aly				Site Addres County:		400 Eagle L Nustin	ake Drive Zip Co	ode: 7747	4	
🗌 TT	C 🗌	DDA		QCT		Purpose / A	ctivit	y: Acquisiti	on/Rehab			
Targete Set As			nily: 54 eneral	Elde ☑ A	rly: 0 t-Risk	Handicapp		sabled 4 Rural 	Domestic A	Nbuse: 0 SDA-RHS		nsitional: 0 Elderly
OWNER	RAND	PRINCI	PAL INF	ORMAI	ION C	Owner Entity I	Name	E FDI-CC 2	003, Ltd			
Principa	al Name	es				Principal	Cont	act	Percent	tage Owner	ship	
Fieser R	eal Esta	ate Inves	tments, I	nc.		James W	. Fies	ər	.01% o	fOwner		
		LLOCA		FORMA								
Annual	Credit	Allocati	on Reco	mmeno	latio	\$120,93	31	Allocati	on over 10 Y	ears:	\$1,20	09,310
Credits	Reque	sted	\$122,	045	Eligibl	e Basis Amo		\$120,931	Equity/Ga	p Amount	\$12	21,975
UNIT IN	FORM						MENT		(no extra co	st to tenant)		
	Eff	<u>1 BR</u>	2 BR	<u>3 BR</u>	Total	Playgrou		AMEITINES	·	ter Facility wi	th Inte	rnet
30%	0	0	0	0	0	Recreati		ilities	Public I	-		
40%	0	0	0	0	0				olled Gate Acc			
50%	0	0	0	0	0		-	-	or Hook-Ups in		loom	
60%	0	16	38	0	54		-	nmunity Room	enter or Comn	nunity Mear F	koom	
MR	0	0	0	0	0					ant)		
Total	0	16	38	0		UNIT AME		-	tra cost to tena	ter Line in all	Bedro	oms
Total LI	Units:				54	Mini Blin				c Tile - Entry		
Owner/		ee Unit	s:		0	Laundry			Storage			
Total P					54	Laundry				Shingle Roo	-	
Applica					00.00	Covered		ng	_	d Patios or B r than 75% N		
Applicable fra attributable to			unit fraction or	the square t	oot fraction	•		Efficient Alter	mative Constru			/ Exterior
BUILDIN	NG INF	ORMAT	ION									
Total D	evelopr	ment Co	ost:			\$2,538,504	Ave	erage Square	e Feet/Unit			771
Gross E	Building	Square	e Feet			42,427	Co	st Per Net Re	entable Squa	are Foot		\$60.95
Total N	et Rent	able Ar	ea Squa	re Feet	:	41,646	Cre	dits per Low	Income Uni			\$2,239
INCOM	NE AND	EXPEN	SE INFC	RMATI	ON			ANCING				
Effectiv	e Gross	s Incom	е			\$214,163			icipal Amoun	t:	9	51,599,389
Total Ex						\$163,361		plicant Equity	y.			\$8,039
Net Ope	-					\$50,802		uity Source:		Deferred	Deve	eloper Fee
Estimat	ed 1st	Year De	ebt Cove			1.12	-	ndication Rat	te:			\$0.7699
DEVELC	OPMEN	T TEAM		No	te: "NA"	= Not Yet Avai	ilable					
Develop	per:	Fie	ser Dev	elopme	nt, Inc.		Mark	et Analyst:	The Gera	ald Teel Cor	npany	,
Housing	-		nstructio	on Supe	ervisors	Inc.	-	nator/UW:	NA			
Enginee		NA						raiser:		ald Teel Cor		
Cost Es							Attor	•		Cribbs, Gore		laum
Archited			vid J. Al	-				ountant:		& Shafer, F	с	
	•	-	milton V		-			o Services	NA			
Syndica	ator:	Mic	dland Eq	uity Co	rporatio	n	Pern	nanent Lend	er U.S. Dep	artment of	Agricu	lture (RHS)

Project I	Number:	03255
-----------	---------	-------

Toject Name. Octai Oo	ve Apartmento			riojectivan	1001. 00200	
PUBLIC COMMENT SUM	ARY Note: "	'O" = Oppose	e, "S" = Support, "N" =	Neutral, "NC" or	Blank = No comme	nt
f Letters, Petitions, or V	Nitness Affirmat	ion Forms (r	not from Officials):	Support:	0 Opposition:	0
] A resolution was passe	d by the local go	overnment ir	n support of the dev	elopment.		
ocal/State/Federal Officials with	th Jurisdiction:		Comment from Other	Public Officials:		
	Reinbeck, Mayor, Ci	• •				
X Representative:	Lois Kolkhorst, D					
X Senator:	Ken Armbrister, D	District 18, N				
JS Representative:						
JS Senator:						
eneral Summary of Comment	: Some Support					
DEPARTMENT EVALUAT	ION					
Points Awarded: 43	3 Site Finding:	Acceptable	e Underwrit	ing Finding: Ap	proved with Cond	litions
	AITMENT					
Receipt, review and acceptanc		S approval of a	in increase in the Basic	Rents to at least \$3	310 for the one bedro	om unit
and \$363 for the two bedroom						
Receipt, review and acceptance			•			
Receipt, review and acceptanc nore than the current outstand				nizing the transfer s	ales price of this prop	erty of
Receipt, review and acceptand utilized in the proposed acquis						
Should the terms of the propos	sed rents, debt, or s	yndication be a	altered, the developmer	nt should be re-eval	luated.	
Alternate Recommendation:	NA					
ECOMMENDATION BY						
Score	_	ng a Required		_	the Regional Allocation	on
☐ To serve a greater number	of lower income fam	nilies for fewer	credits.			
☐ To ensure geographic dispe						
To ensure the Development	t's consistency with	local needs or	its impact as part of a r	evitalization or pres	servation plan.	
☐ To ensure the allocation of	credits among as m	any different e	ntities as practicable w/	out diminishing the	quality of the housing	g built.
☐ To give preference to a Dev	velopment located ir	n a QCT or DD	A that contributes to rev	vitalization.		
☐ To provide integrated, afford	dable accessible ho	using for indivi	iduals_ families with diffe	erent levels of incor	ne.	
xplanation: This Developm	ent is needed to m	neet the USDA	A and At-Risk Set-Asid	les.		
		. <u> </u>				
Robert Onion, Manager of Awar	rds and Allocation	Date	Brooke Boston, Dire	ector of Multifamily	Finance Production	Date
						Date
		. <u> </u>	-			
dwina Carrington, Executive D Chairman of Executive Award a		Date Committee				
OARD OF DIRECTOR'S					S (if any):	
			_		7 (" any).	
Approved Credit Amount:		Date	of Determination:]	
Ainhand E. James Obsiminary (the Decid	-	ata			
lichael E. Jones, Chairman of	me Board	Da	ate			

	Developer E	valuation							
Project ID # 03255	Name: Cedar Cove	e Apartments	City: Sealy						
LIHTC 9% 🗹 LIHTC 4% 🗆 H	OME BOND	HTF SECO	ESGP Other						
□ No Previous Participation in Texas	S \Box Members of the	e development team l	nave been disbarred by HUD						
National Previous Participation Ce Noncompliance Reported on Natio		\blacktriangleright N/A on Certification:							
	Portfolio Management and Compliance								
Projects in Material Noncompliance:	Projects in Material Noncompliance: No 🖌 Yes 🗌 # of Projects: 0								
Total # of Projects monitored: 3	Projects grouped by	score 0-9 2	10-19 1 20-29 0						
Total # monitored with a score less	than 30: <u>3</u>	# not yet monitored	or pending review: 0						
Program Monitoring/Draws									
Not applicable 🔽 Review pen Unresolved issues found that warran			Unresolved issues found \Box nts must be attached \Box						
Asset Management									
			Unresolved issues found						
Unresolved issues found that warran	t disqualification (Addition	al information/commen	nts must be attached \square						
Reviewed by Sara CarrNew	som	Date sday,	May 29, 2003						
	Multifamily Finance Production								
Not applicable Review pen Unresolved issues found that warran	ding No unreso	olved issues 🖌	Unresolved issues found \Box nts must be attached) \Box						
Reviewed by R Meyer	Date	5 /28/2003							
		olved issues	Unresolved issues found \square						
Reviewed by	Date		_						
Not applicable 🗹 Review pen Unresolved issues found that warran		olved issues	Unresolved issues found \Box nts must be attached) \Box						
Reviewed by Eddie Fariss	Date	<u>5 /5 /2003</u>							
Office of Colonia Initiatives Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues for Unresolved issues for unresolved issues for unresolved issues for that warrant disqualification (Additional information/comments must be attached									
Reviewed by <u>H Cabello</u>	Date	<u>6 /10/2003</u>	=						
Real Estat Not applicable Review pen Unresolved issues found that warrant		olved issues	Unresolved issues found \Box nts must be attached) \Box						
Reviewed by	Date		_						
Not applicable Delinquencies found that warrant dis	Loan Administration Not applicable No delinquencies found Delinquencies found Delinquencies found that warrant disqualification (Additional information/comments must be attached) Image: Comments must be attached								
Reviewed by <u>Stephanie Stuntz</u>	Date	5 /6 /2003	-						
Executive Director: Edwi	na Carrington	Executed:	Friday, June 13, 2003						

DATE:	June 9, 2003	PROGRAM	9% LIHT Preservat		FILE NUMBER:				
		DEV	ELOPMENT N	AME					
			Cedar Cove						
APPLICANT									
Name:	FDI-CC 2003	, Ltd.	Туре:	For Profit					
Address:	26735 Stocke	lick School Road	City:	Katy	State: TX				
Zip:	77493 Con	ntact: James W Fieser	Phone:	(281)	371-7320 Fax: (281) 371-2470				
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS									
Name:	Fieser Real E	state Investments	(%):	0.01	Title: Managing General Partner				
Name:	James W Fies	ser	(%):	n/a	Title: Developer				
		PRC							
Location:	1400 Eagle L				QCT DDA				
City:	Sealy		County:	Austin	Zip: 77474				
			· -						
			REQUEST						
	<u>Amount</u>	Interest Rate		Amortizatio	<u>n Term</u>				
1) \$122,045		n/a		n/a	n/a				
2) \$200,000		3%		30 yrs	30 yrs				
Other Rea	uested Terms:	1) Annual ten-year alloc	ation of low-ind	come housir	ng tax credits				
other neg	uesteu rerms.	2) Preservation Incentive	es Demonstratio	on Program					
Proposed Use of Funds:		Acquisition/ Rehab	Propert	у Туре:	Multifamily				
Set-Aside(s	s):	ral 🛛 Rural 🔀	TX RD	Non-Profit	🗌 Elderly 🔀 At Risk				
		REC	COMMENDAT	ION					

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$120,931 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A PRESERVATION AWARD NOT TO EXCEED \$200,000, STRUCTURED AS A FULLY-AMORTIZING LOAN TO BE REPAID AT AN INTEREST RATE OF 3% OVER A TERM OF 30 YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review and acceptance of TX-USDA-RHS approval of an increase in the Basic Rents to at least \$310 for the one bedroom unit and \$363 for the two bedroom unit;
- 2. Receipt, review and acceptance prior to carryover of a firm commitment from TX-USDA-RHS indicating actual principle and terms;
- 3. Receipt, review and acceptance of documentation from USDA prior to carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA notes;

- 4. Receipt, review and acceptance prior to carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting their use as proposed;
- 5. Should the terms of the proposed rents, debt, or syndication be altered, the development should be reevaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Cedar Cove was submitted and underwritten in the 2002 9% LIHTC cycle. The underwriting analysis recommended the project be approved subject to the following conditions:

∉ Receipt, review, and acceptance of confirmation that TXRD/USDA has approved the loan transfer on an existing terms basis. Should the terms of the TXRD loan change a re-evaluation of the conclusions herein should be conducted.

The Applicant requested \$123,035 annually in tax credits. The project received an allocation of \$93,636 in tax credits, but returned the credits on September 9, 2002 due to the difference in the amount requested and the actual allocation.

DEVELOPMENT SPECIFICATIONS								
IMPROVEMENTS								
Total Units:54# Rental Buildings7# Common Area Bldgs1# of Floors2Age:20yrsVacant:7at12/01/2002								
Net Rentable SF: 41,646 Av Un SF: 771 Common Area SF: 781 Gross Bldg SF: 42,427								
STRUCTURAL MATERIALS								
Wood frame on a post-tensioned concrete slab on grade,70% masonry brick veneer 30% plywood/composite exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.								
APPLIANCES AND INTERIOR FEATURES								
Carpeting & vinyl flooring, range & oven, hood & fan, refrigerator, tile tub/shower, ceiling fans, individual water heaters, heat pump.								
ON-SITE AMENITIES								
Management office, laundry facility, equipped children's play area.								
Uncovered Parking: 88 spaces Carports: n/a spaces Garages: n/a spaces								
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION								
Description: Cedar Cove is a proposed acquisition and rehabilitation development of 54 units of affordable housing located in Sealy. The development was built in 1986 and is comprised of seven residential buildings as follows:								
∉ Two Building Style A with eight one-bedroom units;								
∉ One Building Style B with two two-bedroom units;								
∉ Three Building Style C with eight two-bedroom units; and								
∉ One Building Style D with twelve two-bedroom units.								
Based on the site plan the apartment buildings are distributed evenly throughout the site with the								
office/laundry building located near the center.								
Existing Subsidies: The property currently operates under TX-USDA-RHS rent restrictions. All 54 units								
have rents restricted to the 2003 approved Basic Rent for the property: \$265 per month for one-bedroom units and \$325 per month for two bedroom units. Upon transfer of the property and existing note the								
units and \$325 per month for two-bedroom units. Upon transfer of the property and existing note, the Applicant plans to request an increase in the Basic Rent limits to \$310 per month and \$363 per month. The								
requested rent level represents a 12-17% increase. According to rental assistance worksheet provided in the								
Application, 25 units currently are receiving rental assistance.								
Development Plan: The work write-up, signed by the architect, includes: revise grading, site drainage, new								
sign, parking stripes, landscaping, add sand, border and equipment to playground, repair fencing, carpentry								

work on stairs, repair exterior door frame and replace hardware, ceiling insulation, replace gutters and downspouts, electrical work, install water saving shower heads, repair/replace toilets, replace fittings, replace water heaters, replace air conditioners, install new ceiling fans, replace doors, miscellaneous window repairs, install solar screens, patch drywall, replace flooring, interior and exterior painting, repair and replace cabinetry, replace range, hood and fan, and refrigerators. In addition, work will be done to convert two units to allow for handicapped accessibility.

The development is currently 87% occupied. The Applicant has indicated that a relocation plan and budget are not applicable because no tenants will be relocated.

<u>Architectural Review</u>: The elevations are typical of 1980's construction with majority brick exteriors. All units are of average size for market rate units in the area, and they have functional floor plans with adequate storage space. The buildings are two-story walk-up structures and the units have single entries off common balconies shared with other units on each floor.

Supportive Services: The Applicant does not plan to provide supportive services.

<u>Schedule</u>: The Applicant anticipates construction to begin in November of 2003, to be completed in May of 2004, to be placed in service in May of 2004, and to be substantially leased-up in May of 2004.

	SITE ISSUES							
	SITE DESCRIPTION							
Size:	3.948	acres	171,975	square feet Zoning/ Permitted Uses: n/a (Sealy)				
Flood 2	Zone Designat	tion:	Zone X	Status of Off-Sites: Fully Improved				

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject site is located on the south line of Eagle Lake Drive, just east of US Highway 90 in the southwest quadrant of the City of Sealy. Sealy is located in Austin County, in the Coastal Bend area about 75 miles northwest of the Gulf of Mexico.

Population: Currently, 5,248 people are estimated to live in Sealy. The immediate neighborhood had a population of 5,953 in 2000, projected at 6,279 for 2005. This equates to 2,173 households in 2000 and 2,309 households in 2005.

<u>Adjacent Land Uses</u>: This area is developed primarily with residential concerns. Typical development consists of single- and multi-family residential, duplexes and a new nursing home across the street from the subject.

Site Access: Immediate access is from Eagle Lake Drive. The subject area is accessed via IH 10, which effectively is the southern neighborhood boundary and is the primary intercoastal route from California to Florida. Access to this interstate freeway is via State Highway 36, which extends through the central portion of the City of Sealy.

<u>Public Transportation</u>: The availability of public transportation is unknown.

Shopping & Services: Shopping and services within the subject area was not directly addressed by the submitted market study.

Site Inspection Findings: The site was inspected by an ORCA staff member on April 23, 2003 and found to be poor for the proposed development. The inspector also noted the interior rehabilitation needed is extensive. Even though the Overall Site Assessment conclusion by the inspector was poor the site inspection report reflects less than 85% of the individual ratings were poor, in fact only seventeen or 25% were rated as poor and twelve or 18% were rated as good; therefore, the overall rating would be classified as acceptable.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Section 49.9(e)(13)(A) of the 2003 QAP states, "Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply [a Phase I Environmental Site Assessment]..."

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants with incomes at or

below 60% of AMGI.

As stated above, the development's rents are currently restricted by TX-USDA-RHS and the Applicant plans to continue to operate the development under the restrictions. Therefore, all tenants will pay only 30% of their monthly income towards rent. There are no specific requirements under the Preservation Incentives Demonstration Program other than requiring that affordable units remain affordable and encouraging owner's to maintain the current funding and a current or greater affordability level. Because the property is located within the Houston MSA, the maximum tax credit rents are significantly higher than the proposed USDA rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460

MARKET HIGHLIGHTS

Section 49.9(e)(13)(B) of the 2003 QAP states, "For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (11)(A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required..."

OPERATING PROFORMA ANALYSIS

Income: The development rents are currently restricted by TX-USDA-RHS at levels below the LIHTC 50% and 60% of AMGI limits. The Applicant plans to continue the TX-USDA-RHS restrictions, but to request a 12-17% increase in the Basic Rents.

The Applicant's secondary income projection of \$10 per unit per month and vacancy and collection loss assumption of 7.5% is consistent with Department guidelines and the development's operating history. The Applicant's effective gross income figure is identical to the Underwriter's estimate

Expenses: The underwriting projection of line item operating expenses is based upon information drawn from the most current TDHCA internal database, IREM (year-end 2001), and the subject development's actual operating expenses for 2002. The Applicant's total annual operating expense estimate of \$3,031 per unit is within 5% of the Underwriter's estimate. However, when compared to underwriting estimates, the following line item operating expenses exceeded the tolerance levels indicated in Section 1.32(d)(5) of the 2003 Underwriting, Market Analysis, Appraisal and Environmental Site Assessment Rules and Guidelines – property tax (more than 10% lower).

<u>Conclusion</u>: The Applicant's overall proform is consistent with the Underwriter's expectations, thus the Applicant's NOI will be used to evaluate debt service capacity.

Applying the proposed Basic Rent increase and the proposed debt service as recalculated by the Underwriter results in a debt coverage ratio that is below the Department's minimum debt coverage ratio guideline of 1.10. Therefore, the Underwriter believes that the Preservation loan rate needs to be reduced to 2%. Without the increase in rents as proposed, the Preservation loan at the higher rate cannot be repaid and the transaction becomes infeasible.

Receipt, review and acceptance of TX-USDA-RHS approval of an increase of Basic Rents is a condition of this report.

APPRAISED VALUE Land Only: 3.95 acres \$50,000 Date of Valuation: 02/ 27/ 2003 Existing Building(s): "as is" \$2,050,000 Date of Valuation: 02/ 27/ 2003 Total Development: "as is" \$2,100,000 Date of Valuation: 02/ 27/ 2003	ACQUISITION VALUATION INFORMATION									
Existing Building(s): "as is" \$2,050,000 Date of Valuation: 02/ 27/ 2003	Land Only: 3.95 acres			02/	27/	2003				
	•	· · · · · ·								
	Total Development: "as is"	\$2,100,000	Date of Valuation:	02/	27/	2003				

APPRAISED ANALYSIS/CONCLUSIONS

<u>Analysis</u>: The appraiser utilized the sales comparison approach to estimate the value of the land as vacant and only the income approach to value the development as a whole. The reason for not performing an analysis of the value based on the sales comparison and cost approaches is not clear. Therefore, the "as is" value of the property is based on the subsidized Basic Rents of \$286 per month for one-bedroom units and \$346 per month for two-bedroom units, total annual expenses of a \$2,690 per unit, and an extremely low capitalization rate of 3.0%.

Conclusion: The proposed transfer of the property is not an identity of interest transaction; therefore, for purposes of this analysis, the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property.

Land: 3.9486 acres	\$31,790			Assessment for						
Building:	\$496,865 \$528,655			Valuation by: Austin Cou		nty Appraisal District				
Total Assessed Value:				Tax Rate:	2.6118					
				TE or PROPERTY CO						
Type of Site Control:	One to	Four Fa	mily Reside	ential Contract (Res	sale)					
Contract Expiration Date:	10/	31/	2003	Anticipated Cl	osing Date:	10/	31/	2003		
Acquisition Cost:	\$1,548,389			Other Terms/0	Other Terms/Conditions:			\$149K cash to seller		
Acquisition Cost.						-				

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction. The submitted appraisal was used to determine the proportion of land to building value for calculation of the eligible basis for acquisition credits. Based on an appraised land value of \$50,000 and a total appraised value of \$2,100,000, the ratio of land cost to total cost is 24%. Applying this ratio to the sales price of \$1,548,389 results in a land cost of \$36,866 and an acquisition eligible basis of \$1,511,523. This actually provides a slightly lower acquisition value than claimed by the Applicant and thus the Applicant's value is overstated using this method. It should be noted that this amount of acquisition basis is \$143,726 more than was accepted in the previous year application when it was determined that the same seller was intending to remain as a part of the new development team. While the principal of the General Partner is known to be a long time business associate of the seller, no direct or indirect relationship between the seller and any development team member was disclosed or discovered in the current application. The Underwriter understands from previous discussions with USDA that a transfer of a USDA section 515 property can not occur for more than the existing debt amount without USDA approval. USDA has been willing to approve such transfers if the seller's exit taxes can be proven to be more as a result of the transfer at the note balance than through foreclosure. In such cases the proven difference has been allowed to escape the transaction in order to bring in new ownership and encourage rehabilitation of the property. In this case the sales price appears to be \$149,000 more than the outstanding loan balance. Therefore, receipt review and acceptance of USDA approval of the transfer of the note in an amount greater than the balance of the note is a condition of this report. In addition it is not known what will become of the \$23.5K existing replacement reserve account.

These funds could be used to fund a portion of the rehabilitation or lessen the need for new reserves to be established. The USDA considers reserves to be fully funded at 10% of the outstanding balance and requires annual reserve contributions of at least 1% of the note amount until that balance is met. Receipt review and acceptance of a reconciliation of the replacement reserve account with regard to how it will be used in the proposed transaction is a condition of this report.

<u>Site work Cost</u>: The Applicant's claimed sitework costs of \$741 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate was verified by both the third party general contractor and architect, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$851. In addition, the Applicant allocated a disproportionate amount of this fee to the rehabilitation portion thus overstating the higher credit percentage rehabilitation basis and understating the lower credit percentage acquisition basis.

<u>**Other</u>:** The Applicant's eligible basis estimate included contingency cost exceeding the Department guideline for rehabilitation developments of 10% of site work and direct construction by \$6,521 and a reduction of equal amount from eligible basis was required.</u>

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter for overstated acquisition basis contingency cost and developer fees, is used to calculate eligible basis and determine the LIHTC allocation. Aside from these differences the Underwriter's costs are identical so in this case it appears that the Underwriter's costs are being used when in fact they are the Applicant's adjusted costs. As a result an eligible basis of \$2,431,686 is used to determine a credit allocation of \$120,931 from this method. It should be noted that the Applicant's eligible basis calculation had several significant errors discussed above, but these errors were materially offset by the Applicant's use of applicable percentages that are lower than the current underwriting percentages. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's total development cost to determine the recommended credit amount.

				FINANCING	G STRUCT	URE				
			INTERIA	A CONSTRUCTION	ON or GAF	P FINANCIN	١G			
Source:	MuniMa	e Midland			(Contact:	Stacey	Kulyk		
Principal A	Amount:	\$620,326		Interest Rate:	6% as	s of commit	tment, se	t at clos	sing	
Additional	Informatio	on: Subje	ct to RD co	mmitment						
Amortizat	ion: n/a	yrs T	erm: 1	yrs Con	nmitment:	Nor	ne	Firm		Conditional
			LOI	NG TERM/PERM	ANENT FIN	NANCING				
Source:	TX-USD	A-RHS			(Contact:	William	1 Taylor	•	
Original P	rincipal Ar	nount: \$1	,441,800		Unpaid P	rincipal: (12	2/2002)	\$1,39	9,389	
Interest Ra	ate:	9.50%, s	ubsidized to	o 1%	Addition	al Informati	ion: A	ssumpti	ion of ex	kisting loan
Amortizat	ion: 50	yrs T	erm: 33	yrs Com	mitment:	Non Non	ne 🗌	Firm		Conditional
Annual Pa	yment:	\$36,780		Lien Priority:	1 st	Commitme	nt Date	/	/	
				LIHTC SYN	NDICATION	١				
Source:	Midland	Equity Corp	ooration			Contact:	Rya	n Luxoi	n	
Address:	Two Ga	lleria Tower	, 13455 noe	el Road, Suite 14	430	City:	Dallas			
State:	TX	Zip:	75240	Phone:	(888)	223-5794]	Fax:	(972)	404-9133
Net Procee	eds:	\$939,115		Net Syndication	n Rate (per	\$1.00 of 10-	yr LIHT	C)	77¢	

MULTIFAMILY UNDERWRITING ANALYSIS									
Commitment None Firm Conditional Date: 02/ 18/ 2003 Additional Information:									
APPLICANT EQUITY									
Amount: n/a Source: n/a									
FINANCING STRUCTURE ANALYSIS									
Interim Financing: MunieMae Midland will provide a construction loan of \$620,326 at an interest rate of 6.00% and term of twelve months.									
Permanent Financing: The Applicant plans to assume payment of the existing TX-USDA-RHS loan. The deed of trust for the loan indicates \$1,441,800 at an interest rate of 9.50% and a final installment date o December 22, 2036. These notes are paid at 1% interest via an interest rate reduction program which requires in turn that the owner charge no more than the annually revised, budget based, Basic Rents. The remaining balance for the loan as of December 2002 was \$1,399,389.18. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating the actual remaining principle and terms is a condition of this report.									
LIHTC Syndication: MuniMae Midland also proposes to purchase a 99.99% interest in the Applicant providing syndication proceeds of \$939,115. The tax credits allocated to the partnership will be purchased a a rate of \$0.77 per tax credit dollar. The majority of the funds will be contributed upon completion of the planned rehabilitation and used to repay the construction loan.									
<u>Financing Conclusions</u> : As stated above, the Applicant's total development cost, as adjusted by the Underwriter, was used to determine eligible basis and recommended annual tax credit allocation of \$120,931. This amount is supported by the gap in need and is equal to the Applicant's request.									
Due to the projection of a DCR below the Department's minimum of 1.10. The development's annual deb service should not exceed \$45,911. The current USDA note payments have been estimated to be \$46.7K though documentation from USDA was not provided to confirm this. The original assistance agreement reflects an annual payment of \$36.8K which is roughly the same amount calculated by the Underwriter Based upon the Underwriter's debt service. The \$200,000 Preservation fund loan should be provided at not more than 2% interest amortized over 30 years. Without the Preservation fund loan, the resulting gap could be absorbed by deferral of additional developer fee, however, such fee would not be repayable in 15 years.									
and the transaction would be characterized as infeasible. Again, the recommendations of this report are conditioned upon receipt, review and acceptance of approval by TX-USDA-RHS of the proposed increase in Basic Rents. Also, without the requested Preservation funds, the 15 year projection indicates that the development would not be able to repay the resulting deferred developer fees and the development appears to be infeasible. The long term feasibility of the development as measured by a standard 30-year proforma with 3% income growth and 4% expense growth reflects the developments failure after 20 years. The reason for the failure is the high expense to income ratio resulting from the artificially low USDA Basic Rents and tight monitoring of performance by USDA. The 100 basis point spread traditionally used in proforma analysis must be more tightly monitored in real life USDA loan performance in order to maintain long term feasibility.									
DEVELOPMENT TEAM IDENTITIES of INTEREST									
James Fieser is listed as the principle of the Applicant, general partner and developer. The interim lender is also the proposed syndicator. These are common identities of interest for LIHTC/HOME-funded developments.									

П

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant and General Partner are newly formed entities and, therefore, have no significant financial histories. However, James Fieser, owner of the general partner, submitted a joint financial statement with his wife Patricia dated as of February 5, 2003.

Background & Experience: James Fieser reports previous participation in two LIHTC developments totaling 64 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.
- ∉ Significant inconsistencies in the application could affect the financial feasibility of the project.
- ∉ Items identified in previous reports have not been satisfactorily addressed.

Credit Underwriting Supervisor:		Date:	June 9, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Cedar Cove, Sealy, LIHTC #03255 TDHCA Preservation Funds

TC 60%	Number 16	Bedrooms 1	No. of Baths 1	Size in SF 634	Gross Rent Lmt. \$670	Net Rent per Unit \$310	Rent per Month \$4,960	Rent per SF \$0.49	Tnt Pd Util \$69.00	Wtr, Swr, Tr n/a
	38	2	1	829	\$070 804	363	13,794	0.49		n/a
TC 60%	38	2	1	829	804	363	13,794	0.44	104.00	n/a
	-									
	E A			771	\$764	\$347	¢10.754	¢0.45	\$93.63	2/2
TOTAL:	54		AVERAGE:	771	\$764	\$347	\$18,754	\$0.45	\$93.63	n/a
NCOME		Total Net Re	entable Sq Ft:	41,646	Γ	TDHCA	APPLICANT		USS Region	6
POTENTIA	L GROSS	RENT			Ĩ	\$225,048	\$225,048		IREM Region	Houstor
Secondary	Income		Pe	er Unit Per Month:	\$10.00	6,480	6,480	\$10.00	Per Unit Per Month	
Other Supp	ort Income:	(describe)				0	0			
POTENTIA						\$231,528	\$231,528			
Vacancy &				ial Gross Income:	-7.50%	(17,365)	(17,364)	-7.50%	of Potential Gross R	Rent
•••			its or Conces	sions	-	0	0			
EFFECTIVE EXPENSES		INCOME	* OF FOL		DED 00 FT	\$214,163	\$214,164			% OF FO
			<u>% OF EGI</u> 4.16%	PER UNIT \$165	PER SQ FT 0.21	\$8,910	\$5.885	PER SQ FT \$0.14	PER UNIT \$109	<u>% OF EGI</u> 2.75%
General & A		ve	8.41%	333	0.21	\$8,910 18,001	\$5,885 \$19,080	0.46	353	8.91%
Manageme			17.40%	690	0.43	,		0.46	659	16.62%
Payroll & Pa						37,267	\$35,598			
Repairs & N	Maintenance)	13.51%	536	0.69	28,940	\$32,721	0.79	606	15.28%
Utilities			1.33%	53	0.07	2,859	\$2,300	0.06	43	1.07%
Water, Sew	/er, & Trash		10.81%	429	0.56	23,143	\$26,020	0.62	482	12.15%
Property Ins	surance		4.86%	193	0.25	10,412	\$11,158	0.27	207	5.21%
Property Ta	ах	2.6118	8.23%	326	0.42	17,630	\$14,700	0.35	272	6.86%
Reserve for	r Replaceme	ents	7.56%	300	0.39	16,200	\$16,200	0.39	300	7.56%
Other Expe	nses:		0.00%	0	0.00	0	\$0	0.00	0	0.00%
FOTAL EXP	PENSES		76.28%	\$3,025	\$3.92	\$163,361	\$163,662	\$3.93	\$3,031	76.42%
NET OPER	ATING IN	С	23.72%	\$941	\$1.22	\$50,802	\$50,502	\$1.21	\$935	23.58%
DEBT SER	VICE									
JSDA-RHS	existing not	e	17.12%	\$679	\$0.88	\$36,655	\$45,651	\$1.10	\$845	21.32%
TDHCA HON	ИE		4.72%	\$187	\$0.24	10,118	0	\$0.00	\$0	0.00%
TDHCA HON	ИE		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH	FLOW		1.88%	\$75	\$0.10	\$4,029	\$4,851	\$0.12	\$90	2.27%
AGGREGAT	E DEBT CO	OVERAGE F	RATIO			1.09	1.11			
RECOMMEN	NDED DEB	COVERAC	GE RATIO			1.12	1.11			
CONSTRU	CTION CC	<u>IST</u>			_					
Descri	iption	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTA
Acquisition	Cost (site o	r blda)	61.17%	\$28,674	\$37.18	\$1,548,389	\$1,548,389	\$37.18	\$28,674	61.00%
		57								
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
			0.00% 1.58%	0 741	0.00 0.96	0 40,000	0 40,000	0.00 0.96	0 741	0.00% 1.58%
Sitework	struction					40,000	40,000			
Sitework Direct Cons		10.00%	1.58%	741	0.96	40,000 365,000	40,000 365,000	0.96	741	1.58%
Sitework Direct Cons Contingenc	ÿ	10.00%	1.58% 14.42%	741 6,759	0.96 8.76	40,000 365,000 40,500	40,000 365,000 46,170	0.96 8.76	741 6,759	1.58% 14.38%
Sitework Direct Cons Contingenc General Re	⊳y eq'ts	6.00%	1.58% 14.42% 1.60% 0.96%	741 6,759 750 450	0.96 8.76 0.97 0.58	40,000 365,000 40,500 24,300	40,000 365,000 46,170 24,300	0.96 8.76 1.11 0.58	741 6,759 855 450	1.58% 14.38% 1.82% 0.96%
Bitework Direct Cons Contingenc General Re Contractor's	eq'ts s G & A	6.00% 2.00%	1.58% 14.42% 1.60% 0.96% 0.32%	741 6,759 750 450 150	0.96 8.76 0.97 0.58 0.19	40,000 365,000 40,500 24,300 8,100	40,000 365,000 46,170 24,300 8,100	0.96 8.76 1.11 0.58 0.19	741 6,759 855 450 150	1.58% 14.38% 1.82% 0.96% 0.32%
Sitework Direct Cons Contingenc General Re Contractor's	ey eq'ts s G & A s Profit	6.00%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96%	741 6,759 750 450 150 450	0.96 8.76 0.97 0.58 0.19 0.58	40,000 365,000 40,500 24,300 8,100 24,300	40,000 365,000 46,170 24,300 8,100 24,300	0.96 8.76 1.11 0.58 0.19 0.58	741 6,759 855 450 150 450	1.58% 14.38% 1.82% 0.96% 0.32% 0.96%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor	ey eq'ts s G & A s Profit nstruction	6.00% 2.00%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23%	741 6,759 750 450 150 450 1,044	0.96 8.76 0.97 0.58 0.19 0.58 1.35	40,000 365,000 40,500 24,300 8,100 24,300 56,394	40,000 365,000 46,170 24,300 8,100 24,300 56,394	0.96 8.76 1.11 0.58 0.19 0.58 1.35	741 6,759 855 450 150 450 1,044	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor neligible Co	eq'ts s G & A s Profit nstruction osts	6.00% 2.00% 6.00%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46%	741 6,759 750 450 150 450 1,044 217	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28	40,000 365,000 40,500 24,300 8,100 24,300 56,394 11,743	40,000 365,000 46,170 24,300 8,100 24,300 56,394 11,743	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28	741 6,759 855 450 150 450 1,044 217	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor neligible Co	eq'ts s G & A s Profit nstruction osts	6.00% 2.00%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46%	741 6,759 750 450 150 450 1,044 217 1,151	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49	40,000 365,000 40,500 24,300 24,300 24,300 56,394 11,743 62,145	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53	741 6,759 855 450 150 450 1,044 217 1,181	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor neligible Co Developer's	eq'ts s G & A s Profit nstruction osts s G & A	6.00% 2.00% 6.00%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08%	741 6,759 750 450 150 450 1,044 217 1,151 4,723	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12	40,000 365,000 40,500 24,300 24,300 24,300 56,394 11,743 62,145 255,031	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12	741 6,759 855 450 150 450 1,044 217 1,181 4,723	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor neligible Co Developer's Developer's	eq'ts s G & A s Profit nstruction osts s G & A s Profit	6.00% 2.00% 6.00% 2.94%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75%
Sitework Direct Cons Contingenc General Re Contractor's Contractor's ndirect Cor neligible Co Developer's Developer's Developer's nterim Fina Reserves	eq'ts s G & A s Profit nstruction osts s G & A s Profit ancing	6.00% 2.00% 6.00% 2.94%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01%
Sitework Direct Cons Contingenc General Re Contractor's Ontractor's ndirect Cor neligible Co Developer's Developer's Developer's nterim Fina Reserves	eq'ts s G & A s Profit nstruction osts s G & A s Profit ancing	6.00% 2.00% 6.00% 2.94%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00%	741 6,759 750 450 1,044 217 1,151 4,723 822 943 \$46,874	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78	40,000 365,000 24,300 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01%
Dff-Sites Sitework Direct Cons Contingenc General Re Contractor's Ontractor's ndirect Cor neligible Co Developer's Developer's netrim Fina Reserves FOTAL CO Recap-Hard	ey eq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST	6.00% 2.00% 6.00% 2.94% 12.06%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01%
Sitework Direct Cons Contingenc General Re Contractor's ndirect Cor neligible Co Developer's Developer's nterim Fina Reserves FOTAL CO Recap-Hard	y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i>	6.00% 2.00% 6.00% 2.94% 12.06%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00%	741 6,759 750 450 1,044 217 1,151 4,723 822 943 \$46,874	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78	40,000 365,000 24,300 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01%
Sitework Direct Cons Contingenc General Re Contractor's Ontractor's ndirect Cor neligible Co Developer's Developer's nterim Fina Reserves FOTAL CO	y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i> OF FUND	6.00% 2.00% 6.00% 2.94% 12.06% ion Costs <u>S</u>	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00%	741 6,759 750 450 1,044 217 1,151 4,723 822 943 \$46,874	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78	40,000 365,000 24,300 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95 \$12.19	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009 \$9,405	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01% 100.00% 20.01%
Sitework Direct Cons Contingenc General Re Contractor's ndirect Cor neligible Co Developer's Developer's Developer's nterim Fina Reserves FOTAL CO Recap-Hard SOURCES JSDA-RHS (y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i> <u>OF FUND</u> existing not	6.00% 2.00% 6.00% 2.94% 12.06% ion Costs <u>S</u>	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943 \$46,874 \$9,300	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78 \$12.06	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221 \$502,200	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504 \$507,870	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95 \$12.19 <u>RECOMMENDED</u>	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009 \$9,405 Developer fe	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01% 20.01% e Avalable
Sitework Direct Cons Contingence General Re Contractor's ndirect Cor neligible Co Developer's Developer's Developer's Neterim Fina Reserves COTAL CO Recap-Hard SOURCES USDA-RHS (DHCA HON	y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i> <u>OF FUND</u> existing not ME	6.00% 2.00% 6.00% 2.94% 12.06% ion Costs <u>S</u>	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00% 19.84%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943 \$46,874 \$9,300 \$25,915	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78 \$12.06 \$33.60	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221 \$502,200 \$1,399,389	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504 \$507,870 \$1,399,389	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95 \$12.19 <u>Recommended</u> \$1,399,389	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009 \$9,405 Developer fe \$317,	1.58% 14.38% 1.82% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01% 2.01% e Avalable 938
Sitework Direct Cons Contragence General Re Contractor's Contractor's ndirect Cor neligible Co Developer's Developer's Developer's Network Cortal CO Recap-Hard SOURCES JSDA-RHS (DHCA HON .IHTC Syndi	y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i> <u>OF FUND</u> existing not ME ication Proc	6.00% 2.00% 6.00% 2.94% 12.06% 00 Costs S eeeds	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00% 19.84% 55.29% 7.90%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943 \$46,874 \$9,300 \$25,915 \$3,704	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78 \$12.06 \$33.60 \$4.80	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221 \$502,200 \$1,399,389 200,000	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504 \$507,870 \$1,399,389 200,000	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95 \$12.19 <u>Recommended</u> \$1,399,389 200,000 931,076	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009 \$9,405 Developer fe \$317, % of Dev. Fe	1.58% 14.38% 1.82% 0.96% 0.32% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01% 20.01% e Avalable 938 e Deferred
Sitework Direct Cons Contingenc General Re Contractor's ndirect Cor neligible Co Developer's Developer's nterim Fina Reserves FOTAL CO Recap-Hard SOURCES	y qq'ts s G & A s Profit nstruction osts s G & A s Profit ancing ST <i>Construct</i> <u>OF FUND</u> existing not ME ication Proc veloper Fee	6.00% 2.00% 6.00% 2.94% 12.06% 6.00% 12.06% 6.00% 5.00% 6.0%	1.58% 14.42% 1.60% 0.96% 0.32% 0.96% 2.23% 0.46% 2.46% 10.08% 1.75% 2.01% 100.00% 7.90% 37.10% 0.00% 0.20%	741 6,759 750 450 150 450 1,044 217 1,151 4,723 822 943 \$46,874 \$9,300 \$25,915 \$3,704 \$17,391	0.96 8.76 0.97 0.58 0.19 0.58 1.35 0.28 1.49 6.12 1.07 1.22 \$60.78 \$12.06 \$33.60 \$4.80 \$22.55	40,000 365,000 40,500 24,300 24,300 56,394 11,743 62,145 255,031 44,393 50,926 \$2,531,221 \$502,200 \$1,399,389 200,000 939,115	40,000 365,000 46,170 24,300 24,300 56,394 11,743 63,758 255,031 44,393 50,926 \$2,538,504 \$507,870 \$1,399,389 200,000 939,115	0.96 8.76 1.11 0.58 0.19 0.58 1.35 0.28 1.53 6.12 1.07 1.22 \$60.95 \$12.19 <u>Recommended</u> \$1,399,389 200,000	741 6,759 855 450 150 450 1,044 217 1,181 4,723 822 943 \$47,009 \$9,405 Developer fe \$317, % of Dev. Fe	1.58% 14.38% 1.82% 0.96% 2.22% 0.46% 2.51% 10.05% 1.75% 2.01% 2.01% 20.01% e Avalable 938 e Deferred

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Cedar Cove, Sealy, LIHTC #03255 TDHCA Preservation Funds

PAYMENT COMPUTATION

Primary	\$1,441,800	Term	600
Int Rate	1.00%	DCR	1.39
Secondary	\$200,000	Term	360
Int Rate	3.00%	Subtotal DCR	1.09
Additional	\$939,115	Term	
Int Rate		Aggregate DCR	1.09

RECOMMENDED FINANCING STRUCTURE APPLICANT'S I

Primary Debt Service
Secondary Debt Service
Additional Debt Service
NET CASH FLOW

\$36,655
8,871
0
\$5 276

Primary	\$1,441,800	Term	600
Int Rate	1.00%	DCR	1.39

Secondary	\$200,000	Term	360
Int Rate	2.00%	Subtotal DCR	1.12
Additional	\$939,115	Term	0
Int Rate	0.00%	Aggregate DCR	1.12

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

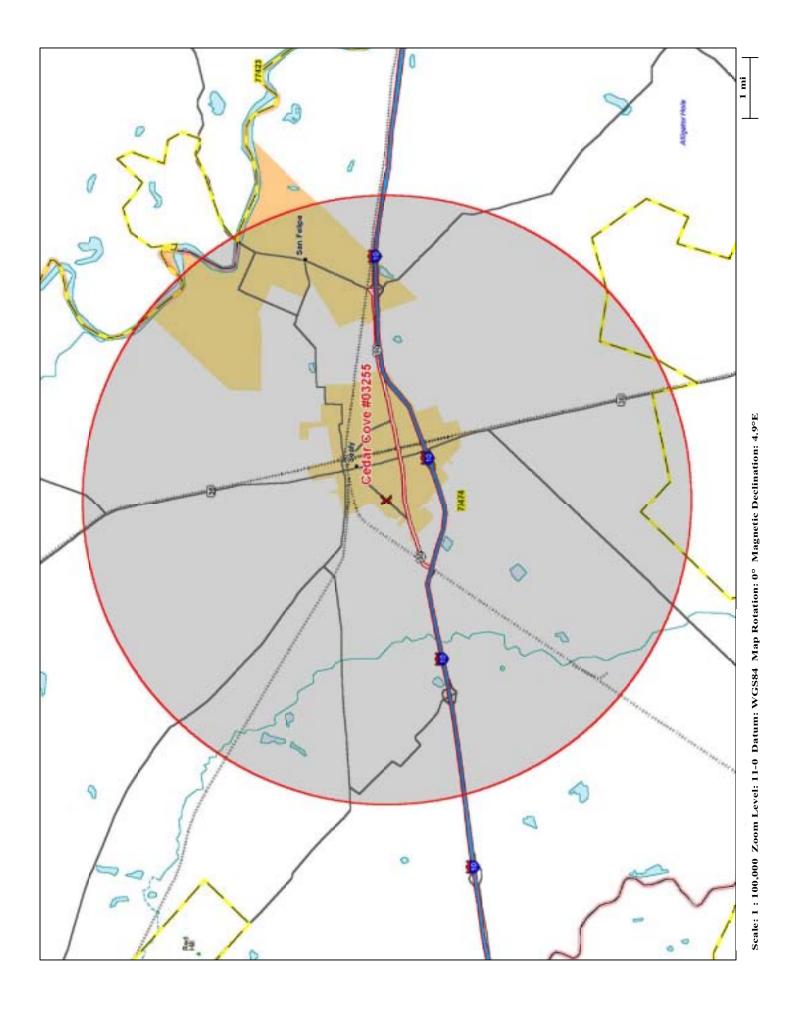
INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GRO	SS RENT	\$225,048	\$231,799	\$238,753	\$245,916	\$253,294	\$293,637	\$340,405	\$394,623	\$530,340
Secondary Incon	ne	6,480	6,674	6,875	7,081	7,293	8,455	9,802	11,363	15,271
Other Support In	come: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GRO	SS INCOME	231,528	238,474	245,628	252,997	260,587	302,092	350,207	405,986	545,611
Vacancy & Colle	ction Loss	(17,365)	(17,886)	(18,422)	(18,975)	(19,544)	(22,657)	(26,266)	(30,449)	(40,921)
Employee or Oth	er Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GRO	SS INCOME	\$214,163	\$220,588	\$227,206	\$234,022	\$241,043	\$279,435	\$323,941	\$375,537	\$504,690
EXPENSES at	4.00%									
General & Admir	nistrative	\$8,910	\$9,266	\$9,637	\$10,023	\$10,423	\$12,682	\$15,429	\$18,772	\$27,787
Management		18,001	18,541	19,097	19,670	20,260	23,487	27,227	31,564	42,419
Payroll & Payroll	Tax	37,267	38,758	40,308	41,921	43,597	53,043	64,535	78,517	116,224
Repairs & Mainte		28,940	30,098	31,302	32,554	33,856	41,191	50,115	60,972	90,254
Utilities		2,859	2,973	3,092	3,216	3,345	4,069	4,951	6,023	8,916
Water, Sewer &	Trash	23,143	24,069	25,031	26,033	27,074	32,940	40,076	48,759	72,175
Insurance		10,412	10,828	11,261	11,712	12,180	14,819	18,029	21,935	32,470
Property Tax		17,630	18,335	19,068	19,831	20,624	25,092	30,529	37,143	54,981
Reserve for Repl	lacements	16,200	16,848	17,522	18,223	18,952	23,058	28,053	34,131	50,522
Other		0	0	0	0	0	0	0	0	0
TOTAL EXPENSE		\$163,361	\$169,715	\$176,319	\$183,180	\$190,311	\$230,380	\$278,945	\$337,817	\$495,748
NET OPERATING	G INCOME	\$50,802	\$50,873	\$50,887	\$50,842	\$50,732	\$49,055	\$44,997	\$37,720	\$8,942
DEBT SE	RVICE									
First Lien Financir	ια	\$36,655	\$36,655	\$36,655	\$36,655	\$36,655	\$36,655	\$36,655	\$36,655	\$36,655
Second Lien	.9	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871
Other Financing		0	0	0	0	0	0	0	0	0
NET CASH FLOW	-	\$5,276	\$5,347	\$5,361	\$5,316	\$5,206	\$3,529	(\$529)	(\$7,806)	(\$36,584)
DEBT COVERAG	=	1.12	1.12	1.12	1.12	1.11	1.08	0.99	0.83	0.20

LIHTC Allocation Calculation - Cedar Cove, Sealy, LIHTC #03255 TDHCA Preservation Funds

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$31,790	\$36,866				
Purchase of buildings	\$1,516,599	\$1,511,523	\$1,516,599	\$1,511,523		
(2) Rehabilitation/New Construction Cost						
On-site work	\$40,000	\$40,000			\$40,000	\$40,00
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$365,000	\$365,000			\$365,000	\$365,00
(4) Contractor Fees & General Requirements						
Contractor overhead	\$8,100	\$8,100			\$8,100	\$8,10
Contractor profit	\$24,300	\$24,300			\$24,300	\$24,30
General requirements	\$24,300	\$24,300			\$24,300	\$24,30
(5) Contingencies	\$46,170	\$40,500			\$40,500	\$40,50
(6) Eligible Indirect Fees	\$56,394	\$56,394			\$56,394	\$56,394
(7) Eligible Financing Fees	\$44,393	\$44,393			\$44,393	\$44,393
(8) All Ineligible Costs	\$11,743	\$11,743				
(9) Developer Fees			\$227,490	\$226,728	\$90,448	\$90,44
Developer overhead	\$63,758	\$62,145				
Developer fee	\$255,031	\$255,031				
(10) Development Reserves	\$50,926	\$50,926				
TOTAL DEVELOPMENT COSTS	\$2,538,504	\$2,531,221	\$1,744,089	\$1,738,251	\$693,435	\$693,43

	ion Proceeds			\$932,707	\$931,076
Total Credits (Eligible B	asis Method)			\$121,143	\$120,931
Syndication Proceeds	0.7699	\$487,442	\$485,810	\$445,266	\$445,266
TOTAL AMOUNT OF TAX CREDITS		\$63,310	\$63,099	\$57,832	\$57,832
Applicable Percentage		3.63%	3.63%	8.34%	8.34%
TOTAL QUALIFIED BASIS		\$1,744,089	\$1,738,251	\$693,435	\$693,435
Applicable Fraction		100%	100%	100%	100%
TOTAL ADJUSTED BASIS		\$1,744,089	\$1,738,251	\$693,435	\$693,435
High Cost Area Adjustment				100%	100%
TOTAL ELIGIBLE BASIS		\$1,744,089	\$1,738,251	\$693,435	\$693,435
Historic Credits (on residential portion only)					
Non-qualified portion of higher quality units [42(d)(3)]					
Non-qualified non-recourse financing					
B.M.R. loans used to finance cost in eligible basis					
All grant proceeds used to finance costs in eligible basis					
Deduct from Basis:					

lotal Credits (Eligible Basis Method)	ψ121,140	Ψ12
Syndication Proceeds	\$932,707	\$93
Requested Credits	\$122,045	
Syndication Proceeds	\$939,653	
Gap of Syndication Proceeds Needed	\$939,115	
Credit Amount	\$121,975	



TDHCA # 03256

Region 6



MULTIFAMILY FINANCE PRODUCTION DIVISION 2003 DEVELOPMENT PROFILE AND BOARD SUMMARY FOR RECOMMENDED LIHTC APPLICATIONS TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Develop	pment N	lame	Willo	wcha	se Ar	artments			Т	DHCA #	03256
DEVELO					-						
Region: City:	6	pstea				Site Addres County:		845 5th Stree aller	et Zip Code:	77445	i
		DDA		QCT		Purpose / A	ctivity	: Acquisitic	on/Rehab		
Targete	d Units:	: Fan	nily: 57	Elder	'ly: 0	Handicapp	ed/Dis	abled 4	Domestic Abus	se: 0	Transitional: 0
Set Asi	ides:	✔ G	eneral	✓ A ²	t-Risk	🗌 Nonpro	fit	Rural	🗹 TX-USDA	A-RHS	Elderly
OWNER	AND P	RINCI	PAL INFO	ORMAT	ION (Owner Entity	Name:	FDI-WC 2	003, Ltd		
Principa	I Names	6				Principal	Conta	act	Percentage	e Owners	hip
Fieser Re	eal Estate	e Inves	tments, I	nc.		James W	. Fiese	r	.01% of Ov	wner	
	EDIT ALL	.OCA		FORMA	TION						
Annual	Credit A	llocati	on Reco	mmend	latio	\$121,6	54	Allocatio	on over 10 Years	s:	\$1,216,540
Credits I	Request	ed	\$122,	882	Eligib	le Basis Amo	unt:	\$121,654	Equity/Gap A	mount	\$124,738
UNIT IN	-	TION 1 BR	2 BR	3 BR	Total	DEVELOP ✓ Playgrou		AMENITIES	(no extra cost to	-	h Internet
30%	0	0	0	0	0	Recreat		lities	Public Pho	-	
40%	0	0	0	0	0				lled Gate Access		
50%	0	12	0	0	12		-	-	r Hook-Ups in Un enter or Communi		
60%	0	4	41	0	45		-	munity Room			JOITI
MR	0	0	0	0	0				a cost to tenant)		
Total	0	16	41	0		UNIT AME			Computer I	ine in all I	Bedrooms
Total LI	Units:				57	Mini Blir					Kitchen, Baths
Owner/E	Employe	e Unit	s:		0	Laundry			Storage Ro		
Total Pro					57				✓ 25 year Shi	-	-
Applicat					00.00	Covered		ig	Covered Pa		
Applicable frac attributable to			unit fraction or	the square f	oot fraction	•		Efficient Alter	native Construction		
BUILDIN	G INFO	RMAT	ION								
Total De						\$2,607,548		rage Square			763
Gross B	-					44,374			entable Square	Foot	\$59.94
Total Ne	et Rental	ble Ar	ea Squa	re Feet	:	43,505	Crea	dits per Low	Income Uni		\$2,134
INCOM				RMATI	ON			ANCING			
Effective			е			\$206,200			cipal Amount:		\$1,647,162 \$22,742
Total Ex	-					\$156,714		licant Equity			\$23,743
Net Ope	-					\$49,486		ity Source:		Deferred	Developer Fee
Estimate				<u> </u>		1.10		dication Rat	e:		\$0.7699
DEVELO	PMENT	TEAM		Not	e: "NA"	= Not Yet Ava	ilable				
Develop	er:	Fie	ser Dev	elopme	nt, Inc.		Marke	et Analyst:	The Gerald	Feel Com	pany
Housing			nstructio	on Supe	rvisors	, Inc.	-	nator/UW:	NA		
Enginee		NA					Appra		The Gerald		
Cost Est		NA					Attorn		Wilson, Cribl		
Architec			vid J. All	-				untant:	Marshall & S	Shafer, PO	3
Property	-			•	-			Services	NA		
Syndica	tor:	Mic	dland Eq	uity Co	rporatio	on	Perm	anent Lende	er U.S. Departr	ment of A	griculture (RHS)

Project Number:	03256
-----------------	-------

Floject Name. Willowcha	ise Apartments			i ioject ivun	IDEI. 03230	
PUBLIC COMMENT SUMM	AARY Note: "(O" = Oppose, "	'S" = Support, "N	" = Neutral, "NC" or	Blank = No com	ment
# of Letters, Petitions, or V A resolution was passed Local/State/Federal Officials wit	d by the local go	vernment in s	support of the o		0 Oppositio	on: 0
Local Official: Hayden Ba	rry, Mayor, City of H Glenn Hegar, Jr., Di Ken Armbrister, Di	empstead, S istrict 28,S				
DEPARTMENT EVALUAT						
	Site Finding:	Acceptable	Underv	vriting Finding: Ap	proved with Co	onditions
CONDITIONS TO COMM	ITMENT					
Receipt, review and acceptance	e of TX-USDA-RHS	approval of an i	increase of at leas	t 9.25% in the Basic R	lent.	
Receipt, review and acceptance	e of a firm commitm	ent from TX-US	DA-RHS indicating	actual principle and t	erms.	
Receipt, review and acceptance more than the current outstand				ognizing the transfer s	ales price of this p	property of
Receipt, review and acceptance utilized in the proposed acquisi	tion and rehabilitation	on of the develop	oment and docum	entation form USDA ad	ccepting their use	
Should the terms of the propos	ed rents, debt, or sy	/ndication be alt	ered, the develop	nent should be re-eva	luated.	
Alternate Recommendation:	NA					
RECOMMENDATION BY T PRODUCTION AND THE T		-				l:
Score	Meetin	ig a Required Se	et Aside	Meeting	the Regional Allo	cation
 To serve a greater number of To ensure geographic dispe To ensure the Development 	rsion within each Ur	niform State Ser	vice Region.	a revitalization or pres	servation plan	
☐ To ensure the allocation of c	-					sing built.
$\hfill\square$ To give preference to a Dev	elopment located in	a QCT or DDA	that contributes to	revitalization.		
\Box To provide integrated, afford	lable accessible hou	using for individu	als_ families with	lifferent levels of incor	ne.	
Explanation: This Developm	ent is needed to m	eet the USDA a	and At-Risk Set-A	sides.		
Robert Onion, Manager of Awar	ds and Allocation	Date	Brooke Boston,	Director of Multifamily	Finance Production	on Date
Edwina Carrington, Executive D Chairman of Executive Award a		Date Committee				
BOARD OF DIRECTOR'S A	PPROVAL AND	DESCRIPTIO	N OF DISCRET	ONARY FACTOR	S (if any):	
Approved Credit Amount:		Date of	f Determination:]	
Michael E. Jones, Chairman of t	he Board	Date)			

Developer Evaluation
Project ID # 03256 Name: Willowchase Apartments City: Hempstea
LIHTC 9% 🗹 LIHTC 4% 🗆 HOME 🗆 BOND 🗆 HTF 🗆 SECO 🗆 ESGP 🗆 Other
□ No Previous Participation in Texas □ Members of the development team have been disbarred by HUI
National Previous Participation Certification Received: \bigvee N/A \Box Yes \Box No
Noncompliance Reported on National Previous Participation Certification:
Portfolio Management and Compliance
Projects in Material Noncompliance: No 🗹 Yes 🗌 # of Projects: 0
Total # of Projects monitored: 3 Projects grouped by score 0-9 2 10-19 1 20-29 0
Total # monitored with a score less than 30: 3 # not yet monitored or pending review: 0
Program Monitoring/Draws
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □
Unresolved issues found that warrant disqualification (Additional information/comments must be attached \Box
Asset Management
Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached Image: Comments and Commen
Reviewed by Sara Carr Newsom Date sday, May 08, 2003
Multifamily Finance Production
Not applicable Review pending No unresolved issues ✓ Unresolved issues found Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by R Meyer Date 5/28/2003
Single Family Finance Production
Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached) \Box
Reviewed by Date
Community Affairs Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □
Unresolved issues found that warrant disqualification (Additional information/comments must be attached) \Box
Reviewed by Eddie Fariss Date 5/5/2003
Office of Colonia Initiatives
Not applicable ✓ Review pending □ No unresolved issues □ Unresolved issues found □ Unresolved issues found that warrant disqualification (Additional information/comments must be attached) □
Reviewed by <u>H Cabello</u> Date <u>6 /10/2003</u>
Real Estate Analysis (Cost Certification and Workout)
Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached) \Box
Reviewed by Date
Loan Administration Not applicable No delinquencies found ✓ Delinquencies found
Delinquencies found that warrant disqualification (Additional information/comments must be attached)
Reviewed by Stephanie Stuntz Date 5/6/2003
Executive Director: Edwina Carrington Executed: Friday, June 13, 20

B 4 7 7	1 0 0000			ЪС			032	256
DATE:	June 9, 2003	PROGRAM:	HOME		FILE	NUMBER:	200	3-0019
		DEV	ELOPMENT N	AME				
			Willowchase	:				
			APPLICANT					
Name:	FDI-WC 200	3, Ltd.	Туре:	For Profi	t			
Address:	26735 Stocke	lick School Road	City:	Katy			State:	TX
Zip:	77493 Con	ntact: James W Fieser	Phone:	(281)	371-7320	Fax:	(281)	371-2470
		PRINCIPALS of the	APPLICANT/ I	EY PARTI	CIPANTS			
Name:	Fieser Real E	state Investments	(%):	0.01	Title:	Managin	g Genera	al Partner
Name:	James W Fies	ser	(%):	n/a	Title: Developer			
		PRO	PERTY LOCA	ION				
Location:	1845 5 th Stree	et				QC1	· [DDA
City:	Hempstead		County:	Waller		Zi	ip:	77445
			-				_	
			REQUEST					
:	Amount	Interest Rate		Amortizati	ion		<u>Term</u>	
1)	\$122,882	n/a		n/a			n/a	
2)	\$180,000	3%		30 yrs			30 yrs	
Other Rea	uested Terms:	1) Annual ten-year alloca	ation of low-inc	come hous	ing tax credi	its		
other neg		2) HOME funds						
Proposed U	Jse of Funds:	Acquisition/ Rehab	Propert	у Туре:	Multifat	mily		
Set-Aside(s	s): Gene	ral 🛛 Rural 🖂	TX RD	Non-Profi	it 🗌 El	lderly	At At	Risk
		REC	COMMENDAT	ION				
IXI		O APPROVAL OF A FOR TEN YEARS, SUB				ΤΟ ΕΧ	CEED	\$121,654

RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$180,000, STRUCTURED AS A 30-YEAR TERM FULLY-AMORTIZING LOAN AT 1% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 9.25% in the Basic Rent;
- 2. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual principle and terms;
- 3. Receipt, review, and acceptance of documentation from USDA prior to carryover, recognizing the transfer sales price of this property of more than the current outstanding loan balance of the USDA loans;

- 4. Receipt, review, and acceptance prior to carryover of a reconciliation of the reserve account with respect to how those reserves will be utilized in the proposed acquisition and rehabilitation development and documentation from USDA accepting there use as proposed;
- 5. Should the terms of the proposed debt be altered, the development should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Willowchase was submitted and underwritten in the 2002 9% LIHTC cycle. The underwriting analysis recommended the project be approved subject to the following conditions.

∉ Receipt, review, and acceptance of confirmation that TXRD/ USDA has approved the loan transfer on an existing terms basis. Should the terms of the TXRD loan change a re-evaluation of the conclusions herein should be conducted.

The Applicant requested \$126,135 annually in tax credits. The project received an allocation of \$91,616 in tax credits, but returned the credits on September 9, 2002 due to the difference in the amount requested and the actual allocation.

DEVELOPMENT SPECIFICATIONS
IMPROVEMENTS
Total Units:57# Rental Buildings7# Common Area Bldgs1# of Floors2Age:20yrsVacant:1at12/01/2002
Net Rentable SF:43,505Av Un SF:763Common Area SF:869Gross Bldg SF:44,374
STRUCTURAL MATERIALS
Wood frame on a post-tensioned concrete slab on grade, 80% masonry brick veneer 20% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.
APPLIANCES AND INTERIOR FEATURES
Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave Carpeting and vinyl flooring, range and oven, hood and fan, refrigerator, fiberglass tub/shower, and heat pump.
ON-SITE AMENITIES
Management office, laundry facility, equipped children's play area.
Uncovered Parking:106spacesCarports:n/aspacesGarages:n/aspaces
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION
 Description: Willow Chase is a proposed acquisition and rehabilitation development of 57 units of affordable housing located on two separate sites in Hempstead. The development was built in 1984 and is comprised of seven residential buildings as follows: <i>∉</i> Two Building Style A with eight one-bedroom units; and <i>∉</i> Five Building Style B with eight two-bedroom units. <i>∉</i> One common area building with one two-bedroom unit attached Based on the site plan the apartment buildings are distributed evenly throughout the two sites with the community building located at the corner of 5th and Allen Streets. <i>Existing Subsidies:</i> The property currently operates under TX-USDA-RHS rent restrictions. All 57 units
have rents restricted to the 2003 approved basic rent for the property: \$251 per month for one-bedroom units and \$304 per month for two-bedroom units. Upon transfer of the property and existing note, the Applicant plans to request an increase in the basic rent limits to \$270 per month and \$320 per month. The requested rent level represents a moderate 5-7% increase. According to the rental assistance worksheet, provided in the application, only two units currently are receiving rental assistance.
Development Plan: The work write-up, signed by the architect, includes: add dirt in low places, flush sanitary lines, new sign, parking lot striping, landscaping, add sand border and equipment to playground, dumpster screens, repair masonry, replace exterior door hardware, ceiling insulation, new roofing, replace

gutters/vinyl siding, upgrade electrical, install water saving shower heads, replace lavatories, replace water heaters, replace air conditioners, add new fans, bathroom vents, replace doors, repair windows, repair drywall, replace flooring, interior and exterior painting, replace range, fan and hood, and refrigerator. In addition, work will be done to convert three units to allow for handicapped accessibility.

The development is currently 98% occupied. The Applicant has indicated that a relocation plan and budget are not applicable because no tenants will be relocated.

<u>Architectural Review</u>: The elevations are typical of 1980's construction with majority brick exteriors. All units are of average size for market rate units in the area, and they have functional Floorplans with adequate storage space. The buildings are two-story walk-up structures and each unit has a single entry that is off common balconies shared with other units on each floor.

Supportive Services: The Applicant does not plan to provide supportive services.

<u>Schedule</u>: The Applicant anticipates construction to begin in November of 2003, to be completed in May of 2004, to be placed in service in May of 2004, and to be substantially leased-up in May of 2004.

				SITE ISSUES		
				SITE DESCRIPTION		
Size:	2.152	acres	93,741	square feet Zoning/ P	ermitted Uses:	R-3
Flood	Zone Design	ation:	Zone X	Status of Off-Sites:	Fully Improved	1

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: A portion of the site is situated on a city block bound by 5th Street, 6th Street, Baker Street and McDade Street. The remainder of the site is located one block south of the primary subject site on the western half of a city block bound by 5th Street, 4th Street and McDade Street. Both of these locations are in the southeast quadrant of the City of Hempstead. Hempstead is located 9-10 miles northwest of the Harris/Waller County line off of US 290, 45-55 miles northwest of the Houston Central Business District. Houston is located about 40 miles northwest of the Gulf of Mexico in southeast Texas.

Population: Currently, almost four million people live in the Houston metropolitan area. In 2000, Waller County had a population of 27,488, which is expected to increase to 37,796 by 2010. The immediate neighborhood had a population of 11,076 in 2000, projected at 11,913 for 2005. This equates to 3,150 households in 2000 and 3,440 households in 2005.

<u>Adjacent Land Uses</u>: Abutting the subject property to the west is single family residential. Single family residential is also to the east. To the north and south are vacant tracts of land. The predominate land use in the immediate vicinity consist of older detached single-family residences, mobile homes, and apartments.

Site Access: Immediate access to both sites is from 5th Street. The subject area is accessed via US Highway 290, the primary roadway between Houston and the subject. Additionally, State Highway 6, just west of Hempstead, provides access to the main campus of the Texas A & M University, 35-45 miles northerly. Interstate 10, the primary intercoastal route from California to Florida is located about 22-25 miles to the south.

<u>Public Transportation</u>: The availability of public transportation is unknown.

Shopping & Services: Shopping and services within the subject area was not directly addressed by the submitted market study.

<u>Site Inspection Findings</u>: ORCA staff performed a site inspection on April 23, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Section 49.9(e) (13) (A) of the 2003 QAP states, "Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply [a Phase I Environmental Site Assessment]..."

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants. Twelve of the units

(21%) will have rents restricted to the lesser of the low HOME rent or those affordable at 50% or less of AMGI, and the remaining units (79%) will have rents restricted to the lesser of the high HOME rent or those affordable at 60% or less of AMGI.

As stated above, the development's rents are currently restricted by TX-USDA-RHS and the Applicant plans to continue to operate the development under the restrictions. Therefore, all tenants will pay only 30% of their monthly income towards rent. In addition, due to the layering of LIHTCs and the below-market HOME funds, 40% of the units in each building must be leased to tenants with incomes at or below 50% of AMGI. Because the property is located within the Houston MSA the maximum tax credit and HOME rents are significantly higher than the proposed USDA rents.

MAXIMUM ELIGIBLE INCOMES							
1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons		
\$25,020	\$28,620	\$32,160	\$35,760	\$38,640	\$41,460		
	1101001	1 Person 2 Persons	1 Person2 Persons3 Persons	1 Person2 Persons3 Persons4 Persons	1 Person2 Persons3 Persons4 Persons5 Persons		

MARKET HIGHLIGHTS

Section 49.9(e) (13) (B) of the 2003 QAP states, "For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (11) (A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required..."

OPERATING PROFORMA ANALYSIS

Income: The development rents are currently restricted by TX-USDA-RHS at levels below the LIHTC 50% and 60% of AMGI limits. The Applicant plans to continue the TX-USDA-RHS restrictions, but to request a 5-7% increase in the basic rents. However, for reasons explained in the conclusions of this section and the Financing Structure Analysis section, the Underwriter has estimated the development's potential gross rent assuming a net rent of \$274 per month for one-bedroom units and \$332 per month for two-bedroom units. This represents a 9.25% increase in the basic rents, which are still significantly less than the LIHTC rent limits for the set-asides chosen. The result is a potential gross rent estimate that is \$6,798 higher than the Applicant's figure.

The Applicant's secondary income projection of \$10 per unit per month and vacancy and collection loss assumption of 7.5% is inline with Department guidelines and the development's operating history. Due to the difference in potential gross rent estimates, the Applicant's effective gross income figure is lower than the Underwriter's estimate, but within 5% and considered to be generally acceptable.

Expenses: The underwriting projection of line item operating expenses is based upon information drawn from the most current TDHCA internal database, IREM (year-end 2001), and the subject development's actual operating expenses for 2002. The Applicant's total annual operating expense estimate of \$2,573 per unit is more than 5% lower than the Underwriter's estimate. In addition, when compared to underwriting estimates, the following line item operating expenses exceeded the tolerance levels indicated in Section 1.32(d)(5) of the 2003 Underwriting, Market Analysis, Appraisal and Environmental Site Assessment Rules and Guidelines –payroll (more than 10% lower) and property tax (more than 10% lower).

<u>Conclusion</u>: The Applicant's estimated operating expense and net operating income are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity.

Due to the difference in net operating income estimates, the Underwriter's estimated debt coverage ratio (DCR) of 1.03 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this development should be limited to \$44,987, which will be discussed in more detail in the Financing Structure Analysis section of this report. The above DCR and maximum debt service are based upon an increase of 9.25% in the basic rents for the development rather than 5-7% as proposed by the Applicant. A 5-7% increase results in an even lower DCR and overall infeasibility of the development. Therefore, receipt, review and acceptance of TX-USDA-RHS approval of an increase of at least 9.25% in the Basic Rents is a condition of this report.

	ACQUISITION VALUATION INFORMATION									
APPRAISED VALUE										
Land Only: 2.1522 acres		\$40,000		Date of Valuation:	02/	13/	2003			
Existing Building(s): "as is"		\$1,860,000		Date of Valuation:	02/	13/	2003			
Total Development: "as is"		\$1,900,000		Date of Valuation:	02/	13/	2003			
Appraiser: The Gerald A Teel Con		mpany City:	Houston	Phone:	(713)	467-	5858			

APPRAISED ANALYSIS/CONCLUSIONS

<u>Analysis</u>: The appraiser utilized the sales comparison approach to estimate the value of the land as vacant and only the income approach to value the development as a whole. The reason for not performing an analysis of the value based on the sales comparison and cost approaches is not clear. Therefore, the "as is" value of the property is based on the subsidized basic rents of \$270 per month for one-bedroom units and \$320 per month for two-bedroom units, total annual expenses of a \$2,604 per unit, and an extremely low capitalization rate of 3.0%.

<u>Conclusion</u>: The proposed transfer of the property is not an identity of interest transaction; therefore, for purposes of this analysis, the value conclusions will be used to help determine the eligible basis for allocation of acquisition tax credits, but not to determine the overall transfer value of the property.

Land:	\$75,	000		Assessment for	the Year of:	2002	2	
Building:	\$395,190 \$470,190		Valuation by:	nty Appraisal District				
Total Assessed Value:				Tax Rate:	2.88339			
		EVID	ENCE of SI	TE or PROPERTY CO	ONTROL			
Type of Site Control:	One to	o Four Fa	mily Reside	ential Contract (Res	sale)			
Contract Expiration Date:	10/	31/	2003	Anticipated Closing Date:		10/	31/	2003
Acquisition Cost:	\$1,63	7,162		Other Terms/Conditions:		\$170K cash to seller		

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction. The submitted appraisal was used to determine the proportion of land to building value for calculation of the eligible basis for acquisition credits. Based on an appraised land value of \$40,000 and a total appraised value of \$1,900,000, the ratio of land cost to total cost is 21.0%. Applying this ratio to the sales price of \$1,637,162 results in a land cost of \$34,467 and an acquisition eligible basis of \$1,602,695. This actually provides a slightly higher acquisition value than the \$1,587,162 claimed by the Applicant and thus the Applicant's value is acceptable. It should be noted however, that this amount is \$210,242 more than was accepted in the previous year application when it was determined that the same seller was intending to remain as a part of the new development team. While the principal of the General Partner is known to be a long time business associate of the seller, no direct or indirect relationship between the seller and any development team member was disclosed or discovered in the current application. The Underwriter understands from previous discussions with USDA that a transfer of a USDA Section 515 property can not occur for more than the existing debt amount without USDA approval. USDA has been willing to approve such transfers if the seller's exit tax can be proven to be more as a result of the transfer at the note balance than through foreclosure. In such cases, the proven difference has been allowed to escape the transaction in order to bring in new ownership and encourage rehabilitation of the property. In this case the sales price appears to be \$170K more than the outstanding loan balance. Therefore, receipt, review, and acceptance of USDA approval of the transfer of the note in an amount greater than the balance of the note is a condition of this report. In addition it is not known what will become of the \$106K existing replacement reserve account. These funds could be used to fund a portion of the rehabilitation or lessen the need for new reserves to be established. The USDA considers reserves to be fully funded at 10% of the outstanding balance and requires

annual reserve contributions of at least 1% of the note amount until that balance is met. Receipt, review, and acceptance of a reconciliation of the replacement reserve account with regard to how it will be used in the proposed transaction is a condition of this report.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$366 per unit are considered reasonable for a rehabilitation development.

Direct Construction Cost: The Applicant's direct construction cost estimate was verified by both the third party general contractor and architect, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible potion of the Applicant's developer fee must be reduced by \$814. In addition, the Applicant allocated a disproportionate amount of this fee to the rehabilitation portion thus overstating the higher credit percentage rehabilitation basis and understating the lower credit percentage acquisition basis.

<u>Other</u>: The Applicant's eligible basis estimate included contingency cost exceeding the Department guideline for rehabilitation developments of 10% of site work and direct construction by \$5,426 and a reduction of an equal amount of eligible basis is required.

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is after adjustments, generally acceptable. The Applicant's total development cost estimate is also within the HUD 221(d) (3) HOME subsidy limit of \$4,115,462.

Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter for overstated contingency cost and developer fees, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$2,489,482 is used to determine a credit allocation of \$121,654 from this method. It should be noted that the Applicant's eligible basis calculation had several significant errors discussed above, but these errors were materially offset by the Applicant's use of applicable percentages that are lower than the current underwriting percentages. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's total development cost to determine the recommended credit amount.

FINANCING STRUCTURE							
INTERIM CONSTRUCTION or GAP FINANCING							
Source: MuniMae Midland	Contact: Stacey Kulyk						
Principal Amount: \$684,857	Interest Rate: 6% as of commitment, set at closing						
Additional Information: Subject to RD commitment							
Amortization: n/a yrs Term: 1 yrs Commitment: None Firm X Conditional							
LOI	NG TERM/PERMANENT FINANCING						
Source: TX-USDA-RHS	Contact: William Taylor						
Original Principal Amount: \$1,496,250	Unpaid Principal: (12/2002) \$1,467,162						
Interest Rate: 11.875%, subsidized	1 to 1% Additional Information: Assumption of existing loan						
Amortization:50yrsTerm:32	yrs Commitment: 🛛 None 🗌 Firm 🗌 Conditional						
Annual Payment: \$38,544	Lien Priority: 1 st Commitment Date / /						

LIHTC SYNDICATION										
Source:	Midlan	d Equity Corp	oration			Contact:	Ryan Luxor	1		
Address:	Two G	Two Galleria Tower, 13455 noel Road, Suite 1430					Dallas			
State:	TX	Zip:	75240	Phone:	(888)	223-5794	Fax:	(972)	404-9133	
Net Proceeds: \$945,244 Net Syndication Rate (per						er \$1.00 of 10-y	r LIHTC)	77¢		
Commitme	ent	No:	ne 🗌	Firm	Cond	itional Dat	e: 02/	18/	2003	
Additional Information:										
APPLICANT EQUITY										
Amount:	\$15,14	2	s	ource: I	Deffered D	eveloper Fee				

FINANCING STRUCTURE ANALYSIS

Interim Financing: MunieMae Midland will provide a construction loan of \$684,857 at an interest rate of 6.00% and term of twelve months.

Permanent Financing: The Applicant plans to assume payment of the existing TX-USDA-RHS loan. The deed of trust for the loan indicates \$1,496,250 at an interest rate of 11.875% and a final installment date of September 6, 2035. This note is paid at 1% interest via an interest rate reduction program which requires in turn that the owner charge no more than the annually revised, budget based, Basic Rents. The remaining balance for the loan as of December 2002 was \$1,467,462. Receipt, review and acceptance of a firm commitment from TX-USDA-RHS indicating actual remaining principle and terms is a condition of this report.

<u>LIHTC</u> Syndication: MuniMae Midland also proposes to purchase a 99.99% interest in the Applicant providing syndication proceeds of \$945,244. The tax credits allocated to the partnership will be purchased at a rate of \$0.77 per tax credit dollar. The majority of the funds will be contributed upon completion of the planned rehabilitation and used to repay the construction loan.

Deferred Developer's Fees: The Applicant plans to defer \$15,142 in fees, which amounts to 5% of total proposed developer fees.

Financing Conclusions: As stated above, the Applicant's total development cost, as adjusted by the Underwriter, was used to determine eligible basis and recommended annual tax credit allocation of \$121,654. This amount is supported by the gap in need and is equal to the Applicant's request.

Due to the projection of a DCR below the Department's minimum guideline of 1.10, it was determined that the total annual debt service should be limited to no more than \$44,987. The current USDA note payments have been estimated to be \$48,773, though documentation from USDA was not provided to confirm this. The Underwriter calculated a much lower payment of \$38,039, and the explanation of the difference is unknown. It is not likely that a reduction will be approved by TX-USDA-RHS. Therefore, it is suggested that the annual debt service for the requested HOME funds be reduced by lowering the interest rate from the requested 3% to mirror the USDA 1% loan. The term of the HOME loan would remain at 30 years. Again, the recommendations of this report are conditioned upon receipt, review and acceptance of approval by TX-USDA-RHS of a 9.25% increase in basic rents. Also, without the requested HOME funds, the 15 year projection indicates that the development would not be able to repay the resulting deferred developer fees. Without the HOME funds and a 9.25% increase in the basic rents, the development appears to be infeasible. The long term feasibility of the development as measured by a standard 30-year proforma with 3% income growth and 4% expense growth reflects the developments failure after 20 years. The reason for the failure is the high expense to income ratio resulting from the artificially low USDA Basic Rents and tight monitoring of performance by USDA. The 100 basis point spread traditionally used in proforma analysis is more tightly monitored in real life USDA loan performance in order to maintain long term feasibility.

<u>Return on Equity:</u> Since the Applicant is projected to contribute only a modest amount of owner equity to this project, a cash-on-cash rate of return on equity is not a reliable measure of the subsidy layering concern for which the calculation is required.

DEVELOPMENT TEAM IDENTITIES of INTEREST

James Fieser is listed as the principle of the Applicant, general partner and developer. The interim lender is also the proposed syndicator. These are common identities of interest for LIHTC/HOME-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights: The Applicant and General Partner are newly formed entities and, therefore, have no significant financial histories. However, James Fieser, owner of the general partner, submitted a joint financial statement with his wife Patricia dated as of February 5, 2003.

Background & Experience: James Fieser reports previous participation in two LIHTC developments totaling 64 units since 1999.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ The Applicant's estimated operating expenses/operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- ∉ The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.
- ∉ Significant inconsistencies in the application could affect the financial feasibility of the project.
- ∉ Items identified in previous reports have not been satisfactorily addressed.

Underwriter:		Date:	June 9, 2003
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	June 9, 2003
	Tom Gouris		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis Willowchase, Hempstead, LIHTC #03256/HOME 2003-0019

<tc 50%="" lh<="" th=""><th>Number 12</th><th>Bedrooms 1</th><th>No. of Baths 1</th><th>Size in SF 687</th><th>Gross Rent Lmt. \$558</th><th>Net Rent per Unit \$274</th><th>Rent per Month \$3,291</th><th>Rent per SF \$0.40</th><th>Tnt Pd Util \$53.00</th><th>Wtr, Swr, Tr n/a</th></tc>	Number 12	Bedrooms 1	No. of Baths 1	Size in SF 687	Gross Rent Lmt. \$558	Net Rent per Unit \$274	Rent per Month \$3,291	Rent per SF \$0.40	Tnt Pd Util \$53.00	Wtr, Swr, Tr n/a
	4	1	1	687	670	274	1,097	0.40	53.00	n/a
<tc 60%="" hh<="" td=""><td>41</td><td>2</td><td>2</td><td>793</td><td>804</td><td>332</td><td>13,619</td><td>0.40</td><td>56.00</td><td>n/a</td></tc>	41	2	2	793	804	332	13,619	0.40	56.00	n/a
<tc 60%="" hh<="" td=""><td>41</td><td>2</td><td>2</td><td>795</td><td>004</td><td>552</td><td>13,013</td><td>0.42</td><td>30.00</td><td>11/d</td></tc>	41	2	2	795	004	552	13,013	0.42	30.00	11/d
IOTE: To avoid	d Federal tair	nt regarding th	e combination	of HOME and LI	HTC funds, 23 units	must be leased to ter	nants earning not more	than 50% of AMI in th	e HOME LURA	
TOTAL:	57		AVERAGE:	763	\$743	\$316	\$18,007	\$0.41	\$55.16	n/a
NCOME		Total Net Re	entable Sq Ft:	43,505	[TDHCA	APPLICANT		USS Region	6
POTENTIAL	L GROSS	RENT			Ĩ	\$216,079	\$209,280		IREM Region	Houstor
Secondary I	ncome		P	er Unit Per Month:	\$10.00	6,840	6,840	\$10.00	Per Unit Per Month	
Other Suppo		. ,			-	0	0			
POTENTIAL						\$222,919	\$216,120			
Vacancy & C				tial Gross Income:	-7.50%	(16,719)	(16,212)	-7.50%	of Potential Gross F	lent
			s or Concess	5015	-	\$206,200	\$199,908			
EXPENSES			% OF EGI	PER UNIT	PER SQ FT	ψ200,200	ψ133,300	PER SQ FT	PER UNIT	<u>% OF EGI</u>
General & A	-	0	3.46%	\$125	0.16	\$7,143	\$6,625	\$0.15	\$116	3.31%
			9.17%	332	0.43	18,905	\$20,160	0.46	354	10.08%
Managemen			16.36%	592	0.78	33,728	\$28,394	0.65	498	14.20%
Payroll & Pa			14.10%	510	0.67	\$29,081	\$25,500	0.59	447	12.76%
Repairs & M	laintenance		1.74%	63	0.08		\$23,300	0.09	65	1.85%
Utilities			9.63%	348	0.46	3,594		0.46	354	10.09%
Water, Sewe	er, & Trash					19,852	\$20,170			
Property Ins	urance		5.27%	191	0.25	10,876	\$12,000	0.28	211	6.00%
Property Tax	x	2.88339	7.97%	288	0.38	16,435	\$13,000	0.30	228	6.50%
Reserve for	Replaceme	nts	8.29%	300	0.39	17,100	\$17,100	0.39	300	8.55%
Other Exper	ises:		0.00%	0	0.00	0	\$0	0.00	0	0.00%
TOTAL EXF	PENSES		76.00%	\$2,749	\$3.60	\$156,714	\$146,649	\$3.37	\$2,573	73.36%
NET OPER	ATING IN	0	24.00%	\$868	\$1.14	\$49,485	\$53,259	\$1.22	\$934	26.64%
DEBT SER	VICE									
JSDA-RHS e	existing loan	I	18.45%	\$667	\$0.87	\$38,039	\$47,645	\$1.10	\$836	23.83%
DHCA HOM			4.42%	\$160	\$0.21	9,107	0	\$0.00	\$0	0.00%
DHCA HOM			0.00%	\$0 \$41	\$0.00 \$0.05	0	0	\$0.00	\$0 \$98	0.00%
NET CASH	FLOW		1.13%	\$41	\$0.05	\$2,339	\$5,614	\$0.13	\$98	2.81%
AGGREGATE	E DEBT CO	VERAGE R	ΑΤΙΟ			1.05	1.12			
RECOMMEN	DED DEBT	COVERAG	E RATIO			1.10				
CONSTRUC	CTION CC	<u>IST</u>								
Descrip	ption	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTA
Acquisition	Cost (site o	r bldg)	62.92%	\$28,722	\$37.63	\$1,637,162	\$1,637,162	\$37.63	\$28,722	62.79%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			0.80%	366	0.48	20,880	20,880	0.48	366	0.80%
Direct Cons	truction		14.09%	6,434	8.43	366,720	366,720	8.43	6,434	14.06%
Contingency	v	10.00%	1.49%	680	0.89	38,760	44,186	1.02	775	1.69%
General Re		6.00%	0.89%	408	0.53	23,256	23,256	0.53	408	0.89%
Contractor's	•	2.00%	0.30%	136	0.18	7,752	7,752	0.18	136	0.30%
Contractor's		6.00%	0.89%	408	0.53	23,256	23,256	0.53	408	0.89%
ndirect Con		0.0070	2.20%	1,005	1.32	57,302	57,302	1.32	1,005	2.20%
neligible Co			0.50%	227	0.30	12,924	12,924	0.30	227	0.50%
-		0.000	2.50%	1,142	1.50	65,106	65,106	1.50	1,142	2.50%
Developer's		2.99%	10.01%	4,569	5.99	260,423	260,423	5.99	4,569	9.99%
Developer's		11.94%	1.52%	696	0.91			0.91	696	1.52%
nterim Fina	incing		1.88%	858	1.12	39,679	39,679	1.12	858	1.88%
Reserves	о т		1.88%	\$45,651	\$59.81	48,902	48,902	\$59.94	\$58	1.88%
OTAL COS		on Coat-	100.00%	\$45,651 \$8,432	\$59.81 \$11.05	\$2,602,122 \$ 480,624	\$2,607,548 \$486,050	\$59.94 \$11.17	\$45,746 \$8,527	18.64%
Recap-Hard				,.,. 		<i>\$</i> +00,024	\$ 4 00,030			
OURCES		_	56.38%	\$25,740	\$33.72	¢1 /67 /60	¢1 /67 160	RECOMMENDED	Developer fe	a Availahla
JSDA-RHS e	-	I				\$1,467,162	\$1,467,162	\$1,467,162		
DHCA HOM			6.92%	\$3,158	\$4.14	180,000	180,000	180,000		
IHTC Syndic			36.33%	\$16,583	\$21.73	945,244	945,244	936,643	% of Dev. Fe	
Deferred Dev	eloper Fees	6	0.58%	\$266	\$0.35	15,142	15,142	23,743	7%	
dditional (ex	cess) Fund	s Required	-0.21%	(\$95)	(\$0.12)	(5,426)	0	0	Dev Fee Repay	able in 15 y
· ·							\$2,607,548	\$2,607,548		

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Willowchase, Hempstead, LIHTC #03256/HOME 2003-0019

PAYMENT COMPUTATION

Primary	\$1,496,250	Term	600
Int Rate	1.00%	DCR	1.30
Secondary	\$180,000	Term	360
Int Rate	3.00%	Subtotal DCR	1.05
Additional		Term	
Int Rate		Aggregate DCR	1.05

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Servic	e	\$38,039			
Secondary Debt Ser	vice	6,947			
Additional Debt Serv	vice	0			
NET CASH FLOV	V	\$4,499			
Primary	\$1,496,250	Term	600		
Int Rate	1.00%	DCR	1.30		
Secondary	\$180,000	Term	360		
Int Rate	1.00%	Subtotal DCR	1.10		
Additional	\$0	Term	0		

0.00%

Aggregate DCR

1.10

Int Rate

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME a	at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL	GROSS RENT	\$216,079	\$222,561	\$229,238	\$236,115	\$243,198	\$281,934	\$326,838	\$378,895	\$509,204
Secondary I	Income	6,840	7,045	7,257	7,474	7,698	8,925	10,346	11,994	16,119
Other Suppo	ort Income: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL	GROSS INCOME	222,919	229,606	236,494	243,589	250,897	290,858	337,184	390,889	525,322
Vacancy & 0	Collection Loss	(16,719)	(17,220)	(17,737)	(18,269)	(18,817)	(21,814)	(25,289)	(29,317)	(39,399)
Employee of	r Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE	GROSS INCOME	\$206,200	\$212,386	\$218,757	\$225,320	\$232,080	\$269,044	\$311,896	\$361,573	\$485,923
EXPENSES	at 4.00%									
General & A	Administrative	\$7,143	\$7,429	\$7,726	\$8,035	\$8,356	\$10,167	\$12,369	\$15,049	\$22,277
Managemer	nt	18,905	19,472	20,056	20,658	21,278	24,667	28,596	33,150	44,551
Payroll & Pa	ayroll Tax	33,728	35,077	36,480	37,939	39,457	48,005	58,406	71,060	105,186
Repairs & M	faintenance	29,081	30,244	31,454	32,712	34,020	41,391	50,358	61,269	90,692
Utilities		3,594	3,738	3,887	4,043	4,204	5,115	6,224	7,572	11,208
Water, Sewe	er & Trash	19,852	20,646	21,472	22,331	23,224	28,256	34,377	41,825	61,911
Insurance		10,876	11,311	11,764	12,234	12,724	15,480	18,834	22,915	33,919
Property Ta:	x	16,435	17,093	17,776	18,488	19,227	23,393	28,461	34,627	51,256
Reserve for	Replacements	17,100	17,784	18,495	19,235	20,005	24,339	29,612	36,027	53,329
Other		0	0	0	0	0	0	0	0	0
TOTAL EXPE	ENSES	\$156,714	\$162,794	\$169,111	\$175,675	\$182,495	\$220,812	\$267,237	\$323,494	\$474,330
NET OPERA	TING INCOME	\$49,485	\$49,592	\$49,646	\$49,645	\$49,584	\$48,232	\$44,659	\$38,079	\$11,593
DEBT	T SERVICE									
First Lien Fina	ancing	\$38,039	\$38,039	\$38,039	\$38,039	\$38,039	\$38,039	\$38,039	\$38,039	\$38,039
Second Lien	Ū	6,947	6,947	6,947	6,947	6,947	6,947	6,947	6,947	6,947
Other Financi	ina	0	0	0	0	0	0	0	0	0
NET CASH F	-	\$4,499	\$4,605	\$4,660	\$4,659	\$4,598	\$3,245	(\$328)	(\$6,908)	(\$33,394)
DEBT COVE	RAGE RATIO	1.10	1.10	1.10	1.10	1.10	1.07	0.99	0.85	0.26

LIHTC Allocation Calculation - Willowchase, Hempstead, LIHTC #03256/HOME 2003-0019

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
(1) Acquisition Cost						
Purchase of land	\$50,000	\$34,467				
Purchase of buildings	\$1,587,162	\$1,602,695	\$1,587,162	\$1,602,695		
(2) Rehabilitation/New Construction Cost				•		
On-site work	\$20,880	\$20,880			\$20,880	\$20,88
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$366,720	\$366,720			\$366,720	\$366,72
(4) Contractor Fees & General Requirements	• •					
Contractor overhead	\$7,752	\$7,752			\$7,752	\$7,75
Contractor profit	\$23,256	\$23,256			\$23,256	\$23,25
General requirements	\$23,256	\$23,256			\$23,256	\$23,25
(5) Contingencies	\$44,186	\$38,760			\$38,760	\$38,76
(6) Eligible Indirect Fees	\$57,302	\$57,302			\$57,302	\$57,30
(7) Eligible Financing Fees	\$39,679	\$39,679			\$39,679	\$39,67
(8) All Ineligible Costs	\$12,924	\$12,924				
(9) Developer Fees			\$238,074		\$86,641	
Developer overhead	\$65,106	\$65,106		\$47,858		\$17,24
Developer fee	\$260,423	\$260,423		\$191,432		\$68,99
(10) Development Reserves	\$48,902	\$48,902				
TOTAL DEVELOPMENT COSTS	\$2,607,548	\$2,602,122	\$1,825,236	\$1,841,985	\$664,246	\$663,84
Deduct from Basis: All grant proceeds used to finance costs in eligit	ble basis					
B.M.R. loans used to finance cost in eligible bas						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,825,236	\$1,841,985	\$664.246	\$663,84
High Cost Area Adjustment			·····	· · · · · · · · · · · · · · · · · · ·	100%	100%
TOTAL ADJUSTED BASIS			\$1,825,236	\$1,841,985	\$664,246	\$663,84
Applicable Fraction			100%	100%	100%	100%
			\$1,825,236	\$1,841,985	\$664,246	\$663,84
Applicable Percentage			3.63%	3.63%	8.34%	8.34%
TOTAL AMOUNT OF TAX CREDITS			\$66,256	\$66,864	\$55,398	\$55,36
	cation Proceeds	0.7699	\$510,121	\$514,802	\$426,523	\$426,26
Synuk		0.1099	ψ υ ιυ, Ι Σ Ι	₩01-1,00 2	ψ-120,020	ψ-120,20

Total Credits (Eligible Basis Method)	\$121,034	\$122,229
Syndication Proceeds	\$936,643	\$941,067
Requested Credits	\$122,822	
Syndication Proceeds	\$945,635	
Gap of Syndication Proceeds Needed	\$960,386	
Credit Amount	\$124,738	

