



# **HOUSING TAX CREDIT SUPPLEMENT**

## **Agenda Item 4b**

**Report 1A: At-Risk and USDA Recommended Applications ("At-Risk R")  
2011 Competitive Housing Tax Credit Program  
(As of July 28, 2011, the recommendations may change due to pending appeals)**

**Estimated State Ceiling to be Allocated: \$8,182,646**

Region File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
11003	3 A	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	NC	\$1,606,374	Brian L. Roop	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010	
<b>Total:</b>							<b>140</b>	<b>140</b>			<b>\$1,606,374</b>					
11251	3 R	Bluebonnet Village / Primrose Park	3100 Blessing Crt.	Bedford	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	103	104	E	AC/RH	\$984,991*	Michelle Norris	<input type="checkbox"/>	214.0	Competitive in At-Risk Set-Aside	
11030	5 R	Pine Ridge Manor	1100 MLK Jr. Dr.	Crockett	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	70	70	G	AC/RH	\$600,000	Ike Akbari	<input checked="" type="checkbox"/>	213.0	Competitive in At-Risk Set-Aside	
11224	6 R	Magnolia Acres	108 Deborah Dr.	Angleton	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	66	67	E	AC/RH/RC	\$669,724*	Michelle Norris	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside	
11203	3 R	Woodside Village Apts	703 Bumpas	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	AC/RH	\$968,227*	Sarah Rucker	<input checked="" type="checkbox"/>	210.0	Competitive in At-Risk Set-Aside	
11055	3 R	Pilgrim Valley Manor	1701 E Robert St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	168	168	G	AC/RH	\$1,387,324	Ike Akbari	<input type="checkbox"/>	209.0	Competitive in At-Risk Set-Aside	
11033	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	AC/RH	\$944,918*	Walter Martinez	<input checked="" type="checkbox"/>	208.0	Competitive in At-Risk Set-Aside	
11179	3 R	Meadowlake Village Apts	209 S Grand Ave.	Mabank	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40	40	G	RH	\$413,499*	Warren L. Maupin, Jr.	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation	
11084	5 R	Southwood Apts	2050 South Byrd Ave.	Shepherd	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G	AC/RH	\$347,472	Ronald Potterpin	<input checked="" type="checkbox"/>	178.0	Competitive in USDA Allocation	
11135	9 R	Jourdanton Square Apts	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	AC/RH	\$383,024	Dennis Hoover	<input checked="" type="checkbox"/>	166.0	Competitive in USDA Allocation	
11083	4 R	Countrywood Apts	7080 Lamar Rd.	Reno	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	AC/RH	\$189,311	Ronald Potterpin	<input checked="" type="checkbox"/>	162.0	Competitive in USDA Allocation	
11082	8 R	Oakwood Apts	701 N. Madison St.	Madisonville	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	G	AC/RH	\$283,295	Ronald Potterpin	<input type="checkbox"/>	158.0	Competitive in USDA Allocation	
11081	8 R	Northwood Apts	516 Laredo St.	Navasota	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G	AC/RH	\$332,894	Ronald Potterpin	<input type="checkbox"/>	155.0	Competitive in USDA Allocation	
<b>Total:</b>							<b>831</b>	<b>833</b>			<b>\$7,504,679</b>					
<b>13 Total Applications</b>								<b>971</b>	<b>973</b>			<b>\$9,111,053</b>				

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

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

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

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

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

6 = Comment: Reason for Recommendation

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

**Report 1B: Regional Awarded and Active Applications ("Regional R")**  
**2011 Competitive Housing Tax Credit Program**  
(As of July 28, 2011, the recommendations may change due to pending appeals)

**Estimated State Ceiling to be Allocated: \$47,822,599**

Region File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Target <sup>4</sup> Units	Housing <sup>5</sup> Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
<b>Region: 1</b>																
<b>Allocation Information for Region 1:</b>		<b>Total Credits Available for Region: \$2,054,155</b>				<b>Urban Allocation: \$1,189,699</b>				<b>Rural Allocation: \$864,456</b>						
<b>Applications Submitted in Region 1: Urban</b>																
11074	1 R	The Villas at Tuscany	SWC of Lola Ave. and 66th St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$788,972*	Brett Johnson	<input type="checkbox"/>	213.0	Competitive in Region	
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$788,972</b>				
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$788,972</b>				
<b>Applications Submitted in Region 1: Rural</b>																
11164	1 R	Oasis Cove	N corner of N 7th St. and 9th Ave.	Canadian	Rural	<input type="checkbox"/> <input type="checkbox"/>	56	64	G	NC	\$760,840	Mark Mayfield	<input checked="" type="checkbox"/>	204.0	Competitive in Region	
							<b>Total:</b>	<b>56</b>	<b>64</b>			<b>\$760,840</b>				
							<b>Total:</b>	<b>56</b>	<b>64</b>			<b>\$760,840</b>				
<b>2 Applications in Region</b>					<b>Region Total:</b>		<b>136</b>	<b>144</b>			<b>\$1,549,812</b>					

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

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

6 = Comment: Reason for Recommendation

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

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

Region: 2

Allocation Information for Region 2:	Total Credits Available for Region: \$1,268,773	Urban Allocation: \$703,775	Rural Allocation: \$564,998
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**Applications Submitted in Region 2: Urban**

11246	2 R	Tylor Grand	4249 Catclaw Dr.	Abilene	Urban	<input type="checkbox"/> <input type="checkbox"/>	119	120	G	NC	\$1,395,109	Louis Wolfson III	<input type="checkbox"/>	212.0	Significant Sub-Regional Shortfall in State Collapse		
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**Total: 119 120 \$1,395,109**  
**Total: 119 120 \$1,395,109**

**Applications Submitted in Region 2: Rural**

11076	2 R	Saddlebrook Apts	SE Quadrant of Preston and Kramer	Burkburnett	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$981,097	Brett Johnson	<input checked="" type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in State Collapse		
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**Total: 80 80 \$981,097**  
**Total: 80 80 \$981,097**

**2 Applications in Region Region Total: 199 200 \$2,376,206**

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

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

<b>Allocation Information for Region 3:</b>	<b>Total Credits Available for Region: \$10,140,787</b>	<b>Urban Allocation: \$8,970,733</b>	<b>Rural Allocation: \$1,170,054</b>
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<b>Applications Submitted in Region 3: Urban</b>																	
11004	3	A	North Court Villas	South side Stonebrook Pkwy between Woodstream Dr & Preston Rd	Frisco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	G	NC	\$2,000,000	Cherno M. Njie	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11011	3	A	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	172	172	E	NC	\$1,940,000	Manish Verma	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11012	3	A	Hillside West Seniors	Near 32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$1,624,738	Brandon Bolin	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11007	3	A	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus Chapa	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
									<b>Total:</b>	<b>506</b>	<b>506</b>			<b>\$6,701,520</b>			
11248	3	R	Singing Oaks	307 N Loop 288	Denton	Urban	<input type="checkbox"/>	<input type="checkbox"/>	122	126	G	AC/RH	\$1,368,129	Mitchell Friedman	<input type="checkbox"/>	215.0	Competitive in Region
									<b>Total:</b>	<b>122</b>	<b>126</b>			<b>\$1,368,129</b>			
									<b>Total:</b>	<b>628</b>	<b>632</b>			<b>\$8,069,649</b>			
<b>Applications Submitted in Region 3: Rural</b>																	
11005	3	A	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$802,682	Alice Wong	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$802,682</b>			
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$802,682</b>			
<b>6 Applications in Region</b>							<b>Region Total:</b>		<b>708</b>	<b>712</b>			<b>\$8,872,331</b>				

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

**Region: 4**

<b>Allocation Information for Region 4:</b>	<b>Total Credits Available for Region:</b> \$2,083,120	<b>Urban Allocation:</b> \$795,395	<b>Rural Allocation:</b> \$1,287,725
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**Applications Submitted in Region 4: Urban**

11097	4 R	RoseHill Ridge	1125 Stuckey	Texarkana	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	122	122	G	AC/RH/RC	\$1,964,020	Naomi W. Byrne	<input type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse	
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**Total: 122 122 \$1,964,020**  
**Total: 122 122 \$1,964,020**

**Applications Submitted in Region 4: Rural**

11138	4 R	SilverLeaf at Gun Barrel City	400 Block Church St.	Gun Barrel City	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$941,119	J Michael Sugrue	<input checked="" type="checkbox"/>	199.0	Competitive in Region	
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**Total: 80 80 \$941,119**  
**Total: 80 80 \$941,119**

**2 Applications in Region Region Total: 202 202 \$2,905,139**

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6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

**Region: 5**

<b>Allocation Information for Region 5:</b>	<b>Total Credits Available for Region: \$2,478,774</b>	<b>Urban Allocation: \$786,646</b>	<b>Rural Allocation: \$1,692,128</b>
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**Applications Submitted in Region 5: Urban**

11185	5 R	Azure Pointe	Hwy 69/96 & Chinn Ln.	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	140	140	G	NC	\$1,962,797	Robert Reyna	<input type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in State Collapse
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**Total: 140 140 \$1,962,797**

**Total: 140 140 \$1,962,797**

**Applications Submitted in Region 5: Rural**

11086	5 R	La Belle Vie	350 ft SE of Shakespeare Ln. on W side of N LHS Dr.	Lumberton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$927,326	Donald R. Ball	<input type="checkbox"/>	189.0	Competitive in Region
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**Total: 80 80 \$927,326**

**Total: 80 80 \$927,326**

**2 Applications in Region Region Total: 220 220 \$2,890,123**

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.  
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.  
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6 = Comment: Reason for Recommendation  
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**Region: 6**

<b>Allocation Information for Region 6:</b>	<b>Total Credits Available for Region: \$11,343,600</b>	<b>Urban Allocation: \$10,145,991</b>	<b>Rural Allocation: \$1,197,609</b>
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**Applications Submitted in Region 6: Urban**

11238	6 R	The Sunningdale	N side of Wellman, W of IH-45	Shenandoah	Urban	<input type="checkbox"/> <input type="checkbox"/>	130	130	E	NC	\$1,766,562	Keith Short	<input type="checkbox"/>	213.0	Competitive in Region	
11193	6 R	Alexander Place Apts	2401 N Alexander Dr.	Baytown	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$606,452	Joyce Young	<input type="checkbox"/>	212.0	Competitive in Region	
11200	6 R	Silvercreek II Apts	4619 W 34th St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	148	G	AC/RH	\$1,643,413	Michael Robinson	<input type="checkbox"/>	212.0	Competitive in Region	
11260	6 R	Bissonnet Gardens Apts	7500 Bissonnet	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	140	140	G	AC/RH/RC	\$1,627,811	Amay Inamdar	<input type="checkbox"/>	211.0	Competitive in Region	
11149	6 R	Branch Village Apts	7601 Curry St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	G	AC/RH	\$1,674,049*	Mark Moorhouse	<input type="checkbox"/>	209.0	Competitive in Region	
11096	6 R	Mariposa at Calder Drive	approx. the 1100 block of M 517 W	League City	Urban	<input type="checkbox"/> <input type="checkbox"/>	176	180	E	NC	\$2,000,000	Stuart Shaw	<input checked="" type="checkbox"/>	209.0	Competitive in Region	
							<b>Total:</b>	<b>790</b>	<b>794</b>			<b>\$9,318,287</b>				
							<b>Total:</b>	<b>790</b>	<b>794</b>			<b>\$9,318,287</b>				

**Applications Submitted in Region 6: Rural**

11257	6 R	Brazos Senior Villas	SEC of FM 2218 and Reading Rd.	Rosenberg	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,047,374*	Les Kilday	<input type="checkbox"/>	207.0	Competitive in Region	
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,047,374</b>				
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,047,374</b>				

<b>7 Applications in Region</b>	<b>Region Total:</b>	<b>870</b>	<b>874</b>	<b>\$10,365,661</b>
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6 = Comment: Reason for Recommendation  
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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup>	LI	Total Target <sup>4</sup>	Housing <sup>5</sup>	Recommended*Owner	TDHCA	Final	Score	Comment <sup>6</sup>
						USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME		

**Region: 7**

<b>Allocation Information for Region 7:</b>	<b>Total Credits Available for Region: \$2,574,457</b>	<b>Urban Allocation: \$1,979,019</b>	<b>Rural Allocation: \$595,439</b>
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**Applications Submitted in Region 7: Urban**

11217	7 R	The Overlook at Plum Creek	4000 block of Cromwell Dr.	Kyle	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	94	E	NC	\$962,282	Diana McIver	<input checked="" type="checkbox"/>	210.0	Competitive in Region
11123	7 R	Allegre Point	IH-35 and Fleischer Rd.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	184	G	NC	\$2,000,000*	Kenneth Lewis	<input type="checkbox"/>	208.0	Significant Sub-Regional Shortfall in State Collapse

**Total: 260 278 \$2,962,282**  
**Total: 260 278 \$2,962,282**

**Applications Submitted in Region 7: Rural**

11077	7 R	Main Street Commons	E side of Main St., S of Carlos Parker	Taylor	Rural	<input type="checkbox"/> <input type="checkbox"/>	75	75	E	NC	\$1,061,857*	Michael Roderer	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
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**Total: 75 75 \$1,061,857**  
**Total: 75 75 \$1,061,857**

**3 Applications in Region Region Total: 335 353 \$4,024,139**

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

**Region: 8**

<b>Allocation Information for Region 8:</b>	<b>Total Credits Available for Region: \$2,587,219</b>	<b>Urban Allocation: \$1,991,475</b>	<b>Rural Allocation: \$595,744</b>
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Applications Submitted in Region 8: Urban																
11027	8	R	Brookview Village	100 block W Hwy 190	Copperas Cove Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	E	NC	\$1,038,574	Granger MacDonald	<input type="checkbox"/>	200.0	Competitive in Region
								<b>Total:</b>	<b>96</b>	<b>96</b>			<b>\$1,038,574</b>			
								<b>Total:</b>	<b>96</b>	<b>96</b>			<b>\$1,038,574</b>			
Applications Submitted in Region 8: Rural																
11202	8	R	Hunter's Chase Senior Apts	N side of E Belton Ave., E of Yoakum	Rockdale Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$871,034	Gary Maddock	<input checked="" type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Rural Collapse
								<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$871,034</b>			
								<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$871,034</b>			
<b>2 Applications in Region</b>								<b>Region Total:</b>	<b>176</b>	<b>176</b>			<b>\$1,909,608</b>			

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.  
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.  
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.  
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.  
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.  
6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

**Region: 9**

<b>Allocation Information for Region 9:</b>	<b>Total Credits Available for Region: \$3,622,744</b>	<b>Urban Allocation: \$2,966,715</b>	<b>Rural Allocation: \$656,029</b>
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**Applications Submitted in Region 9: Urban**

11006	9 A	The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140	140	G	NC	\$1,638,351	Meghan Garza-Oswald	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
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**Total: 140 140 \$1,638,351**  
**Total: 140 140 \$1,638,351**

**Applications Submitted in Region 9: Rural**

11112	9 R	Artisan at Dilley	400 Anne St.	Dilley	Rural	<input type="checkbox"/>	<input type="checkbox"/>	46	46	G	AC/RH/RC	\$957,690*	Sandra McGowan	<input checked="" type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse
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**Total: 46 46 \$957,690**  
**Total: 46 46 \$957,690**

**2 Applications in Region Region Total: 186 186 \$2,596,041**

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.  
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.  
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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.  
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.  
6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Credits Available for Region: \$1,969,583</b>	<b>Urban Allocation: \$1,202,967</b>	<b>Rural Allocation: \$766,616</b>
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<b>Applications Submitted in Region 10: Urban</b>																	
11115	10	R	Castle Manor Apts	655 Castle Park Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	62	62	G	AC/RH	\$655,519*	Paul Patierno	<input type="checkbox"/>	215.0	Competitive in Region
									<b>Total:</b>	<b>62</b>	<b>62</b>			<b>\$655,519</b>			
									<b>Total:</b>	<b>62</b>	<b>62</b>			<b>\$655,519</b>			
<b>Applications Submitted in Region 10: Rural</b>																	
11208	10	R	Amber Stone Apts	208 & 210 E Crockett St.	Beeville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	54	54	G	AC/RH/RC	\$682,682	Adrian Iglesias	<input checked="" type="checkbox"/>	214.0	Competitive in Region
									<b>Total:</b>	<b>54</b>	<b>54</b>			<b>\$682,682</b>			
									<b>Total:</b>	<b>54</b>	<b>54</b>			<b>\$682,682</b>			
<b>2 Applications in Region</b>									<b>Region Total:</b>	<b>116</b>	<b>116</b>			<b>\$1,338,201</b>			

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

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

**Region: 11**

<b>Allocation Information for Region 11:</b>	<b>Total Credits Available for Region: \$4,114,753</b>	<b>Urban Allocation: \$2,655,037</b>	<b>Rural Allocation: \$1,459,716</b>
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**Applications Submitted in Region 11: Urban**

11008	11 A	Champion Homes at Canyon Creek	1700 N. Minnesota Ave.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	\$1,348,738	Saleem Jafar	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
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**Total: 100 100 \$1,348,738**  
**Total: 100 100 \$1,348,738**

**Applications Submitted in Region 11: Rural**

11009	11 A	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	77	80	G	NC	\$1,010,136	Sunny K. Philip	<input checked="" type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
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**Total: 77 80 \$1,010,136**  
**Total: 77 80 \$1,010,136**

**2 Applications in Region Region Total: 177 180 \$2,358,874**

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.  
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.  
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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.  
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.  
6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

**Region: 12**

<b>Allocation Information for Region 12:</b>	<b>Total Credits Available for Region: \$1,619,625</b>	<b>Urban Allocation: \$1,054,563</b>	<b>Rural Allocation: \$565,061</b>
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**Applications Submitted in Region 12: Urban**

11120	12	R	La Promesa Apts	4590 N Texas St.	Odessa	Urban	<input type="checkbox"/>	<input type="checkbox"/>	136	136	G	AC/RH	\$1,558,301*	Chris Barnes	<input type="checkbox"/>	208.0	Significant Sub-Regional Shortfall in State Collapse
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**Total: 136 136 \$1,558,301**

**Total: 136 136 \$1,558,301**

**Applications Submitted in Region 12: Rural**

11197	12	R	Park Village Apts	1905 Wasson Rd.	Big Spring	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	AC/RH	\$646,315*	Daniel F. O'Dea	<input type="checkbox"/>	204.0	Competitive in Region
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**Total: 76 76 \$646,315**

**Total: 76 76 \$646,315**

**2 Applications in Region Region Total: 212 212 \$2,204,616**

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.  
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.  
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.  
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.  
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.  
6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

**Region: 13**

<b>Allocation Information for Region 13:</b>	<b>Total Credits Available for Region: \$1,965,011</b>	<b>Urban Allocation: \$1,384,139</b>	<b>Rural Allocation: \$580,872</b>
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<b>Applications Submitted in Region 13: Urban</b>																	
11000	13	A	Canutillo Palms	Parcel directly South of Canutillo High School. 200 ft West of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	\$2,000,000	R. L. Bowling, IV	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
									<b>Total:</b>	<b>172</b>	<b>172</b>			<b>\$2,000,000</b>			
									<b>Total:</b>	<b>172</b>	<b>172</b>			<b>\$2,000,000</b>			
<b>Applications Submitted in Region 13: Rural</b>																	
11070	13	R	Presidio Palms II	behind 12960 Alnor St.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$1,056,218	R. L. Bowling, IV	<input type="checkbox"/>	166.0	Competitive in Region
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,056,218</b>			
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,056,218</b>			
									<b>Region Total:</b>	<b>252</b>	<b>252</b>			<b>\$3,056,218</b>			
<b>2 Applications in Region</b>																	
<b>36 Total Applications</b>									<b>3,789</b>	<b>3,827</b>			<b>\$46,446,969</b>				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.  
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.  
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**Report 2A: At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”)  
2011 Competitive Housing Tax Credit Program Waiting List  
(As of July 28, 2011, the recommendations may change due to pending appeals)**

**Estimated State Ceiling to be Allocated: \$8,182,646**

File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Target <sup>4</sup> Units Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11003	3 A	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E NC	\$1,606,374	Brian L. Roop	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>140</b>	<b>140</b>		<b>\$1,606,374</b>			
11251	3 R	Bluebonnet Village / Primrose Park	3100 Blessing Crt.	Bedford	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	103	104	E AC/RH	\$984,991*	Michelle Norris	<input type="checkbox"/>	214.0	Competitive in At-Risk Set-Aside
11030	5 R	Pine Ridge Manor	1100 MLK Jr. Dr.	Crockett	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	70	70	G AC/RH	\$600,000	Ike Akbari	<input checked="" type="checkbox"/>	213.0	Competitive in At-Risk Set-Aside
11224	6 R	Magnolia Acres	108 Deborah Dr.	Angleton	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	66	67	E AC/RH/RC	\$669,724*	Michelle Norris	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
11203	3 R	Woodside Village Apts	703 Bumpas	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G AC/RH	\$968,227*	Sarah Rucker	<input checked="" type="checkbox"/>	210.0	Competitive in At-Risk Set-Aside
11055	3 R	Pilgrim Valley Manor	1701 E Robert St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	168	168	G AC/RH	\$1,387,324	Ike Akbari	<input type="checkbox"/>	209.0	Competitive in At-Risk Set-Aside
11033	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G AC/RH	\$944,918*	Walter Martinez	<input checked="" type="checkbox"/>	208.0	Competitive in At-Risk Set-Aside
11179	3 R	Meadowlake Village Apts	209 S Grand Ave.	Mabank	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40	40	G RH	\$413,499*	Warren L. Maupin, Jr.	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation
11084	5 R	Southwood Apts	2050 South Byrd Ave.	Shepherd	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G AC/RH	\$347,472	Ronald Potterpin	<input checked="" type="checkbox"/>	178.0	Competitive in USDA Allocation
11135	9 R	Jourdanton Square Apts	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G AC/RH	\$383,024	Dennis Hoover	<input checked="" type="checkbox"/>	166.0	Competitive in USDA Allocation
11083	4 R	Countrywood Apts	7080 Lamar Rd.	Reno	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G AC/RH	\$189,311	Ronald Potterpin	<input checked="" type="checkbox"/>	162.0	Competitive in USDA Allocation
11082	8 R	Oakwood Apts	701 N. Madison St.	Madisonville	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	G AC/RH	\$283,295	Ronald Potterpin	<input type="checkbox"/>	158.0	Competitive in USDA Allocation
11081	8 R	Northwood Apts	516 Laredo St.	Navasota	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G AC/RH	\$332,894	Ronald Potterpin	<input type="checkbox"/>	155.0	Competitive in USDA Allocation
							<b>Total:</b>	<b>831</b>	<b>833</b>		<b>\$7,504,679</b>			
11134	4 N	Grand Manor Apts	2700 N Grand Ave.	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	120	120	G AC/RH	\$1,267,523*	Ross Stiteley	<input type="checkbox"/>	205.0	Not Competitive in Region

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

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

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

6 = Comment: Reason for Recommendation

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



File #	Region		Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup>			LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
	Status <sup>1</sup>						USDA	NP	AR									
11198	1	N	Casa Orlando Apts	1810 Third St.	Lubbock	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70	70	G	AC/RH	\$632,687*	Daniel F. O'Dea	<input type="checkbox"/>	200.0	Not Competitive in Region
11231	7	N	Spring Hollow Apts	4803 & 4804 Loyola Ln.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	100	100	G	AC/RH	\$758,602*	Gary Gill	<input type="checkbox"/>	192.0	Not Competitive in Region
11148	11	N	Ivy Terrace	2801 W Maple Ave.	McAllen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	AC/RH	\$750,502*	Bryon Gongaware	<input type="checkbox"/>	164.0	Not Competitive in Region
<b>Total:</b>										<b>370</b>	<b>370</b>			<b>\$3,409,314</b>				
<b>17 Total Applications</b>										<b>1,341</b>	<b>1,343</b>			<b>\$12,520,367</b>				

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

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

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

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

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

6 = Comment: Reason for Recommendation

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

**Report 2B: Regional Awarded and Active Applications ("Regional A/R/N")**  
**2011 Competitive Housing Tax Credit Program Waiting List**  
(As of July 28, 2011, the recommendations may change due to pending appeals)

**Estimated State Ceiling to be Allocated: \$47,822,599**

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Target <sup>4</sup> Units	Housing <sup>5</sup> Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
<b>Region: 1</b>																	
<b>Allocation Information for Region 1:</b>			<b>Total Credits Available for Region: \$2,054,155</b>					<b>Urban Allocation: \$1,189,699</b>			<b>Rural Allocation: \$864,456</b>						
<b>Applications Submitted in Region 1: Urban</b>																	
11074	1	R	The Villas at Tuscany	SWC of Lola Ave. and 66th St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$788,972*	Brett Johnson	<input type="checkbox"/>	213.0	Competitive in Region	
<b>Total:</b>								<b>80</b>	<b>80</b>			<b>\$788,972</b>					
11195	1	N	Stonebridge of Lubbock	NWC of 71st St. and Ironton Ave.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	152	152	G	NC	\$1,865,935	Victoria W. Spicer	<input type="checkbox"/>	213.0	Not Competitive in Region	
11163	1	N	The Grove at Elm Park	approx. .18 miles W of 34th St. and Milwaukee Ave.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	NC	\$1,768,281*	Shari Flynn	<input type="checkbox"/>	206.0	Not Competitive in Region	
11067	1	N	Southwest Plains Villas	E 4th & Guava St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	\$1,999,908*	R. J. Collins	<input type="checkbox"/>	200.0	Not Competitive in Region	
<b>Total:</b>								<b>400</b>	<b>400</b>			<b>\$5,634,124</b>					
<b>Total:</b>								<b>480</b>	<b>480</b>			<b>\$6,423,096</b>					
<b>Applications Submitted in Region 1: Rural</b>																	
11164	1	R	Oasis Cove	N corner of N 7th St. and 9th Ave.	Canadian	Rural	<input type="checkbox"/> <input type="checkbox"/>	56	64	G	NC	\$760,840	Mark Mayfield	<input checked="" type="checkbox"/>	204.0	Competitive in Region	
<b>Total:</b>								<b>56</b>	<b>64</b>			<b>\$760,840</b>					
11196	1	N	Central Village Apts	910 W 28th St.	Plainview	Rural	<input type="checkbox"/> <input type="checkbox"/>	84	84	G	AC/RH	\$719,572*	Daniel F. O'Dea	<input type="checkbox"/>	193.0	Not Competitive in Region	
<b>Total:</b>								<b>84</b>	<b>84</b>			<b>\$719,572</b>					
<b>Total:</b>								<b>140</b>	<b>148</b>			<b>\$1,480,412</b>					
<b>6 Applications in Region</b>							<b>Region Total:</b>	<b>620</b>	<b>628</b>			<b>\$7,903,508</b>					

1 = Status of Award Abbreviation: Development Previously Awarded 2010 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

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

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

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

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

6 = Comment: Reason for Recommendation

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

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

<b>Allocation Information for Region 2:</b>	<b>Total Credits Available for Region: \$1,268,773</b>	<b>Urban Allocation: \$703,775</b>	<b>Rural Allocation: \$564,998</b>
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**Applications Submitted in Region 2: Urban**

11246	2 R	Tylor Grand	4249 Catclaw Dr.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	119	120	G	NC	\$1,395,109	Louis Wolfson III	<input type="checkbox"/>	212.0	Significant Sub-Regional Shortfall in State Collapse
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**Total: 119 120 \$1,395,109**

11066	2 N	Anson Park III	2820 Old Anson Rd.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	80	G	NC	\$1,068,981*	Jay Collins	<input type="checkbox"/>	207.0	Not Competitive in Region
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11180	2 N	Rainy Creek Apts	Griffith Rd. at Scottish Rd.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	84	84	G	NC	\$967,134*	Justin Zimmerman	<input type="checkbox"/>	203.0	Not Competitive in Region
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11089	2 N	Parkstone Senior Village Phase II	Approximately 1401 W Rathgeber Rd.	Wichita Falls	Urban	<input type="checkbox"/>	<input type="checkbox"/>	64	64	E	NC	\$721,737*	Randy Stevenson	<input type="checkbox"/>	197.0	Not Competitive in Region
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**Total: 224 228 \$2,757,852**

**Total: 343 348 \$4,152,961**

**Applications Submitted in Region 2: Rural**

11076	2 R	Saddlebrook Apts	SE Quadrant of Preston and Kramer	Burkburnett	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$981,097	Brett Johnson	<input checked="" type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in State Collapse
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**Total: 80 80 \$981,097**

11061	2 N	Pioneer Crossing for Seniors Burkburnett	1100 Christie Ln.	Burkburnett	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$950,004*	Noorallah Jooma	<input checked="" type="checkbox"/>	206.0	Not Competitive in Region
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**Total: 80 80 \$950,004**

**Total: 160 160 \$1,931,101**

<b>6 Applications in Region</b>						<b>Region Total: 503 508</b>		<b>\$6,084,062</b>		
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6 = Comment: Reason for Recommendation  
\* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

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

Region: 3

<b>Allocation Information for Region 3:</b>	<b>Total Credits Available for Region:</b> \$10,140,787	<b>Urban Allocation:</b> \$8,970,733	<b>Rural Allocation:</b> \$1,170,054
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Applications Submitted in Region 3: Urban																	
11011	3	A	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	172	172	E	NC	\$1,940,000	Manish Verma	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11012	3	A	Hillside West Seniors	Near 32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$1,624,738	Brandon Bolin	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11004	3	A	North Court Villas	South side Stonebrook Pkwy between Woodstream Dr & Preston Rd	Frisco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	G	NC	\$2,000,000	Cherno M. Njie	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11007	3	A	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus Chapa	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
									<b>Total:</b>	<b>506</b>	<b>506</b>			<b>\$6,701,520</b>			
11248	3	R	Singing Oaks	307 N Loop 288	Denton	Urban	<input type="checkbox"/>	<input type="checkbox"/>	122	126	G	AC/RH	\$1,368,129	Mitchell Friedman	<input type="checkbox"/>	215.0	Competitive in Region
									<b>Total:</b>	<b>122</b>	<b>126</b>			<b>\$1,368,129</b>			
11223	3	N	The Terrace at MidTowne	SWC of George Hopper Rd. and Abigail	Midlothian	Urban	<input type="checkbox"/>	<input type="checkbox"/>	84	96	E	NC	\$1,037,692*	Diana McIver	<input checked="" type="checkbox"/>	211.0	Not Competitive in Region
11098	3	N	Hatcher Square	NWC of Scyene Rd. at Hatcher Blvd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	136	136	G	NC	\$2,000,000*	Jon Edmonds	<input type="checkbox"/>	210.0	Not Competitive in Region
11127	3	N	1400 Belleview	1401 Browder St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	164	164	G	NC	\$2,000,000*	Kristian Teleki	<input type="checkbox"/>	210.0	Not Competitive in Region
11145	3	N	Evergreen at Marsh Lane	Approx 2800 Block of Running Duke Dr.	Carrollton	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140	140	E	NC	\$1,680,698*	Don Maison	<input checked="" type="checkbox"/>	210.0	Not Competitive in Region
11183	3	N	Lakeside Village Homes	Scattered sites bordered by W Vickery Blvd., W Rosedale St., Bryant Irvin Rd., Camp Bowie W Blvd. and Hulen St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$733,139*	Jesus Chapa	<input type="checkbox"/>	209.0	Not Competitive in Region
11216	3	N	The Sierra on Pioneer Road	SEC of Pioneer Rd. and Sierra Dr.	Mesquite	Urban	<input type="checkbox"/>	<input type="checkbox"/>	84	92	E	NC	\$900,000*	Janine Sisak	<input checked="" type="checkbox"/>	208.0	Not Competitive in Region
11178	3	N	Esperanza Cove Senior Apts	2819 E Belknap St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	61	61	E	NC	\$775,979*	Jesus Chapa	<input type="checkbox"/>	206.0	Not Competitive in Region

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11056	3 N	St. Paul Apts	1801 Young St. & 1818 Wood St.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	146	146	G	NC	\$1,408,163*	Lawrence E. Hamilton III	<input type="checkbox"/>	199.0	Not Competitive in Region
11114	3 N	Green Haus on the Santa Fe Trail	4611 East Side Ave.	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	NC	\$191,228*	Maria Machado	<input type="checkbox"/>	199.0	Not Competitive in Region
11124	3 N	Peoples El Shaddai	2836 E Overton Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	AC/RH	\$1,168,597*	Jeff Huggett	<input type="checkbox"/>	199.0	Not Competitive in Region
11139	3 N	Champion Homes at Copperidge	5522 Maple Ave.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	126	252	G	NC	\$2,309,382*	Saleem Jafar	<input type="checkbox"/>	196.0	Not Competitive/Violates \$2M Cap
11142	3 N	Veterans Place	4623 S Lancaster Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	\$1,703,127*	Yigal Lelah	<input type="checkbox"/>	192.0	Not Competitive in Region
11205	3 N	Hawk Ridge Apts	9200 block of Dale Ln.	White Settlement	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	\$1,468,620*	Bert Magill	<input type="checkbox"/>	191.0	Not Competitive in Region
11244	3 N	E2 Flats	211 N Ervay	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	119	119	G	ADR	\$1,759,015*	Bill Newsome	<input type="checkbox"/>	184.0	Not Competitive in Region
11107	3 N	Kinwest Manor	1500 block of Kinwest Pkwy	Irving	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	156	156	E	NC	\$1,913,438*	Bradley Kyles	<input type="checkbox"/>	183.0	Not Competitive in Region
11262	3 N	The Millennium - McKinney	McKinney Ranch Rd. and Stacy Rd.	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	172	G	NC	\$2,000,000*	Brandon Bolin	<input type="checkbox"/>	165.0	Not Competitive in Region
						<b>Total: 1,842 1,988</b>				<b>\$23,049,078</b>					
						<b>Total: 2,470 2,620</b>				<b>\$31,118,727</b>					
<b>Applications Submitted in Region 3:</b>		<b>Rural</b>													
11005	3 A	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$802,682	Alice Wong	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
						<b>Total: 80 80</b>				<b>\$802,682</b>					
11122	3 N	Silver Spring Grand Heritage	SWC of Hwy 78 and CR 484	Lavon	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$986,853*	Alice Wong	<input type="checkbox"/>	210.0	Not Competitive in Region
11062	3 N	Pioneer Crossing for Seniors Mineral Wells	1500 Martin Luther King St.	Mineral Wells	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	\$517,747*	Noorallah Jooma	<input checked="" type="checkbox"/>	210.0	Not Competitive in Region
11230	3 N	West Park Senior Housing	W Park Row and 44th St.	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	E	NC	\$636,948*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	204.0	Not Competitive in Region
11222	3 N	Westway Place	44th St., off W Park Row	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$546,156*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	204.0	Not Competitive in Region
11175	3 N	Three Forks Ranch	US Hwy 175 and State Hwy 34	Kaufman	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	80	80	E	NC	\$939,820*	Monique Allen	<input type="checkbox"/>	200.0	Not Competitive in Region
11171	3 N	South Fork Apts	Lockhart Rd. at W Washington St.	Stephenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	59	60	G	NC	\$729,975*	Justin Zimmerman	<input type="checkbox"/>	193.0	Not Competitive in Region
11020	3 N	The Grand Texan-Waxahachie	SEC of U.S. Hwy 77 and Park Hills Dr.	Waxahachie	Rural	<input type="checkbox"/> <input type="checkbox"/>	65	80	E	NC	\$705,431*	Kenneth H. Mitchell	<input type="checkbox"/>	190.0	Not Competitive in Region

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Region File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Target <sup>4</sup> Units	Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
						<b>Total:</b>	<b>404</b>	<b>420</b>			<b>\$5,062,930</b>				
						<b>Total:</b>	<b>484</b>	<b>500</b>			<b>\$5,865,612</b>				
<b>29 Applications in Region</b>						<b>Region Total:</b>	<b>2,954</b>	<b>3,120</b>			<b>\$36,984,339</b>				

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

Region: 4

<b>Allocation Information for Region 4:</b>	<b>Total Credits Available for Region:</b> \$2,083,120	<b>Urban Allocation:</b> \$795,395	<b>Rural Allocation:</b> \$1,287,725
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Applications Submitted in Region 4: Urban																	
11097	4 R	RoseHill Ridge	1125 Stuckey	Texarkana	Urban		<input checked="" type="checkbox"/>		122	122	G	AC/RH/RC	\$1,964,020	Naomi W. Byrne	<input type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse
									<b>Total:</b>	<b>122</b>	<b>122</b>			<b>\$1,964,020</b>			
11245	4 N	Bar T Apts	NW Quadrant of Bill Owens and Heather	Longview	Urban		<input type="checkbox"/>		115	116	G	NC	\$1,396,034*	Michael Wohl	<input type="checkbox"/>	188.0	Not Competitive in Region
									<b>Total:</b>	<b>115</b>	<b>116</b>			<b>\$1,396,034</b>			
									<b>Total:</b>	<b>237</b>	<b>238</b>			<b>\$3,360,054</b>			
Applications Submitted in Region 4: Rural																	
11138	4 R	SilverLeaf at Gun Barrel City	400 Block Church St.	Gun Barrel City	Rural		<input type="checkbox"/>		80	80	E	NC	\$941,119	J Michael Sugrue	<input checked="" type="checkbox"/>	199.0	Competitive in Region
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$941,119</b>			
11221	4 N	Stonebridge Place	S Royall St.	Palestine	Rural		<input checked="" type="checkbox"/>		76	80	E	NC	\$975,341*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	193.0	Not Competitive in Region
									<b>Total:</b>	<b>76</b>	<b>80</b>			<b>\$975,341</b>			
									<b>Total:</b>	<b>156</b>	<b>160</b>			<b>\$1,916,460</b>			
<b>4 Applications in Region</b>									<b>Region Total:</b>	<b>393</b>	<b>398</b>			<b>\$5,276,514</b>			

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup>	LI	Total Target <sup>4</sup>	Housing <sup>5</sup>	Recommended*	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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**Region: 5**

<b>Allocation Information for Region 5:</b>	<b>Total Credits Available for Region: \$2,478,774</b>	<b>Urban Allocation: \$786,646</b>	<b>Rural Allocation: \$1,692,128</b>
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**Applications Submitted in Region 5: Urban**

11185	5 R	Azure Pointe	Hwy 69/96 & Chinn Ln.	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	140	140	G	NC	\$1,962,797	Robert Reyna	<input type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in State Collapse
							<b>Total:</b>	<b>140</b>	<b>140</b>			<b>\$1,962,797</b>				
11054	5 N	Beaumont Place of Grace	approx. 4400 Warren St.	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	112	128	E	NC	\$1,705,637*	Christopher Akbari	<input type="checkbox"/>	190.0	Not Competitive in Region
							<b>Total:</b>	<b>112</b>	<b>128</b>			<b>\$1,705,637</b>				
							<b>Total:</b>	<b>252</b>	<b>268</b>			<b>\$3,668,434</b>				

**Applications Submitted in Region 5: Rural**

11086	5 R	La Belle Vie	350 ft SE of Shakespeare Ln. on W side of N LHS Dr.	Lumberton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$927,326	Donald R. Ball	<input type="checkbox"/>	189.0	Competitive in Region
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$927,326</b>				
11085	5 N	Whitetail Ridge	355 FM 83	Hemphill	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	\$479,094*	Melda Bartholdi	<input type="checkbox"/>	199.0	Not Recommended by REA
							<b>Total:</b>	<b>36</b>	<b>36</b>			<b>\$479,094</b>				
							<b>Total:</b>	<b>116</b>	<b>116</b>			<b>\$1,406,420</b>				
<b>4 Applications in Region</b>							<b>Region Total:</b>	<b>368</b>	<b>384</b>			<b>\$5,074,854</b>				

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6 = Comment: Reason for Recommendation

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

<b>Region: 6</b>																	
<b>Allocation Information for Region 6:</b>			<b>Total Credits Available for Region: \$11,343,600</b>						<b>Urban Allocation: \$10,145,991</b>				<b>Rural Allocation: \$1,197,609</b>				

<b>Applications Submitted in Region 6: Urban</b>																		
11238	6 R	The Sunningdale	N side of Wellman, W of IH-45	Shenandoah	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$1,766,562	Keith Short	<input type="checkbox"/>	213.0	Competitive in Region		
11193	6 R	Alexander Place Apts	2401 N Alexander Dr.	Baytown	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$606,452	Joyce Young	<input type="checkbox"/>	212.0	Competitive in Region		
11200	6 R	Silvercreek II Apts	4619 W 34th St.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	148	G	AC/RH	\$1,643,413	Michael Robinson	<input type="checkbox"/>	212.0	Competitive in Region		
11260	6 R	Bissonnet Gardens Apts	7500 Bissonnet	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	140	140	G	AC/RH/RC	\$1,627,811	Amay Inamdar	<input type="checkbox"/>	211.0	Competitive in Region		
11149	6 R	Branch Village Apts	7601 Curry St.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	G	AC/RH	\$1,674,049*	Mark Moorhouse	<input type="checkbox"/>	209.0	Competitive in Region		
11096	6 R	Mariposa at Calder Drive	approx. the 1100 block of M 517 W	League City	Urban	<input type="checkbox"/>	<input type="checkbox"/>	176	180	E	NC	\$2,000,000	Stuart Shaw	<input checked="" type="checkbox"/>	209.0	Competitive in Region		
								<b>Total:</b>	<b>790</b>	<b>794</b>			<b>\$9,318,287</b>					
11255	6 N	Justice Park Senior Villas	Justice Park Dr. N of W 43rd	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,799,961*	Chris Richardson	<input type="checkbox"/>	207.0	Not Competitive in Region		
11022	6 N	East Houston Gardens	7600 E Houston Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	86	86	G	AC/RH/RC	\$1,097,180*	Amanda Haney	<input type="checkbox"/>	207.0	Not Competitive in Region		
11024	6 N	Zion Bayou	5200-5390 Airport Blvd.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	84	84	G	NC	\$1,244,498*	L. David Punch	<input type="checkbox"/>	207.0	Not Competitive in Region		
11080	6 N	Hidden Valley Estates	NEC of Veterans Memorial Dr. & Dewalt Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	G	NC	\$1,978,636*	Dru Childre	<input type="checkbox"/>	207.0	Not Competitive in Region		
11087	6 N	Tidwell Lakes Ranch	15.69 acre tract approx. 1000' N of 12900 block of Tidwell/W of the approx. 9000 block of E Sam Houston Pkwy N	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	94	95	G	NC	\$1,888,910	W. Barry Kahn	<input type="checkbox"/>	207.0	Not Competitive in Region		
11137	6 N	Genoa Ranch	16.97 acre tract E of MLK Jr., S of East Orem, and N of the approx. 4800 block of Alameda-Genoa	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	78	79	G	NC	\$1,583,573*	John E. Hettig	<input type="checkbox"/>	206.0	Not Competitive in Region		
11049	6 N	The Palisades of Inwood	5800 W Mount Houston Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	127	127	E	NC	\$1,633,534*	Marvalette Hunter	<input checked="" type="checkbox"/>	204.0	Not Competitive in Region		
11177	6 N	Trinity East Village	14 contiguous parcels bordered by St. Charles St., Tuam St., Live Oak St. and McGowen St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70	70	E	NC	\$977,500*	Tina Council	<input type="checkbox"/>	202.0	Not Competitive in Region		
11243	6 N	HomeTowne at Kingwood	E side of Winford Square Dr., N of Kellington Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,573,597*	Craig Spaulding	<input type="checkbox"/>	201.0	Not Competitive in Region		

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11150	6 N	New Hope Housing at Rittenhouse	7020 Stuebner Airline Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	160	160	G	NC	\$989,141*	Joy Horak-Brown	<input type="checkbox"/>	195.0	Not Competitive in Region
11249	6 N	Silvercreek I Apts	3200 Mangum	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	AC/RH	\$1,712,569*	Michael Robinson	<input type="checkbox"/>	194.0	Not Competitive in Region
11239	6 N	Sansbury Senior	SWQ of Sansbury and Crabb River Rd.	Greatwood	Urban	<input type="checkbox"/> <input type="checkbox"/>	90	90	E	NC	\$1,228,922*	Kenneth W. Fambro	<input type="checkbox"/>	188.0	Not Competitive in Region
11235	6 N	HomeTowne at Westheimer Lakes	5.37 acres on S side FM 1093, W of FM 723	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	126	126	E	NC	\$1,691,058*	Richard E. Simmons	<input type="checkbox"/>	174.0	Not Competitive in Region
11037	6 N	Spring Trace	W side Aldine Westfield Rd., N of Gwenfair Dr., E of Hardy Toll Rd., S of Cypresswood Dr.	Spring	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	\$2,000,000*	David Mark Koogler	<input type="checkbox"/>	173.0	Not Competitive in Region
11206	6 N	Enclave on S. Main Apts	12001 S Main St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	\$1,880,249*	Bert Magill	<input type="checkbox"/>	163.0	Not Competitive in Region
11072	6 N	The Landings at Westheimer Lakes	N side Canyon Fields Dr., W of FM 723	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	G	NC	\$1,265,692*	Craig H. Lintner	<input type="checkbox"/>	155.0	Not Competitive in Region
						<b>Total: 1,901 1,903</b>				<b>\$24,545,020</b>					
						<b>Total: 2,691 2,697</b>				<b>\$33,863,307</b>					
<b>Applications Submitted in Region 6: Rural</b>															
11257	6 R	Brazos Senior Villas	SEC of FM 2218 and Reading Rd.	Rosenberg	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,047,374*	Les Kilday	<input type="checkbox"/>	207.0	Competitive in Region
						<b>Total: 80 80</b>				<b>\$1,047,374</b>					
11167	6 N	The Monarch at Bay Prairie	12th St., NW of Moore Ave. Intersection	Bay City	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	74	80	E	NC	\$974,996	Ron Williams	<input checked="" type="checkbox"/>	206.0	Not Competitive in Region
11039	6 N	Timberbrook Village	E side of Nichols Sawmill Rd. b/t Sara Ln. and Sanders St.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,060,000*	David Mark Koogler	<input type="checkbox"/>	200.0	Not Competitive in Region
11046	6 N	Buckhorn Place	NWC of IH-45 & Smither Rd.	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	\$1,099,408*	Chris Dischinger	<input type="checkbox"/>	174.0	Not Competitive in Region
						<b>Total: 230 236</b>				<b>\$3,134,404</b>					
						<b>Total: 310 316</b>				<b>\$4,181,778</b>					
<b>26 Applications in Region</b>						<b>Region Total: 3,001 3,013</b>				<b>\$38,045,085</b>					

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

<b>Region: 7</b>																	
<b>Allocation Information for Region 7:</b>						<b>Total Credits Available for Region: \$2,574,457</b>						<b>Urban Allocation: \$1,979,019</b>			<b>Rural Allocation: \$595,439</b>		

<b>Applications Submitted in Region 7: Urban</b>																	
11217	7	R	The Overlook at Plum Creek	4000 block of Cromwell Dr.	Kyle	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	94	E	NC	\$962,282	Diana McIver	<input checked="" type="checkbox"/>	210.0	Competitive in Region
11123	7	R	Allegre Point	IH-35 and Fleischer Rd.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	184	G	NC	\$2,000,000*	Kenneth Lewis	<input type="checkbox"/>	208.0	Significant Sub-Regional Shortfall in State Collapse
									<b>Total:</b>	<b>260</b>	<b>278</b>			<b>\$2,962,282</b>			
11071	7	N	Heritage Oak Hill	8922 Manchaca Rd.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	E	NC	\$1,311,149*	Daniel Allgeier	<input type="checkbox"/>	206.0	Not Competitive in Region
11218	7	N	The Works at Pleasant Valley	835 N. Pleasant Valley Rd.	Austin	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$488,350*	Susan McDowell	<input type="checkbox"/>	204.0	Not Competitive in Region
11250	7	N	Cypress Creek at Four Seasons	approx. 0.1 miles E of FM 150 & Lehman Rd. on Lehman Rd.	Kyle	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	160	G	NC	\$2,060,759*	Stuart Shaw	<input checked="" type="checkbox"/>	185.0	Not Competitive in Region
									<b>Total:</b>	<b>288</b>	<b>292</b>			<b>\$3,860,258</b>			
									<b>Total:</b>	<b>548</b>	<b>570</b>			<b>\$6,822,540</b>			

<b>Applications Submitted in Region 7: Rural</b>																	
11077	7	R	Main Street Commons	E side of Main St., S of Carlos Parker	Taylor	Rural	<input type="checkbox"/>	<input type="checkbox"/>	75	75	E	NC	\$1,061,857*	Michael Roderer	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
									<b>Total:</b>	<b>75</b>	<b>75</b>			<b>\$1,061,857</b>			
11140	7	N	Villas of Giddings	40 lots in Rolling Oaks Subdivision	Giddings	Rural	<input type="checkbox"/>	<input type="checkbox"/>	35	36	G	NC	\$733,728*	Kelly Garrett	<input checked="" type="checkbox"/>	205.0	Not Competitive in Region
11041	7	N	Riverwood Commons	SEC of Old Austin Hwy & Hasler Blvd.	Bastrop	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	\$622,937*	Will Markel	<input checked="" type="checkbox"/>	203.0	Not Competitive in Region
									<b>Total:</b>	<b>71</b>	<b>72</b>			<b>\$1,356,665</b>			
									<b>Total:</b>	<b>146</b>	<b>147</b>			<b>\$2,418,522</b>			

<b>8 Applications in Region</b>						<b>Region Total:</b>						<b>694</b>			<b>717</b>			<b>\$9,241,062</b>		
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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	Score	Comment
								Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 8

<b>Allocation Information for Region 8:</b>	<b>Total Credits Available for Region:</b> \$2,587,219	<b>Urban Allocation:</b> \$1,991,475	<b>Rural Allocation:</b> \$595,744
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<b>Applications Submitted in Region 8: Urban</b>																	
11027	8 R	Brookview Village	100 block W Hwy 190	Copperas Cove	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	E	NC	\$1,038,574	Granger MacDonald	<input type="checkbox"/>	200.0	Competitive in Region	
							<b>Total:</b>	<b>96</b>	<b>96</b>			<b>\$1,038,574</b>					
11241	8 N	Park Hudson Senior	SWC of Cross Park and FM 158	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	90	90	E	NC	\$1,245,984*	Paul Milosevich	<input type="checkbox"/>	196.0	Not Competitive in Region	
11169	8 N	Merritt Bryan Station Senior Village	N of Hwy 6 and W of Old Reliance Rd.	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,811,478*	Colby Denison	<input type="checkbox"/>	196.0	Not Competitive in Region	
11214	8 N	Cobblestone Village	Highpoint Dr. near Braircrest Dr.	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	68	68	E	NC	\$870,480*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	192.0	Not Competitive in Region	
11065	8 N	Robinson Senior Villages	San Benito Rd. & Santa Anna Rd.	Robinson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	\$1,649,897*	Tim Lang	<input type="checkbox"/>	191.0	Not Competitive in Region	
11057	8 N	The Mercer	Austin's Colony Pkwy b/t Hwy 6 & Boonville Rd.	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	152	156	G	NC	\$1,760,291*	Mark Musemeche	<input type="checkbox"/>	184.0	Not Competitive in Region	
11094	8 N	Mariposa at Highway 6	approx. 0.15 miles S of Boonville Rd. and Wildflower Dr. (W side of Wildflower Dr.)	Bryan	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	160	E	NC	\$1,888,178*	Stuart Shaw	<input type="checkbox"/>	183.0	Not Competitive in Region	
							<b>Total:</b>	<b>730</b>	<b>738</b>			<b>\$9,226,308</b>					
							<b>Total:</b>	<b>826</b>	<b>834</b>			<b>\$10,264,882</b>					
<b>Applications Submitted in Region 8: Rural</b>																	
11202	8 R	Hunter's Chase Senior Apts	N side of E Belton Ave., E of Yoakum	Rockdale	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$871,034	Gary Maddock	<input checked="" type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Rural Collapse	
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$871,034</b>					
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$871,034</b>					
<b>8 Applications in Region</b>							<b>Region Total:</b>	<b>906</b>	<b>914</b>			<b>\$11,135,916</b>					

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<b>Region:</b>	<b>9</b>		
<b>Allocation Information for Region 9:</b>	<b>Total Credits Available for Region: \$3,622,744</b>	<b>Urban Allocation: \$2,966,715</b>	<b>Rural Allocation: \$656,029</b>

<b>Applications Submitted in Region 9: Urban</b>																		
11006	9 A		The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140	140	G	NC	\$1,638,351	Meghan Garza-Oswald	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010	
									<b>Total:</b>	<b>140</b>	<b>140</b>			<b>\$1,638,351</b>				
11090	9 N		Sutton Oaks II	approx. 750 Runnels Ave.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	162	208	G	NC	\$2,000,000*	Lourdes Castro Ramirez	<input type="checkbox"/>	206.0	Not Competitive in Region	
11156	9 N		Montabella Senior	NWC of Lakeview Dr. & Foster Rd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90	90	E	NC	\$1,145,528*	Susan R. Sheeran	<input type="checkbox"/>	203.0	Not Competitive in Region	
									<b>Total:</b>	<b>252</b>	<b>298</b>			<b>\$3,145,528</b>				
									<b>Total:</b>	<b>392</b>	<b>438</b>			<b>\$4,783,879</b>				
<b>Applications Submitted in Region 9: Rural</b>																		
11112	9 R		Artisan at Dilley	400 Anne St.	Dilley	Rural	<input type="checkbox"/>	<input type="checkbox"/>	46	46	G	AC/RH/RC	\$957,690*	Sandra McGowan	<input checked="" type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse	
									<b>Total:</b>	<b>46</b>	<b>46</b>			<b>\$957,690</b>				
11073	9 N		Cypress Run	Kitty Hawk Rd. across from Wagon Crossing	Universal City	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$1,070,658	Craig H. Lintner	<input type="checkbox"/>	206.0	Not Competitive in Region	
11026	9 N		Walnut Springs	1300 E Walnut St.	Seguin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$902,870*	Granger MacDonald	<input checked="" type="checkbox"/>	201.0	Not Competitive in Region	
									<b>Total:</b>	<b>160</b>	<b>160</b>			<b>\$1,973,528</b>				
									<b>Total:</b>	<b>206</b>	<b>206</b>			<b>\$2,931,218</b>				
<b>6 Applications in Region</b>							<b>Region Total:</b>		<b>598</b>	<b>644</b>			<b>\$7,715,097</b>					

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							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 10

<b>Allocation Information for Region 10:</b>	<b>Total Credits Available for Region: \$1,969,583</b>	<b>Urban Allocation: \$1,202,967</b>	<b>Rural Allocation: \$766,616</b>
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**Applications Submitted in Region 10: Urban**

11115	10 R	Castle Manor Apts	655 Castle Park Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	62	62	G	AC/RH	\$655,519*	Paul Patierno	<input type="checkbox"/>	215.0	Competitive in Region	
							<b>Total:</b>	<b>62</b>	<b>62</b>			<b>\$655,519</b>					
11227	10 N	Dolphin's Landing Apts	6402 Weber Rd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	218	218	G	AC/RH	\$2,000,000	Michael Nguyen	<input type="checkbox"/>	213.0	Not Competitive in Region	
11166	10 N	The Palms at Leopard	Palm Ave. b/t Lipan St. & Leopard St.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	\$1,653,271*	M. Steven Henderson	<input type="checkbox"/>	211.0	Not Competitive in Region	
11079	10 N	Lexington Landing	1455 Southgate Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	156	156	G	AC/RH/RC	\$2,000,000*	Richard J. Franco	<input type="checkbox"/>	209.0	Not Competitive in Region	
11045	10 N	Lexington Vista	NWC of Downing St.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,365,970*	Mark Lechner	<input type="checkbox"/>	209.0	Not Competitive in Region	
11050	10 N	Palm Gardens	NEC of Sandra Ln.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$1,996,605*	Mark Lechner	<input type="checkbox"/>	209.0	Not Competitive in Region	
11025	10 N	Seaside Manor	SWC of FM 1069 and Gallion St.	Ingleside	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,097,081*	Justin MacDonald	<input checked="" type="checkbox"/>	197.0	Not Competitive in Region	
11168	10 N	The Trails at Nodding Pines	SW corner of Holly Road and Nodding Pines	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	84	88	G	NC	\$1,100,000*	Janine Sisak	<input type="checkbox"/>	188.0	Not Competitive in Region	
							<b>Total:</b>	<b>934</b>	<b>938</b>			<b>\$11,212,927</b>					
							<b>Total:</b>	<b>996</b>	<b>1,000</b>			<b>\$11,868,446</b>					

**Applications Submitted in Region 10: Rural**

11208	10 R	Amber Stone Apts	208 & 210 E Crockett St.	Beeville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	54	54	G	AC/RH/RC	\$682,682	Adrian Iglesias	<input checked="" type="checkbox"/>	214.0	Competitive in Region	
							<b>Total:</b>	<b>54</b>	<b>54</b>			<b>\$682,682</b>					
11058	10 N	Connell Villa	1605 E Santa Gertrudis	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	AC/RH/RC	\$618,132*	Cory Hinojosa	<input checked="" type="checkbox"/>	208.0	Not Competitive in Region	
11021	10 N	Candlestick Village	3901 Hwy 35 N	Fulton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$1,048,780*	Charles Holcomb	<input type="checkbox"/>	198.0	Not Competitive in Region	
							<b>Total:</b>	<b>116</b>	<b>116</b>			<b>\$1,666,912</b>					
							<b>Total:</b>	<b>170</b>	<b>170</b>			<b>\$2,349,594</b>					
<b>11 Applications in Region</b>							<b>Region Total: 1,166</b>		<b>1,170</b>			<b>\$14,218,040</b>					

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**Region: 11**

<b>Allocation Information for Region 11:</b>	<b>Total Credits Available for Region: \$4,114,753</b>	<b>Urban Allocation: \$2,655,037</b>	<b>Rural Allocation: \$1,459,716</b>
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<b>Applications Submitted in Region 11: Urban</b>																	
11008	11	A	Champion Homes at Canyon Creek	1700 N. Minnesota Ave.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	\$1,348,738	Saleem Jafar	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>100</b>	<b>100</b>			<b>\$1,348,738</b>					
11031	11	N	La Hacienda Apts.	3567 W. Business 83	Harlingen	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	55	56	G	AC/RH/RC	\$783,316*	Nick Mitchell-Bennett	<input checked="" type="checkbox"/>	214.0	Not Competitive in Region
11059	11	N	Colonia Guadalupe	2000 San Francisco Ave.	Laredo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	G	AC/RH/RC	\$1,710,260	Laura Llanes	<input type="checkbox"/>	214.0	Not Competitive in Region
11232	11	N	River Valley Apts	702 S. M St.	Harlingen	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	104	104	G	AC/RH/RC	\$1,132,577*	Rick J. Deyoe	<input type="checkbox"/>	214.0	Not Competitive in Region
11043	11	N	La Serena	10 acres SWC Hwy 83 and Tamm Ln.	Harlingen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$2,000,000*	Scott Brian	<input type="checkbox"/>	212.0	Not Competitive in Region
11048	11	N	La Privada	10+/- acres off Chapin Rd. SEC	Edinburg	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$2,000,000*	Scott Brian	<input type="checkbox"/>	209.0	Not Competitive in Region
11157	11	N	Andalusia Pointe	approx. 2200 SE of Hwy 77 & County Rd. 508	Combes	Urban	<input type="checkbox"/>	<input type="checkbox"/>	104	104	G	NC	\$1,455,633*	Jared Hockema	<input type="checkbox"/>	204.0	Not Competitive in Region
11102	11	N	Christie's Cove	Ramsey Rd. and Lafayette Ave.	Harlingen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	125	125	G	NC	\$1,961,722*	Ana Silveria Sierra	<input type="checkbox"/>	191.0	Not Competitive in Region
11036	11	N	Hidalgo Sr. Apts.	8.75 acres of the SWC of 2.5 Mile Rd. and 8 Mile Rd.	Weslaco	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	\$1,414,753*	Kimberly Keener	<input type="checkbox"/>	180.0	Not Competitive in Region
							<b>Total:</b>	<b>964</b>	<b>965</b>			<b>\$12,458,261</b>					
							<b>Total:</b>	<b>1,064</b>	<b>1,065</b>			<b>\$13,806,999</b>					

<b>Applications Submitted in Region 11: Rural</b>																		
11009	11	A	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	77	80	G	NC	\$1,010,136	Sunny K. Philip	<input checked="" type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010	
							<b>Total:</b>	<b>77</b>	<b>80</b>			<b>\$1,010,136</b>						
11105	11	N	Aster Villas	2800 block of Veterans Blvd.	Del Rio	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$1,034,797*	Clifton Phillips	<input type="checkbox"/>	198.0	Not Competitive in Region	
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,034,797</b>						
							<b>Total:</b>	<b>157</b>	<b>160</b>			<b>\$2,044,933</b>						
<b>11 Applications in Region</b>							<b>Region Total:</b>		<b>1,221</b>	<b>1,225</b>			<b>\$15,851,932</b>					

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Thursday, July 21, 2011

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

Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,619,625	Urban Allocation: \$1,054,563	Rural Allocation: \$565,061
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Applications Submitted in Region 12: Urban

11120	12 R	La Promesa Apts	4590 N Texas St.	Odessa	Urban	<input type="checkbox"/>	<input type="checkbox"/>	136	136	G	AC/RH	\$1,558,301*	Chris Barnes	<input type="checkbox"/>	208.0	Significant Sub-Regional Shortfall in State Collapse	
							<b>Total:</b>	<b>136</b>	<b>136</b>			<b>\$1,558,301</b>					
11165	12 N	Playa Del Pueblo	Approx 400 linear feet East of S Terrell St. & IH-20	Midland	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	96	96	G	NC	\$1,315,954	David Diaz	<input type="checkbox"/>	203.0	Not Competitive in Region	
11151	12 N	Sage Brush Apts	Tradewinds Blvd. N of IH-20 Business	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	77	78	E	NC	\$942,786*	Vaughn C. Zimmerman	<input type="checkbox"/>	202.0	Not Competitive in Region	
11237	12 N	Summer Crest Senior Development	N side of Summer Crest Dr., W of FM 2288	San Angelo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	90	90	E	NC	\$1,180,971*	Chuck Hammonds	<input type="checkbox"/>	183.0	Not Competitive in Region	
11226	12 N	Clear Springs	7700 E Bankhead Hwy	Odessa	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140	140	E	NC	\$1,753,480*	Maribel Estrella	<input type="checkbox"/>	182.0	Not Competitive in Region	
11261	12 N	North Angelo Housing Estates	various scattered sites	San Angelo	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$494,376*	Terry Shaner	<input type="checkbox"/>	181.0	Not Competitive in Region	
							<b>Total:</b>	<b>439</b>	<b>440</b>			<b>\$5,687,567</b>					
							<b>Total:</b>	<b>575</b>	<b>576</b>			<b>\$7,245,868</b>					

Applications Submitted in Region 12: Rural

11197	12 R	Park Village Apts	1905 Wasson Rd.	Big Spring	Rural	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	AC/RH	\$646,315*	Daniel F. O'Dea	<input type="checkbox"/>	204.0	Competitive in Region	
							<b>Total:</b>	<b>76</b>	<b>76</b>			<b>\$646,315</b>					
11181	12 N	Dunes Apts	SE Ave. G at SE 3rd St.	Seminole	Rural	<input type="checkbox"/>	<input type="checkbox"/>	59	60	G	NC	\$661,313	Kelly Holden	<input type="checkbox"/>	165.0	Not Competitive in Region	
							<b>Total:</b>	<b>59</b>	<b>60</b>			<b>\$661,313</b>					
							<b>Total:</b>	<b>135</b>	<b>136</b>			<b>\$1,307,628</b>					
<b>8 Applications in Region</b>							<b>Region Total:</b>	<b>710</b>	<b>712</b>			<b>\$8,553,496</b>					

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

<b>Allocation Information for Region 13:</b>	<b>Total Credits Available for Region: \$1,965,011</b>	<b>Urban Allocation: \$1,384,139</b>	<b>Rural Allocation: \$580,872</b>
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<b>Applications Submitted in Region 13: Urban</b>																	
11000	13	A	Canutillo Palms	Parcel directly South of Canutillo High School. 200 ft West of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	\$2,000,000	R. L. Bowling, IV	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
									<b>Total:</b>	<b>172</b>	<b>172</b>			<b>\$2,000,000</b>			
11234	13	N	Villas at West Mountain	NWC Helen of Troy and Northwestern	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$1,719,033*	Ike J. Monty	<input type="checkbox"/>	202.0	Not Competitive in Region
11068	13	N	North Desert Palms	100' NW of Angora Loop & Dyer St. off of Dyer	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	149	172	G	NC	\$1,996,938*	R. L. Bowling, IV	<input type="checkbox"/>	178.0	Not Competitive in Region
									<b>Total:</b>	<b>305</b>	<b>328</b>			<b>\$3,715,971</b>			
									<b>Total:</b>	<b>477</b>	<b>500</b>			<b>\$5,715,971</b>			
<b>Applications Submitted in Region 13: Rural</b>																	
11070	13	R	Presidio Palms II	behind 12960 Alnor St.	San Elizario	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$1,056,218	R. L. Bowling, IV	<input type="checkbox"/>	166.0	Competitive in Region
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,056,218</b>			
									<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,056,218</b>			
<b>4 Applications in Region</b>						<b>Region Total:</b>		<b>557</b>	<b>580</b>			<b>\$6,772,189</b>					
<b>131 Total Applications</b>									<b>13,691</b>	<b>14,013</b>			<b>\$172,856,094</b>				

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**Report 3: 2011 9% Recommended Non Profit Applications**  
**2011 Competitive Housing Tax Credit Program**  
**(As of July 28, 2011, the recommendations may change due to pending appeals)**

**Estimated Non-Profit Allocation: \$5,600,525**

File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11007	3 A	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus Chapa	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11003	3 A	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	NC	\$1,606,374	Brian L. Roop	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11011	3 A	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	172	172	E	NC	\$1,940,000	Manish Verma	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11006	9 A	The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	140	140	G	NC	\$1,638,351	Meghan Garza-Oswald	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11009	11 A	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	77	80	G	NC	\$1,010,136	Sunny K. Philip	<input checked="" type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>583</b>	<b>586</b>			<b>\$7,331,643</b>			
11033	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	AC/RH	\$944,918*	Walter Martinez	<input checked="" type="checkbox"/>	208.0	Competitive in At-Risk Set-Aside
11097	4 R	RoseHill Ridge	1125 Stuckey	Texarkana	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	122	122	G	AC/RH/RC	\$1,964,020	Naomi W. Byrne	<input type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse
							<b>Total:</b>	<b>198</b>	<b>198</b>			<b>\$2,908,938</b>			
<b>7 Total Applications</b>								<b>781</b>	<b>784</b>			<b>\$10,240,581</b>			

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**Report 4: Applications Recommended to Meet the State Rural Allocation ("Rural R")  
2011 Competitive Housing Tax Credit Program  
(As of July 28, 2011, the recommendations may change due to pending appeals)**

**Estimated Rural Allocation: \$11,201,049**

File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11005	3 A	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$802,682	Alice Wong	<input type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
11009	11 A	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	77	80	G	NC	\$1,010,136	Sunny K. Philip	<input checked="" type="checkbox"/>	300.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>157</b>	<b>160</b>			<b>\$1,812,818</b>			
11208	10 R	Amber Stone Apts	208 & 210 E Crockett St.	Beeville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	54	54	G	AC/RH/RC	\$682,682	Adrian Iglesias	<input checked="" type="checkbox"/>	214.0	Competitive in Region
11030	5 R	Pine Ridge Manor	1100 MLK Jr. Dr.	Crockett	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	70	70	G	AC/RH	\$600,000	Ike Akbari	<input checked="" type="checkbox"/>	213.0	Competitive in At-Risk Set-Aside
11224	6 R	Magnolia Acres	108 Deborah Dr.	Angleton	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	66	67	E	AC/RH/RC	\$669,724*	Michelle Norris	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
11077	7 R	Main Street Commons	E side of Main St., S of Carlos Parker	Taylor	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	75	75	E	NC	\$1,061,857*	Michael Roderer	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
11076	2 R	Saddlebrook Apts	SE Quadrant of Preston and Kramer	Burkburnett	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$981,097	Brett Johnson	<input checked="" type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in State Collapse
11033	10 R	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	AC/RH	\$944,918*	Walter Martinez	<input checked="" type="checkbox"/>	208.0	Competitive in At-Risk Set-Aside
11257	6 R	Brazos Senior Villas	SEC of FM 2218 and Reading Rd.	Rosenberg	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,047,374*	Les Kilday	<input type="checkbox"/>	207.0	Competitive in Region
11112	9 R	Artisan at Dilley	400 Anne St.	Dilley	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	46	46	G	AC/RH/RC	\$957,690*	Sandra McGowan	<input checked="" type="checkbox"/>	207.0	Significant Sub-Regional Shortfall in Rural Collapse
11164	1 R	Oasis Cove	N corner of N 7th St. and 9th Ave.	Canadian	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	56	64	G	NC	\$760,840	Mark Mayfield	<input checked="" type="checkbox"/>	204.0	Competitive in Region
11197	12 R	Park Village Apts	1905 Wasson Rd.	Big Spring	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	76	76	G	AC/RH	\$646,315*	Daniel F. O'Dea	<input type="checkbox"/>	204.0	Competitive in Region

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
11202	8 R	Hunter's Chase Senior Apts	N side of E Belton Ave., E of Yoakum	Rockdale	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$871,034	Gary Maddock	<input checked="" type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Rural Collapse
11138	4 R	SilverLeaf at Gun Barrel City	400 Block Church St.	Gun Barrel City	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$941,119	J Michael Sugrue	<input checked="" type="checkbox"/>	199.0	Competitive in Region
11179	3 R	Meadowlake Village Apts	209 S Grand Ave.	Mabank	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40	40	G	RH	\$413,499*	Warren L. Maupin, Jr.	<input checked="" type="checkbox"/>	190.0	Competitive in USDA Allocation
11086	5 R	La Belle Vie	350 ft SE of Shakespeare Ln. on W side of N LHS Dr.	Lumberton	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$927,326	Donald R. Ball	<input type="checkbox"/>	189.0	Competitive in Region
11084	5 R	Southwood Apts	2050 South Byrd Ave.	Shepherd	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G	AC/RH	\$347,472	Ronald Potterpin	<input checked="" type="checkbox"/>	178.0	Competitive in USDA Allocation
11135	9 R	Jourdanton Square Apts	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	52	52	G	AC/RH	\$383,024	Dennis Hoover	<input checked="" type="checkbox"/>	166.0	Competitive in USDA Allocation
11070	13 R	Presidio Palms II	behind 12960 Alnor St.	San Elizario	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,056,218	R. L. Bowling, IV	<input type="checkbox"/>	166.0	Competitive in Region
11083	4 R	Countrywood Apts	7080 Lamar Rd.	Reno	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	AC/RH	\$189,311	Ronald Potterpin	<input checked="" type="checkbox"/>	162.0	Competitive in USDA Allocation
11082	8 R	Oakwood Apts	701 N. Madison St.	Madisonville	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	G	AC/RH	\$283,295	Ronald Potterpin	<input type="checkbox"/>	158.0	Competitive in USDA Allocation
11081	8 R	Northwood Apts	516 Laredo St.	Navasota	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G	AC/RH	\$332,894	Ronald Potterpin	<input type="checkbox"/>	155.0	Competitive in USDA Allocation
<b>Total:</b>							<b>1,247</b>	<b>1,256</b>			<b>\$14,097,689</b>				
<b>22 Total Applications</b>							<b>1,404</b>	<b>1,416</b>			<b>\$15,910,507</b>				

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**11020**

**The Grand Texan-Waxahachie**

**Rural, Region 3**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**The Grand Texan-Waxahachie, TDHCA Number 11020**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SEC of U.S. Hwy 77 and Park Hills Dr. Development #: 11020  
 City: Waxahachie Region: 3 Population Served: Elderly  
 County: Ellis Zip Code: 75165 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Grand Texan-Waxahachie, Ltd.  
 Owner Contact and Phone: Kenneth H. Mitchell, (817) 249-6886  
 Developer: Kenneth H. Mitchell  
 Housing General Contractor: TBD  
 Architect: NA  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	65
	10 0 0 55	Market Rate Units:	15
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 65 15 0 0 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	1
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$705,431	\$705,431			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Grand Texan-Waxahachie, TDHCA Number 11020

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Birdwell, District 22, NC

US Representative: Barton, District 6,

TX Representative: Pitts, District 10, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Bullard Heights Neighborhood Association, Inc., Sandra Wilkinson

Letter Score: 24 S or O: S

The city of Waxahachie is in need of senior housing and this project will greatly enhance our neighborhood and is a most welcome addition.

**Community Input Other than Quantifiable Community Participation Input:**

Waxahachie Lions Club, S, Wendy Pynor, President

Waxahachie Convention & Visitors Bureau, S, Jacquelyn Helton, Director CVB

Waxahachie Convention & Visitors Bureau, S, Hilda Chapman, Chair CVB

Waxahachie Chamber of Commerce & CVB, S, Debra Wakeland, President & CEO

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Grand Texan-Waxahachie, TDHCA Number 11020

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **190**  Meeting a Required Set-Aside Credit Amount\*: \$705,431

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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



11021

Candlestick Village

Rural, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Candlestick Village, TDHCA Number 11021**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 3901 Hwy 35 N Development #: 11021  
 City: Fulton Region: 10 Population Served: Elderly  
 County: Aransas Zip Code: 78382 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Community Retirement Center of Fulton, LP  
 Owner Contact and Phone: Charles Holcomb, (936) 566-4572  
 Developer: Community Retirement Centre, Inc.  
 Housing General Contractor: TBD  
 Architect: Joseph Hoover AIA & Associates  
 Market Analyst: Affordable Housing Interests  
 Syndicator: Boston Capital Corporation  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	51	29	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,048,780	\$1,048,780			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Candlestick Village, TDHCA Number 11021

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hegar, District 18, S

US Representative: Paul, District 14, S

TX Representative: Hunter, District 32, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Rockport Fulton Chamber of Commerce, S, Diana Probst, President

Aransas County Council on Aging, S, Mary Ellen Niles, Executive Director

Fulton Volunteer Fire Department, S, Rickey McAlester, Fire Chief

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Candlestick Village, TDHCA Number 11021**

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 198  Meeting a Required Set-Aside Credit Amount\*: \$1,048,780

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11022

East Houston Gardens

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary  
East Houston Gardens, TDHCA Number 11022**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7600 E Houston Rd. Development #: 11022  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77028 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: LDC E Houston TC, LP  
 Owner Contact and Phone: Amanda Haney, (972) 314-9074  
 Developer: LDC Housing, LLC  
 Housing General Contractor: Construction Supervisors, Inc.  
 Architect: Fielder & Associates  
 Market Analyst: The Gill Group  
 Syndicator: AEGON USA Realty Advisors, LLC  
 Supportive Services: Portfolio Resident Services  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	86	
	8	0	43	35	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	42	20	0	0	
Type of Building:						Total Development Units:	86
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	10
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,097,180	\$1,097,180			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
East Houston Gardens, TDHCA Number 11022

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC

US Representative: Jackson Lee, District 18,

TX Representative: Dutton, District 142, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Jarvis Johnson, Council Member, District B

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

East Houston Super Neighborhood 49, Albert Coleman

Letter Score: 24 S or O: S

This property has been abandoned for eight years and is a danger and hazard to the neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Rosewood Civic Club, S, Lester Howard, President

Timber Trail Town Home Civic Club, S, Mattie Goodman, President

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
East Houston Gardens, TDHCA Number 11022

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits: [X] Score: 207 [ ] Meeting a Required Set-Aside Credit Amount\*: \$1,097,180
Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0
HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

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



**11024**

**Zion Bayou**

**Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Zion Bayou, TDHCA Number 11024**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 5200-5390 Airport Blvd. Development #: 11024  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77048 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Zion Bayou Ltd.  
 Owner Contact and Phone: L. David Punch, (832) 347-0900  
 Developer: ReWard Third Ward Inc.  
 Housing General Contractor: Watermark Construction LP  
 Architect: NA  
 Market Analyst: NA  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: Rick Simms,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	84
	8	0	76	0	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	40	32	4	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	84
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,244,498	\$1,244,498			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Zion Bayou, TDHCA Number 11024

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, S

US Representative: Green, District 9,

TX Representative: Miles, District 146, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC, David Turkel, Director Harris County
Community Services Dept.

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

South Acres West Civic Club, Annie Mitchell

Letter Score: 24 S or O: S

We support the development as it is much needed in this area. There have been none in the last fifty years and it will improve live and revitalize the community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Zion Bayou, TDHCA Number 11024**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **207**  Meeting a Required Set-Aside Credit Amount\*: \$1,244,498

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11025**

**Seaside Manor**

**Urban, Region 10**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Seaside Manor, TDHCA Number 11025**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SWC of FM 1069 and Gallion St. Development #: 11025  
 City: Ingleside Region: 10 Population Served: Elderly  
 County: San Patricio Zip Code: 78362 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Ingleside Seaside Manor Apartments, LP  
 Owner Contact and Phone: Justin MacDonald, (830) 257-5323  
 Developer: Ingleside Seaside Manor Builders, LLC  
 Housing General Contractor: G.G. MacDonald, Inc.  
 Architect: Archon Corporation  
 Market Analyst: Mark C. Temple & Associates, LLC  
 Syndicator: Hunt Capital Partners, LLC  
 Supportive Services: J.C. Ventures, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100
	15	0	5	80	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	50	50	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	100
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	25
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	20

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,097,081	\$1,097,081			
HOME Activity Fund Amount:	\$665,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Seaside Manor, TDHCA Number 11025

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Zaffirini, District 21, NC

US Representative: Farenthold, District 27,

TX Representative: Hunter, District 32, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Terry Simpson, County Judge for San Patricio

Resolution of Support from Local Government

S, Nina G. Trevino, County Commissioner Pct. 1

**Individuals and Businesses:** In Support: 2 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Rural Economic Assistance League, Inc., S, Gloria Ramos, RN, Executive Director

Ingleside Chamber of Commerce, S, Matt Sablatura, Chairman

Community Action Corporation of South Austin, S, Rafael Trevino, Jr. , Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Seaside Manor, TDHCA Number 11025

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **197**  Meeting a Required Set-Aside Credit Amount\*: \$1,097,081

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



11026

Walnut Springs

Rural, Region 9



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Walnut Springs, TDHCA Number 11026**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1300 E Walnut St. Development #: 11026  
 City: Seguin Region: 9 Population Served: Elderly  
 County: Guadalupe Zip Code: 78155 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Seguin Walnut Springs Apartments, LP  
 Owner Contact and Phone: Granger MacDonald, (830) 257-5323  
 Developer: Seguin Walnut Springs Builders, LLC  
 Housing General Contractor: G.G. MacDonald, Inc.  
 Architect: Steinberg Design Collaborative, LLP  
 Market Analyst: Mark C. Temple & Associates, LLC  
 Syndicator: Hunt Capital Partners, LLC  
 Supportive Services: J.C. Ventures, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	32	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	16

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$902,870	\$902,870			
HOME Activity Fund Amount:	\$365,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Walnut Springs, TDHCA Number 11026

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Wentworth, District 25, NC

US Representative: Cuellar, District 28,

TX Representative: Kuempel, District 44, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Sequin Area Chamber of Commerce, S, Shanta M. Kuhl, IOM, President

Community Health Centers of South Central Texas, Inc., S, Henry F. Salas, Chief Executive Officer

The Silver Center, S, Nancie Stephens-Gonzales

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Walnut Springs, TDHCA Number 11026**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **34**
- Total # Monitored: **29**

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

Competitive Housing Tax Credits:  Score: **201**  Meeting a Required Set-Aside Credit Amount\*: \$902,870

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

11027

Brookview Village

Urban, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Brookview Village, TDHCA Number 11027**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 100 block W Hwy 190 Development #: 11027  
 City: Copperas Cove Region: 8 Population Served: Elderly  
 County: Coryell Zip Code: 76522 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Copperas Cove Brookview Village Apartments, LP  
 Owner Contact and Phone: Granger MacDonald, (830) 257-5323  
 Developer: Copperas Cove Brookview Village Builders, LLC  
 Housing General Contractor: G.G. MacDonald, Inc.  
 Architect: Steinberg Design Collaborative, LLP  
 Market Analyst: Mark C. Temple & Associates, LLC  
 Syndicator: Hunt Capital Partners, LLC  
 Supportive Services: J.C. Ventures, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96	
	10	0	34	52	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	54	42	0	0	0	
Type of Building:						Total Development Units:	96
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$9,980,189
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	9
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,038,574	\$1,038,574			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Brookview Village, TDHCA Number 11027

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Birdwell, District 22, S

US Representative: Carter, District 31,

TX Representative: Miller, District 59, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, John Hull, Mayor of Copperas Cove Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Area Agency on Aging of Central Texas, S, H. Richard McGhee, Director
Goodwill Industries, Inc., S, Daniel Nisley, President CEO
Copperas Cove Chamber of Commerce, S, Marty Smith, President

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: Commitment signed by the lender including terms of financing, including interest rate, term, and amortization period. City of Copperas Cove zoning change to allow multifamily use.
2. Receipt and acceptance by Carryover: Revised Site Plan including swimming pool located adjacent to community building.
3. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Brookview Village, TDHCA Number 11027

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 34

Total # Monitored: 29

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

Competitive Housing Tax Credits:  Score: 200  Meeting a Required Set-Aside Credit Amount\*: \$1,038,574

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11027 Program(s): 9% HTC  
Brookview Village  
 Address/Location: 100 Block West Highway 190  
 City: Copperas Cove County: Coryell Zip: 76522  
 Population: Senior Program Set-Aside: General Area: Urban  
 Activity: New Construction Construction Type: Townhome Region: 8  
 Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,038,574				\$1,038,574				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - \* Commitment signed by the lender including terms of financing, including interest rate, term, and amortization period.
  - \* City of Copperas Cove zoning change to allow multifamily use.
- 2 Receipt and acceptance by Carryover:
  - \* Revised Site Plan including swimming pool located adjacent to community building.
- 3 Receipt and acceptance by Cost Certification:
  - \* Documentation clearing environmental issues contained in the ESA report, specifically:
    - \* An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	10
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	34
60% of AMI	60% of AMI	52

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Experienced Developer (16 developments and more than 2,000 units utilizing TDHCA funds)
▫	Well designed units floor plans should prove to be competitive advantage in market

WEAKNESSES/RISKS	
▫	Site directly abuts power sub-station with tension wires traversing the entrance to site (potential marketing issue)
▫	Inefficient parking access for buildings 6 and 9
▫	Limited frontage and visibility

## DEVELOPMENT TEAM

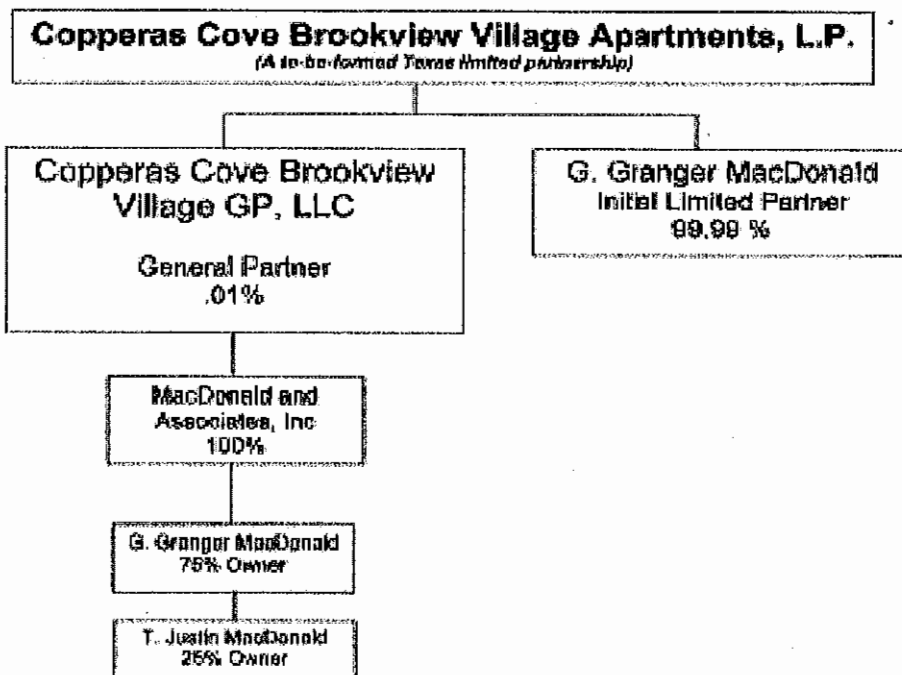
### PRIMARY CONTACTS

Name: Granger MacDonald Relationship: Owner, Developer, Guarantor  
 Email: gmacdonald@macdonald-company Phone: (830) 257-5323 Fax: (830) 257-3168

Related-Party Seller/Identity of Interest:     No    

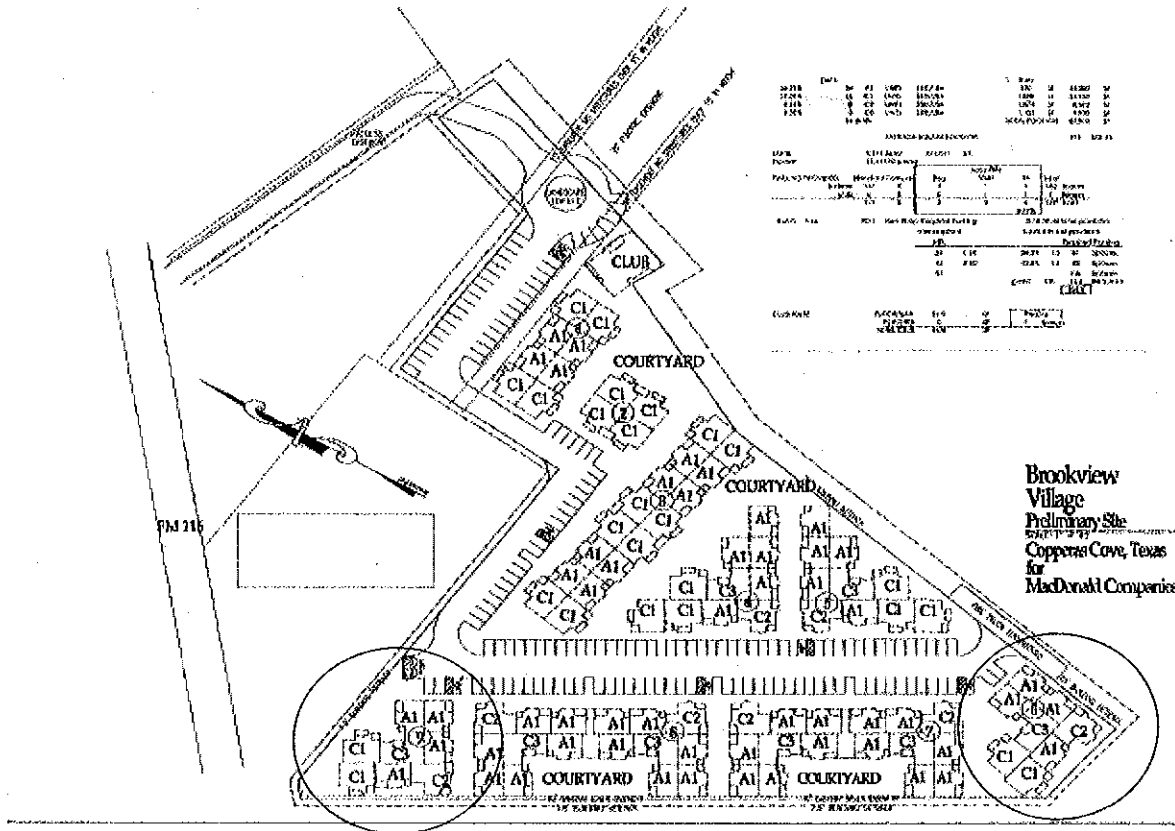
- The Applicant, Developer, General Contractor and supportive services provider are related entities.
- The seller is not regarded as a related party and is not affiliated with the Applicant.

## OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



## BUILDING CONFIGURATION

Building Type	I	II	III	IV	V	VI							Total Buildings
Floors/Stories	1	1	1	1	1	1							9
Number of Bldgs	1	1	1	2	2	2							9
Units per Bldg	8	16	4	8	16	10							
<b>Total Units</b>	<b>8</b>	<b>16</b>	<b>4</b>	<b>16</b>	<b>32</b>	<b>20</b>							<b>96</b>

## GENERAL INFORMATION

Total Size:	<u>6.857</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>AE &amp; X</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	<u>B-4</u>	Re-Zoning Required?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>14.0003</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Surrounding Uses:

The northern border of the site wraps around a Texas Power and Light Company power grid sub-station featuring several transformers. The Applicant has stated that no mitigation measures will be required from this neighboring use; however, it should be noted that this use may be a deterrent for some potential tenants and increases the amount of risk involved in funding the deal. The power grid sub-station is of particular concern for those units featured in Buildings 1, 2, 8, and 9, as these buildings feature several units that face the station.

Additional uses directly abutting the site include a bank and a restaurant to the north, a retail strip mall to the west and residential uses bordering the south and east.

Other Observations:

Access may be an issue for several units, particularly those located on the backside of buildings 6 and 9 and to a more limited extent those located on the southeast side of Building 8. Tenants will need to walk around their respective buildings to access these units.

Additionally, there are very few parking spaces located near buildings 6 and 9. Parking spaces are not assigned and the closest spaces to these buildings have the potential to be taken by residents in other buildings forcing tenants to walk an abnormally long distance to their units.

The site is currently Zoned B-4 (Business District), which does not permit the proposed use of a Senior Multifamily Development; however, an Application for Zoning Change was submitted by the current land owner to the City of Copperas Cove and is expected to be approved prior to closing on the property in August of 2011.

The proposed development will not have frontage on the main thoroughfare, Highway 190, and is instead accessed by a newly developed driveway constructed between a neighboring bank and restaurant. The power grid sub-station, a retail strip mall, the bank and the restaurant create a barrier between Highway 190 and the development.

The site features a 70' electric easement connecting to the power grid sub-station from the east. This easement features power lines running to and from the sub-station that will cross over the Site. As proposed, no buildings are located within the electric easement, only parking and the entranceway landscape feature.

Additionally, two drainage ways are present on the Site bordering the east and western edges of the property.

The Application lists costs associated with the development of a swimming pool; however, no swimming pool is shown on the Site Plan. The Applicant stated that the pool will be located adjacent to the Community Building and the submittal of a revised Site Plan including the swimming pool is a condition of this report.

Though a portion of the property is within a flood zone, Applicant will develop the site to conform to 2011 QAP §49.5(a).

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: TriCo Inspecting Service, Inc Date: 1/7/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

## MARKET ANALYSIS

Provider: Mark C. Temple & Associates, LLC Date: 2/28/2011  
 Contact: Mark Temple Phone: 210-496-9499  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 188 sq. miles 8 mile equivalent radius

The Primary Market Area created by the Market Analyst was defined by 11 census tracts that encompassed the whole of Coryell County. The Market Analyst's PMA follows the letter of the rule for creating a market area, but the Underwriter believes that demand would come from cities and suburbs closer to the subject site and with direct access via HW 190 rather than cities located 20 to 30 miles away on the far side of Fort Hood with no direct access to the site. The Underwriter revised the PMA to include 21 census tracts that surrounds Copperas Cove and Killeen along HW 190.

ELIGIBLE HOUSEHOLDS BY INCOME								
Coryell County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$7,416	\$11,550	---	---	\$12,360	\$19,250	\$14,832	\$23,100
2	\$7,416	\$13,200	---	---	\$12,360	\$22,000	\$14,832	\$26,400
3	---	---	---	---	\$14,832	\$24,750	\$17,808	\$29,700
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09163	Tremont Apt Homes	New	Senior	112	112
Other Affordable Developments in PMA since 2007					
07431	Cove Village Apts	Rehab	Family	n/a	50
08257	Constitution Court	New	Family	n/o	108
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		3	Total Units		130

Proposed, Under Construction, and Unstabilized Comparable Supply:

09163 Tremont Apt Homes is a comparable new senior development still under construction located 10 miles to the east of the subject site in Killeen.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	19,770		56,297	
Senior Households in the Primary Market Area	5,445		11,299	
Potential Demand from the Primory Market Area	1,332		3,169	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>1,332</b>		<b>3,169</b>	
Subject Affordable Units	96		96	
Unstabilized Comparable Units	0		112	
<b>RELEVANT SUPPLY</b>	<b>96</b>		<b>208</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>7.2%</b>		<b>6.6%</b>	

**Demand Analysis:**

The Market Analyst drew a Primary Market Area that included the whole Coryell County, which the Underwriter deemed as too big of an area. The City of Killeen is located less than 10 miles away from the subject site, but was not included in the Market Analyst's market area. The Underwriter has included the Killeen Market Area as part of his calculations and calculated a Gross Demand of 3,169 units for the Market Area.

09163 Tremont Apt Homes' 112 units was included in the Underwriter's calculations resulting in a Gross Capture Rate of 6.6% for the Relevant Supply of 208 units.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	372	10	0	3%	308	10	4	5%
1 BR/50%	568	24	0	4%	638	24	9	5%
1 BR/60%	700	20	0	3%	405	20	18	9%
2 BR/50%	568	10	0	2%	376	10	26	10%
2 BR/60%	789	32	0	4%	200	32	37	35%

**Primary Market Occupancy Rates:**

A survey of 3 apartment projects totaling 790 units shows an occupancy level of 93.3%. (p VII-1)

**Absorption Projections:**

According to the Management of Existing Tax Credits Projects and ESRI, Inc, "present absorption trends in apartment projects located in the Copperas Cove Market Area range from 7 to 10 units per month... it is estimated that a 95+ percent occupancy level can be achieved in a 10 to 14 month time frame." (p IX-4)

The Underwriter determined that the most recent Senior HTC developments to come on line in the area were 04052 Chisholm Trail Senior Village, with 60 units in Belton, and 05016 Country Lane Seniors - Temple Community with 98 units. Chisholm Trail placed in service in May 2006 and was fully occupied by October 2006; Country Lane placed in service in September 2007 and was fully occupied by December 2007.

Market Impact:

"The need for affordable housing within the prescribed market area is justified for the subject development. The subject development will not affect the trends of the other HTC apartment projects located in the market area. It should be noted that there are no HTC senior apartment projects located in the Copperas Cove Market Area." (p XI-1/2)

Comments:

The Underwriter's market analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$214,419	Avg. Rent:	\$505	Expense Ratio:	61.3%
Debt Service:	\$168,319	B/E Rent:	\$464	Controllable Expenses:	\$2,074
Net Cash Flow:	\$46,101	Occupancy:	92.50%	Property Taxes/Unit:	\$590
Aggregate DCR:	1.27:1	B/E Occupancy:	84.81%	Program Rent Year:	2010

Income: Number of Revisions: 1 Date of Last Applicant Revision: 6/3/2011

Maximum program rents are achievable based on the market rents reported in the Market Study. On average, the restricted rents are \$179/unit lower than market, which indicates that rent growth may be possible with future increases in the AMI.

The average underwritten rents are \$25 higher than the break even rent levels and the break even occupancy rate of 86.75% is 5.75% (5 units) lower than the underwritten occupancy rate of 92.5%. Both of these figures are within the expected range for a Senior Housing deal of this size and unit mix.

Additionally, rent remains above the breakeven rent when factoring in a one month concession on the 60% AMI units.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 6/8/2011

The Applicant's proposed total operating expenses only differed by \$1,033, or 0.3% from the total operating expenses estimated by the Underwriter.

The Applicant based these expenses on a review of previously reported average operating expenses for REA's Region 8 as well as other developments owned by the Applicant and operated by the same management company that will operate Brookview Village. These developments include Park Meadows (01461) and St. Augustine (05609). The Underwriter independently reviewed the 2010 expenses reported by these properties and confirmed that the expenses estimated by the Applicant for Brookside Village fall within the range of expenses reported for these properties as well as the average expenses for the region.

The underwritten Water, Sewer, and Trash expenses are based on the local housing authority's utility allowance schedule and are lower than the average per unit W,S,&T figures reported in the Region 8 database for developments in excess of 76 units. To further examine this discrepancy, the Underwriter identified 5 developments in the database that best matched the characteristics of the subject site in size, and population within the Cities of Killeen and Temple. Of these 5 developments, the average annual W,S,&T expense reported was \$417 per unit.

At this level, the annual controllable expenses for the subject site are increased from \$2,093 per unit to \$2,244 per unit; a figure that is more in line with what is typically reported for a development of this size. As currently underwritten at \$2,093 per unit per year, controllable expenses are slightly below what is expected for such a development. Though this figure is lower than expected, the deal can support an additional \$244 per unit in controllable expenses and maintain a debt coverage ratio above 1.15 and an expense to income ration below 65%. Additionally, the developer's comparable site's discussed above indicate lower W,S,&T expenses than are called for in the database.

As such, underwriting the W,S,&T expenses based upon the local utility allowance was deemed acceptable.

Conclusion:

The Applicant's NOI is within 5% of the Underwriter's NOI. Therefore, the Applicant's proforma was used in the analysis.

Feasibility:

The development meets the initial and long term feasibility requirements per REA rules; therefore, the Applicant's assumptions were utilized to determine the deal's feasibility.

ACQUISITION INFORMATION

APPRAISED VALUE

Appraiser: N/A Date: N/A
Land Only: acres Per Unit: 0
Existing Buildings: (as-is) \$0
Total Development: (as-is) Per Unit: 0

SITE CONTROL

Type: Contract for Deed Acreage: 6.857
Acquisition Cost: \$350,000 Contract Expiration: 8/16/2011
Cost Per Unit: \$3,646
Seller: 4JC Partners, LP Related to Development Team? Yes No

Comments:

The current property owner has applied for a zoning change to ensure that the site's intended use as a Senior Housing Development conforms to the City of Copperas Cove's zoning ordinance. The zone change is anticipated to be approved prior to the transfer of the property. Approval of the zone change is a condition of this report.

DEVELOPMENT COST EVALUATION

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

Off-Site Cost:

Off-Sites Yes No Engineer/Architect Cert. Yes No N/A

Site work Cost:

Site Work >\$9K/unit Yes No Engineer & CPA Cert. Yes No N/A

Direct Construction Cost:

The direct construction cost proposed by the Applicant of \$4,938,400 (\$56.20 PSF) is \$334,951 or 6.4% lower than the Underwriter's estimate of \$5,273,351 (\$60.01 PSF).

The Applicant is currently constructing Meadow Vista (10130), a comparable Senior Development consisting of 80 units located in Weatherford, TX. As both developments utilize a similar building product, the proposed per square foot direct construction cost for Meadow Vista was reviewed for comparison purposes. The Underwriting Report for Meadow Vista indicates a proposed direct development cost of \$57.24 per square foot and a direct construction cost estimated by the Underwriter of \$61.75, a difference of approximately 7.3%.

Both the Underwriter and the Applicant have arrived at direct construction costs for Brookview Village totaling approximately \$1.00 less per square foot than was previously estimated for Meadow Vista. As Brookview Village is a larger development featuring 16 more units spread over an additional 13,592 square feet of land, it is reasonable to assume that the lower per square foot development cost may be accounted for through economies of scale.



Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$11,539,706 and 9% applicable percentage support an annual allocation of \$1,038,574.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 0 Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Sterling Bank - Construction Loan	\$6,371,360	6.25%	30 Months	58%
Capital Area Housing Finance Corp.	\$432,000	5.25%	12 Months	4%
Mark Stevenson - Private Lender	\$200,000	8.00%	1 Yr from Perm	2%
Hunt Capital Partners, LLC - Syndicator	\$3,073,870	0.00%		28%
Deferred Developer Fee	\$957,830	0.00%		9%
<b>Total</b>	<b>\$11,035,060</b>			

Comments:

In addition to the construction loan provided by Sterling Bank, the Syndicator (Hunt Capital) has agreed to disburse 40% of the total tax credit equity throughout the construction phase. Additional construction funds will be provided from the Capital Area Housing Finance Corporation and a private lender.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Sterling Bank - Permanent Loan	\$1,911,587	8.00%	30	15	19%
<b>Total</b>	<b>\$1,911,587</b>				

Comments:

Annual debt service of \$168,318 will be paid on the development's only permanent source of debt, a \$1,911,587 loan from Sterling Bank. The interest rate will be set and rate locked at the time of construction loan closing and is currently projected to be 8%. The permanent loan has a 15 year term from the date the loan is converted and 30 year amortization period.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Hunt Capital Partners, LLC - Syndicator	\$7,684,675	\$0.74	77%	
Deferred Developer Fee	\$383,927		4%	33%
<b>Total</b>	<b>\$8,068,602</b>			
<b>Total Sources</b>	<b>\$9,980,189</b>			

Comments:

The underwritten financing structure reflects the need for \$383,927 in deferred developer fees which can be repaid from cash flow within 9 years. As currently underwritten, an increase in the syndication rate from \$0.74 to \$0.78 would eliminate the need for any portion of the developer fee to be deferred.

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,911,587 indicates the need for \$8,068,602 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,090,461 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,038,574
Allocation determined by gap in financing:	\$1,090,461
Allocation requested by the Applicant:	\$1,038,574

The allocation amount determined by the Underwriter's calculation of the Requested Amount is recommended. A tax credit allocation of \$1,038,574 per year for 10 years results in total equity proceeds of \$7,684,675 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$383,927 in additional permanent funds. Deferred developer fees are repayable from development cash flow within 9 years of stabilized operation.

Underwriter:	<u>Blake Hopkins</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX / MONTHLY RENT SCHEDULE**

Brookview Village, Copperas Cove, 9% HTC #11027

LOCATION DATA	
CITY:	Copperas Cove
COUNTY:	Coryell
PROGRAM REGION:	8
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	54	56.3%
2	42	43.8%
3		
4		
<b>TOTAL</b>	<b>96</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.46%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION									PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$309	\$309	0		10	1	1	820	\$309	\$83.30	\$226	\$0.00	\$0.28	\$226	\$2,257	\$2,257	\$226	\$0.28	\$0	\$633	0.77	\$407
TC50%	\$515	\$515	0		24	1	1	820	\$515	\$83.30	\$432	\$0.00	\$0.53	\$432	\$10,361	\$10,361	\$432	\$0.53	\$0	\$633	0.77	\$201
TC60%	\$618	\$618	0		20	1	1	820	\$618	\$83.30	\$535	\$0.00	\$0.65	\$535	\$10,694	\$10,694	\$535	\$0.65	\$0	\$633	0.77	\$98
TC50%	\$618	\$618	0		10	2	2	1,000	\$618	\$113.10	\$505	\$0.00	\$0.50	\$505	\$5,049	\$5,049	\$505	\$0.50	\$0	\$750	0.75	\$245
TC60%	\$742	\$742	0		16	2	2	1,000	\$742	\$113.10	\$629	\$0.00	\$0.63	\$629	\$10,062	\$10,062	\$629	\$0.63	\$0	\$750	0.75	\$121
TC60%	\$742	\$742	0		8	2	2	1,074	\$742	\$113.10	\$629	\$0.00	\$0.59	\$629	\$5,031	\$5,031	\$629	\$0.59	\$0	\$750	0.70	\$121
TC60%	\$742	\$742	0		8	2	2	1,125	\$742	\$113.10	\$629	\$0.00	\$0.56	\$629	\$5,031	\$5,031	\$629	\$0.56	\$0	\$750	0.67	\$121
<b>TOTALS/AVERAGES:</b>					96			87,872				\$0.00	\$0.55	\$505	\$48,486	\$48,486	\$505	\$0.55	\$0	\$684	\$0.75	\$179
<b>ANNUAL POTENTIAL GROSS RENT:</b>															\$581,827	\$581,827						

**STABILIZED PROFORMA**

**Brookview Village, Copperas Cove, 9% HTC #11027**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA			VARIANCE		
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>		\$0		\$0.55	\$905	\$581,827	\$581,827	\$905	\$0.55		0.0%	\$0
NSF fees, Late fees, Damages		\$0			\$6.00	\$6,912					0.0%	(6,912)
Forfeited Deposit		\$0			\$5.00	\$5,760					0.0%	(5,760)
Application Fees, Vending		\$0			\$4.00	\$4,608					0.0%	(4,608)
Underwriter's Total Secondary Income		\$0					\$17,280	\$15.00			100.0%	17,280
<b>POTENTIAL GROSS INCOME</b>		\$0				\$599,107	\$599,107				0.0%	\$0
Vacancy & Collection Loss		\$0			7.5% PGI	(44,933)	(44,933)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions		\$0				-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$554,174	\$554,174				0.0%	\$0

General & Administrative	\$27,970	\$291/Unit	-	5.53%	\$0.35	\$319	\$30,650	\$27,970	\$291	\$0.32	5.05%	9.6%	2,680
Management	\$35,209	5.7% EGI	-	5.00%	\$0.32	\$289	\$27,709	\$27,709	\$289	\$0.32	5.00%	0.0%	0
Payroll & Payroll Tax	\$79,571	\$829/Unit	-	14.67%	\$0.92	\$847	\$81,280	\$79,571	\$829	\$0.91	14.36%	2.1%	1,709
Repairs & Maintenance	\$48,967	\$610/Unit	-	7.80%	\$0.48	\$439	\$42,100	\$48,967	\$510	\$0.56	8.84%	-14.0%	(6,867)
Utilities	\$22,297	\$232/Unit	-	3.46%	\$0.22	\$200	\$19,200.00	\$18,889	\$197	\$0.21	3.41%	1.6%	311
Water, Sewer, & Trash	\$44,846	\$457/Unit	-	4.88%	\$0.29	\$270	\$25,920.00	\$25,560	\$266	\$0.29	4.61%	1.4%	360
Property Insurance	\$17,937	\$0.20 SF	-	3.46%	\$0.22	\$200	\$19,200	\$17,937	\$187	\$0.20	3.24%	7.0%	1,263
Property Tax 2.5557	\$52,787	\$550/Unit	-	10.22%	\$0.64	\$590	\$56,640	\$55,063	\$574	\$0.63	9.94%	2.9%	1,577
Reserve for Replacements	\$18,440	\$192/Unit	-	4.33%	\$0.27	\$250	\$24,000	\$24,000	\$250	\$0.27	4.33%	0.0%	-
TDHCA Compliance Fees			-	0.69%	\$0.04	\$40	\$3,840	\$3,840	\$40	\$0.04	0.69%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	1.66%	\$0.10	\$96	\$9,216	\$9,216	\$96	\$0.10	1.66%	0.0%	-
Security			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>	\$ -		-	61.31%	\$3.87	\$3,539	\$ 339,755	\$ 338,722	\$3,528	\$3.85	61.12%	0.3%	\$ 1,033
<b>NET OPERATING INCOME ("NOI")</b>	\$ -		-	38.69%	\$2.44	\$2,234	\$214,419	\$215,452	\$2,244	\$2.45	38.88%	-0.5%	(\$1,033)

<b>CONTROLLABLE EXPENSES</b>	\$2.330/Unit	\$/Unit			\$2.074/Unit			\$2.093/Unit
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**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$554,174	\$565,258	\$576,563	\$588,094	\$599,856	\$662,289	\$731,221	\$807,327	\$891,354	\$984,127	\$1,086,556	\$1,199,646
<b>LESS: TOTAL EXPENSES</b>	339,755	349,671	359,878	370,386	381,204	440,264	508,559	587,541	678,893	784,564	906,808	1,048,241
<b>NET OPERATING INCOME</b>	\$214,419	\$215,587	\$216,685	\$217,708	\$218,652	\$222,025	\$222,662	\$219,786	\$212,461	\$199,564	\$179,748	\$151,405
<b>LESS: DEBT SERVICE</b>	168,319	168,319	168,319	168,319	168,319	168,319	168,319	168,319	168,319	168,319	168,319	168,319
<b>NET CASH FLOW</b>	\$46,101	\$47,269	\$48,366	\$49,389	\$50,334	\$53,707	\$54,344	\$51,467	\$44,142	\$31,245	\$11,429	(\$16,914)
<b>CUMULATIVE NET CASH FLOW</b>	\$46,101	\$93,369	\$141,735	\$191,125	\$241,459	\$504,204	\$775,887	\$1,040,555	\$1,277,906	\$1,462,406	\$1,562,252	\$1,538,138
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$383,927	\$336,658	\$288,292	\$238,903	\$188,569	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.27	1.28	1.29	1.29	1.30	1.32	1.32	1.31	1.26	1.19	1.07	0.90
<b>EXPENSE/EGI RATIO</b>	61.31%	61.86%	62.42%	62.98%	63.55%	66.48%	69.55%	72.78%	76.16%	79.72%	83.46%	87.38%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Brookview Village, Copperas Cove, 9% HTC #11027

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Sterling Bank	1.28	1.27	\$168,319	8.00%	30	15	\$1,911,587	\$1,911,587	15	30	8.00%	\$168,319	1.27	19.2%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$168,319				\$1,911,587	\$1,911,587				\$168,319		19.2%
<b>NET CASH FLOW</b>			\$46,101									\$47,134		

EQUITY SOURCES										
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE				
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary
Hunt Capital Partners LTD	LHTC Equity	77.0%	\$1,038,574	0.74	\$7,684,675	\$7,684,675	\$0.7399	\$1,038,574	77.0%	Annual Credit per Unit: \$30,049
Copperas Cove Brookview Village Builders, LLC	Deferred Developer Fees	3.8%	(33% Deferred)		\$383,927	\$383,927	(33% Deferred)		3.8%	Total Developer Fee: \$1,157,830
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow: \$775,887
<b>TOTAL EQUITY SOURCES</b>		80.8%			\$8,068,602	\$8,068,602			80.8%	15-Yr Cash Flow after Fee: \$391,960
<b>TOTAL CAPITALIZATION</b>					\$9,980,189	\$9,980,189				

DEVELOPMENT COST / ITEMIZED BASIS											
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs		Total Costs	Eligible Basis				%	\$
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition				
Land Acquisition			\$3,645 / Unit	\$350,000	\$350,000	\$3,645 / Unit				0.0%	\$0
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit	\$0			0.0%	\$0
Sitework		\$784,000	\$8,167 / Unit	\$784,000	\$784,000	\$8,167 / Unit	\$784,000			0.0%	\$0
Direct Construction		\$4,938,400	\$56.20 /sf	\$51,442/Unit	\$4,938,400	\$5,273,351	\$54,931/Unit	\$60.01 /sf	\$5,273,351	6.4%	\$334,951
Contingency		\$286,120	5.00%	\$286,120	\$286,120	4.72%	\$286,120			0.0%	\$0
Contractor's Fees		\$801,136	13.33%	\$801,136	\$801,136	12.53%	\$801,136			0.0%	\$0
Indirect Construction		\$373,500	\$3,891 / Unit	\$373,500	\$373,500	\$3,891 / Unit	\$373,500			0.0%	\$0
Ineligible Costs			\$5,245 / Unit	\$503,492	\$503,492	\$5,245 / Unit				0.0%	\$0
Developer's Fees	\$0	\$1,157,830	15.00%	\$1,157,830	\$1,157,830	14.38%	\$1,157,830	\$0		0.0%	\$0
Interim Financing		\$535,711	\$5,580 / Unit	\$535,711	\$535,711	\$5,580 / Unit	\$535,711			0.0%	\$0
Reserves			\$2,604 / Unit	\$250,000	\$221,138	\$2,304 / Unit				-13.1%	(\$28,862)
<b>UNADJUSTED BASIS / COST</b>	\$0	\$8,876,697	\$103,960 / Unit	\$9,980,189	\$10,286,278	\$107,149 / Unit	\$9,211,648	\$0		3.0%	\$306,089
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$8,876,697	\$103,960 / Unit	\$9,980,189	\$10,286,278		\$9,211,648	\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				\$9,980,189							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / REFINED BASIS ITEMS**

Brookview Village, Copperas Cove, 9% HTC #11027

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$8,876,897	\$0	\$9,211,648
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$8,876,897	\$0	\$9,211,648
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$11,539,706	\$0	\$11,975,142
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$11,539,706	\$0	\$11,975,142
Applicable Percentage	3.46%	9.00%	3.46%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,038,574	\$0	\$1,077,763
CREDITS ON QUALIFIED BASIS	\$1,038,574		\$1,077,763	

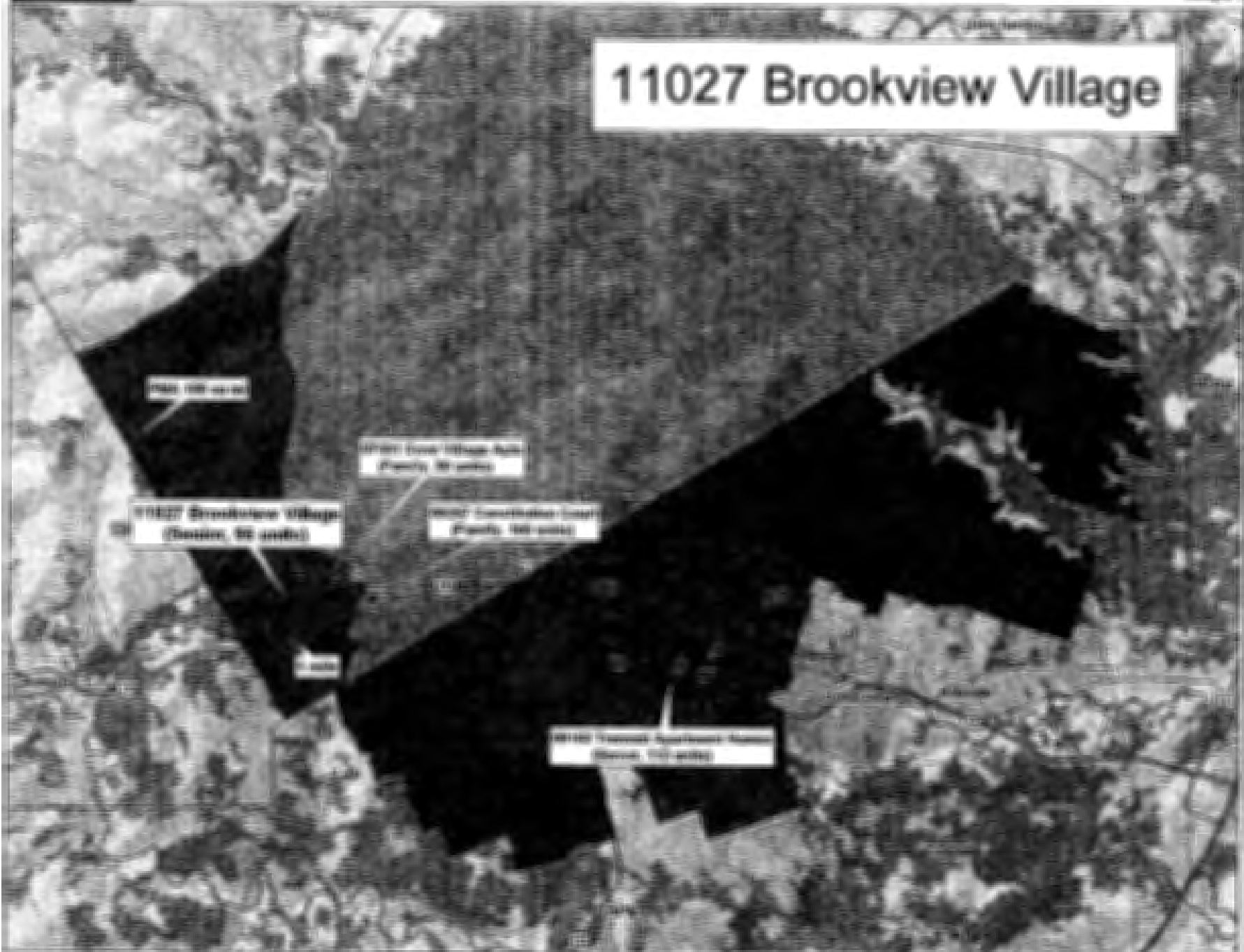
DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Townhome Basis			\$65.70	5,773,518
Adjustments				
Exterior Wall Finish	0.80%		0.53	\$46,198
Elderly	3.00%		1.97	173,205
9-Ft. Ceilings	3.10%		2.04	178,579
Roofing			0.00	0
Subfloor			(2.48)	(217,923)
Floor Cover			2.31	202,677
Covered Patio	\$20.78	3,893	0.92	80,901
Balconies	\$21.73	6,574	1.63	142,833
Plumbing Fixtures	\$845	126	1.21	106,470
Rough-ins	\$420	192	0.92	80,640
Built-In Appliances	\$1,850	96	2.02	177,600
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			1.85	162,563
Enclosed Corridors	\$0.00		0.00	0
Carports	\$0.00	0	0.00	0
Garages	\$0.00	0	0.00	0
Comm &/or Aux Bldgs	\$76.40	2,478	2.15	189,327
Other:			0.00	0
Other: fire sprinkler	\$2.25	87,872	2.25	197,712
<b>SUBTOTAL</b>			<b>83.01</b>	<b>7,294,692</b>
Current Cost Multiplier	1.03		2.49	218,841
Local Multiplier	0.86		-11.62	(1,021,297)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>73.88</b>	<b>\$6,492,276</b>
Plans, specs, survey, bldg permits	3.90%		-2.88	(\$253,199)
Interim Construction Interest	3.38%		-2.49	(219,114)
Contractor's OH & Profit	11.50%		-8.50	(746,612)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>60.01</b>	<b>\$5,273,351</b>

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,038,574	\$7,684,675
Gap	\$1,090,461	\$8,068,602
Request	\$1,038,574	\$7,684,675

FINAL ANNUAL LIHTC ALLOCATION	
Method	Request
Credits	\$1,038,574
Underwritten Proceeds	\$7,684,675

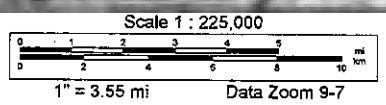
	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$68.38	\$62,589	\$6,008,520	\$6,343,471	\$66,078	\$72.19
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$77.50	\$70,934	\$6,809,656	\$7,144,607	\$74,423	\$81.31

# 11027 Brookview Village



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 MN (A,C,E)  
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11030

Pine Ridge Manor

Rural, Region 5





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Pine Ridge Manor, TDHCA Number 11030**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1100 MLK Jr. Dr. Development #: 11030  
 City: Crockett Region: 5 Population Served: General  
 County: Houston Zip Code: 75835 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Crockett Pine Ridge Manor, LP  
 Owner Contact and Phone: Ike Akbari, (409) 724-0020  
 Developer: Crockett Pine Ridge Manor Developers, LLC  
 Housing General Contractor: Icon Builders, LLC  
 Architect: Long Architects, Inc.  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Wells Fargo Bank NA Community Lending & Investment  
 Supportive Services: Itex Property Management, LLC  
 Consultant and Contact: Itex Developers, LLC, Tracy Ambridge

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	70	
	8	0	24	38	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	26	27	5	0	
Type of Building:						Total Development Units:	70
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$7,611,358
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	31
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	8

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$600,000	\$600,000			
HOME Activity Fund Amount:	\$400,000	\$400,000	40	40	1.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pine Ridge Manor, TDHCA Number 11030

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

US Representative: Barton, District 6,

TX Representative: Hopson, District 11, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

S, Lonnie Hunt, County Judge

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Prince Hall Manor Tenants Association, Tristan Elem

Letter Score: 24 S or O: S

Our complex is in need of serious repairs because of bad plumbing and bad structures.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Carryover: ALTA survey clearly delineating all flood zone boundaries on the site.
2. Receipt and acceptance by Closing: Documentation of acceptance by HUD to assign the Flex Subsidy Loan to the Applicant, subordinate to the proposed primary mortgage and payable from cash flow.
3. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey was completed to identify the presence of asbestos-containing materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing materials or lead-based paint were followed for the demolition, encapsulation or removal of any hazards. Implementation of an Operations & Maintenance Plan addressing lead materials sited in the ESA. Certifying that all noise assessment recommendations have been implemented.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Pine Ridge Manor, TDHCA Number 11030**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **19**

Total # Monitored: **15**

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

Competitive Housing Tax Credits:  Score: **213**  Meeting a Required Set-Aside Credit Amount\*: **\$600,000**

**Recommendation: Competitive in At-Risk Set-Aside**

HOME Activity Funds:

Loan Amount: **\$400,000**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

**Recommendation:**

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11030 Program(s): 9% HTC / HOME

**Pine Ridge Manor**

Address/Location: 1100 MLK Drive

City: Crockett County: Houston Zip: 75835

Population: Family Program Set-Aside: At-Risk Area: Rural

Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$400,000	1.00%	40	40	\$400,000	1.00%	40	40	2
LIHTC (Annual)	\$600,000				\$600,000				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Carryover:  
ALTA survey clearly delineating all flood zone boundaries on the site.
- 2 Receipt and acceptance by Closing:  
Documentation of acceptance by HUD to assign the Flex Subsidy Loan to the Applicant, subordinate to the proposed primary mortgage and payable from cash flow.
- 3 Receipt and acceptance by Cost Certification:  
Documentation clearing environmental issues contained in the ESA report, specifically:
  - A comprehensive survey was completed to identify the presence of asbestos-containing materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing materials or lead-based paint were followed for the demolition, encapsulation or removal of any hazards.
  - Implementation of an Operations & Maintenance Plan addressing lead materials sited in the ESA.
  - Certifying that all noise assessment recommendations have been implemented.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	24
60% of AMI	60% of AMI	38

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	0
50% of AMFI	Low HOME	8
60% of AMFI	High HOME	0
80% of AMFI*	High HOME	0

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▫	All units are covered by Section 8 HAP contract
▫	1.32 DCR with healthy breakeven rents and occupancy
▫	High unit capture rates offset by HAP contract. Very little, if any, market risk

WEAKNESSES/RISKS	
▫	Active railroad track within 200 feet
▫	64.99% expense to income ratio
▫	Only one bathroom in 3 and 4 bedroom units
▫	54% capture rate on 3-bedroom 60% AMI units

**DEVELOPMENT TEAM**

PRIMARY CONTACTS

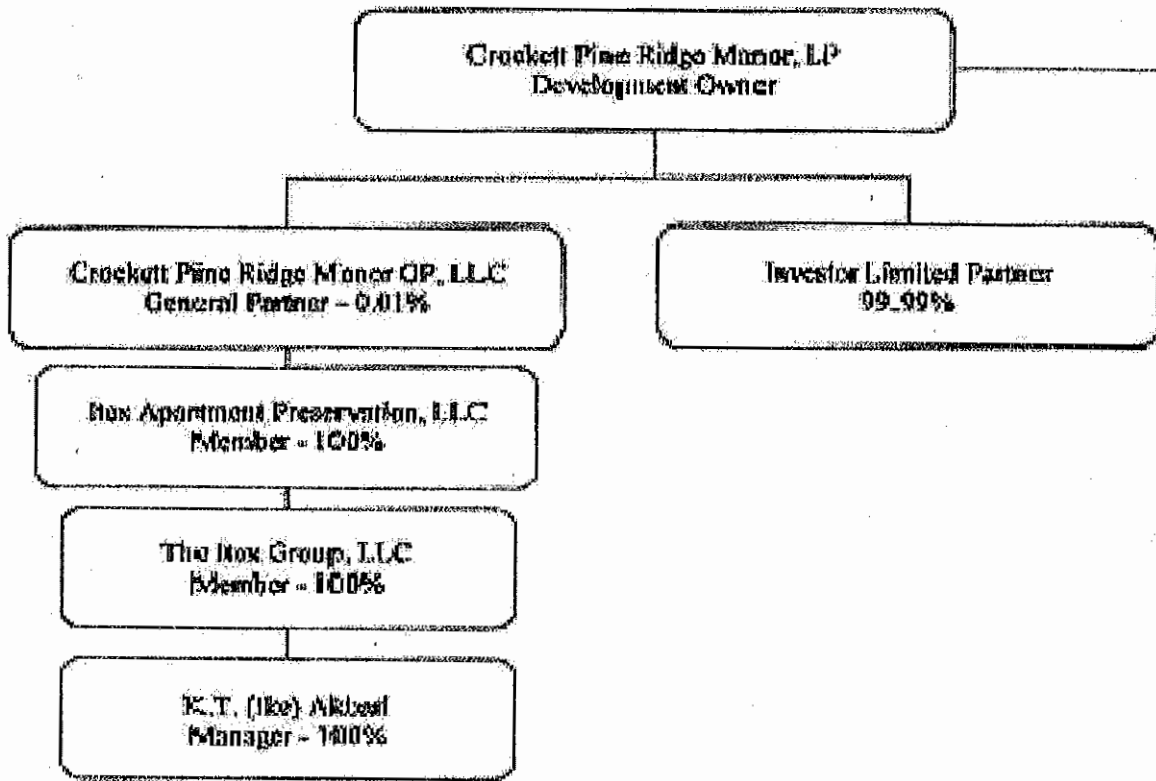
Name: Chris Akbari Relationship: Developer  
 Email: chrisakbari@itexmgt.com Phone: (409) 724-0020 Fax: (409) 721-6603

Name: Tracy Ambridge Relationship: Developer  
 Email: tracy.ambridge@itexmgt.com Phone: (409) 724-0020 Fax: (409) 721-6603

Related-Party Seller/Identity of Interest: No

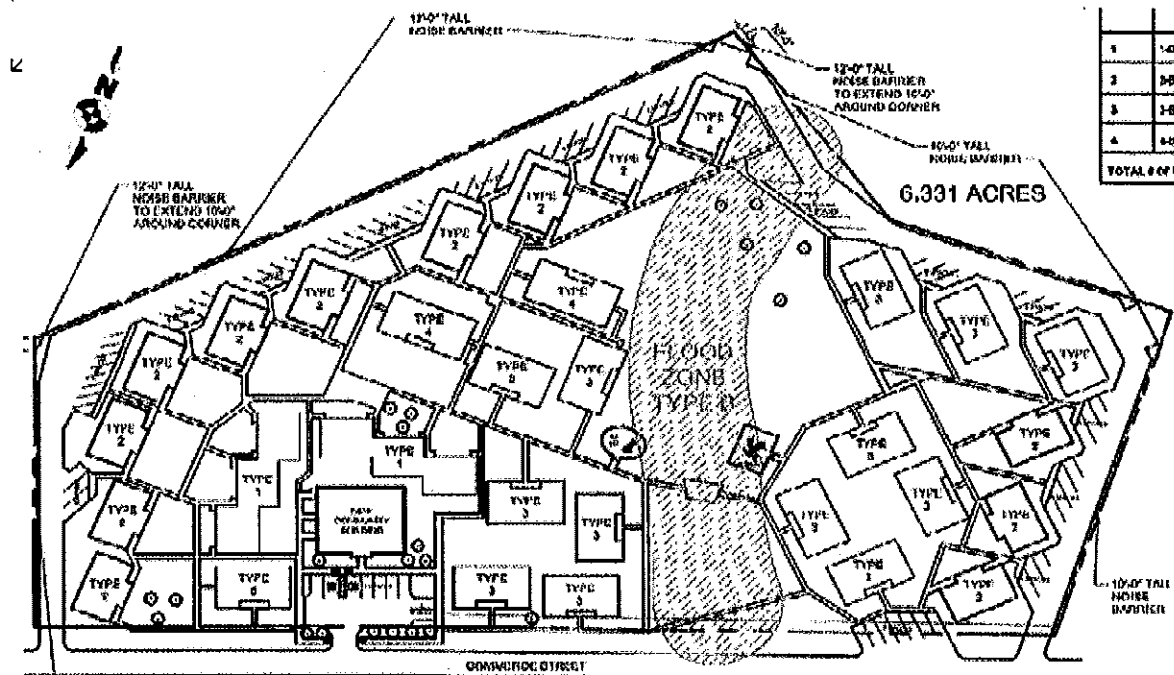
- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

OWNERSHIP STRUCTURE



## DEVELOPMENT SUMMARY

### SITE PLAN



- REA raised concerns about the noise from the active railroad track adjacent to the subject site to the east-southeast. The Applicant subsequently conducted a noise evaluation, and submitted revised costs and a revised site plan including a 12-foot stone fence on the east and southeast boundaries facing the tracks, and a 10-foot fence on the south and southwest boundaries.

### BUILDING CONFIGURATION

Building Type	1	2	3	4	5						Total Buildings
Floors/Stories	1	1	1	1	1						31
Number of Bldgs	2	13	13	2	1						70
Units per Bldg	6	2	2	2	2						
<b>Total Units</b>	<b>12</b>	<b>26</b>	<b>26</b>	<b>4</b>	<b>2</b>						<b>70</b>

#### Property Condition Assessment:

The subject property, "built in 1964, consists of thirty-one one story multi-family apartment buildings and a single building containing the leasing office, maintenance room, common area, and laundry facility." There has been little if any significant renovation, and much of the physical property appears to date to the original construction. The property is in a general state of disrepair, resulting in the current 60% occupancy rate.

The Property Condition Assessment originally provided by NOI Engineering identified immediate costs of \$2.9M in total site work and direct construction, equivalent to the cost proposed by the Applicant. However, the PCA also indicated \$1.2M in capital needs over a 30 year period. The excessive reserves required to service those long-term capital needs would have rendered the development infeasible.

After further review, the PCA provider reported that the long-term capital requirements were prepared independently and did not take into account the immediate scope of work. The revised PCA indicates \$3.2M in immediate cost (including an additional \$155,000 for the noise barrier fence), and \$600K in long-term capital needs.

### GENERAL INFORMATION

Total Size:	<u>6.331 acres</u>	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>B</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>R3 Multifamily</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>11.0567 units/acre</u>	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The Union Pacific Railroad runs immediately to the east-southeast of the property. To the south are several dilapidated homes. To the southwest is a development of duplexes owned by the City of Crockett Housing Authority. To the northwest is a city park and single family residences.

**Other Observations:**

The TDRA Site Inspector assessed the property as POOR, stating that "...in my opinion, this 1960s-era complex is in IMMEDIATE need of attention/repair. The property manager and maintenance manager were present during the inspection, and they cited numerous examples of general maintenance problems associated with plumbing, electrical, HVAC, sidewalks, and grounds/drainage."

The POOR rating by the site inspector is based on the current condition of the property. The scope of the proposed rehabilitation will address the issues identified, and should result in the property improving to an acceptable level.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Medina Consulting Company, Inc Date: 2/25/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "A railroad is located adjacent to the Site with a road crossing at Young Street within 170 feet from the northeast corner of the property... with an average of 30 trains per day... A noise survey is recommended for the Site based on this information." (p 26)

A noise study was subsequently conducted resulting in the construction of the stone fencing as a noise abatement measure. Noise levels, as mitigated, are below FHA's noise threshold.

- An area of the Site is located within Zone B ... The flood area appears to be in the location of a natural drainage channel across the Site and no residential structures are located within this area. The zone designation is considered to be a moderate risk area, usually within the 500-year floodplain.
- " Since an asbestos survey has not been conducted for the buildings located on the Site, MCC recommends a survey for asbestos containing materials (ACMs) be performed on the structures prior to any construction activities and that the future demolition or renovation be performed in accordance with state and local regulations regarding disturbing asbestos containing materials if found to be present." (p 27)

Development budget contains \$140K for abatement.

- "Since the buildings were constructed prior to 1978, the year leadbased paint was banned in the U.S., the buildings may contain lead-based paint on the interior and exterior painted surfaces. A Lead-Based Paint Inspection and Risk Assessment Report were completed by ALC Environmental Incorporated February 6, 2004. The investigator found no Lead-Based Paint (LBP) present on the property; however LBP hazards were identified according to the report. Leaded dust was found on the floor inside the units inspected, and a recommendation to develop an Operation and Maintenance Plan was provided in the report ... there is no current Operation and Maintenance Plan available on site." (p. 26)

**Comments:**

The recommendation is subject to conditions for inspections and implementation of O&M Plans for asbestos-containing materials and lead-based paint; an ALTA survey confirming the flood boundaries; and implementation of noise mitigation recommendations.



## MARKET ANALYSIS

Provider: Novogradac & Company LLP Date: 2/25/2011  
 Contact: Rebecca Arthur Phone: 512-340-0420  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 1,238 sq. miles 20 mile equivalent radius  
 Primary Market Area is defined by 7 census tracts that covers all of Houston County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Houston County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$10,830	---	---	\$0	\$18,050	\$0	\$21,660
2	\$0	\$12,390	---	---	\$0	\$20,650	\$0	\$24,780
3	\$0	\$13,920	---	---	\$0	\$23,200	\$0	\$27,840
4	\$0	\$15,480	---	---	\$0	\$25,800	\$0	\$30,960
5	\$0	\$16,710	---	---	\$0	\$27,850	\$0	\$33,420
6	\$0	\$17,970	---	---	\$0	\$29,950	\$0	\$35,940

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/o	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )		4	Total Units 172	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 There are no Proposed, Under Construction, or Unstabilized Comparable Supply.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	8,321		8,415	
Potential Demand from the Primary Market Area	411		1,573	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>411</b>		<b>1,573</b>	
Subject Affordable Units	70		70	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>70</b>		<b>70</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>17.0%</b>		<b>4.5%</b>	

**Demand Analysis:**

The Market Analyst calculated a Gross Capture Rate of 17.0% for the subject 70 units by limiting Potential Demand to an income range from \$8,949 to 32,400. This range is based on the HTC program rents that would apply if the subject units were not covered by Section 8 Housing Assistance. As a result of the HAP contract, the Underwriter identified all households under \$35,940 as eligible for this development. The Underwriter identifies total Gross Demand for 1,573 units, and a Gross Capture Rate of 4.5%.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the Underwriter's analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	51	2	0	4%	408	2	0	0%
1 BR/50%	64	3	0	5%	173	3	0	2%
1 BR/60%	77	7	0	9%	67	7	0	10%
2 BR/30%	26	2	0	8%	206	2	0	1%
2 BR/50%	39	10	0	26%	119	10	0	8%
2 BR/60%	37	14	0	38%	45	14	0	31%
3 BR/30%	13	3	0	23%	80	3	0	4%
3 BR/50%	16	10	0	63%	57	10	0	18%
3 BR/60%	20	14	0	70%	26	14	0	54%
4 BR/30%	41	1	0	2%	36	1	0	3%
4 BR/50%	45	1	0	2%	27	1	0	4%
4 BR/60%	62	3	0	5%	17	3	0	18%

**Primary Market Occupancy Rates:**

"The average vacancy rate of the (four) LIHTC comparables is 1.2 percent with three of the LIHTC comparables reporting zero percent vacancy, indicating strong demand for affordable housing in the area." (p 59)

"According to management, the Subject is currently 40 percent vacant. Management stated that the Subject historically has maintained a vacancy rate below 10 percent between 2008 and 2010. However, during the summer of 2010, the property had numerous move-outs due to the lack of central heating and air conditioning. Post renovation, we expect the Subject to maintain a vacancy rate of five percent or less only with the HAP contract in place. As a LIHTC development, without the benefit of a HAP contract, we would still anticipate a vacancy rate of approximately five percent in the relative near term based on the current performance of the comparable LIHTC developments." (p. 60)

**Absorption Projections:**

"The absorption rate for the four LIHTC comparables that provided information ranged from five to eight units per month. Additionally, two of the six LIHTC comparables in the market are currently reporting operating at full occupancy while the remaining comparables are operating at occupancies of 96 percent or higher. If the Subject was 100 percent vacant and had to re-lease units, without the HAP contract in place, we would estimate an absorption rate of eight to ten units per month, for an absorption period of approximately seven to nine months. It should be noted that this absorption analysis is hypothetical because there will be limited turnover as a result of the proposed renovations." (p 58-59)

Market Impact:

"All LIHTC properties are currently reporting vacancy rates of less than five percent. The Subject is currently 60 percent occupied as a Section 8 property due to the current condition of the property. We anticipate that there will be minimal turnover resulting from the conversion to LIHTC from the current residents. Additionally, the HAP contract is anticipated to remain in place post-renovation. Thus, we do not anticipate the existing LIHTC property in the PMA to be adversely impacted by the Subject property." (p 64)

Comments:

The Underwriter's Market Analysis provides sufficient information on which to base a funding recommendation. The Market Analyst calculated a Gross Capture Rate of 17%, the Subject is comprised of existing affordable housing, at least 50% occupied and gives displaced existing tenants a leasing preference, therefore the Gross Capture Rate threshold of 30% does not apply.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$159,093	Avg Rent:	\$585	Expense Ratio:	65.0%
Debt Service:	\$120,369	B/E Rent:	\$544	Controllable Expenses:	\$2,631
Net Cash Flow:	\$38,724	Occupancy:	92.50%	Property Taxes/Unit:	\$314
Aggregate DCR:	1.32:1	B/E Occupancy:	83.25%	Program Rent Year:	2010

Income: Number of Revisions: 1 Date of Last Applicant Revision: 3/24/2011

All units are covered by a Section 8 HAP contract. The Applicant's projected rental income is based on the rents and utility allowances specified in the HAP contract. The Applicant's assumptions for secondary income and losses to vacancy and collection are consistent with underwriting guidelines. However, the Applicant has also reduced income by concessions equal to 1.5%.

The underwriting estimates for rent, secondary income, and vacancy and collection are equivalent to the Applicant's. The property is currently 60% occupied as a result of deferred maintenance. This is well below break-even occupancy at 83%. The Underwriter assumes that following rehabilitation, operations will stabilize with no more than the assumed 7.5% loss to vacancy and collection. As a result, the Applicant's projected effective gross income is 1.6% lower than the underwriting estimate.

Expense: Number of Revisions: none Date of Last Applicant Revision: N / A

The Applicant's projected total annual operating expenses are equal to \$4,220 per unit. This is 4% lower than the underwriting estimate of \$4,388. The Applicant's expenses differ substantially from the data provided in the actual operating statements.

The Applicant's management company took over the subject property in February 2010. The Applicant indicates that 2010 expenses for general & administrative, utilities, and water, sewer, & trash were abnormally high due to payments that had been deferred by the previous manager. Similarly, the Applicant indicates that the property has been understaffed due to financial distress resulting from previous management, and the Applicant proposes to increase payroll expense. The underwriting estimates for these expenses are based on data from the TDHCA database. The underwriting estimates for repairs & maintenance and property tax are based on 2010 actual expenses. The 6% management fee is based on the management agreement, and property insurance is based on a quote from the insurance provider.

Conclusion:

The Applicant's projected income, expenses, and net operating income are each within 5% of the underwriting estimates, so the Applicant's values have been used to determine debt capacity and long-term feasibility. The Applicant's year one pro forma reflects an expense to income ratio of 64.99%, barely meeting the maximum 65%. The Underwriter's expense ratio is 66.5%.

An expense ratio of 65% represents a financial risk due to a reduced margin to withstand an extended period during which expenses increase substantially more than income. However, the subject has 100% Section 8 rental assistance. The REA Rules provide an exception to the expense ratio limit for properties with rental assistance on at least 50% of the units, based on the expectation that rents increases approved under the HAP contract will keep pace with rising expenses.

Feasibility:

The Applicant's pro forma and the recommended financing structure provide a first year debt coverage ratio of 1.32, within the underwriting guidelines of 1.15 and 1.35. The long-term pro forma, based on 2% growth in income and 3% in expenses, indicates continued positive cash flow and a debt coverage ratio that remains above 1.15 through at least 25 years. The subject is therefore considered financially feasible.

ACQUISITION INFORMATION

APPRAISED VALUE

Table with appraisal details: Appraiser: Gerald A. Teel Co., Date: 2/18/2011, Land Only: 6.33 acres, Existing Buildings: (as-is), Total Development: (as-is), Per Unit values.

SITE CONTROL

Table with site control details: Type: Purchase and Sale Agreement with Modification and Extension, Acreage: 6.331, Acquisition Cost: \$1,650,524, Contract Expiration: 12/31/2011, Cost Per Unit: \$23,579, Seller: Prince Hall Manor Charitable Trust, Related to Development Team? Yes/No.

Comments:

The purchase agreement stipulates that sale proceeds to the Seller will be net of the principal of the Flex Subsidy Loan.

The purchase price is assumed to be reasonable as the acquisition is an arm's length transaction.

DEVELOPMENT COST EVALUATION

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 4/18/2011

Off-Site Cost:

Off-Sites [ ] Yes [x] No Engineer/Architect Cert. [ ] Yes [ ] No [x] N/A

Sitework Cost:

Site Work >\$9K/unit [ ] Yes [x] No Engineer & CPA Cert. [ ] Yes [ ] No [x] N/A

Direct Construction Cost:

Scope of work includes typical interior renovation, windows and doors, HVAC systems, roofs, bath surrounds, electrical, other structural items and the sound barrier fencing.

The Applicant's development cost schedule indicates \$2,520,000 in direct construction cost. The revised Property Condition Assessment indicates current costs of \$2,605,100.

The underwriting estimate for direct construction cost is the cost identified in the third party PCA for immediate rehab. The Applicant's projected cost is 3% lower than the underwriting estimate.

**Contingency:**

The Applicant overstated the eligible contingency cost by \$15,000. The Underwriter has adjusted the Applicant's eligible basis by this amount.

**Fees:**

The Applicant applied the entire \$847K developer fee to the rehabilitation cost, which would result in the 30% boost and 9% credits being awarded for the entire fee amount. The Underwriter has allocated \$198K of the fee to the acquisition cost. This portion of the fee is only eligible for the 4% credit. Total developer fee is also slightly overstated (by \$1,384) as a result of the overstated contingency.

**Conclusion:**

Under REA Rules, development cost for an acquisition/rehabilitation project is underwritten based on the costs identified by the third party Property Condition Assessment. Total development cost is \$7,611,358, and total eligible basis is \$8,371,189 (\$1.5M for the acquisition and \$6.9M for rehabilitation). This basis would support an annual tax credit allocation of \$669,757.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 2 Last Update: 4/28/2011

Interim Sources	Amount	Rate	Term	LTC
Davis Penn - FHA	\$1,459,900	6.95%	24	18%
TDHCA HOME	\$400,000	1.00%	24	5%
Wells Fargo - Bridge Loan	\$2,500,000	5.00%	24	31%
Wells Fargo - Syndication Proceeds	\$1,939,556	N/A		24%
HUD Flex Subsidy Loan	\$1,050,524	1.00%		13%
Deferred Developer Fee	\$742,515	N/A		9%
<b>Total</b>	<b>\$8,092,495</b>			

**Comments:**

The HUD Flex Subsidy Loan is an existing note to HUD that is payable on sale of the property, or when the primary mortgage on the property matures or is prepaid. The primary mortgage was fully paid in 2009, so the balance of this loan is now due. The principal balance is \$1,050,524; the property's Annual Financial Statement to HUD states that the total balance as of August 31, 2010, including accrued interest, was \$1,234,436.

The Applicant has provided a letter sent to HUD requesting approval for "the assignment of the Flex Subsidy Loan in the amount of \$1,050,524 in order to facilitate the acquisition/rehabilitation Prince Hall Manor Apartments from Prince Hall Manor Charitable Trust (the "Trust") to Crockett Pine Ridge Manor, LP (the "LP")". The application includes a copy of this letter signed as received by the HUD Director of Multifamily Housing.

The purchase agreement stipulates that the Applicant will assume the Flex Subsidy Loan with a principal value of \$1,050,524, and that the Seller will be responsible for any unpaid accrued interest.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Davis Penn - FHA	\$1,459,900	6.95%	40	40	19%
TDHCA HOME	\$400,000	1.00%	40	40	5%
HUD Flex Subsidy Loan	\$1,050,524	1.00%	N / A	40	14%
<b>Total</b>	<b>\$2,910,424</b>				

Comments:

The Applicant misstated the interest rate for the Davis Penn FHA loan. The loan constant is 7.48%, and the Applicant used that as the interest rate. The letter from Davis Penn indicates an interest rate of 6.5% plus 0.45% MIP.

The Applicant has applied to TDHCA for a HOME loan in the amount of \$400,000 amortized at 1.0% over 40 years.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Wells Fargo - Syndication Proceeds	\$4,439,556	\$0.74	58%	
Deferred Developer Fee	\$261,378		3%	30%
<b>Total</b>	<b>\$4,700,934</b>			
<b>Total Sources</b>	<b>\$7,611,358</b>			

Comments:

Deferred developer fee is repayable within 15 years.

## CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate, less the permanent loan of \$1,459,900, the \$400,000 HOME loan, and the \$1,050,524 Flex subsidy loan, indicates the need for \$4,700,934 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$635,325 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$669,757
Allocation determined by gap in financing:	\$635,325
Allocation requested by the Applicant:	\$600,000

The allocation amount requested by the Applicant is recommended. A tax credit allocation of \$600,000 per year for 10 years results in total equity proceeds of \$4,439,556 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter further recommends allocation of a \$400,000 HOME loan with a 40-year term, amortized over 40 years at 1% interest.

The Underwriter's recommended financing structure indicates the need for \$261,378 in additional permanent funds. Deferred developer fees in this amount can be repayable from development cashflow within 7 years of stabilized operation.

In the event that the HOME funds are not awarded, the Underwriter would recommend an increase in the primary mortgage amount to \$1,588,726 in order to reduce the debt coverage to the maximum 1.35. This results in the need for \$531,258 in additional financing. Deferred developer fees in this amount could be repaid within 13 years of stabilized operation.

Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT RENT SCHEDULE**

Pine Ridge Manor, Crockett, 9% HTC / HOME, #11030

LOCATION DATA	
CITY:	Crockett
COUNTY:	Houston
PROGRAM REGION:	5
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	12	17.1%
2	26	37.1%
3	27	38.6%
4	5	7.1%
<b>TOTAL</b>	<b>70</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT RENT / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION										SEC. 8 PROGRAM RENTS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
HTC Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290			Sec-8	\$495	2	1	1	590	\$495	\$51	\$444	\$0	\$0.75	\$444	\$888	\$888	\$444	\$0.75	\$0	\$525	0.89	\$81
TC50%	\$439	LH/50%	\$436	Sec-8	\$495	3	1	1	590	\$495	\$51	\$444	\$0	\$0.75	\$444	\$1,332	\$1,332	\$444	\$0.75	\$0	\$525	0.89	\$81
TC60%	\$580			Sec-8	\$495	7	1	1	590	\$495	\$51	\$444	\$0	\$0.75	\$444	\$3,108	\$3,108	\$444	\$0.75	\$0	\$525	0.89	\$81
TC30%	\$348	LH/50%	\$523	Sec-8	\$621	2	2	1	804	\$621	\$66	\$555	\$0	\$0.69	\$555	\$1,110	\$1,110	\$555	\$0.69	\$0	\$600	0.75	\$45
TC50%	\$579			Sec-8	\$621	10	2	1	804	\$621	\$66	\$555	\$0	\$0.69	\$555	\$5,550	\$5,550	\$555	\$0.69	\$0	\$600	0.75	\$45
TC60%	\$696			Sec-8	\$621	14	2	1	804	\$621	\$66	\$555	\$0	\$0.69	\$555	\$7,770	\$7,770	\$555	\$0.69	\$0	\$600	0.75	\$45
TC30%	\$402	LH/50%	\$805	Sec-8	\$720	3	3	1	898	\$720	\$68	\$652	\$0	\$0.73	\$652	\$1,956	\$1,956	\$652	\$0.73	\$0	\$700	0.78	\$48
TC50%	\$670			Sec-8	\$720	10	3	1	898	\$720	\$68	\$652	\$0	\$0.73	\$652	\$6,520	\$6,520	\$652	\$0.73	\$0	\$700	0.78	\$48
TC60%	\$804			Sec-8	\$720	14	3	1	898	\$720	\$68	\$652	\$0	\$0.73	\$652	\$9,128	\$9,128	\$652	\$0.73	\$0	\$700	0.78	\$48
TC30%	\$449			Sec-8	\$788	1	4	1	1,069	\$788	\$77	\$711	\$0	\$0.67	\$711	\$711	\$711	\$711	\$0.67	\$0	\$800	0.75	\$89
TC50%	\$748			Sec-8	\$788	1	4	1	1,069	\$788	\$77	\$711	\$0	\$0.67	\$711	\$711	\$711	\$711	\$0.67	\$0	\$800	0.75	\$89
TC60%	\$898			Sec-8	\$788	3	4	1	1,069	\$788	\$77	\$711	\$0	\$0.67	\$711	\$2,133	\$2,133	\$711	\$0.67	\$0	\$800	0.75	\$89
<b>TOTAL/AVERAGES:</b>						70				\$7,575			\$0	\$0.71	\$585	\$40,917	\$40,917	\$585	\$0.71	\$0	\$840	\$0.78	\$55
<b>ANNUAL POTENTIAL GROSS RENT:</b>																\$491,004	\$491,004						

**STABILIZED PROFORMA**

**Pine Ridge Manor, Crockett, 9% HTC / HOME, #11030**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.71	\$585	\$491,004	\$491,004	\$585	\$0.71		0.0%	\$0	
NSF, Landry, Late Fees					\$10.00	\$8,400					0.0%	(8,400)	
Underwriter's Total Secondary Income							\$8,400	\$10.00			100.0%	8,400	
<b>POTENTIAL GROSS INCOME</b>						\$499,404	\$499,404				0.0%	\$0	
Vacancy & Collection Loss					7.5% PGI	(37,455)	(37,455)	7.5% PGI			0.0%	-	
Non-Rental Units/Concessions						(7,488)					0.0%	7,488	
<b>EFFECTIVE GROSS INCOME</b>						\$454,461	\$461,949				1.6%	\$7,488	
General & Administrative	\$24,778	\$354/Unit	43,216	5.99%	\$0.47	\$389	\$27,200	\$24,778	\$354	\$0.43	5.36%	9.8%	2,422
Management	\$25,175	6.4% EGI	19,107	6.00%	\$0.47	\$390	\$27,268	\$27,717	\$396	\$0.48	6.00%	-1.6%	(449)
Payroll & Payroll Tax	\$52,437	\$749/Unit	46,569	21.23%	\$1.68	\$1,379	\$96,500	\$109,063	\$1,558	\$1.89	23.61%	-11.5%	(12,563)
Repairs & Maintenance	\$46,397	\$663/Unit	32,738	5.83%	\$0.46	\$379	\$26,500	32,738	\$468	\$0.57	7.09%	-19.1%	(6,238)
Utilities	\$15,743	\$225/Unit	31,741	3.30%	\$0.26	\$214	\$15,000	\$15,699	\$224	\$0.27	3.40%	-4.5%	(699)
Water, Sewer, & Trash	\$25,461	\$364/Unit	60,496	4.18%	\$0.33	\$271	\$19,000	\$24,201	\$346	\$0.42	5.24%	-21.5%	(5,201)
Property Insurance	\$22,778	\$0.40 SF	-	5.50%	\$0.43	\$357	\$25,000	\$25,200	\$360	\$0.44	5.46%	-0.8%	(200)
Property Tax 2.1853	\$26,121	\$373/Unit	10,878	4.84%	\$0.38	\$314	\$22,000	\$9,487	\$136	\$0.16	2.05%	131.9%	12,513
Reserve for Replacements	\$25,517	\$365/Unit	-	4.62%	\$0.36	\$300	\$21,000	\$21,000	\$300	\$0.36	4.55%	0.0%	-
TDHCA Compliance Fees			-	0.31%	\$0.02	\$20	\$1,400	\$2,800	\$40	\$0.05	0.61%	-50.0%	(1,400)
Cable TV			-	0.77%	\$0.06	\$50	\$3,500	\$3,500	\$50	\$0.06	0.76%	0.0%	-
Supportive service contract fees			-	1.32%	\$0.10	\$86	\$6,000	\$6,000	\$86	\$0.10	1.30%	0.0%	-
Security			8,400	1.10%	\$0.09	\$71	\$5,000	\$5,000	\$71	\$0.09	1.08%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	-	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>\$ 253,145</b>	<b>64.99%</b>	<b>\$6.13</b>	<b>\$4,220</b>	<b>\$ 295,368</b>	<b>\$ 307,183</b>	<b>\$4,388</b>	<b>\$5.34</b>	<b>66.50%</b>	<b>-3.8%</b>	<b>\$ (11,816)</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>35.01%</b>	<b>\$2.76</b>	<b>\$2,273</b>	<b>\$159,093</b>	<b>\$154,766</b>	<b>\$2,211</b>	<b>\$2.69</b>	<b>33.50%</b>	<b>2.8%</b>	<b>\$4,327</b>

<b>CONTROLLABLE EXPENSES</b>	\$2,355/Unit	\$3,068/Unit		\$2,631/Unit		\$2,950/Unit
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LONG TERM OPERATING PROFORMA USING APPLICANT DEBT SIZING												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$454,461	\$463,550	\$472,821	\$482,277	\$491,923	\$543,123	\$599,651	\$662,063	\$730,972	\$807,052	\$891,050	\$983,791
LESS: TOTAL EXPENSES	295,368	303,956	312,797	321,897	331,265	382,397	441,505	509,839	588,851	680,219	785,888	908,108
NET OPERATING INCOME	\$159,093	\$159,594	\$160,024	\$160,380	\$160,658	\$160,725	\$168,146	\$152,224	\$142,121	\$126,833	\$105,163	\$75,683
LESS: DEBT SERVICE	120,369	120,369	120,369	120,369	120,369	120,369	120,369	120,369	120,369	120,369	120,369	120,369
NET CASH FLOW	\$38,724	\$39,225	\$39,655	\$40,011	\$40,289	\$40,356	\$37,778	\$31,855	\$21,752	\$6,464	(\$15,206)	(\$44,686)
CUMULATIVE NET CASH FLOW	\$38,724	\$77,949	\$117,604	\$157,616	\$197,905	\$400,488	\$595,722	\$768,337	\$899,163	\$964,356	\$934,486	\$773,459
DEFERRED DEVELOPER FEE BALANCE	\$261,378	\$222,153	\$182,497	\$142,486	\$102,197	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.32	1.33	1.33	1.33	1.33	1.34	1.31	1.26	1.18	1.05	0.87	0.63
EXPENSE/EGI RATIO	64.99%	65.57%	66.16%	66.75%	67.34%	70.41%	73.63%	77.01%	80.56%	84.28%	88.20%	92.31%



**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Pine Ridge Manor, Crockett, 9% HTC / HOME, #11030*

<b>DEBT / GRANT SOURCES</b>															
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>										<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>					
<b>DEBT (Must Pay)</b>	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
	As UW	App											DCR	LTC	
Davis Penn Mortgage Co.	1.35	1.38	\$114,963	7.48%	40	40	\$1,459,900	\$1,459,900	40	40	6.95%	\$108,232	1.47	19.2%	
TDHCA HOME	1.22	1.25	\$12,137	1.00%	40	40	\$400,000	\$400,000	40	40	1.00%	\$12,137	1.32	5.3%	
Wells Fargo Bank, NA	1.22	1.25		0.00%	0	0	\$0	\$0	0	0	0.00%		1.32	0.0%	
<b>CASH FLOW DEBT / GRANTS</b>															
HUD Flex Subsidy Loan	1.22	1.25	\$0	1.00%	40	40	\$1,050,524	\$1,050,524	40	0	1.00%		1.32	13.8%	
<b>TOTAL DEBT / GRANT SOURCES</b>			\$127,100				\$2,910,424	\$2,910,424				\$120,369		38.2%	
<b>NET CASH FLOW</b>			\$31,993									\$34,397			

<b>EQUITY SOURCES</b>											
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>					
<b>EQUITY / DEFERRED FEES</b>	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	15-Year Cash Flow
Wells Fargo Community Lending & Investment	LIHTC Equity	58.3%	\$600,000	0.74	\$4,439,556	\$4,439,556	0.739926	\$600,000	58.3%	Annual Credit per Unit:	\$63,422
Crockett Pine Ridge Manor Developers, LLC	Deferred Developer Fees	2.9%	(25% Deferred)		\$219,134	\$261,378	(30% Deferred)		3.4%	Total Developer Fee:	\$873,547
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$595,722
<b>TOTAL EQUITY SOURCES</b>		61.2%			\$4,658,740	\$4,700,934			61.8%	15-Yr Cash Flow after Fee:	\$334,344
<b>TOTAL CAPITALIZATION</b>					\$7,569,164	\$7,611,358					

<b>DEVELOPMENT COST / ITEMIZED BASIS</b>													
<b>APPLICANT COST / BASIS ITEMS</b>						<b>TDHCA COST / BASIS ITEMS</b>						<b>COST VARIANCE</b>	
	Eligible Basis		Total Costs		Total Costs	Eligible Basis		Total Costs		Total Costs	%	\$	
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition						
Land Acquisition			\$4,716 / Unit	\$330,105	\$330,105	\$4,716 / Unit		\$330,105		\$330,105	0.0%	\$0	
Building Acquisition	\$1,320,419		\$18,863 / Unit	\$1,320,419	\$1,320,419	\$18,863 / Unit		\$1,320,419		\$1,320,419	0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0		\$0	0.0%	\$0	
Sitework		\$560,181	\$8,003 / Unit	\$560,181	\$565,181	\$8,074 / Unit		\$565,181		\$565,181	0.9%	\$5,000	
Direct Construction		\$2,520,000	\$43.77 /sf	\$96,000/Unit	\$2,520,000	\$2,605,100	\$37.216/Unit	\$45.25 /sf		\$2,605,100	3.3%	\$85,100	
Contingency		\$323,018	10.49%	\$323,018	\$317,028	10.00%		\$317,028		\$317,028	-1.9%	(\$5,990)	
Contractor's Fees		\$452,226	13.29%	\$452,226	\$452,226	12.97%		\$452,226		\$452,226	0.0%	\$0	
Indirect Construction		\$427,000	\$6,100 / Unit	\$427,000	\$427,000	\$6,100 / Unit		\$427,000		\$427,000	0.0%	\$0	
Ineligible Costs			\$4.991 / Unit	\$321,400	\$311,400	\$4.449 / Unit		\$311,400		\$311,400	-3.2%	(\$10,000)	
Developer's Fees	\$0	\$873,547	14.98%	\$873,547	\$873,547	14.77%		\$873,547	\$194,986	\$678,561	0.0%	\$0	
Interim Financing		\$228,584	\$3,265 / Unit	\$228,584	\$228,584	\$3,265 / Unit		\$228,584		\$228,584	0.0%	\$0	
Reserves			\$3,038 / Unit	\$212,684	\$180,767	\$2,582 / Unit		\$180,767		\$180,767	-17.7%	(\$31,917)	
<b>UNADJUSTED BASIS / COST</b>	<b>\$1,320,419</b>	<b>\$5,384,556</b>		\$108,131 / Unit	<b>\$7,569,164</b>	<b>\$7,611,358</b>		\$108,734 / Unit	<b>\$5,273,680</b>	<b>\$1,515,405</b>	<b>0.6%</b>	<b>\$42,194</b>	
Acquisition Cost for Identity of Interest Seller					\$0								
Developer's Fee	\$197,799	(\$199,146)											
Contractor's Fee		\$0											
Contingency		(\$15,000)											
<b>ADJUSTED BASIS / COST</b>	<b>\$1,518,218</b>	<b>\$5,170,410</b>		\$108,131 / Unit	<b>\$7,569,164</b>	<b>\$7,611,358</b>		\$108,734 / Unit	<b>\$5,273,680</b>	<b>\$1,515,405</b>			
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>						<b>\$7,611,358</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

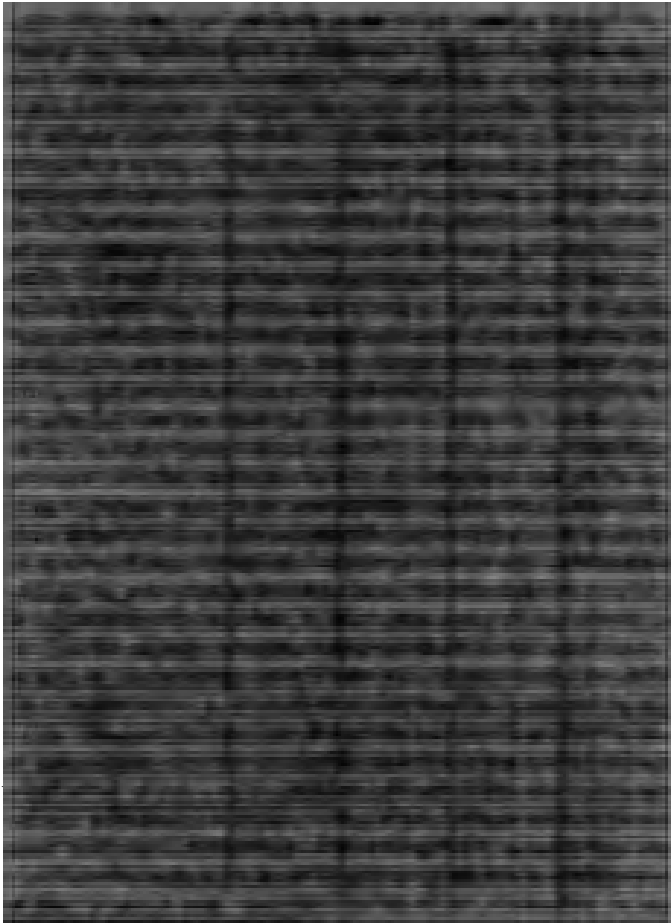
*Pine Ridge Manor, Crockett, 9% HTC / HOME, #11030*

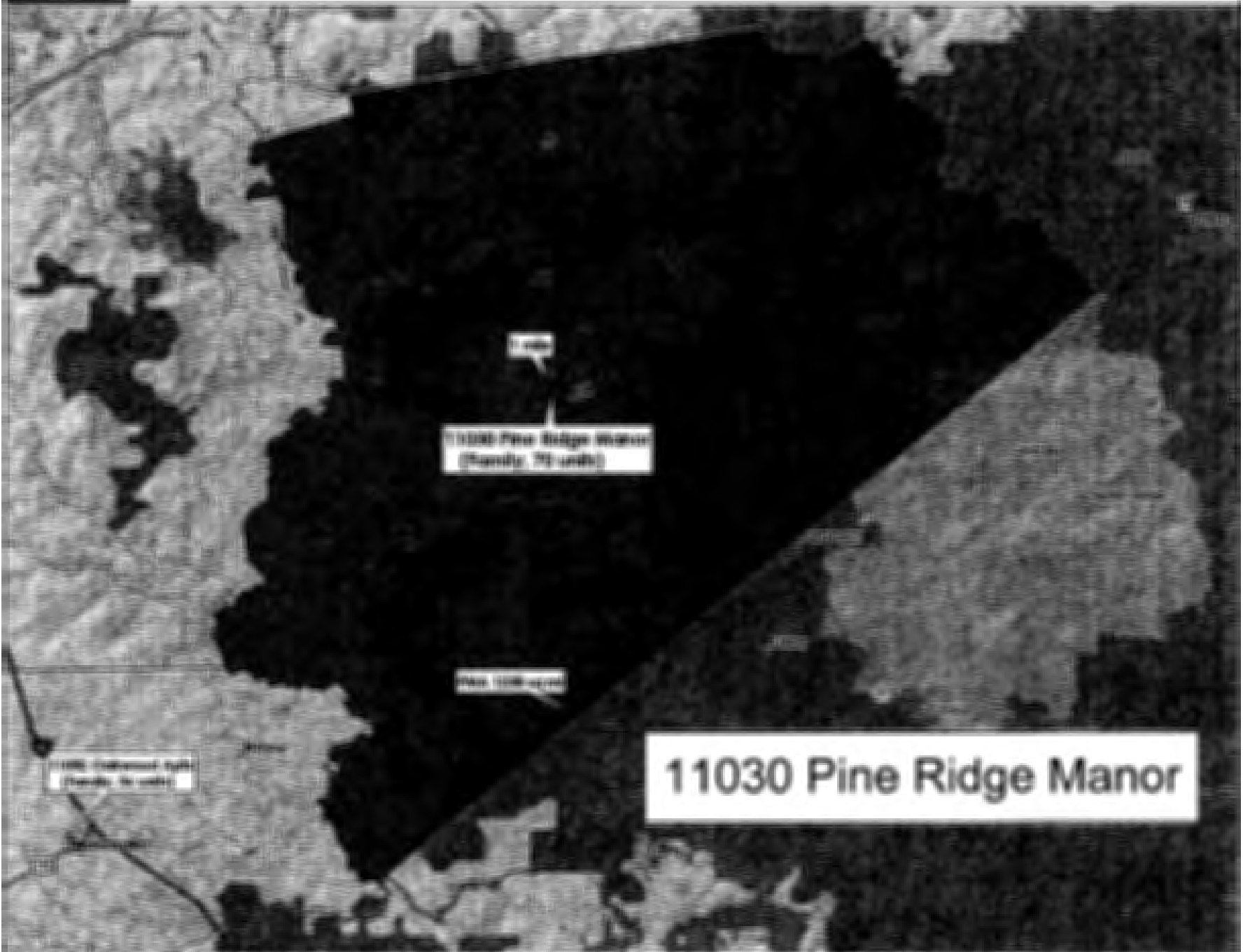
<b>CREDIT CALCULATION ON QUALIFIED BASIS</b>				
	<b>Applicant</b>		<b>TDHCA</b>	
	<b>Acquisition</b>	<b>Construction Rehabilitation</b>	<b>Acquisition</b>	<b>Construction Rehabilitation</b>
ADJUSTED BASIS	\$1,518,218	\$5,170,410	\$1,515,405	\$5,273,680
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$1,518,218</b>	<b>\$5,170,410</b>	<b>\$1,515,405</b>	<b>\$5,273,680</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$1,518,218</b>	<b>\$6,721,534</b>	<b>\$1,515,405</b>	<b>\$6,855,784</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$1,518,218</b>	<b>\$6,721,534</b>	<b>\$1,515,405</b>	<b>\$6,855,784</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$52,834</b>	<b>\$604,938</b>	<b>\$52,735</b>	<b>\$617,021</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$657,772</b>		<b>\$669,757</b>	

<b>ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS</b>		
<b>Method</b>	<b>Annual Credits</b>	<b>Proceeds</b>
Eligible Basis	\$669,757	\$4,955,704
Gap	\$635,325	\$4,700,934
Request	\$600,000	\$4,439,556

<b>FINAL ANNUAL 48HTC ALLOCATION</b>	
<b>Method</b>	<b>Request</b>
Credits	\$600,000
Underwritten Proceeds	\$4,439,556

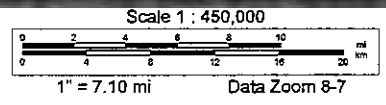
	<b>TOTAL HARD COST COMPARISON</b>					
	<b>APPLICANT</b>			<b>TDHCA</b>		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	<b>Total</b>	<b>Per Unit</b>	<b>Per SF</b>
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$59.11	\$48,617	\$3,403,199	\$3,487,309	\$49,819	\$60.57
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$66.96	\$55,078	\$3,855,425	\$3,939,535	\$56,279	\$68.42





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TN  
 MN (3.2°E)  
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11031

La Hacienda Apts.

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**La Hacienda Apts., TDHCA Number 11031**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 3567 W. Business 83 Development #: 11031  
 City: Harlingen Region: 11 Population Served: General  
 County: Cameron Zip Code: 78550 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: CDCB/CCHA Paloma, LP  
 Owner Contact and Phone: Nick Mitchell-Bennett, (956) 541-4955  
 Developer: CDCB/CCHA Paloma, LP  
 Housing General Contractor: Community Development Corp. of Brownsville  
 Architect: CONECTCS Consultants & Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: CDC of Brownsville  
 Consultant and Contact: Sandi Williams Housing and Community Development, Sandra Williams

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	55
	6	0	20	30	Market Rate Units:	1
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	28	20	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	56
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	56
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	3

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$783,316	\$783,316			
HOME Activity Fund Amount:	\$161,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Hacienda Apts., TDHCA Number 11031

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

US Representative: Farenthold, District 27,

TX Representative: Lozano, District 43, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 8 In Opposition 0

Quantifiable Community Participation Input:

Cameron County Housing Authority Resident Association, Hortencia Trevino Letter Score: 24 S or O: S

Our organization supports the proposed development. La Hacienda Apartments is in need of improvements both physically and socially.

Community Input Other than Quantifiable Community Participation Input:

CDC of Brownsville, S, Nick Mitchell-Bennett, Executive Director

General Summary of Comment:

Support - Development will have amenities for children, and there is a need for more affordable housing in Harlingen and Cameron County. Development is close to stores, schools, and doctors. Development has good security for children. Development reconstruction will provide modern housing for larger families and higher efficiency standards. Development has a village-type atmosphere, and the existing site is dilapidated. The proposed rehab could serve as a model for future housing projects. Development will be LEED certified and will be culturally sensitive with small cottage type homes. The development site plan was created with input and direction of future and past residents. Resident services will help families make better decisions about eating habits and exercise. Development will also provide financial fitness tools, tax preparation and free credit counseling through HUD certified Housing Counseling Programs. Development site and design is the vision of a partnership between city, county, citizens, and small business owners. Development will rehab La Hacienda which was closed due to damage from hurricane Dolly. The site of the development Cameron Park has been revitalized by the current home owners and residents and the rehab of La Hacienda will fit into the revitalization already taking place.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Hacienda Apts., TDHCA Number 11031

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$783,316  
 Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
<b>Recommendation:</b>		

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

11033

American GI Forum Village I & II

Rural, Region 10







MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

American GI Forum Village I & II, TDHCA Number 11033

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Hinojosa, District 20, S

US Representative: Farenthold, District 27,

TX Representative: Scott, District 34, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Rodrigo Ramon, Jr., Mayor, City of Robstown

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 1 In Opposition 0

Quantifiable Community Participation Input:

GI Forum Village Apartments Resident Association, Filberto Garcia

Letter Score: 24 S or O: S

The proposed improvements are needed to preserve decent, safe housing for low income families.

Community Input Other than Quantifiable Community Participation Input:

Kiwanis Club of Robstown, S, James C. Wilson, President

Boys & Girls Club Robstown Unit, S, Patricia A. Amaya, Unit Director

VFW TX Post 7847- Robstown, S, ?

General Summary of Comment:

Support of the rehabilitation of the development, including individual metering of utilities for efficiency. Development is also supported by the community.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

American GI Forum Village I & II, TDHCA Number 11033

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score:208  Meeting a Required Set-Aside Credit Amount\*: \$944,918

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11036

Hidalgo Sr. Apts.

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Hidalgo Sr. Apts., TDHCA Number 11036**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 8.75 acres of the SWC of 2.5 Mile Rd. and 8 Mile Rd. Development #: 11036  
 City: Weslaco Region: 11 Population Served: Elderly  
 County: Hidalgo Zip Code: 78596 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=AOR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Hidalgo Sr. Housing, LP  
 Owner Contact and Phone: Kimberly Keener, (210) 667-7976  
 Developer: Housing Authority of the County of Hidalgo  
 Housing General Contractor: DK III Hornback Enterprises Ltd.  
 Architect: Gonzalez Newell Bender, Inc. Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: WNC & Associates, Inc.  
 Supportive Services: Housing Authority of the County of Hidalgo  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120	
	12	0	42	66	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	64	56	0	0	0	
Type of Building:						Total Development Units:	120
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	9
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,414,753	\$1,414,753			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Hidalgo Sr. Apts., TDHCA Number 11036

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Lucio, District 27, S

US Representative: Hinojosa, District 15,

TX Representative: Martinez, District 39, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

S, Leonardo Olivares, JD MPA, Weslaco City Manager

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Hidalgo Sr. Apts., TDHCA Number 11036

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **180**  Meeting a Required Set-Aside Credit Amount\*: \$1,414,753

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11037**

**Spring Trace**

**Urban, Region 6**





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Spring Trace, TDHCA Number 11037**

**BASIC DEVELOPMENT INFORMATION**

Site Address: W side Aldine Westfield Rd., N of Gwenfair Dr., E of Hardy Toll      Development #: 11037  
 City: Spring      Region: 6      Population Served: Elderly  
 County: Harris      Zip Code: 77373      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue      HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: MDC Spring Trace, LP  
 Owner Contact and Phone: David Mark Koogler, (713) 906-4460  
 Developer: Mark-Dana Corp.  
 Housing General Contractor: Koogler Construction of Texas, LLC  
 Architect: Mucasey & Associates Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	180	
	18	0	63	98	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	90	90	0	0	0	
Type of Building:						Total Development Units:	180
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Spring Trace, TDHCA Number 11037

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Patrick, District 7, NC

US Representative: Poe, District 2,

TX Representative: Riddle, District 150, O

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 9 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

- Legacy Community Health Services, S, Katy Caldwell, Executive Director
Northwest Assistance Ministries, S, Carole Little, President/CEO
Cypress Trails United Methodist Church, S, Rev. Bobbie Maltas, Senior Pastor
Spring Old Town Lions Club, S, Robert Otto, Membership Chair
Houston Northwest Chamber of Commerce, S, Barbara Thomason, President
CAI of Spring Pines, Inc., S, Bobby Skinner, President
Bering Omega Community Services, S, Ann Reed, VP of Operations
Timber Lane Utility District, S, Robert B. Schenck, Vice President

General Summary of Comment:

CAI of Spring Pines Inc. supports the development as a benefit to the area fulfilling a need for senior housing.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Spring Trace, TDHCA Number 11037**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:  
Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **173**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

**11039**

**Timberbrook Village**

**Rural, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Timberbrook Village, TDHCA Number 11039**

**BASIC DEVELOPMENT INFORMATION**

Site Address: E side of Nichols Sawmill Rd. b/t Sara Ln. and Sanders St. Development #: 11039  
 City: Magnolia Region: 6 Population Served: General  
 County: Montgomery Zip Code: 77355 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Timberbrook Village, LP  
 Owner Contact and Phone: David Mark Koogler, (713) 906-4460  
 Developer: Mark-Dana Corp.  
 Housing General Contractor: Koogler Construction of Texas, LLC  
 Architect: Mucasey & Associates Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	8	0	28	44	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	44	12	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,060,000	\$1,060,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Timberbrook Village, TDHCA Number 11039

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Nichols, District 3, NC

US Representative: Brady, District 8,

TX Representative: Eissler, District 15, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 4 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Habitat for Humanity Montgomery County, S, Barbara Smith, Executive Director

United Way of Montgomery County, S, Julie P. Martineau, President

Greater Magnolia Economic Development Partnership, S, Alisha Roberts, President

Magnolia Lions Club, S, Chris Hardee, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Timberbrook Village, TDHCA Number 11039

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score:200  Meeting a Required Set-Aside Credit Amount\*: \$1,060,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11041

Riverwood Commons

Rural, Region 7





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Riverwood Commons, TDHCA Number 11041**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SEC of Old Austin Hwy & Hasler Blvd. Development #: 11041  
 City: Bastrop Region: 7 Population Served: Elderly  
 County: Bastrop Zip Code: 78602 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Riverwood Commons, LP  
 Owner Contact and Phone: Will Markel, (573) 443-2021  
 Developer: JES Dev Co., Inc.  
 Housing General Contractor: Fairway Construction Co., Inc.  
 Architect: Martin Riley & Associates Architects, P.C.  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Affordable Equity Partners, Inc.  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	3	0	24	9	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	11	25	0	0	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	9
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	24

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$622,937	\$622,937			
HOME Activity Fund Amount:	\$1,490,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Riverwood Commons, TDHCA Number 11041

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hegar, District 18, S

US Representative: Doggett, District 25, S

TX Representative: Kleinschmidt, District 17, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 5 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- Bastrop Fine ARTS Guild, S, Jeanette Condray, President
- Combined Community Action, Inc., S, Rhoda M. Gersh, Executive Director
- Bastrop County Emergency Food Pantry and Support Center, Inc., S, Tresha Silva, Executive Director
- Advocacy Outreach, S, Beth Rolingson, Executive Director
- Family Crisis Center, S, Sherry Murphy, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Riverwood Commons, TDHCA Number 11041**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **203**  Meeting a Required Set-Aside Credit Amount\*: \$622,937

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11043

La Serena

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**La Serena, TDHCA Number 11043**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 10 acres SWC Hwy 83 and Tamm Ln. Development #: 11043  
 City: Harlingen Region: 11 Population Served: General  
 County: Cameron Zip Code: 78552 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Summit Adams Gardens, LP  
 Owner Contact and Phone: Scott Brian, (502) 376-9532  
 Developer: SUM-TEX, LLC  
 Housing General Contractor: Xpert Design and Construction, LLC  
 Architect: Weber Group, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156
	16	0	56	84	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	84	60	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	156
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Serena, TDHCA Number 11043

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Lucio, District 27, S

US Representative: Hinojosa, District 15,

TX Representative: Lozano, District 43, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

WLH Family Inv. Partnership, LTD., Dean Conner

Letter Score: 24 S or O: S

There is a definite need for affordable housing in this area. This project will enhance the overall neighborhood.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Serena, TDHCA Number 11043

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **212**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11045

Lexington Vista

Urban, Region 10





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Lexington Vista, TDHCA Number 11045**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC of Downing St. Development #: 11045  
 City: Corpus Christi Region: 10 Population Served: Elderly  
 County: Nueces Zip Code: 78414 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Downing Place, LP  
 Owner Contact and Phone: Mark Lechner, (502) 638-8032  
 Developer: MBL Derby City Development, LLC  
 Housing General Contractor: Xpert Design and Construction, LLC  
 Architect: Weber Group, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: 1st Sterling Financial, Inc.  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100
	10	0	35	55	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	30	70	0	0	0

Type of Building:

Duplex  5 units or more per building  
 Triplex  Detached Residence  
 Fourplex  Single Room Occupancy  
 Townhome  Transitional

Total Development Units: 100  
 Total Development Cost\*: \$0  
 Number of Residential Buildings: 1  
 HOME High Total Units: 0  
 HOME Low Total Units: 0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,365,970	\$1,365,970			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Lexington Vista, TDHCA Number 11045

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Hinojosa, District 20, NC

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Larry Elizondo, Sr., City Councilman
District 5

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Brighton Village Neighborhood Association, Paula Piper

Letter Score: 24 S or O: S

The project will be an asset to the community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Lexington Vista, TDHCA Number 11045

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$1,365,970

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

11046

Buckhorn Place

Rural, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Buckhorn Place, TDHCA Number 11046**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC of IH-45 & Smither Rd. Development #: 11046  
 City: Huntsville Region: 6 Population Served: General  
 County: Walker Zip Code: 77340 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Ravenwood, LP  
 Owner Contact and Phone: Chris Dischinger, (502) 639-8030  
 Developer: Dischinger Development, LLC  
 Housing General Contractor: Xpert Design and Construction, LLC  
 Architect: Kentucky Architecture Studio, LLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Stratford Capital Group  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	76
	8	0	27	41	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	40	24	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	76
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,099,408	\$1,099,408			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Buckhorn Place, TDHCA Number 11046**

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: Brady, District 8,

TX Representative: Kolkhorst, District 13, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: O, Bill Baine, Huntsville City Manger

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. All deficiencies for the final inspection of Santora Villas must be cleared prior to carryover (should an award be approved by the Board).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Buckhorn Place, TDHCA Number 11046**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 174  Meeting a Required Set-Aside Credit Amount\*: \$1,099,408

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11048

La Privada

Urban, Region 11





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**La Privada, TDHCA Number 11048**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 10+/- acres off Chapin Rd. SEC Development #: 11048  
 City: Edinburg Region: 11 Population Served: General  
 County: Hidalgo Zip Code: 78541 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Neilquist Place, LP  
 Owner Contact and Phone: Scott Brian, (502) 376-9532  
 Developer: SUM-TEX, LLC  
 Housing General Contractor: Xpert Design and Construction, LLC  
 Architect: Weber Group, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156	
	16	0	55	85	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	84	60	0	0	
Type of Building:						Total Development Units:	156
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Privada, TDHCA Number 11048

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, NC

US Representative: Hinojosa, District 15,

TX Representative: Peña, District 40, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Norquest Corners Property Owners Association, Carrol A. Norquest, Jr. Letter Score: 24 S or O: S

There is a definite need for affordable housing in this area. This project will enhance the overall neighborhood.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**La Privada, TDHCA Number 11048**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11049**

**The Palisades of Inwood**

**Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**The Palisades of Inwood, TDHCA Number 11049**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 5800 W Mount Houston Rd. Development #: 11049  
 City: Houston Region: 6 Population Served: Elderly  
 County: Harris Zip Code: 77088 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Palisades of Inwood, LP  
 Owner Contact and Phone: Marvalette Hunter, (713) 545-8840  
 Developer: HUNTJON, LLC  
 Housing General Contractor: Integrated Construction & Development, LP  
 Architect: Mucasey & Associates  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: The Richman Group Affordable Housing Corporation  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	127
	23 0 51 53	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 63 64 0 0 0	Total Development Units:	127
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,633,534	\$1,633,534			
HOME Activity Fund Amount:	\$500,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Palisades of Inwood, TDHCA Number 11049

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Whitmire, District 15, NC

US Representative: Jackson Lee, District 18,

TX Representative: Turner, District 139, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Greater Inwood Partnership, Debbie Harlow

Letter Score: 24 S or O: S

The new development will fill a need for improved high quality housing for senior citizens in the area.

**Community Input Other than Quantifiable Community Participation Input:**

First New Hope Bible Church, S, Dr. Kenneth Washington, Senior Pastor

Christian Outreach Center, S, Dr. Shirley Ledet, Executive Director

Living Word Fellowship Church, S, Paul Cannings, D. Phil, Pastor

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
The Palisades of Inwood, TDHCA Number 11049

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
Previous Participation Review not completed at this time
Total # Developments in Portfolio:
Total # Monitored:

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

Competitive Housing Tax Credits: [checked] Score: 204 [ ] Meeting a Required Set-Aside Credit Amount\*: \$1,633,534
Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0
HOME CHDO Operating Expense Grant: Grant Amount: \$0
Recommendation:

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

11050

Palm Gardens

Urban, Region 10





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Palm Gardens, TDHCA Number 11050**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NEC of Sandra Ln. Development #: 11050  
 City: Corpus Christi Region: 10 Population Served: General  
 County: Nueces Zip Code: 78414 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Sandra Place, LP  
 Owner Contact and Phone: Mark Lechner, (502) 639-8032  
 Developer: MBL Derby City Development, LLC  
 Housing General Contractor: Xpert Design and Construction, LLC  
 Architect: Weber Group, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: 1st Sterling Financial, Inc.  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156	
	16	0	56	84	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	84	60	0	0	
Type of Building:						Total Development Units:	156
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	24
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	16

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,996,605	\$1,996,605			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Palm Gardens, TDHCA Number 11050

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, NC

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Joe Adame, Mayor

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0

In Opposition 0

**Quantifiable Community Participation Input:**

Mirabal Development Group, James Mirabal

Letter Score: 24 S or O: S

There is a definite need for affordable housing in this area. This project will enhance the overall neighborhood and area.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Palm Gardens, TDHCA Number 11050

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 209  Meeting a Required Set-Aside Credit Amount\*: \$1,996,605

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11054

Beaumont Place of Grace

Urban, Region 5



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Beaumont Place of Grace, TDHCA Number 11054**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. 4400 Warren St. Development #: 11054  
 City: Beaumont Region: 5 Population Served: Elderly  
 County: Jefferson Zip Code: 77705 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Beaumont Place of Grace, LP  
 Owner Contact and Phone: Christopher Akbari, (409) 724-0020  
 Developer: Beaumont Place of Grace Developers, LLC  
 Housing General Contractor: Icon Builders, LLC  
 Architect: Long Architects, Inc.  
 Market Analyst: Gerald A. Teel Company, Inc  
 Syndicator: Wells Fargo Bank NA Community Lending & Investment  
 Supportive Services: Itex Property Management, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	112
	14	0	45	69	Market Rate Units:	16
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	96	32	0	0	0

Type of Building:

Duplex  5 units or more per building  
 Triplex  Detached Residence  
 Fourplex  Single Room Occupancy  
 Townhome  Transitional

Owner/Employee Units:	0
Total Development Units:	128
Total Development Cost*:	\$0
Number of Residential Buildings:	1
HOME High Total Units:	0
HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,705,637	\$1,705,637			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Beaumont Place of Grace, TDHCA Number 11054

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Williams, District 4, S

US Representative: Poe, District 2,

TX Representative: Deshotel, District 22, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 4 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Cathedral of Faith Baptist Church, S, Rev. Delbert A. Mack, Jr., Pastor's Administrative Assistant

Blessings Family and Children Services, S, Virginia J. Crook, Executive Director

Beaumont Community Housing Development Organization, S, Antoinette Hardy, President/ Executive Director

L.L. Melton Family Life Center, S, Anjerrika Anthony, Program Coordinator

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Beaumont Place of Grace, TDHCA Number 11054

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **190**  Meeting a Required Set-Aside Credit Amount\*: \$1,705,637

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11055

Pilgrim Valley Manor

Urban, Region 3





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Pilgrim Valley Manor, TDHCA Number 11055**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1701 E Robert St. Development #: 11055  
 City: Fort Worth Region: 3 Population Served: General  
 County: Tarrant Zip Code: 76104 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Fort Worth Pilgrim Valley Manor, LP  
 Owner Contact and Phone: Ike Akbari, (409) 724-0020  
 Developer: Fort Worth Pilgrim Valley Manor Developers, LLC  
 Housing General Contractor: Icon Builders, LLC  
 Architect: Long Architects, Inc.  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Wells Fargo Bank NA Community Lending & Investment  
 Supportive Services: Itex Property Management, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	168
	17	0	59	92	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	40	64	64	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	168
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$17,130,531
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	15
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,400,000	\$1,387,324			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pilgrim Valley Manor, TDHCA Number 11055

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Davis, District 10, S US Representative: Burgess, District 26,
TX Representative: Veasey, District 95, NC US Senator: NC

Local Officials and Other Public Officials:

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

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

South East Kingdom Neighborhood Association, Isiah Woods Letter Score: 24 S or O: S

There is a need for better quality and affordable housing and services in the South East Kingdom boundaries for low income families.

Community Input Other than Quantifiable Community Participation Input:

Southeast Fort Worth, Inc., S, Andre R. McEwing, Executive Director
Santa Fe Youth Services, S, Virginia Hoft, Executive Director
Heavenly Touched Community Center, S, Latesha Thomas, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of formal commitments for the proposed interim financing from Tarrant County HFC and East Texas HFC stating terms and conditions.
2. Receipt and acceptance by 10% test: of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt and acceptance by Cost Certification:
a: Documentation clearing environmental issues contained in the ESA report, specifically:
i: a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint; that an appropriate Operations and Maintenance Program has been implemented to manage any existing asbestos-containing materials or lead-based paint; and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
ii: documentation that all noise assessment recommendations were implemented.
b: of a re-evaluation of the underwriting analysis subsequent to approval of new HAP contract rents as proposed with tenant-paid utilities.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pilgrim Valley Manor, TDHCA Number 11055

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 20
- Total # Monitored: 15

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

Competitive Housing Tax Credits:  Score: 209  Meeting a Required Set-Aside Credit Amount\*: \$1,387,324

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11055 Program(s): 9% HTC

**Pilgrim Valley Manor**

Address/Location: 1701 E. Robert St.

City: Fort Worth County: Tarrant Zip: 76104

Population: Family Program Set-Aside: At-Risk Area: Urban

Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 3

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,400,000				\$1,387,324				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:  
of formal commitments for the proposed interim financing from Tarrant County HFC and East Texas HFC stating terms and conditions.
- 2 Receipt and acceptance by 10% test:  
of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: a comprehensive survey was completed to identify the presence of asbestos-containing materials or lead-based paint; that an appropriate Operations and Maintenance Program has been implemented to manage any existing asbestos-containing materials or lead-based paint; and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
    - ii: documentation that all noise assessment recommendations were implemented.
  - b: of a re-evaluation of the underwriting analysis subsequent to approval of new HAP contract rents as proposed with tenant-paid utilities.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	17
50% of AMI	50% of AMI	59
60% of AMI	60% of AMI	92

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ Rental subsidy can increase to offset rising expenses</li> </ul>	<ul style="list-style-type: none"> <li>▫ high expense ratio (63%) and break-even occupancy of 89%</li> </ul>
<ul style="list-style-type: none"> <li>▫ current occupancy 96%</li> </ul>	<ul style="list-style-type: none"> <li>▫ One-month concession on average rent is less than breakeven rent</li> </ul>
<ul style="list-style-type: none"> <li>▫ average occupancy in the PMA is 94%</li> </ul>	

**DEVELOPMENT TEAM**

**PRIMARY CONTACTS**

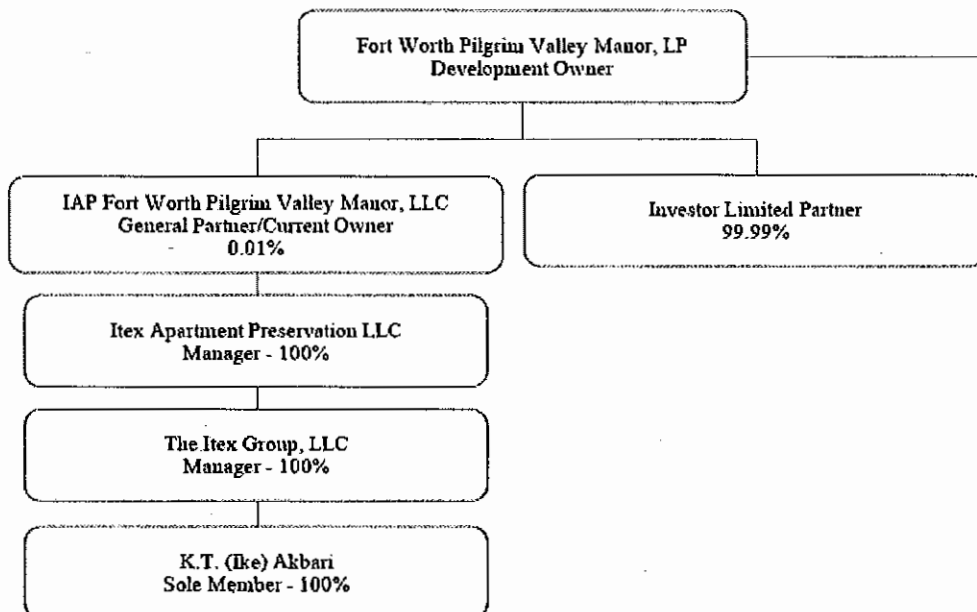
Name: <u>Chris Akbari</u>	Relationship: <u>Developer</u>
Email: <u>chrisakbari@itexmgt.com</u>	Phone: <u>(409) 724-0020</u> Fax: <u>(409) 721-6603</u>
Name: <u>Tracy Ambridge</u>	Relationship: <u>Developer</u>
Email: <u>tracy.ambridge@itexmgt.com</u>	Phone: <u>(409) 724-0020</u> Fax: <u>(409) 721-6603</u>

**IDENTITIES OF INTEREST**

Related-Party Seller/Identity of Interest:     No    

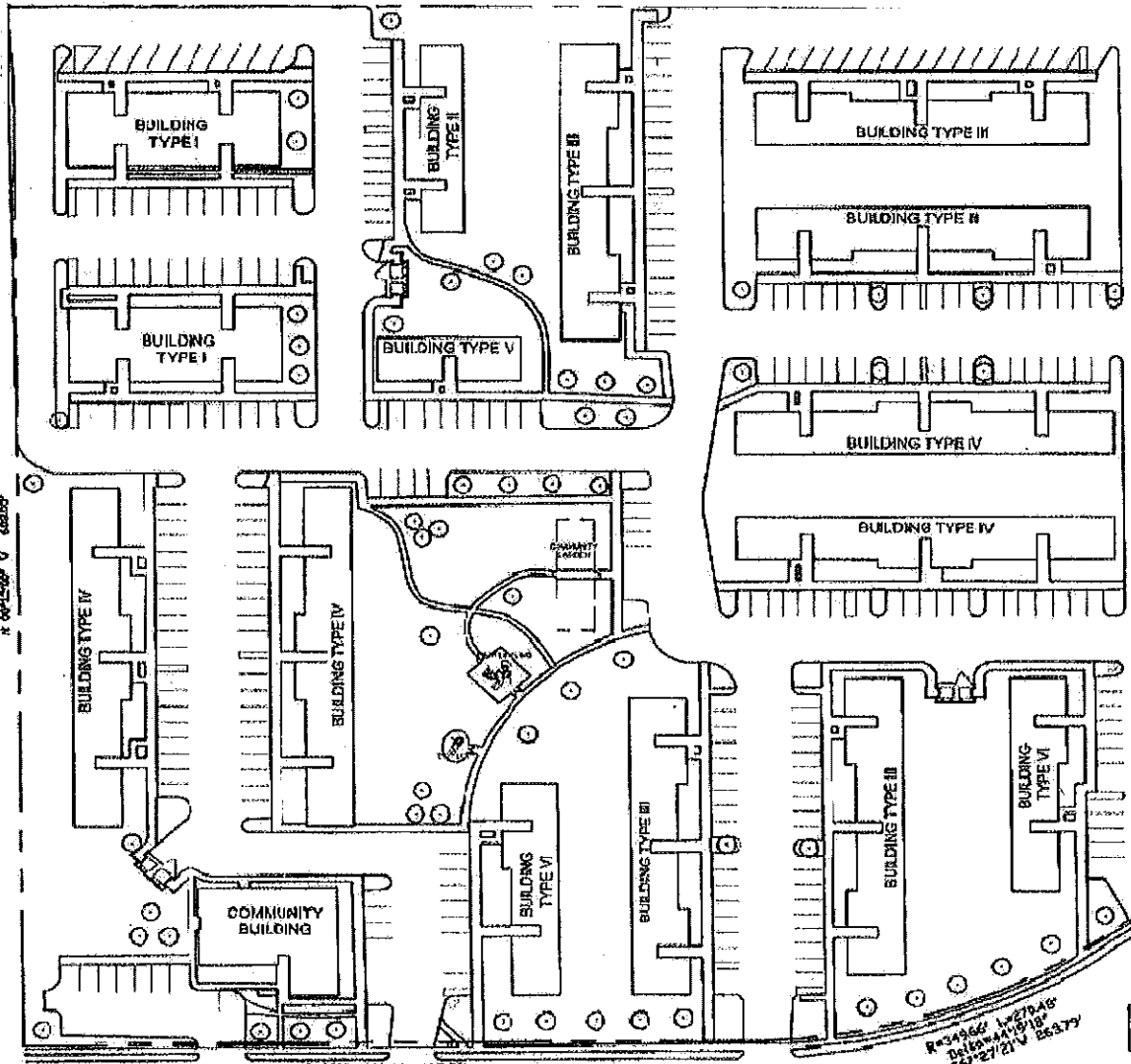
- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities.

**OWNERSHIP STRUCTURE**



# DEVELOPMENT SUMMARY

## SITE PLAN



### BUILDING CONFIGURATION

Building Type	I	II	III	IV	V	VI								Total Buildings
Floors/Stories	2	2	2	2	2	2								15
Number of Bldgs	2	1	5	4	1	2								15
Units per Bldg	16	8	12	12	4	8								
<b>Total Units</b>	<b>32</b>	<b>8</b>	<b>60</b>	<b>48</b>	<b>4</b>	<b>16</b>								<b>168</b>

### GENERAL INFORMATION

Total Size: 9.6 acres  
 Flood Zone: X  
 Zoning: I- Light Industrial  
 Density: 17.5 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Zoning:**

The site is currently zoned "I" Light Industrial. The existing multifamily use is considered legal nonconforming, since multifamily uses were permitted by right in this district at the time the complex was developed, and the use has continued since that time. The City's Housing and Economic Development Department is submitting an application to rezone this property from "I" Light Industrial to "C" Medium Density Multifamily, which will make the use legal conforming. Per program requirements this must be done prior to Commitment.

**Surrounding Uses:**

The Site Inspector reported that "This complex sits in an older section of Ft. Worth which has a history of heavy crime. I spoke with apartment manager who stated crime used to be a concern there but since the new management company took over; they have evicted several residents and the crime rate has dropped dramatically. There is an apt. complex that sits southeast of site. It is well maintained. North of the complex is a several streets with duplexes. These, too, appeared well maintained.

The complex sits about one block off a major thoroughfare street. Along this street are many convenience stores; retail stores; Schools; churches, etc. All these are within a short walking distance or a short drive.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Medina Consulting Company Date: 11/4/2010

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- None.

**Comments:**

- "Since asbestos and lead-based paint was identified on the property during a limited survey in 2007, an Operations and Maintenance (O&M) Plan should be developed to outline how to properly maintain or abate the affected materials and surfaces, if needed. In addition, a more thorough investigation into the presence of ACMs and lead-based paint may be necessary prior to the renovations planned for the property." (p. iii)
- "For the purposes of compliance with HUD requirements for applications for HUD funding or tax credits, MCC recommends a Noise Survey be performed for the Site." (p. iii)

**MARKET ANALYSIS**

Provider: Novogradac & Company LLP Date: 2/28/2011

Contact: Julie Fairchild Phone: 913-262-3500

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

Primary Market Area (PMA): 30 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 28 census tracts in city of Fort Worth, Tarrant County. The PMA encompasses the general area between I35, I20, I820, and I30.

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$14,160	---	---	\$0	\$23,600	\$0	\$28,320
2	\$0	\$16,200	---	---	\$0	\$27,000	\$0	\$32,400
3	\$0	\$18,210	---	---	\$0	\$30,350	\$0	\$36,420
4	\$0	\$20,220	---	---	\$0	\$33,700	\$0	\$40,440
5	\$0	\$21,840	---	---	\$0	\$36,400	\$0	\$43,680
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10117	Terrell Homes I	New	Family	54	54
08615	Woodmont Apts	New	Family	252	252
Other Affordable Developments in PMA since 2007					
10239	Prince Hall Gardens	Rehab	Family	n/a	100
08298	Residences on Stalcup	Rehab	Family	n/a	92
07403	Amelia Parc Sr Apts	New	Senior	n/a	196
07149	Residences at Eastland	New	Family	n/o	146
07433	Peppertree Acres	Rehab	Family	n/a	148
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properlies ( pre-2007 )		10	Total Units		1029

Proposed, Under Construction, and Unstabilized Comparable Supply:

10117 Terrell Homes I is a proposed 54 unit scattered site single family homes development offering 3 BR and 4 BR homes for residents. 08615 Woodmont Apts is an unstabilized comparable development 5 miles to the south of the subject.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	29,978		30,235	
Potential Demand from the Primary Market Area	2,443		8,587	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>2,443</b>		<b>8,587</b>	
Subject Affordable Units	168		168	
Unstabilized Comparable Units	0		306	
<b>RELEVANT SUPPLY</b>	<b>168</b>		<b>474</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>6.9%</b>		<b>5.5%</b>	

Demand Analysis:

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. The Market Analyst limits the eligible renters to an income minimum of \$12,994 and calculates a Gross Demand of 2,443 units and a Gross Capture Rate of 6.9% for the subject 168 units.

All units at the subject are covered by Section 8 Rental Assistance, so all households below the maximum income are eligible renters. The Underwriter also includes two unstabilized comparable developments in the market area that were not considered by the Market Analyst. The Underwriter calculates Gross Demand for 8,587 units, and a Gross Capture Rate of 5.5% for a total relevant Supply of 474 units.

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

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 93.5% occupied, therefore the Gross Capture Rate Threshold of 10% is not applicable.



UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	185	4	0	2%	1,604	4	1	0%
1 BR/50%	518	14	0	3%	2,289	14	11	1%
1 BR/60%	848	22	0	3%	2,552	22	0	1%
2 BR/30%	100	6	0	6%	1,363	6	0	0%
2 BR/50%	387	23	0	6%	2,205	23	14	2%
2 BR/60%	588	35	0	6%	2,439	35	118	6%
3 BR/30%	112	7	0	6%	1,043	7	2	1%
3 BR/50%	394	22	0	6%	1,702	22	13	2%
3 BR/60%	610	35	0	6%	1,984	35	108	7%

**Primary Market Occupancy Rates:**

A survey of 4 LIHTC developments in the market area shows an overall occupancy rate of 94%. (p 71)

**Absorption Projections:**

"The most recently constructed multifamily development in the area was the Residences at Eastland, a 146-unit LIHTC development, which is located 3.4 miles from the Subject. It began leasing its units in September 2009... it took three months to reach a stabilized occupancy, which yields an absorption pace of roughly 48 units per month. Magnolia at Village Creek, a 252-unit LIHTC property, which is located 4.0 miles from the Subject, began leasing units in August 2007... and completed the lease-up process by November 2007, which equates to a leasing pace of 63 units per month." The Market Analyst estimates that "the Subject will reach stabilized 95 percent occupancy within eight months, or an absorption rate of approximately 21 units per month, if the Subject had to reabsorb all units post renovation." (p49)

**Market Impact:**

"There are two comparable LIHTC properties currently reporting vacancy rates of less than five percent. The Subject is currently 93.5 percent occupied and maintains an extensive waiting list for all units as a Section 8 property. We anticipate that there will be minimal turnover resulting from the renovations since no tenants will be displaced. Additionally, the HAP contract is anticipated to remain in place post-renovation. Thus, we do not anticipate the existing LIHTC properties in the PMA to be adversely impacted by the Subject property." (p 73)

**Comments:**

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

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$398,066	Avg. Rent:	\$556	Expense Ratio:	63.3%
Debt Service:	\$332,614	B/E Rent:	\$527	Controllable Expenses:	\$2,482
Net Cash Flow:	\$65,452	Occupancy:	95.00%	Property Taxes/Unit:	\$483
Aggregate DCR:	1.2:1	B/E Occupancy:	89.26%	Program Rent Year:	2011

Income:      Number of Revisions:      2      Date of Last Applicant Revision:      5/23/2011

All units are covered by a HAP contract, and the property is currently all bills paid, so the HAP contract does not indicate an utility allowance. The Applicant intends to convert to tenant-paid electricity, and has adjusted rents based on utility allowances from the Fort Worth Housing Authority. This is merely an estimate since HUD will apply its own methodology in determining contract rents and utility allowances.

The Applicant's non-rental income is within underwriting guidelines. The Applicant has assumed losses to vacancy and collection of 5%. The rent roll shows the property is currently 96.4% occupied. Underwriting guidelines generally assume vacancy and collection losses of 7.5%, but allow for a lower adjustment based on the historical performance of the property.

Overall, the Applicant's projected effective gross income is equivalent to the underwriting estimate. But the actual rents and utility allowances will be determined by HUD. Any funding allocation will be subject to review of the final approved HAP contract.

Expense:      Number of Revisions:      1      Date of Last Applicant Revision:      6/10/2011

The Applicant's projected annual operating expenses equal \$4,079 per unit. This is 1% lower than the underwriting estimate of \$4,123, based primarily on the actual expenses at the property for 2010. The Applicant's projected expenses show a 31% increase to repairs and maintenance and a 31% decrease to water, sewer & trash, stating that the prior owner reported clean-up expenses for make-ready of units under trash, and going forward this will be reported as maintenance. The Underwriter has used the historical expenses for both categories.

Since the property is currently all bills paid, the actual utility expense includes all tenant electricity usage. The underwriting estimate takes into account the proposed conversion to tenant-paid electricity.

Property Tax expense has been \$39K per year for three years, reflecting an extremely low value assessment of \$8,341 per unit. The Applicant has received a new assessment, increasing the valuation to \$17K per unit and the tax to \$81K per year. The Applicant indicates they plan to pay the increased tax for 2011 but will probably challenge the valuation in 2012. The Underwriter sized the debt and credit recommendation based on the actual assessed value. If the Applicant was ultimately able to achieve a reduction in taxes to previous levels, the property would have a significant increase in NOI. However, HUD manages rent levels under the HAP contract and a change in operating expenses should be taken into account.

**Conclusion:**

The Applicant's income, expenses and net operating income are each within 5% of the underwriting estimates. The Applicant's estimates are therefore used to determine debt capacity and feasibility. The Applicant's pro forma and proposed financing provide first year debt coverage of 1.20, which meets the underwriting range of 1.15 to 1.35.

**Feasibility:**

The Applicant's projections are used to create a 30-year operating pro forma, assuming income growth at 2% and expenses at 3%. This analysis indicates continued positive cash flow and debt coverage that remains above 1.15 for at least 20 years. The development is therefore characterized as feasible.

Comments:

The Applicant's proposed rents are estimated as the current HAP rents less the current FWHA utility allowances. But the actual expected rental income is not clearly defined, because the HAP contract must be revised due the conversion of the utility structure from all bills paid to tenant-paid electricity. HUD will determine the contract rents and utility allowances. Any funding recommendation will be subject to receipt and acceptance of the final approved HAP contract.

**ACQUISITION INFORMATION**

APPRAISED VALUE

Appraiser: Gerald A. Teel Co. Date: 1/4/2011  
 Land Only: 9.7 acres \$570,000 Per Unit: 3,393  
 Existing Buildings: (as-is) \$4,730,000  
 Total Development: (as-is) \$5,300,000 Per Unit: 31,548

SITE CONTROL

Type: Special Warranty Deed with Vendor's Lien Acreage: 9.6  
 Acquisition Cost: \$5,300,000 Date of Deed: 2/25/2011  
 Cost Per Unit: \$31,548  
 Seller: BBJ, LLC Related to Development Team?  Yes  No

Comments:

The General Partner of the Applicant acquired the property on February 25, 2011. The settlement statement indicates a purchase price of \$5,300,000, plus \$131K in additional charges. These include \$50K in loan charges, \$39K in attorney fees, \$33K for title insurance, and \$9K in survey fees.

The Warranty Deed references a Promissory Note to Wells Fargo in the amount of \$3,880,000. The Applicant indicates that this note will be paid off at the closing of the tax credit partnership.

The acquisition by the GP created a placement-in-service, and the proposed transfer to the Applicant would generally violate the ten-year rule in Section 42. However, the 2008 Housing and Economic Recovery Act waives the ten-year rule in the case of a substantially federally or state-assisted building, defined as "any building that is substantially assisted, financed or operated under Section 8 of the U.S. Housing Act of '37" among other federal housing programs." The existing HAP Contract provides ongoing Section 8 assistance to 100% of the units and should meet the 10 year rule waiver. The Underwriter presented the subject scenario to a tax credit accounting firm and received the same conclusion.

**DEVELOPMENT COST EVALUATION**

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

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Direct Construction Cost:**

The Project was constructed in 1971 and has only seen minor updates since. The Project is currently in disrepair due to several years of deferred maintenance. The rehabilitation will be completed on each of the fifteen (15) two-story buildings. The community building will be rehabilitated and remain at the same location. The roofs, doors, windows, siding, HVAC systems, lighting fixture, flooring, cabinets, and appliances will be replaced with new high efficiency products. The grounds will be upgraded and repaired.

The previous owner completed rehabilitation in 2007, including abandoning old central air systems and installing through-wall A/C units in all apartments. The Applicant's scope of work includes eliminating the wall units and installing new central A/C systems.

The Applicant's development cost schedule projects total site work and direct construction costs of \$6,115,003. The Property Condition Assessment identifies total site work and direct construction costs of \$6,311,000. The most significant variance is that the PCA estimate for the conversion of the A/C systems is \$242,000 higher than the Applicant's projection. The underwriting analysis relies on the information provided by the third party PCA.

**Contingency & Fees:**

The Applicant has included the total developer fee of \$1,993,878 with the rehabilitation costs. As a result, the 30% increase to eligible basis and the 9% applicable percentage are applied to the entire fee amount. Under REA Rules, the developer fee is allocated proportionally between the acquisition cost and the rehabilitation costs. The Underwriter has made this adjustment to the Applicant's projected eligible basis.

**Conclusion:**

Under REA Rules, development cost for an acquisition/rehabilitation project is underwritten based on the costs identified by the third party Property Condition Assessment. Total development cost is \$17,130,331, and total eligible basis is \$15,591,982 (\$5.3M for the acquisition and \$10.3M for rehabilitation). This basis would support an annual tax credit allocation of \$1,387,300

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: none Last Update: N / A

Interim Sources	Amount	Rate	Term	LTC
Davis Penn Mortgage Co.	\$4,912,600	6.20%	24 Months	26%
Wells Fargo - Bridge Loan	\$5,000,000	4.50%	24 Months	26%
Tarrant County HFC	\$378,000	AFR	12 Months	2%
East Texas HFC	\$378,000	AFR	12 Months	2%
Wells Fargo - Equity	\$6,618,838	HTC Equity		35%
Deferred Developer Fees	\$1,595,102	Developer Fee		8%
<b>Total</b>	<b>\$18,882,540</b>			

**Comments:**

The Davis Penn loan will be at 5.75% plus 0.45% MIP.  
 The existing \$3.88M acquisition loan to Wells Fargo will be paid off at the closing of the tax credit partnership; but Wells Fargo will advance a \$5M bridge loan priced at LIBOR plus 2.5%, with a 4.5% floor.  
 The Applicant has applied for interim loans of \$378K each from Tarrant County HFC and East Texas HFC.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Davis Penn Mortgage Co.	\$4,912,600	6.20%	40	40	29%
<b>Total</b>	<b>\$4,912,600</b>				

<b>Equity &amp; Deferred Fees</b>	<b>Amount</b>	<b>Rate</b>	<b>% TC</b>	<b>% Def</b>
Wells Fargo Bank, NA	\$11,513,638	\$0.83	67%	
Deferred Developer Fees	\$704,294		4%	35%
<b>Total</b>	\$12,217,932			
<b>Total Sources</b>	\$17,130,532			

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$4,912,600 indicates the need for \$12,217,731 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,472,163 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$1,387,324</b>
Allocation determined by gap in financing:	\$1,472,187
Allocation requested by the Applicant:	\$1,400,000

The allocation amount determined by eligible basis is recommended. A tax credit allocation of \$1,387,300 per year for 10 years results in total equity proceeds of \$11,513,437 at a syndication rate of \$0.83 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$704,294 in additional permanent funds. Deferred developer fees in this amount are repayable from development cashflow within eleven years of stabilized operation.

Underwriter:	<u>Thomas Cavanagh</u>
Reviewing Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

*Pilgrim Valley Manor, Fort Worth, 9% HTC #11055*

LOCATION DATA	
CITY:	Fort Worth
COUNTY:	Tarrant
PROGRAM REGION:	3
RURAL RENT USED:	No
IREM REGION:	Fort Worth

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	40	23.8%
2	64	38.1%
3	64	38.1%
4		
<b>TOTAL</b>	<b>168</b>	<b>100.0%</b>

Applicable Programs
LIHTC
Sec 8

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								Sec. 8 PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$379	Sec 8	\$553	4	1	1	614	\$553	\$69	\$484	\$0	\$0.79	\$484	\$1,936	\$1,936	\$484	\$0.79	\$0	\$550	0.90	\$66
TC50%	\$632	Sec 8	\$553	14	1	1	614	\$553	\$69	\$484	\$0	\$0.79	\$484	\$6,776	\$6,776	\$484	\$0.79	\$0	\$550	0.90	\$66
TC60%	\$759	Sec 8	\$553	22	1	1	614	\$553	\$69	\$484	\$0	\$0.79	\$484	\$10,648	\$10,648	\$484	\$0.79	\$0	\$550	0.90	\$66
TC30%	\$455	Sec 8	\$597	6	2	1	766	\$597	\$84	\$513	\$0	\$0.67	\$513	\$3,078	\$3,078	\$513	\$0.67	\$0	\$625	0.82	\$112
TC50%	\$758	Sec 8	\$597	23	2	1	766	\$597	\$84	\$513	\$0	\$0.67	\$513	\$11,799	\$11,799	\$513	\$0.67	\$0	\$625	0.82	\$112
TC60%	\$910	Sec 8	\$597	35	2	1	766	\$597	\$84	\$513	\$0	\$0.67	\$513	\$17,955	\$17,955	\$513	\$0.67	\$0	\$625	0.82	\$112
TC30%	\$525	Sec 8	\$739	7	3	1.5	965	\$739	\$96	\$643	\$0	\$0.67	\$643	\$4,501	\$4,501	\$643	\$0.67	\$0	\$740	0.77	\$97
TC50%	\$876	Sec 8	\$739	22	3	1.5	965	\$739	\$96	\$643	\$0	\$0.67	\$643	\$14,146	\$14,146	\$643	\$0.67	\$0	\$740	0.77	\$97
TC60%	\$1,051	Sec 8	\$739	35	3	1.5	965	\$739	\$96	\$643	\$0	\$0.67	\$643	\$22,505	\$22,505	\$643	\$0.67	\$0	\$740	0.77	\$97
<b>TOTALS/AVERAGES:</b>				168			135,344				\$0	\$0.69	\$566	\$93,344	\$93,344	\$566	\$0.69	\$0	\$661	\$0.81	\$96
<b>ANNUAL POTENTIAL GROSS RENT:</b>														\$1,120,128	\$1,120,128						

**STABILIZED PROFORMA**

**Pilgrim Valley Manor, Fort Worth, 9% HTC #11055**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT			TDHCA			VARIANCE			
	Database	2010 Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.69	\$556	\$1,120,128	\$1,120,128	\$556	\$0.69		0.0%	\$0
NSF, Late Fees, Laundry					\$10.00	\$20,160					0.0%	(20,160)
Underwriter's Total Secondary Income						\$20,160		\$10.00			100.0%	20,160
<b>POTENTIAL GROSS INCOME</b>						\$1,140,288	\$1,140,288				0.0%	\$0
Vacancy & Collection Loss					5.0% PGI	(57,014)	(57,014)	5.0% PGI			0.0%	-
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$1,083,274	\$1,083,274				0.0%	\$0

General & Administrative	\$56,497	\$336/Unit	50,645	3.72%	\$0.30	\$240	\$40,300	50,645	\$301	\$0.37	4.68%	-20.4%	(10,345)
Management	\$52,585	4.7% EGI	45,799	5.00%	\$0.40	\$322	\$54,163	\$54,164	\$322	\$0.40	5.00%	0.0%	(1)
Payroll & Payroll Tax	\$175,079	\$1,042/Unit	120,944	12.00%	\$0.96	\$774	\$130,000	120,944	\$720	\$0.89	11.16%	7.5%	9,056
Repairs & Maintenance	\$98,604	\$587/Unit	88,815	10.73%	\$0.86	\$692	\$116,200	88,815	\$529	\$0.66	8.20%	30.8%	27,385
Utilities	\$57,010	\$339/Unit	168,961	4.62%	\$0.37	\$298	\$50,000	\$33,792	\$201	\$0.25	3.12%	48.0%	16,208
Water, Sewer, & Trash	\$85,230	\$507/Unit	129,479	7.42%	\$0.59	\$479	\$80,400	129,479	\$771	\$0.96	11.95%	-37.9%	(49,079)
Property Insurance	\$33,580	\$0.25 SF	35,124	4.03%	\$0.32	\$260	\$43,680	\$42,840	\$255	\$0.32	3.95%	2.0%	840
Property Tax 2.8266	\$110,140	\$656/Unit	39,307	7.48%	\$0.60	\$483	\$1,065	\$81,065	\$483	\$0.60	7.48%	0.0%	-
Reserve for Replacements	\$43,945	\$262/Unit	-	4.65%	\$0.37	\$300	\$50,400	\$50,400	\$300	\$0.37	4.65%	0.0%	-
TDHCA Compliance Fees			-	0.62%	\$0.05	\$40	\$6,720	\$6,720	\$40	\$0.05	0.62%	0.0%	-
Cable TV			-	0.24%	\$0.02	\$16	\$2,640	\$2,640	\$16	\$0.02	0.24%	0.0%	-
Supportive service contract fees			-	0.55%	\$0.04	\$36	\$6,000	\$6,000	\$36	\$0.04	0.55%	0.0%	-
Security			35,922	1.63%	\$0.13	\$105	\$17,640	19,110	\$114	\$0.14	1.76%	-7.7%	(1,470)
Fire alarm monitoring & compliance			-	0.32%	\$0.03	\$21	\$3,500	\$3,500	\$21	\$0.03	0.32%	0.0%	-
Sprinkler systems maintenance			-	0.23%	\$0.02	\$15	\$2,500	\$2,500	\$15	\$0.02	0.23%	0.0%	-
<b>TOTAL EXPENSES</b>				63.25%	\$5.06	\$4,079	\$ 685,208	\$ 692,614	\$4,123	\$5.12	63.94%	-1.1%	\$ (7,406)
<b>NET OPERATING INCOME ("NOI")</b>				36.75%	\$2.94	\$2,369	\$398,066	\$390,659	\$2,325	\$2.89	36.06%	1.9%	\$7,406

<b>CONTROLLABLE EXPENSES</b>	\$2,812/Unit	\$3,326/Unit		\$2,482/Unit		\$2,522/Unit
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**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$1,083,274	\$1,104,939	\$1,127,038	\$1,149,579	\$1,172,570	\$1,294,612	\$1,429,357	\$1,578,125	\$1,742,378	\$1,923,726	\$2,123,949	\$2,345,011
LESS: TOTAL EXPENSES	685,208	705,223	725,827	747,038	768,874	888,100	1,025,979	1,185,446	1,369,902	1,583,284	1,830,151	2,115,786
<b>NET OPERATING INCOME</b>	\$398,066	\$399,716	\$401,211	\$402,540	\$403,696	\$406,512	\$403,377	\$392,679	\$372,475	\$340,442	\$293,797	\$229,225
LESS: DEBT SERVICE	332,614	332,614	332,614	332,614	332,614	332,614	332,614	332,614	332,614	332,614	332,614	332,614
<b>NET CASH FLOW</b>	\$65,452	\$67,103	\$68,597	\$69,927	\$71,082	\$73,898	\$70,764	\$60,065	\$39,862	\$7,828	(\$38,816)	(\$103,389)
<b>CUMULATIVE NET CASH FLOW</b>	\$65,452	\$132,555	\$201,152	\$271,079	\$342,160	\$708,113	\$1,070,881	\$1,395,990	\$1,639,941	\$1,748,399	\$1,654,071	\$1,274,183
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$704,293	\$637,190	\$568,593	\$498,666	\$427,584	\$61,632	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.20	1.20	1.21	1.21	1.21	1.22	1.21	1.18	1.12	1.02	0.88	0.69
<b>EXPENSE/EGI RATIO</b>	63.25%	63.82%	64.40%	64.98%	65.57%	68.60%	71.78%	75.12%	78.62%	82.30%	85.17%	90.22%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Pilgrim Valley Manor, Fort Worth, 9% HTC #11055*

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
Davis Penn Mortgage Co. (5.85% + MIP 0.45%)	1.17	1.20	\$332,614	6.20%	40	40	\$4,912,600	\$4,912,600	40	40	6.20%	\$332,614	1.20	28.7%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$332,614				\$4,912,600	\$4,912,600				\$332,614		28.7%
<b>NET CASH FLOW</b>			\$65,452											\$58,046

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
										Total Developer Fee:	15-Year Cash Flow:	
Wells Fargo Bank, NA	LIHTC Equity	67.8%	\$1,400,000	0.83	\$11,618,838	\$11,513,638	0.8299	\$1,387,324	67.2%	Annual Credit per Unit:	\$68,534	
Deferred Developer Fees	Deferred Developer Fees	2.4%	(20% Deferred)		\$402,896	\$704,294	(35% Deferred)		4.1%	Total Developer Fee:	\$1,993,878	
Additional (Excess) Funds Req'd		0.0%			\$0	(\$1)			0.0%	15-Year Cash Flow:	\$1,070,881	
<b>TOTAL EQUITY SOURCES</b>		70.2%			\$12,021,734	\$12,217,931			71.3%	15-Yr Cash Flow after Fee:	\$366,586	
<b>TOTAL CAPITALIZATION</b>					\$16,934,334	\$17,130,531						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$		
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition				
Land Acquisition			\$4,732 / Unit	\$795,000	\$795,000	\$4,732 / Unit		0.0%	\$0	
Building Acquisition	\$4,636,059		\$27,596 / Unit	\$4,636,059	\$4,636,059	\$27,596 / Unit	\$4,636,059	0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0	
Sitework		\$990,000	\$5,893 / Unit	\$990,000	\$961,000	\$5,720 / Unit	\$961,000	-3.0%	(\$29,000)	
Direct Construction	\$5,125,003	\$37.87 /sf	\$30,508/Unit	\$5,125,003	\$5,350,200	\$31,846/Unit	\$39.53 /sf	4.2%	\$225,197	
Contingency	\$611,500		10.00%	\$611,500	\$611,500	9.69%	\$611,500	0.0%	\$0	
Contractor's Fees	\$856,100		12.73%	\$856,100	\$856,100	12.37%	\$856,100	0.0%	\$0	
Indirect Construction	\$636,000		\$3,786 / Unit	\$636,000	\$636,000	\$3,786 / Unit	\$636,000	0.0%	\$0	
Ineligible Costs			\$1,815 / Unit	\$304,968	\$304,968	\$1,815 / Unit		0.0%	\$0	
Developer's Fees	\$0	\$1,993,878	14.88%	\$1,993,878	\$1,993,878	14.66%	\$1,314,107	0.0%	\$0	
Interim Financing		\$547,445	\$3,259 / Unit	\$547,445	\$547,445	\$3,259 / Unit	\$547,445	0.0%	\$0	
Reserves			\$2,609 / Unit	\$438,381	\$438,381	\$2,609 / Unit		0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	<b>\$4,636,059</b>	<b>\$10,759,926</b>	\$100,800 / Unit	<b>\$16,934,334</b>	<b>\$17,130,531</b>	\$101,967 / Unit	<b>\$10,276,352</b>	<b>\$5,315,830</b>	1.1%	<b>\$196,197</b>
Acquisition Cost for Identity of Interest Seller				\$0						
Developer's Fee	\$689,723	(\$689,723)								
Contractor's Fee		\$0								
Contingency		\$0								
<b>ADJUSTED BASIS / COST</b>	<b>\$5,325,782</b>	<b>\$10,070,203</b>	\$100,800 / Unit	<b>\$16,934,334</b>	<b>\$17,130,531</b>		<b>\$10,276,352</b>	<b>\$5,315,830</b>		
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$17,130,531</b>					



**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

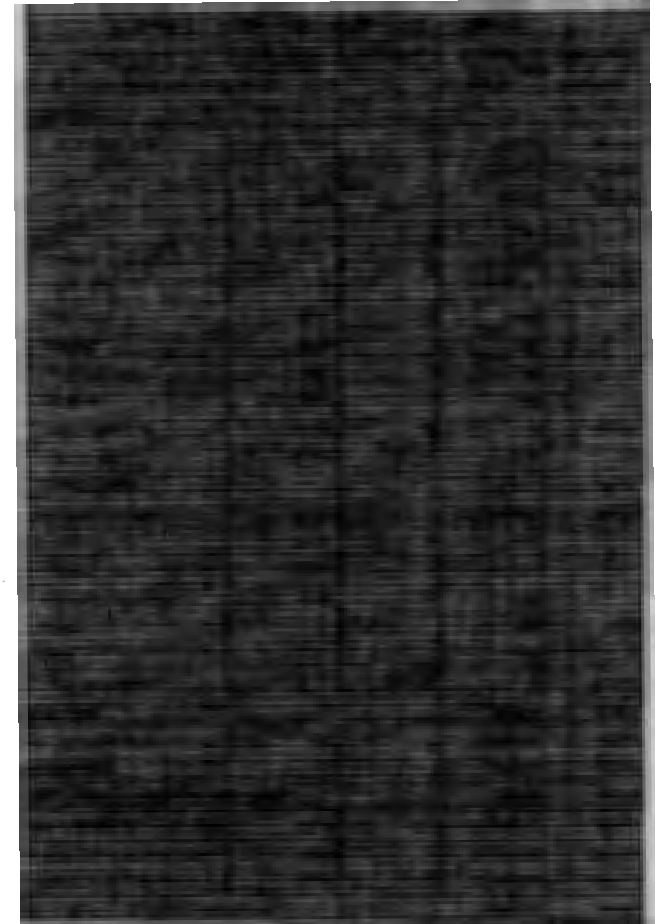
*Pilgrim Valley Manor, Fort Worth, 9% HTC #11055*

<b>CREDIT CALCULATION ON QUALIFIED BASIS</b>				
	<b>Applicant</b>		<b>TDHCA</b>	
	<b>Acquisition</b>	<b>Construction Rehabilitation</b>	<b>Acquisition</b>	<b>Construction Rehabilitation</b>
ADJUSTED BASIS	\$5,325,782	\$10,070,203	\$5,315,830	\$10,276,352
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$5,325,782</b>	<b>\$10,070,203</b>	<b>\$5,315,830</b>	<b>\$10,276,352</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$5,325,782</b>	<b>\$13,091,264</b>	<b>\$5,315,830</b>	<b>\$13,359,257</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$5,325,782</b>	<b>\$13,091,264</b>	<b>\$5,315,830</b>	<b>\$13,359,257</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$185,337	\$1,178,214	\$184,991	\$1,202,333
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,363,551</b>		<b>\$1,387,324</b>	

<b>ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS</b>		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,387,324	\$11,513,638
Gap	\$1,472,187	\$12,217,931
Request	\$1,400,000	\$11,618,838

<b>FINAL ANNUAL LIHTC ALLOCATION</b>	
Method	Eligible Basis
Credits	\$1,387,324
Underwritten Proceeds	\$11,513,638

<b>TOTAL HARD COST COMPARISON</b>						
	<b>APPLICANT</b>			<b>TDHCA</b>		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$49.70	\$40,039	\$6,726,503	\$6,922,700	\$41,207	\$51.15
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$56.02	\$45,135	\$7,562,803	\$7,778,800	\$46,302	\$57.47





11056

St. Paul Apts

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**St. Paul Apts, TDHCA Number 11056**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1801 Young St. & 1818 Wood St. Development #: 11056  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75201 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: St. Paul LIHTC, LLC  
 Owner Contact and Phone: Lawrence E. Hamilton III, (214) 741-5100  
 Developer: Hamilton Developer LLC  
 Housing General Contractor: Andres Construction  
 Architect: Merriman Associates/Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: PNC Multifamily Capital  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	146	
	16	0	51	80	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	144	1	1	0	0	0	
Type of Building:						Total Development Units:	146
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,408,163	\$1,408,163			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

St. Paul Apts, TDHCA Number 11056

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: West, District 23, NC

US Representative: Johnson, District 30,

TX Representative: Branch, District 108, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3

In Opposition 489

**Quantifiable Community Participation Input:**

Downtown Residents Council, Steve Shepherd

Letter Score: 24 S or O: S

The project fits into our vision for a vibrant and diverse downtown. Affordable housing is in short supply in our vicinity.

**Community Input Other than Quantifiable Community Participation Input:**

Dallas First Presbyterian Church Developmental Day School, O, Matthew Soucek, President,  
Board of Directors

Building Community Workshop, S, Brent A. Brown, AIA LEED AP, Director

City Square FKA Central Dallas Ministries, S, Larry James, President & CEO

Metro Dallas Homeless Alliance, S, Michael M. Faenza, President & CEO

**General Summary of Comment:**

Oppose - Affordable housing would adversely affect the Presbyterian Day School.

56 letters were received by the Department with similar concerns regarding the proximity to the day school.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

St. Paul Apts, TDHCA Number 11056

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **199**  Meeting a Required Set-Aside Credit Amount\*: \$1,408,163

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11057

The Mercer

Urban, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**The Mercer, TDHCA Number 11057**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Austin's Colony Pkwy b/t Hwy 6 & Boonville Rd. Development #: 11057  
 City: Bryan Region: 8 Population Served: General  
 County: Brazos Zip Code: 77802 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Mercer Place Partners, Ltd.  
 Owner Contact and Phone: Mark Musemeche, (713) 522-4141  
 Developer: MGroup, LLC  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: TBD,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	152
	16 0 54 82	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	1
	0 48 88 20 0 0	Total Development Units:	156
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	5
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,760,291	\$1,760,291			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Mercer, TDHCA Number 11057

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: Flores, District 17,

TX Representative: Brown, District 14, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 3

**Quantifiable Community Participation Input:**

Boonville Town Center Neighborhood Association (BTCNA), Jesse Durden Letter Score: 24 S or O: S

The BTCNA supports the Mercer development as it will add rooftops and residences to the mixed-use area, compliment the urban-style Best Western Atrea with a 4-story urban design, and will create development, construction, and retail activities in Bryan, which will create value for the City.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

Oppose - The proposed development will decrease property values in the vicinity.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Mercer, TDHCA Number 11057

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 184  Meeting a Required Set-Aside Credit Amount\*: \$1,760,291

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11058

Connell Villa

Rural, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Connell Villa, TDHCA Number 11058**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1605 E Santa Gertrudis Development #: 11058  
 City: Kingsville Region: 10 Population Served: General  
 County: Kleberg Zip Code: 78363 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Connell Villa, Ltd.  
 Owner Contact and Phone: Cory Hinojosa, (361) 592-6783  
 Developer: Leslie Holleman & Associates, Inc.  
 Housing General Contractor: Brownstone Construction, Ltd.  
 Architect: Brownstone Architects & Planners, Inc.  
 Market Analyst: Gerald A. Teel Company, Inc  
 Syndicator: The Richman Group Affordable Housing Corporation  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	4	0	13	19	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	12	22	2	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	36
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	10

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$618,132	\$618,132			
HOME Activity Fund Amount:	\$1,475,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Connell Villa, TDHCA Number 11058

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Lucio, District 27, S

US Representative: Farenthold, District 27,

TX Representative: Lozano, District 43, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

Kingsville Resident Association, Reina V. Sustaita

Letter Score: 24 S or O: S

The proposed development will replace the old units with new affordable housing units. The proposed development will provide additional tenant services and amenities that are not currently provided to the existing tenants.

**Community Input Other than Quantifiable Community Participation Input:**

Kingsville Resident Association, S, Tommie Martinez, President

**General Summary of Comment:**

Support - Proposed development would replace old units in need of repair.

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Connell Villa, TDHCA Number 11058**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **208**  Meeting a Required Set-Aside Credit Amount\*: \$618,132

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

11059

Colonia Guadalupe

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Colonia Guadalupe, TDHCA Number 11059**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2000 San Francisco Ave. Development #: 11059  
 City: Laredo Region: 11 Population Served: General  
 County: Webb Zip Code: 78040 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: LHA Colonia Guadalupe, Ltd.  
 Owner Contact and Phone: Laura Llanes, (956) 722-4521  
 Developer: Brownstone Affordable Housing, Ltd.  
 Housing General Contractor: Brownstone Construction, Ltd.  
 Architect: Brownstone Architects & Planners, Inc.  
 Market Analyst: Gerald A. Teel Company, Inc  
 Syndicator: Hudson Housing Capital  
 Supportive Services: TBD  
 Consultant and Contact: Leslie Holleman & Associates, Inc., Leslie Holleman

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	144
	12 0 73 59	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 32 78 34 0 0	Total Development Units:	144
Type of Building:		Total Development Cost*:	\$17,428,346
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	16
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,710,260	\$1,710,260			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Colonia Guadalupe, TDHCA Number 11059

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

US Representative: Cuellar, District 28,

TX Representative: Raymond, District 42, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

LHA Colonia Guadalupe, Miriam Quintanilla

Letter Score: 24 S or O: S

We support the tax credits to update or improve the living conditions for all tenants who currently reside at the property.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: Appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any asbestos-containing-materials or lead-based paint. Engineer's certification that the finished ground floor elevation for each building is meets the QAP requirements.
2. Attorney or CPA reliance letter confirming that the proposed \$350,000 loan from Laredo Housing Opportunities Corp. will be considered a valid debt with the reasonable expectation that it will be repaid in full.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Colonia Guadalupe, TDHCA Number 11059

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 15
- Total # Monitored: 8

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

Competitive Housing Tax Credits:  Score: 214  Meeting a Required Set-Aside Credit Amount\*: \$1,710,260

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11059 Program(s): 9% HTC

**Colonia Guadalupe**

Address/Location: 2000 San Francisco Avenue

City: Laredo County: Webb Zip: 78040

Population: Family Program Set-Aside: General Area: Urban

Activity: Reconstruction Building Type: Garden/Townhome Region: 11

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,710,260				\$1,710,260				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

Receipt and acceptance by Cost Certification:

- 1 Documentation clearing environmental issues contained in the ESA report, specifically:
  - a. Appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any asbestos-containing-materials or lead-based paint.
  - b. Engineer's certification that the finished ground floor elevation for each building is meets the QAP requirements.
- 2 Attorney or CPA reliance letter confirming that the proposed \$350,000 loan from Laredo Housing Opportunities Corp. will be considered a valid debt with the reasonable expectation that it will be repaid in full.
- 3 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	73
60% of AMI	60% of AMI	59

**DEAL SUMMARY**

Colonia Guadalupe is an existing public housing development. Once reconstructed, the development will not contain any public housing units; therefore, once the current residents are relocated, the operating assistance to the development will cease.

The reconstruction will involve the demolition and reconstruction of 144 units of affordable multifamily apartments. The development will include the new construction of sixteen residential buildings plus one clubhouse on approximately 8.85 acres.

All existing tenants will be relocated as part of the reconstruction. In February 2011 the Housing Authority of the City of Laredo began meeting with the Colonia Guadalupe Resident Council and the residents and explained initial information on the planned demolition and replacement housing development. No resident will lose their housing assistance. All residents will receive a Housing Choice Voucher that will allow them to rent housing of their choice at another location. The Housing Authority will assist all residents to locate new housing they can move to and will also provide counseling and other services.

Residents will be reimbursed for actual and reasonable relocation expenses as supported by receipts, and given a choice for the Housing Authority to move them with their staff or a moving contractor and an allowance. The Applicant has included \$918,021 tenant relocation costs in the development cost schedule. This includes \$819,171 in tenant relocation vouchers The Housing Authority of the City of Laredo is providing, which will offset the portion of relocation costs that are being excluded from eligible basis.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▪ Efficient site plan with double loaded drives and easy access parking</li> </ul>	<ul style="list-style-type: none"> <li>▪ A 1-month concession on the 60% units produces an average rent at break-even</li> </ul>
<ul style="list-style-type: none"> <li>▪ Access to major roadways available</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budgeted contingency at 5%</li> </ul>
<ul style="list-style-type: none"> <li>▪ Experienced Developer of LIHTC properties in Texas (12 developments totaling 1,190 units)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Located in business sector of Laredo</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Within walking distance to public schools</li> </ul>	

**DEVELOPMENT TEAM**

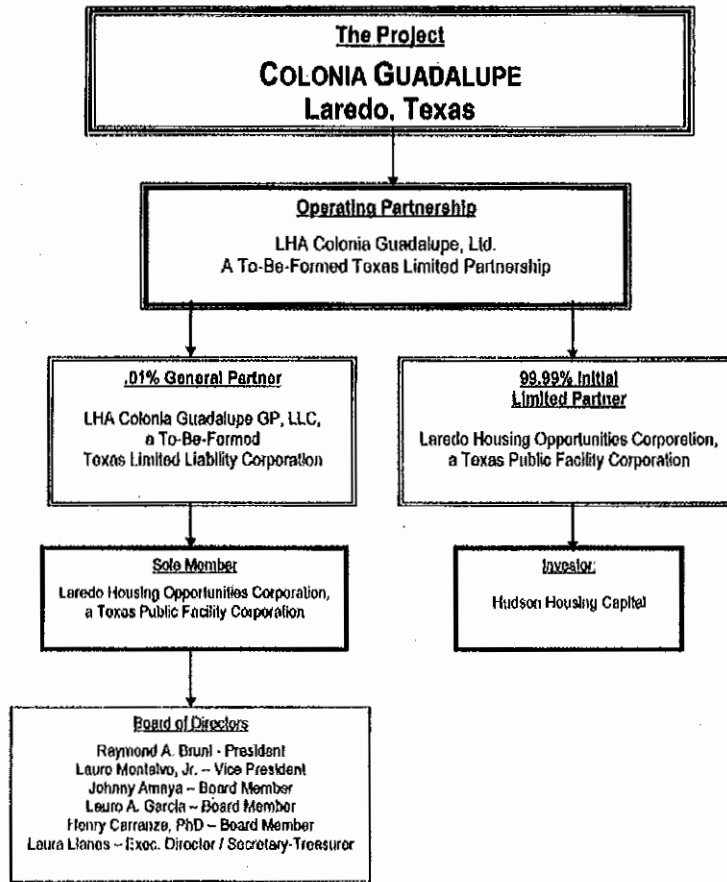
**PRIMARY CONTACTS**

Name: <u>Laura Llanes</u>	Relationship: <u>Applicant</u>
Email: <u>laurall@larha.org</u>	Phone: <u>956-722-4521</u> Fax: <u>956-722-6561</u>
Name: <u>Doak Brown</u>	Consultant: <u>Leslie Holleman</u>
Email: <u>doak@thebrownstonegroup.net</u>	Phone: <u>713-715-5480</u> Fax: <u>713-432-0120</u>

**KEY PRINCIPALS**

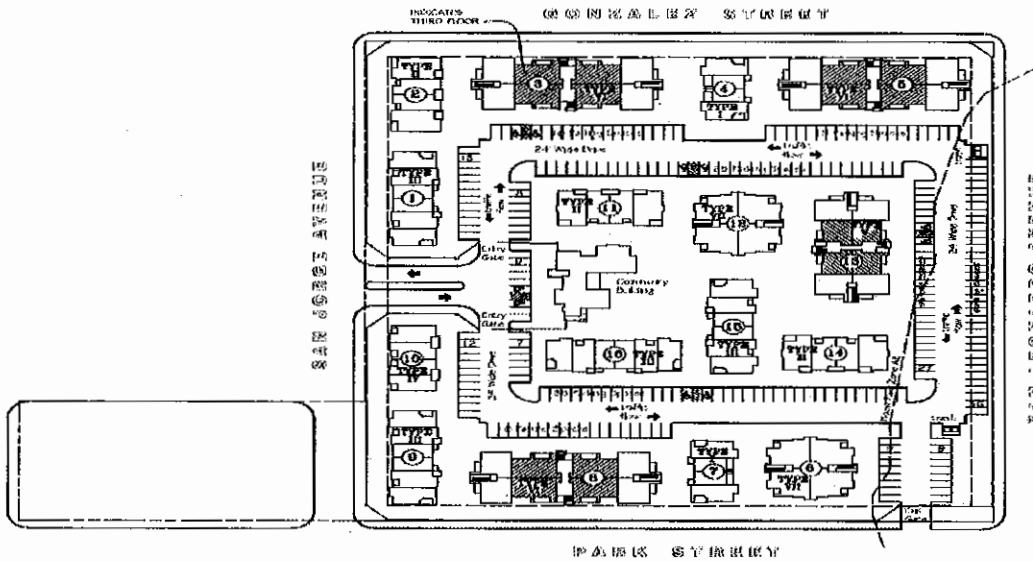
- The Applicant is Laredo Housing Opportunities Corporation, which is 33% co-developer and also the Sole Member of the GP. The Applicant, both Co-Developers, General Contractor, Seller, Attorney, Architect, and Cost Estimator are related entities.

ORGANIZATION CHART



# DEVELOPMENT SUMMARY

## SITE PLAN



## BUILDING CONFIGURATION

Building Type	V	VI	VII	I	II	III	IV							Total Buildings
Floors/Stories	3	3	2	1	1	1	1							16
Number of Bldgs	1	3	2	2	3	4	1							16
Units per Bldg	20	20	8	4	4	6	4							
<b>Total Units</b>	<b>20</b>	<b>60</b>	<b>16</b>	<b>8</b>	<b>12</b>	<b>24</b>	<b>4</b>							<b>144</b>

## GENERAL INFORMATION

Total Size:	<u>8.85</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>X/AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>R-3</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>16.2712</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is surrounded on all 3 sides by single family residences and on the West side by Colonia Guadalupe Phase II.

The majority of the site is rectangular, with a small section extending out to the southwest forming an overall L-shape. Some of the units to be demolished are located in the extension, but all new construction will be within the main rectangle. The Applicant indicates that the extension area will be cleared and used for green space or detention. This area will be encumbered by the LURA.

**Other Observations:**

The Applicant has stated that they do not know what the Laredo Housing Authority wants to do with the second phase of Colonia Guadalupe. The Site location is mostly located in Flood Zone X, but a small portion on the South East corner is within Zone AE (Areas of 100-year flood). The Applicant has stated that they will not build any residential structures within Zone AE. They will build the parking spaces in those areas but will follow regulations of building the lot.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Astex Environmental Services, Inc Date: 2/28/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Due to the age of construction (1941) and interior finish out it is likely that some of the building materials/finishes would be found to be asbestos containing..." (p 11)

**MARKET ANALYSIS**

Provider: The Gerald A. Teel Company Date: 2/8/2011

Contact: Tim Treadway Phone: 713-467-5858

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

Primary Market Area (PMA): 11 sq. miles 2 mile equivalent radius

The Primary Market Area is defined by 17 census tracts in the City of Laredo and encompasses most of Webb County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Webb County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,949	\$9,780	---	---	\$14,949	\$16,300	\$17,931	\$19,560
2	\$8,949	\$11,160	---	---	\$14,949	\$18,600	\$17,931	\$22,320
3	\$10,766	\$12,570	---	---	\$17,931	\$20,950	\$21,531	\$25,140
4	\$12,446	\$13,950	---	---	\$20,743	\$23,250	\$24,891	\$27,900
5	\$12,446	\$15,090	---	---	\$20,743	\$25,150	\$24,891	\$30,180
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10122	Terraza at Lomas de Sur	New	Family	128	128
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	4		Total Units	378

Proposed, Under Construction, and Unstabilized Comparable Supply:

10122 Terraza at Lomas de Sur is a new family development under construction located outside the market area 4 miles to the southeast. The market area for Terraza at Lomas de Sur overlaps more than half of the PMA for the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	21,832		22,737	
Potential Demand from the Primary Market Area	4,786		4,257	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>4,786</b>		<b>4,257</b>	
Subject Affordable Units	144		144	
Unstabilized Comparable Units	0		128	
<b>RELEVANT SUPPLY</b>	<b>144</b>		<b>272</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>3.0%</b>		<b>6.4%</b>	

**Demand Analysis:**

The Market Analyst's calculations are based on ESRI demographic data and Ribbon Demographics. The underwriting analysis is based on Ribbon Demographics HISTA data. For the subject market area, the Market Analyst combined data report indicates a higher concentration of renter households in the target income range. The Market Analyst reports estimate that 53.4% of the total households are income qualified renter households, while HISTA reports only 44%.

The Market Analyst did not include Terraza at Lomas De Sur in the comparable supply because it is outside the defined PMA. But Terraza at Lomas De Sur is a comparable property that shares a large part of the same market area, so the 128 units at Terraza at Lomas De Sur are included in the Underwriter's calculations. The Underwriter calculates a Gross Capture Rate of 6.4% for the Relevant Supply of 272 units.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	781	4	0	1%	117	4	1	4%
1 BR/50%	441	11	0	2%	134	11	5	12%
1 BR/60%	613	17	0	3%	120	17	6	19%
2 BR/30%	481	5	0	1%	158	5	3	5%
2 BR/50%	466	48	0	10%	238	48	27	32%
2 BR/60%	885	25	0	3%	156	25	30	35%
3 BR/30%	285	2	0	1%	133	2	3	4%
3 BR/50%	227	13	0	6%	217	13	21	16%
3 BR/60%	492	19	0	4%	237	19	24	18%

**Primary Market Occupancy Rates:**

A survey of the three most current and comparable LIHTC developments in the Laredo market area shows an overall occupancy rate of 95.3%.

**Absorption Projections:**

"It is noted that the Housing Authority has a total waiting list of 673 for regular restricted units and 175 for elderly restricted units." (p 108) "The subject property is for reconstruction of an older Public Housing Project. It is replacing units which are already on the ground. Thus in effect, the subject units are already absorbed..." (p 86)



However, the existing units will be completely demolished, and all tenants will be temporarily relocated. It is unknown how many will actually return upon completion of the reconstruction. So it is possible the subject may require some time to lease-up. But the analysis indicates sufficient demand even assuming full lease-up.

**Market Impact:**

"The subject property will have minimal affect on the market, and will open up the market to a greater pool of possible renters. There is similar product in this market that is much older and not nearly as nice." (p 110)

**Comments:**

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

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$288,467	Avg. Rent:	\$459	Expense Ratio:	61.5%
Debt Service:	\$251,481	B/E Rent:	\$437	Controllable Expenses:	\$2,389
Net Cash Flow:	\$36,986	Occupancy:	92.50%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.15:1	B/E Occupancy:	87.93%	Program Rent Year:	2010

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

The reconstructed development proposed will not contain any public housing units. The Applicant and Underwriter are both using maximum program rents to calculate to Gross Income. On average, the proposed rents are \$346/unit lower than the market rates, as reflected in the market study.

One month's rent concession for the 60% units result in effective rents that are only \$3/unit above the break-even. This risk is mitigated as proforma rents on these units are \$300 on average below market.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is equivalent to the Underwriter's estimate.

Expense:      Number of Revisions:      1      Date of Last Applicant Revision:      6/17/2011

The Applicant's projected annual operating expenses are \$3,200 per unit. This is equivalent to the underwriting estimate of \$3,199.

The underwriting estimates for general & administrative and repairs & maintenance expenses are based on the averages at several other properties managed by the Applicant's Property Manager in South Texas. The Property Manager stated that G&A expenses tend to run lower because they seldom have to advertise due to the high demand for affordable housing in the Laredo area. The G&A includes an atypical \$7,200 expense (\$50/unit/year) for a third party application review service.

The underwriting estimate for management fee is calculated at 5% of EGI; payroll & payroll tax is based on the Applicant's detailed staffing plan; property insurance is based on a quote from the Applicant's vendor; utilities is based on the Housing Authority utility allowances; and water, sewer & trash is based on the TDHCA database for properties in Region 11.

**Conclusion:**

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.26, which is within the Department's DCR guideline of 1.15 to 1.35.

The Applicant did not include debt service on the 2nd lien cash flow loan from the Laredo Housing Opportunities Corp. If the LHOC loan is considered a hard debt, the first year debt coverage is 1.15, and the project still satisfies the Department's feasibility criteria.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in continued positive cashflow and a debt coverage ratio that remains above 1.15 for at least 15 years. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Contract for Ground Lease Acreage: 8.85  
Acquisition Cost: N/A Contract Expiration: 3/1/2012  
Cost Per Unit: N/A  
Seller: Housing Authority of City of Laredo Related to Development Team?  Yes  No

Comments:

There is no acquisition cost associated with the proposed transaction. The Housing Authority of the City of Laredo has owned this site since it was built in 1941. They have entered into a Contract for Lease with the to-be-formed LHA Colonia Guadalupe, Ltd., an affiliate of the Housing Authority of the City of Laredo and the GP of the proposed development. The same individual has executed the Contract for both parties. Terms of the proposed lease are 50 years at \$10 per year rent.

**DEVELOPMENT COST EVALUATION**

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

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

The Applicant's proposed eligible sitework costs exceed the Department's threshold of \$9,000 per unit. These costs include replacement of all underground utilities following demolition of the existing structures. The Applicant provided sufficient third party certification through a detailed certified cost estimate by a Registered Architect to justify these costs. In addition the Applicant provided a CPA opinion that all of the proposed sitework except the demolition costs should be considered eligible.

Direct Construction Cost:

The Applicant's Direct Construction is \$7,238,312, which is 1% less than the Underwriter's Marshall and Swift's estimate of \$7,148,326. The Applicant's figure of \$50.72/sq ft is roughly in line with their previous 4 deals that average at \$52.25/sq ft.

Ineligible Costs:

The Applicant's Ineligible cost includes \$750K for Demolition and \$819K for relocation expenses, as well as \$291K for contractor and developer fees in excess of the eligible fee amounts.

Contingency & Fees:

The application includes \$143K in contractor fees in excess of the eligible amount, and \$148K in excess developer fees. Inclusion of these amounts does not affect the GAP sizing methodology. Budget contingency at 5% is lower than allowable maximum.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An adjusted eligible basis of \$19,002,886 supports annual tax credits of \$1,710,260.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
JPMorgan Chase Bank, N.A	\$11,100,000	6.25%	24 Months	67%
Laredo Housing Opportunities Corp	\$350,000	5.00%	24 Months	2%
Hudson Housing Capital	\$2,667,739	tax credit equity		16%
Brownstone Affordable Housing, Ltd.	\$1,606,644	developer fee		10%
Laredo Housing Authority	\$819,171	relocation grant		5%
<b>Total</b>	<b>\$16,543,554</b>			

**Comments:**

The Applicant has obtained conditional approval for a construction loan through JP Morgan Chase Bank at an interest rate of Libor + 350 bps for 24 months with a 6 month extension option. It is being underwritten at 6.25%.

The Laredo Housing Opportunities Corporation is the sole member of the GP of the Applicant. LHOC will provide a loan of \$350,000 that will accrue interest at 5% per annum. The loan shall be repaid from available net cash flow.

The Housing Authority of the City of Laredo plans to provide relocation vouchers to existing tenants for an approximate 15 to 20 month period during the demolition and reconstruction of the property. The value of the relocation assistance is effectively contributed to the property in the amount of \$819,171.

Permanent Sources	Amount	Rate	Amort	Term	LTC
JPMorgan Chase Bank, N.A	\$2,600,000	8.00%	30	18	15%
Laredo Housing Opportunities Corp	\$350,000	5.00%	30	30	2%
Laredo Housing Authority	\$819,171	relocation grant			5%
<b>Total</b>	<b>\$3,769,171</b>				

**Comments:**

The permanent loan through JP Morgan Chase Bank will be sold to Impact CIL, LLC. It is underwritten at 8%, but the current indicative rate is 7.75%. This loan shall be non-recourse to the borrower.

The LHOC loan has a 30 year term at 5.00% interest, repayable from available net cash flow. The application does not reflect any debt service for this loan. The Applicant also indicates that this loan will be sourced from federal funds. Federal funds that are not expected to be repaid would be considered a grant and must be excluded from eligible basis. However, the underwriting analysis indicates the loan can be repaid in full within the Department's feasibility criteria. Additionally, the funds can only be used for demolition costs which are already excluded from eligible basis.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Hudson Housing Capital	\$13,338,692	\$0.78	77%	
Deferred Developer Fee	\$320,483		2%	17%
<b>Total</b>	<b>\$13,659,175</b>			
<b>Total Sources</b>	<b>\$17,428,346</b>			

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,600,000 and the \$350,000 2nd lien indicates the need for \$13,659,175 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,751,351 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,710,260
Allocation determined by gap in financing:	\$1,751,351
Allocation requested by the Applicant:	\$1,710,260

The allocation amount requested by the Applicant is recommended. A tax credit allocation of \$1,710,260 per year for 10 years results in total equity proceeds of \$13,338,692 at a syndication rate of \$0.78 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$320,483 in additional permanent funds. Deferred developer and contractor fees in this amount are repayable from cashflow within 8 years of stabilized operation.

Underwriter:	<u>Duc Nguyen</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

Colonia Guadalupe, Laredo, 9% HTC #11059

LOCATION DATA	
CITY:	Laredo
COUNTY:	Webb
PROGRAM REGION:	11
RURAL RENT USED:	No
IREM REGION:	NA

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	32	22.2%
2	78	54.2%
3	34	23.6%
4		
<b>TOTAL</b>	<b>144</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	9.00%
AVERAGE SF	991

UNIT MIX / MONTHLY RENT SCHEDULE																					
UNIT DESCRIPTION							PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS			
Type	Gross Rent	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC30%	\$261	\$261	3	1	1	750	\$261	\$70	\$191	\$0	\$0.25	\$191	\$573	\$573	\$191	\$0.25	\$0	\$660	0.88	\$469	
TC50%	\$436	\$436	10	1	1	750	\$436	\$70	\$366	\$0	\$0.49	\$366	\$3,660	\$3,660	\$366	\$0.49	\$0	\$660	0.88	\$294	
TC60%	\$523	\$523	7	1	1	750	\$523	\$70	\$453	\$0	\$0.60	\$453	\$3,171	\$3,171	\$453	\$0.60	\$0	\$660	0.88	\$207	
TC30%	\$261	\$261	2	1	1	761	\$261	\$70	\$191	\$0	\$0.25	\$191	\$382	\$382	\$191	\$0.25	\$0	\$660	0.87	\$469	
TC50%	\$436	\$436	2	1	1	761	\$436	\$70	\$366	\$0	\$0.48	\$366	\$732	\$732	\$366	\$0.48	\$0	\$660	0.87	\$294	
TC60%	\$523	\$523	8	1	1	761	\$523	\$70	\$453	\$0	\$0.60	\$453	\$3,624	\$3,624	\$453	\$0.60	\$0	\$660	0.87	\$207	
TC30%	\$314	\$314	1	2	2	980	\$314	\$91	\$223	\$0	\$0.23	\$223	\$223	\$223	\$223	\$0.23	\$0	\$600	0.82	\$577	
TC50%	\$523	\$523	17	2	2	980	\$523	\$91	\$432	\$0	\$0.44	\$432	\$7,344	\$7,344	\$432	\$0.44	\$0	\$800	0.82	\$368	
TC60%	\$628	\$628	6	2	2	980	\$628	\$91	\$537	\$0	\$0.55	\$537	\$3,222	\$3,222	\$537	\$0.55	\$0	\$800	0.82	\$263	
TC30%	\$314	\$314	3	2	1	991	\$314	\$91	\$223	\$0	\$0.23	\$223	\$669	\$669	\$223	\$0.23	\$0	\$800	0.81	\$577	
TC50%	\$523	\$523	3	2	1	991	\$523	\$91	\$432	\$0	\$0.44	\$432	\$1,296	\$1,296	\$432	\$0.44	\$0	\$800	0.81	\$368	
TC30%	\$314	\$314	1	2	2	1,014	\$314	\$91	\$223	\$0	\$0.22	\$223	\$223	\$223	\$223	\$0.22	\$0	\$825	0.81	\$502	
TC50%	\$523	\$523	8	2	2	1,014	\$523	\$91	\$432	\$0	\$0.43	\$432	\$3,456	\$3,456	\$432	\$0.43	\$0	\$825	0.81	\$393	
TC60%	\$628	\$628	3	2	2	1,014	\$628	\$91	\$537	\$0	\$0.53	\$537	\$1,611	\$1,611	\$537	\$0.53	\$0	\$825	0.81	\$288	
TC50%	\$523	\$523	20	2	2	1,015	\$523	\$91	\$432	\$0	\$0.43	\$432	\$8,640	\$8,640	\$432	\$0.43	\$0	\$825	0.81	\$393	
TC60%	\$628	\$628	16	2	2	1,015	\$628	\$91	\$537	\$0	\$0.53	\$537	\$8,592	\$8,592	\$537	\$0.53	\$0	\$825	0.81	\$288	
TC30%	\$363	\$363	1	3	2	1,150	\$363	\$110	\$253	\$0	\$0.22	\$253	\$253	\$253	\$253	\$0.22	\$0	\$915	0.80	\$662	
TC50%	\$605	\$605	8	3	2	1,150	\$605	\$110	\$495	\$0	\$0.43	\$495	\$3,960	\$3,960	\$495	\$0.43	\$0	\$915	0.80	\$420	
TC60%	\$726	\$726	7	3	2	1,150	\$726	\$110	\$616	\$0	\$0.54	\$616	\$4,312	\$4,312	\$616	\$0.54	\$0	\$915	0.80	\$299	
TC30%	\$363	\$363	1	3	2	1,223	\$363	\$110	\$253	\$0	\$0.21	\$253	\$253	\$253	\$253	\$0.21	\$0	\$915	0.75	\$662	
TC50%	\$605	\$605	5	3	2	1,223	\$605	\$110	\$495	\$0	\$0.40	\$495	\$2,475	\$2,475	\$495	\$0.40	\$0	\$915	0.75	\$420	
TC60%	\$726	\$726	12	3	2	1,223	\$726	\$110	\$616	\$0	\$0.50	\$616	\$7,392	\$7,392	\$616	\$0.50	\$0	\$915	0.75	\$299	
<b>TOTALS/AVERAGES:</b>			<b>144</b>								<b>\$0</b>	<b>\$0.46</b>	<b>\$459</b>	<b>\$66,063</b>	<b>\$66,063</b>	<b>\$459</b>	<b>\$0.46</b>	<b>\$0</b>	<b>\$804</b>	<b>\$0.81</b>	<b>\$346</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>													<b>\$792,756</b>	<b>\$792,756</b>							

**STABILIZED PROFORMA**

**Colonia Guadalupe, Laredo, 9% HTC #11059**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES			APPLICANT			TDHCA				VARIANCE		
	Database	UAH Prop Mgmt comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.46	\$459	\$792,756	\$792,756	\$459	\$0.46		0.0%	\$0	
laundry, late fees, cleaning/damages, app fees, inter					\$10.00	\$17,280					0.0%	(17,280)	
0					\$0.00	\$0					0.0%	-	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$17,280	\$10.00			100.0%	17,280	
<b>POTENTIAL GROSS INCOME</b>						\$810,036	\$810,036				0.0%	\$0	
Vacancy & Collection Loss					7.5% PGI	(60,753)	(60,753)	7.5% PGI			0.0%	-	
Non-Rental Units/Concessions						-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>			\$0			\$749,283	\$749,283				0.0%	\$0	
General & Administrative	\$46,798	\$325/Unit	290	5.85%	\$0.31	\$304	43,839.80	\$48,890	\$340	\$0.34	6.52%	-10.3%	(5,050)
Management	\$42,459	5.1% EGI	265	5.00%	\$0.26	\$260	\$37,464	\$37,464	\$260	\$0.26	5.00%	0.0%	-
Payroll & Payroll Tax	\$112,604	\$782/Unit	959	18.40%	\$0.97	\$957	\$137,878	\$137,878	\$957	\$0.97	18.40%	0.0%	0
Repairs & Maintenance	\$58,860	\$409/Unit	410	9.86%	\$0.51	\$503	\$72,384	\$59,051	\$410	\$0.41	7.88%	22.5%	13,333
Utilities	\$51,448	\$357/Unit	178	3.68%	\$0.19	\$192	\$27,600	\$39,234	\$272	\$0.27	5.24%	-29.7%	(11,634)
Water, Sewer, & Trash	\$58,723	\$408/Unit	391	8.31%	\$0.44	\$433	\$62,280	\$58,723	\$408	\$0.41	7.84%	6.1%	3,557
Property Insurance	\$42,529	\$0.30/sf	215	3.82%	\$0.20	\$199	\$28,600	\$28,600	\$199	\$0.20	3.82%	0.0%	-
Property Tax 2,5692	\$66,346	\$461/Unit	88	0.00%	\$0.00	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$28,665	\$199/Unit	131	4.80%	\$0.25	\$250	\$38,000	\$36,000	\$250	\$0.25	4.80%	0.0%	-
TDHCA Compliance Fees			31	0.77%	\$0.04	\$40	\$5,760	\$5,760	\$40	\$0.04	0.77%	0.0%	-
Cable TV			58	0.08%	\$0.00	\$4	\$600	\$600	\$4	\$0.00	0.08%	0.0%	-
Supportive service contract fees			14	0.96%	\$0.05	\$50	\$7,200	\$7,200	\$50	\$0.05	0.96%	0.0%	-
Security			47	0.16%	\$0.01	\$8	\$1,200	\$1,200	\$8	\$0.01	0.16%	0.0%	-
Annual Ground Lease Payment			170	0.00%	\$0.00	\$0	\$10	\$10	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	-	\$0	\$0.00	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>		\$ 3,245		61.50%	\$3.23	\$3,200	\$ 460,816	\$ 460,610	\$3,199	\$3.23	61.47%	0.0%	\$ 206
<b>NET OPERATING INCOME ("NOI")</b>				38.50%	\$2.02	\$2,003	\$288,467	\$288,673	\$2,005	\$2.02	38.53%	-0.1%	(\$206)
<b>CONTROLLABLE EXPENSES</b>		\$2.281/Unit	\$2.227/Unit			\$2.389/Unit			\$2.387/Unit				

LONG TERM OPERATING PROFORMA													
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40	
<b>EFFECTIVE GROSS INCOME</b>	\$749,283	\$764,269	\$779,554	\$795,145	\$811,048	\$895,463	\$988,663	\$1,091,564	\$1,205,175	\$1,330,611	\$1,469,102	\$1,622,007	
<b>LESS: TOTAL EXPENSES</b>	460,816	474,286	488,112	502,365	517,039	597,151	689,791	796,928	920,846	1,064,187	1,230,012	1,421,867	
<b>NET OPERATING INCOME</b>	\$288,467	\$290,003	\$291,443	\$292,780	\$294,010	\$298,312	\$298,873	\$294,636	\$284,329	\$266,424	\$239,090	\$200,140	
<b>LESS: DEBT SERVICE</b>	251,481	251,481	251,481	251,481	251,481	251,481	251,481	251,481	251,481	251,481	251,481	251,481	
<b>NET CASH FLOW</b>	\$36,986	\$38,522	\$39,962	\$41,299	\$42,529	\$46,831	\$47,392	\$43,155	\$32,848	\$14,943	(\$12,391)	(\$51,341)	
<b>CUMULATIVE NET CASH FLOW</b>	\$36,986	\$75,508	\$115,470	\$156,769	\$199,298	\$426,156	\$663,686	\$890,090	\$1,077,659	\$1,191,566	\$1,188,458	\$1,014,788	
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$320,483	\$281,961	\$241,999	\$200,700	\$158,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.15	1.15	1.16	1.16	1.17	1.19	1.19	1.17	1.13	1.06	0.95	0.80	
<b>EXPENSE/EGI RATIO</b>	61.50%	62.05%	62.61%	63.18%	63.75%	66.69%	69.77%	73.01%	76.41%	79.98%	83.73%	87.66%	

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Colonia Guadalupe, Laredo, 9% HTC #11059

	DEBT / GRANT SOURCES													
	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
As UW	App	DCR											LTC	
<b>DEBT (Must Pay)</b>														
JPMorgan Chase Bank, N.A (1st lien)	1.26	1.26	\$228,935	8.00%	30	18	\$2,600,000	\$2,600,000	18	30	8.00%	\$228,935	1.26	14.9%
Laredo Housing Opportunities Corporation (cash flow loan)	1.26	1.26		5.00%	0	30	\$350,000	\$350,000	30	30	5.00%	\$22,547	1.15	2.0%
<b>CASH FLOW DEBT / GRANTS</b>														
Laredo Housing Authority	1.26	1.26		0.00%	0	0	\$819,171	\$819,171	0	0	0.00%		1.15	4.7%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$228,935				\$3,769,171	\$3,769,171				\$251,481		21.6%
<b>NET CASH FLOW</b>			\$59,533									\$37,192		

	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE				
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
Total Developer Fee:										15-Year Cash Flow:	
<b>EQUITY / DEFERRED FEES</b>											
Hudson Housing Capital	LIHTC Equity	76.5%	\$1,710,260	0.78	\$13,338,694	\$13,338,692	\$0.7799	\$1,710,260	76.5%	Annual Credit per Unit:	\$92,630
Brownstone Affordable Housing, Ltd.	Deferred Developer Fees	1.8%	(17% Deferred)		\$320,481	\$320,483	(17% Deferred)		1.8%	Total Developer Fee:	\$1,906,644
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$863,686
<b>TOTAL EQUITY SOURCES</b>		78.4%			\$13,659,175	\$13,659,175			78.4%	15-Yr Cash Flow after Fee:	\$343,203
<b>TOTAL CAPITALIZATION</b>					\$17,428,346	\$17,428,346					

	DEVELOPMENT COST / ITEMIZED BASIS										COST VARIANCE	
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					%	\$
	Eligible Basis		Total Costs	Total Costs	Eligible Basis							
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition			\$ / Unit	\$0	\$0	\$ / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit				0.0%	\$0	
Sitework		\$2,190,800	\$15,214 / Unit	\$2,190,800	\$2,190,800	\$15,214 / Unit		\$2,190,800		0.0%	\$0	
Direct Construction		\$7,238,312	\$50.72 /sf	\$50,266/Unit	\$7,238,312	\$7,148,326	\$49,641/Unit	\$50.09 /sf	\$7,148,326	-1.3%	(\$89,987)	
Contingency		\$471,456	5.00%	\$471,456	\$471,456	5.05%		\$471,456		0.0%	\$0	
Contractor's Fees		\$1,320,076	13.33%	\$1,320,076	\$1,320,076	13.46%		\$1,320,076		0.0%	\$0	
Indirect Construction		\$843,850	\$5,860 / Unit	\$843,850	\$843,850	\$5,860 / Unit		\$843,850		0.0%	\$0	
Ineligible Costs			\$16,504 / Unit	\$2,376,548	\$2,376,548	\$16,504 / Unit				0.0%	\$0	
Developer's Fees	\$0	\$1,906,644	15.00%	\$1,906,644	\$1,893,146	15.00%		\$1,893,146	\$0	-0.7%	(\$13,498)	
Interim Financing		\$646,467	\$4,489 / Unit	\$646,467	\$646,467	\$4,489 / Unit		\$646,467		0.0%	\$0	
Reserves			\$3,015 / Unit	\$434,193	\$382,196	\$2,654 / Unit				-13.6%	(\$51,997)	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$14,617,605	\$121,030 / Unit	\$17,428,346	\$17,272,864	\$119,950 / Unit		\$14,514,120	\$0	-0.9%	(\$155,482)	
Acquisition Cost for Identity of Interest Seller				\$0								
Developer's Fee	\$0	\$0										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	\$0	\$14,617,605	\$121,030 / Unit	\$17,428,346	\$17,272,864			\$14,514,120	\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				\$17,428,346								

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

**Colonia Guadalupe, Laredo, 9% HTC #11059**

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$14,617,605	\$0	\$14,514,120
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$14,617,605	\$0	\$14,514,120
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$19,002,888	\$0	\$18,868,356
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$19,002,888	\$0	\$18,868,356
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,710,260	\$0	\$1,698,152
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,710,260		\$1,698,152	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,710,260	\$13,338,692
Gap	\$1,751,351	\$13,659,175
Request	\$1,710,260	\$13,338,692

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Request
Credits	\$1,710,260
Underwritten Proceeds	\$13,338,692

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$69.37	\$68,754	\$9,900,568	\$9,810,581	\$68,129	\$68.74
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$78.62	\$77,921	\$11,220,644	\$11,130,657	\$77,296	\$77.99

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Combined Townhome & Multifamily			\$57.22	8,165,732
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.72	244,972
Roofing			0.00	0
Subfloor			(0.13)	(16,244)
Floor Cover			2.68	382,871
Breezeways			2.23	318,332
Balconies			1.74	247,870
Plumbing Fixtures			2.25	320,550
Rough-ins			0.75	107,340
Built-In Appliances			1.47	210,000
Exterior Stairs	\$1,900	28	0.37	53,200
Heating/Cooling			1.85	264,525
Enclosed Corridors	\$44.35		0.00	0
Carpets	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$73.24	3,369	1.73	246,730
Other:			0.00	0
Other:			0.00	0
Other: fire sprinkler	\$2.25	142,720	2.25	321,120
<b>SUBTOTAL</b>			<b>76.13</b>	<b>10,864,997</b>
Current Cost Multiplier	1.03		2.28	325,950
Local Multiplier	0.78		-16.75	(2,390,299)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>61.66</b>	<b>\$8,800,647</b>
Plans, specs, survey, bldg permits	3.90%		-2.40	(\$343,225)
Interim Construction Interest	3.38%		-2.03	(297,022)
Contractor's OH & Profit	11.50%		-7.09	(1,012,074)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>50.09</b>	<b>\$7,148,326</b>





11061

Pioneer Crossing for Seniors  
Burkburnet

Rural, Region 2



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Pioneer Crossing for Seniors Burkburnet, TDHCA Number 11061**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1100 Christie Ln. Development #: 11061  
 City: Burkburnett Region: 2 Population Served: Elderly  
 County: Wichita Zip Code: 76354 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Burkburnett Seniors, LP  
 Owner Contact and Phone: Noorallah Jooma, (214) 253-2444  
 Developer: Accent Developers, LLC  
 Housing General Contractor: Watermark Residential II, LLC  
 Architect: Cross Architects, PLLC  
 Market Analyst: Mark C. Temple & Associates, Inc.  
 Syndicator: NA  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	32	48	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	14

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$950,004	\$950,004			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Pioneer Crossing for Seniors Burkburnet, TDHCA Number 11061

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Estes, District 30, NC

US Representative: Thornberry, District 13,

TX Representative: Lyne, District 69, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 4 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Senior Citizen's Activity Center of Burkburnett, Inc., S, Roberta Martin, Executive Director

Boys & Girl Club of Burkburnett, S, Sharon Bankhead, CPO/Executive Director

Burkburnett Development Corporation, S, Darren Broadus, President

Jubilee Christian Center, S, Daryl Waddell, Pastor

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pioneer Crossing for Seniors Burkburnet, TDHCA Number 11061

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **206**  Meeting a Required Set-Aside Credit Amount\*: \$950,004

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

**11062**

**Pioneer Crossing for Seniors**

**Mineral Wells**

**Rural, Region 3**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Pioneer Crossing for Seniors Mineral Wells, TDHCA Number 11062**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1500 Martin Luther King St. Development #: 11062  
 City: Mineral Wells Region: 3 Population Served: Elderly  
 County: Palo Pinto Zip Code: 76067 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: 1500 MLK, LLC  
 Owner Contact and Phone: Noorallah Jooma, (214) 448-0829  
 Developer: Accent Developers, LLC  
 Housing General Contractor: Watermark Residential II, LLC  
 Architect: Cross Architects, PLLC  
 Market Analyst: Mark C. Temple & Associates, Inc.  
 Syndicator: NA  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	4	0	14	18	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	24	0	0	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	6

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$517,747	\$517,747			
HOME Activity Fund Amount:	\$1,491,084	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pioneer Crossing for Seniors Mineral Wells, TDHCA Number 11062

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC

US Representative: Thornberry, District 13,

TX Representative: Keffer, District 60, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 2 In Opposition 0

Quantifiable Community Participation Input:

South East Neighborhood Organization, Bill Sessum

Letter Score: 24 S or O: S

To provide decent, affordable housing for seniors in our community.

Community Input Other than Quantifiable Community Participation Input:

Mineral Wells Senior Center, S, Nancy Martin, Executive Director

Meals on Wheels of Palo Pinto County, Inc., S, Patty Clark, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Pioneer Crossing for Seniors Mineral Wells, TDHCA Number 11062

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$517,747

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

**11065**

**Robinson Senior Villages**

**Urban, Region 8**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Robinson Senior Villages, TDHCA Number 11065**

**BASIC DEVELOPMENT INFORMATION**

Site Address: San Benito Rd. & Santa Anna Rd. Development #: 11065  
 City: Robinson Region: 8 Population Served: Elderly  
 County: McLennan Zip Code: 76706 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Robinson Senior Villages, LP  
 Owner Contact and Phone: Tim Lang, (512) 249-6240  
 Developer: Eagles Nest Enterprises LLC  
 Housing General Contractor: Charter Contractors LP  
 Architect: Cross Architects, PLLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: NA  
 Supportive Services: Newlife Housing Foundation  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120	
	12	0	42	66	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	60	60	0	0	0	
Type of Building:						Total Development Units:	120
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	15
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,649,897	\$1,649,897			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Robinson Senior Villages, TDHCA Number 11065

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Birdwell, District 22, S

US Representative: Flores, District 17,

TX Representative: Beck, District 57, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Robert E. Cervenka, City Manager  
Robinson, Tx

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 5 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- The Robinson Senior Center, S, Billy Richardson
- United Way of Waco, S, Homer D. Trevino, Executive Vice President & General Manager
- The Greater Robinson Chamber of Commerce, S, Cindy Mosley, President
- The Salvation Army Social Services, S, Kate Janch, Director of Financial Development
- Meals & Wheels Central Texas Senior Ministry, S, Libby Bellinger, Associate Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary  
Robinson Senior Villages, TDHCA Number 11065

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 191  Meeting a Required Set-Aside Credit Amount\*: \$1,649,897

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11066

Anson Park III

Urban, Region 2



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Anson Park III, TDHCA Number 11066**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2820 Old Anson Rd. Development #: 11066  
 City: Abilene Region: 2 Population Served: General  
 County: Taylor Zip Code: 79603 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Anson Park III Limited Partnership  
 Owner Contact and Phone: Jay Collins, (512) 249-6240  
 Developer: Duval Construction Specialties Inc.  
 Housing General Contractor: Charter Contractors LP  
 Architect: Cross Architects, PLLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: NA  
 Supportive Services: Newlife Housing Foundation  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	76
	8	0	28	40	Market Rate Units:	4
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	20	40	20	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,068,981	\$1,068,981			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Anson Park III, TDHCA Number 11066

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Fraser, District 24, S

US Representative: Neugebauer, District 19,

TX Representative: King, District 71, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 5 In Opposition 0

**Quantifiable Community Participation Input:**

Sears Park Revitalization Committee, Billy Enriquez

Letter Score: 24 S or O: S

After the success of Anson Park I and II in the Sears Park Neighborhood, we as an organization are unanimously in favor of additional housing. Currently, there are not any major residential developments in the northwest quadrant of Abilene. The residents of our community deserve to have safe, clean, and affordable housing.

**Community Input Other than Quantifiable Community Participation Input:**

Abilene Habitat for Humanity, S, Tammy Kister, Interim Executive Director/Chairwoman

Boys & Girls Club of Abilene, Inc., S, Mark Young, CPO

Meals on Wheels Plus, Inc., S, Betty L. Bradley, Executive Director

ACCESS Learning Center, S, Stella Loya Lopez, ACCESS SCSEP Director

ACCESS Learning Center, S, Joel Loya, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Anson Park III, TDHCA Number 11066

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score:207  Meeting a Required Set-Aside Credit Amount\*: \$1,068,981

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11067

Southwest Plains Villas

Urban, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Southwest Plains Villas, TDHCA Number 11067**

**BASIC DEVELOPMENT INFORMATION**

Site Address: E 4th & Guava St. Development #: 11067  
 City: Lubbock Region: 1 Population Served: General  
 County: Lubbock Zip Code: 79403 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Big Sky Plains, LP  
 Owner Contact and Phone: R. J. Collins, (512) 249-6240  
 Developer: Tejas Housing LP  
 Housing General Contractor: Charter Contractors LP  
 Architect: Cross Architects, PLLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: NA  
 Supportive Services: Newlife Housing Foundation  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120
	12	0	42	66	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	14	92	14	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	120
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	120
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,999,908	\$1,999,908			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
Southwest Plains Villas, TDHCA Number 11067

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Frullo, District 84, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 6 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Women's Protective Services of Lubbock, S, Arnessa Dotson, Coordinator of Social Referrals Services

Lubbock Area United Way, S, Janis Putteet, Vice President

Boys & Girls Club of Lubbock, S, Tom Vermillion, Executive Director

Big Brothers Big Sisters, S, Cindy W. Miller, Executive Director

Lubbock Meals on Wheels, S, Lorrie Lushnat Bellair, Executive Director

Parkway and Cherry Point Neighborhood Association, S, Felecisima "Tina" Betts, President

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
Southwest Plains Villas, TDHCA Number 11067

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits: Score: 200 Meeting a Required Set-Aside Credit Amount\*: \$1,999,908

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11068**

**North Desert Palms**

**Urban, Region 13**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**North Desert Palms, TDHCA Number 11068**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 100' NW of Angora Loop & Dyer St. off of Dyer Development #: 11068  
 City: El Paso Region: 13 Population Served: General  
 County: El Paso Zip Code: 79924 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: North Desert Palms, LTD.  
 Owner Contact and Phone: R. L. Bowling, IV, (915) 821-3550  
 Developer: Tropicana Building Corp.  
 Housing General Contractor: Tropicana Building Corp.  
 Architect: ARTchitecture  
 Market Analyst: Powers Group  
 Syndicator: The Richman Group Affordable Housing Corporation  
 Supportive Services: Tropicana Properties/Notary Service  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	149	
	9	0	112	28	Market Rate Units:	23	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	20	68	72	12	0	
Type of Building:						Total Development Units:	172
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	43
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,996,938	\$1,996,938			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

North Desert Palms, TDHCA Number 11068

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Rodríguez, District 29, NC

US Representative: Reyes, District 16,

TX Representative: Pickett, District 79, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, John F. Cook, Mayor of El Paso

Resolution of Support from Local Government

S, Elliot Shapleigh, State Senator District 29

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

YMCA of El Paso, S, Bill Coon, Executive Director

El Paso Affordable Housing, S, Larry Garcia, President

Project Vida, S, Bill Schlesinger, Co-Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

North Desert Palms, TDHCA Number 11068

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 178  Meeting a Required Set-Aside Credit Amount\*: \$1,996,938

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11070

Presidio Palms II

Rural, Region 13



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Presidio Palms II, TDHCA Number 11070**

**BASIC DEVELOPMENT INFORMATION**

Site Address: behind 12960 Alnor St. Development #: 11070  
 City: San Elizario Region: 13 Population Served: General  
 County: El Paso Zip Code: 79849 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Presidio Palms II, LTD.  
 Owner Contact and Phone: R. L. Bowling, IV, (915) 821-3550  
 Developer: Tropicana Building II, LLC  
 Housing General Contractor: Tropicana Building II, LLC  
 Architect: ARTchitecture  
 Market Analyst: Powers Group  
 Syndicator: The Richman Group Affordable Housing Corporation  
 Supportive Services: Tropicana Properties/Notary Service  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	52	20	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	24	40	8	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$9,419,517
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	20
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,056,218	\$1,056,218			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Presidio Palms II, TDHCA Number 11070

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Uresti, District 19, NC

US Representative: Reyes, District 16,

TX Representative: Quintanilla, District 75, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

YMCA of El Paso, S, Bill Coon, Executive Director

El Paso Affordable Housing, S, Larry Garcia, President

Project VIDA, S, Bill Schlesinger, Co-Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance by Carryover:  
Updated financing commitments or executed loan documents and partnership agreement.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Presidio Palms II, TDHCA Number 11070**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **21**

Total # Monitored: **19**

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

Competitive Housing Tax Credits:  Score: **166**  Meeting a Required Set-Aside Credit Amount\*: \$1,056,218

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11070 Program(s): 9% LIHTC

**Presidio Palms II**

Address/Location: A parcel directly behind 12960 Alnor St.

City: San Elizario County: El Paso Zip: 79849

Population: Family Program Set-Aside: Rural Area: Rural

Activity: New Construction Construction Type: Fourplex Region: 13

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$1,056,218				\$1,056,218				

**CONDITIONS**

- Receipt and acceptance by Carryover:  
Updated financing commitments or executed loan documents and partnership agreement.
- Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	52
60% of AMI	60% of AMI	20

## RISK PROFILE

### STRENGTHS/MITIGATING FACTORS

- Applicant has completed 19 LIHTC projects and over 1,750 units within El Paso County
- Development costs generally based upon phase I actual costs (completed 2010)
- Phase I (80 unit LIHTC) leased up within 3 months at the maximum program rents. 45% of total units are 3 and 4 bedroom indicating demand for large units

### WEAKNESSES/RISKS

- No frontage on major roadway
- Site plan and positioning against Phase I disadvantages this phase as a stand-alone operation; this would be particularly important if financing parties are different than phase I
- Underwriter's expense to income ratio of 64% indicates potential negative cash flow should periods of flat rents/incomes and rising expenses occur
- 2-bedroom 60% units have 100% capture rate; 3-bedroom 50% and 60% units have capture rates above 65%
- 60% of all units are 3 and 4 bedroom

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: R.L. "Bobby" Bowling IV Relationship: President of Developer and of GP  
 Email: bbowling4@aol.com Phone: (915) 821-3550 Fax: \_\_\_\_\_

Related-Party Seller/Identity of Interest: Yes

- The Applicant, Developer, General Contractor, Property Management Firm, and Supportive Services Provider are related entities.
- The parcel containing the subject property is currently owned by Tropicana Building Corporation, which shares the same principals as Tropicana Building II, LLC. As a result, the acquisition is considered an identity of interest transaction.

OWNERSHIP STRUCTURE

**PRESIDIO PALMS II LTD**  
(not yet formed)  
APPLICANT/OWNER

**El Paso Presidio II, LLC**  
100%  
ORGANIZATION 1 / General Partner

**Equity Investors TBD**  
99.999%  
ORGANIZATION 2 RICHMAN GROUP  
Limited Partners

**Tropicana Building II, LLC**  
100%  
Organization 1.1/GUARANTOR

**Bobby Bowling IV**  
President  
33.3333%

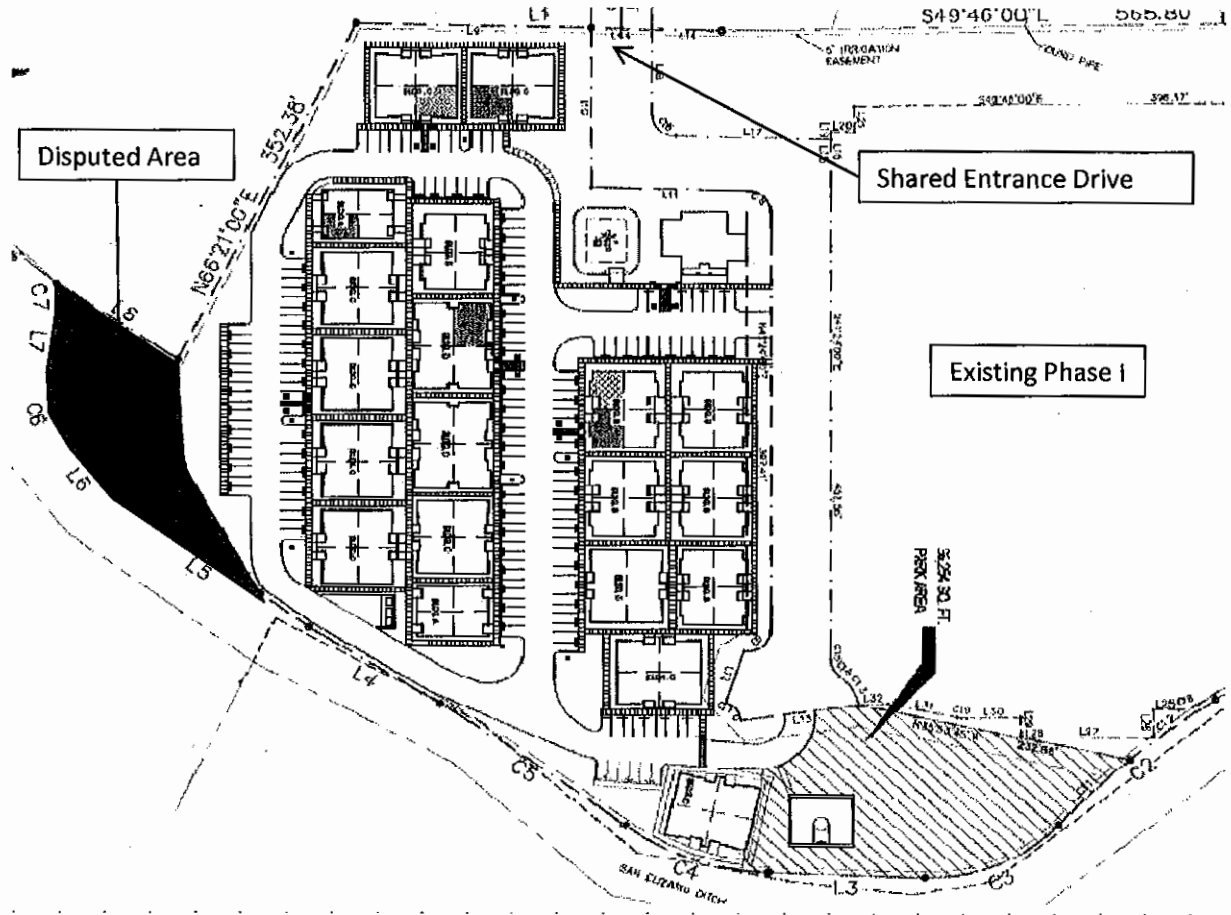
**Randal Bowling**  
Treasurer  
33.3333%

**Gregory Bowling**  
Secretary  
33.3333%



# DEVELOPMENT SUMMARY

## SITE PLAN



## BUILDING CONFIGURATION

Building Type	A	B	C	D		<b>Total Buildings</b>
Floors/Stories	1	1	1	1		<b>20</b>
Number of Bldgs	2	6	10	2		
Units per Bldg	4	4	4	4		
<b>Total Units</b>	<b>8</b>	<b>24</b>	<b>40</b>	<b>8</b>		<b>80</b>

## GENERAL INFORMATION

Total Size: 7.65 acres  
 Flood Zone: X  
 Zoning: N/A  
 Density: 10.4575 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

Primarily residential and agricultural uses in the general vicinity. The site does not front a major roadway. This is phase II of Presidio Palms I, a 2009 tax credit/TCAP deal recently completed and leased up. The subject is located directly south and abuts phase I. Phase II will have two points of ingress and egress through phase I, which makes it unlikely that the two phases will operate as exclusive properties.

**Other Observations:**

The site is located in an unincorporated area of the county with no zoning.

The 7.65 acre site was originally purchased as part of a larger 15.7 acre site on December 30, 2008 by Tropicana Building Corporation. The remainder of the original site was utilized in 2009 and 2010 for the development of Presidio Palms (phase I). Though the subject site is believed to encompass 7.65 acres, 0.44 acres are currently under dispute with the El Paso Lower Valley Water Improvement District #1. The dispute relates to the location of the adjacent drainage channel and whether erosion resulted in some movement in the drainage channel that was not contemplated by the surveyor. The disputed portion was closed under a separate deed to ensure that clear title to the 7.21 acres could be provided. The Applicant's originally submitted site plan included a building in this disputed area (reflected in solid blue on the above site plan), but after discussion with the Applicant, the site plan was revised to ensure that no buildings are located in the disputed area. The Applicant intends to LURA restrict this area. However, if the dispute is not settled in favor of the Applicant, the underwriting conclusions would not be impacted. As discussed below, the underwritten purchase price excludes this area.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Soil Mechanics International Date: 2/22/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

**MARKET ANALYSIS**

Provider: The Powers Group Date: 3/22/2011

Contact: Linda Powers Phone: 915-479-2093

Number of Revisions: 1 Date of Last Applicant Revision: 5/2/2011

Primary Market Area (PMA): 73 sq. miles 2 mile equivalent radius

The Primary Market Area is identified by 13 census tracts in El Paso County to the Southeast of El Paso.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	\$16,560	\$18,050	\$19,886	\$21,660
2	\$11,931	\$12,390	---	---	\$16,560	\$20,650	\$19,886	\$24,780
3	\$11,931	\$13,920	---	---	\$19,851	\$23,200	\$23,863	\$27,840
4	\$13,783	\$15,480	---	---	\$22,971	\$25,800	\$27,566	\$30,960
5	\$13,783	\$16,710	---	---	\$22,971	\$27,850	\$27,566	\$33,420
6	\$15,394	\$17,970	---	---	\$25,646	\$29,950	\$30,789	\$35,940

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
08163	San Elizario Palms	New	Family	80	80
10022	Presidio Dolores Apts	New	Family	36	36
10176	Canyon Square	New	Family	104	104
09025	Ysleta del Sur Pueblo Homes I	New	Family	60	60
09131	Presidio Palms	New	Family	80	80
Other Affordable Developments in PMA since 2007					
Name		n/o			
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		9	Total Units		528

Proposed, Under Construction, and Unstabilized Comparable Supply:

Presidio Dolores Apts (#10022) and Canyon Square (#10176) are two comparable developments that are still in the construction phase. San Elizario (#08163), Ysleta del Sur Pueblo (#09025), and Presidio Palms (#09131) are currently unstabilized comparable supply.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	24,277		24,277	
Potential Demand from the Primary Market Area	2,747		2,652	
<b>GROSS DEMAND</b>	2,747		2,652	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	360		360	
<b>RELEVANT SUPPLY</b>	440		440	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>16.02%</b>		<b>16.59%</b>	

Demand Analysis:

The Market Analyst's Potential Demand is for 2,747 units assuming a place-in-service date of 2012. This results in a Gross Capture rate of 16.2% for the Relevant Supply of 440 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a lower concentration of renter households in the target income range.

The Underwriter calculated Gross Demand for 2,652 units assuming a place-in-service date of 2013. The Underwriter calculated a Gross Capture Rate of 16.59% for the total Relevant Supply of 440 units.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the analysis indicates sufficient demand to support the proposed development.

It should be noted that the calculated capture rates are likely overstated for several reasons. First, San Elizario and Presidio Palms are 99% and 96% occupied respectively, but have not maintained the 1 year stabilization requirement to be considered stabilized and thus are included in the demand calculation by the Market Analyst and Underwriter.

Also, Ysleta del Sur Pueblo and Presidio Dolores are correctly included as unstabilized supply since they are both officially categorized as "general family" developments, and can lease to the general population under certain circumstances. But in fact both intend to target specialized populations. Ysleta del Sur Pueblo is focused on members of the Ysleta del Sur Pueblo Native American tribe, and Presidio Dolores is focused on the farm labor population.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/50%	145	2	13	10%	83	2	9	13%
1 BR/60%	97	6	9	15%	47	6	13	40%
2 BR/30%	106	2	11	12%	64	2	11	20%
2 BR/50%	113	18	59	68%	127	18	59	60%
2 BR/60%	131	4	95	76%	99	4	95	100%
3 BR/30%	102	3	7	10%	80	3	7	12%
3 BR/50%	134	29	56	63%	129	29	56	66%
3 BR/60%	119	8	83	76%	126	8	83	72%
4 BR/30%	94	3	2	5%	99	3	2	5%
4 BR/50%	102	3	15	18%	98	3	12	15%
4 BR/60%	96	2	17	20%	108	2	11	12%

**Primary Market Occupancy Rates:**

The Market Analyst conducted a survey of 646 LIHTC units within the Primary Market Area and calculated an overall occupancy rate of 99.5%. (pg 69) "According to Apartment MarketData, the primary market area has an overall occupancy rate of 97.7%." (pg 70)

**Absorption Projections:**

"Pre-leasing of San Elizario Palms began in February 2010, with stabilized occupancy of 92% reached in June 2010, or within five months. Presidio Palms began pre-leasing in July 2010 and was at 92% occupancy by November 2010, or five months. This equates to approximately 16 units per month for each complex overall... (The Market Analyst projects) the subject should reach stabilized occupancy within 6 months." (pg 70-70)

**Market Impact:**

"The Housing Authority of the City of El Paso has an inventory of approximately 563 housing units within the Primary Market Area. Occupancy for these complexes stays consistently at the 100% level with a waiting list. The addition of LIHTC apartments helps to provide housing for some of the people on the waiting list within a feasible timeframe." (pg 75)

**Comments:**

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

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$172,686	Avg. Rent:	\$502	Expense Ratio:	62.8%
Debt Service:	\$138,880	B/E Rent:	\$472	Controllable Expenses:	\$2,339
Net Cash Flow:	\$33,805	Occupancy:	92.50%	Property Taxes/Unit:	\$450
Aggregate DCR:	1.24:1	B/E Occupancy:	85.76%	Program Rent Year:	2010

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

The Applicant and Underwriter used the maximum program rents, which are supported by the Market Study. Additionally, the Underwriter confirmed that Mission Palms, a 2006 tax credit deal located in San Elizario, and phase I of the subject are achieving the maximum program rents.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 5/3/2011

For all controllable expenses, the Applicant and Underwriter utilized the actual 2010 per unit expenses for Mission Palms, a comparable 76 unit affordable multifamily development constructed and operated by the Applicant. Mission Palms is a 2006 HTC deal located approximately one (1) mile from the Presidio Palms II site. The Applicant also provided a detailed staffing plan to document cost savings associated with the subject being a phase II. The Underwriter adjusted the payroll figure based on this staffing plan. A management agreement stating that the management fee would be equal to 6% of effective gross income was provided by the Applicant. TDHCA typically uses a management fee equal to 5% of EGI; however, due to the Applicant's ability to provide a written agreement, coupled with historical expense data for comparable developments owned and managed by related parties to the Applicant, a 6% fee was used.

**Conclusion:**

The Applicant's EGI, total expense estimate, and net operating income are all within 5% of the Underwriter's estimates. As a result, the Applicant's pro forma was utilized to determine the development's debt capacity and long term feasibility. The Applicant projects \$138,880 in annual debt service to repay the \$1,600,000 conventional loan to Bank of America at an interest rate of 7.85% amortized over 30 years with an 18 year term. The resulting debt coverage ratio is 1.24 (\$172,686/\$138,880).

**Feasibility:**

The development meets the initial feasibility and long term feasibility requirements as the Year 1 total operating expense estimate divided by the Year 1 effective gross income is less than 65% and the analysis does not show negative cash flow or a DCR below 1.15 during the first 15 years.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Appraiser:	<u>The Powers Group</u>	Date:	<u>2/12/2011</u>
Land Only:	<u>7.65 acres</u>	<u>\$160,000</u>	Per Unit: <u>\$2,000</u>
Existing Buildings: (as-is)	<u>\$0</u>		
Total Development: (as-is)	<u>\$160,000</u>	Per Unit:	<u>\$2,000</u>

**SITE CONTROL**

Type: Commercial Contract - Unimproved Property Acreage: 7.65  
 Acquisition Cost: \$160,000 Contract Expiration: 12/30/2011  
 Cost Per Unit: \$2,000  
 Seller: Tropicana Building Corporation Related to Development Team?  Yes  No

**Comments:**

The 7.65 acre site was originally purchased as part of a larger 15.7 acre site on December 30, 2008 by Tropicana Building Corporation from the Garcia Family Trust. The remainder of the original site was utilized in 2009 and 2010 for the development of Presidio Palms.

The original 15.7 acre (683,892 square foot) site was purchased for a total closing cost of \$211,355.45 or \$0.309 per square foot. Though the site is believed by the Applicant to encompass 7.65 acres, 0.44 acres are currently under dispute, and as a result, the Applicant elected to limit development to only 7.21 acres of the site and avoid developing upon the disputed territory.

Applying the original purchase price of \$0.309 per square foot to the current 7.21 acre (315,067.6 square foot) site equates to an original purchase price of \$97,046. Tropicana Building Corporation paid \$7,249 in property taxes for 2010; as the project is not expected to close until the end of 2011, the same amount, \$7,249, is expected to be paid in property taxes for 2011. The Applicant has also stated that the appraisal district will pick up the ag-exempt payment of 5 years going back, which is estimated to be \$6,000. Finally, under the rules, the Tropicana Building Corporation can apply an annual 10% return on equity for their investment. As the property is anticipated to be held by Tropicana Building Corporation for a period of 31 months, the 10% interest rate was applied to this figure for a return on investment of \$28,472.

The final price for the property is estimated by the Underwriter as \$146,017 or \$0.46 per square foot. The Applicant indicated that the \$160,000 acquisition cost is supported because the property was purchased from the Garcia Family Trust after the property had been on the market for more than a year and the sale was considered a distressed sale. While the Applicant submitted an appraisal for the site which establishes the current market value of the fee simple rights of ownership of the site as \$160,000, the REA rules require the underwritten acquisition cost to be limited to the \$146,017 calculated as described. This results in a slight reduction in the total development costs and a comparable reduction in the gap in financing.

**DEVELOPMENT COST EVALUATION**

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

Site work Cost:  Yes  No  Yes  No  N/A  
 Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The Applicant's site work costs are very close to the \$9,000 per unit threshold, which can sometimes be indicative of relatively little due diligence (such as soil testing or topographical considerations). However, the Underwriter reviewed the actual sitework costs for phase I which are approximately \$2K per unit higher. The Applicant indicated phase II was cleared and partially graded as part of construction for Presidio Palms I and that phase I included utility costs that are not expected for phase II which are reasons for the lower phase II costs.

**Direct Construction Cost:**

The Applicant's direct construction estimate is within 5% of the Underwriter's Marshall and Swift derived estimate. The Underwriter also reviewed the final actual construction costs for the recently completed phase I, which has the same fourplex design, similar finishout and amenities, and the same number of units. The Applicant's estimate is consistent with the construction costs for phase I.

Conclusion:

The Applicant proposed a total development cost of \$9,433,500 or \$117,919 per unit compared to the Underwriter's estimate of \$9,637,113 or \$120,464 per unit; a difference of \$203,613 or 2.1%. The Applicant's costs were utilized to determine the deal's eligible basis as it fell within 5% of the Underwriter's estimate. The adjusted basis (after the boost) results in an eligible basis derived allocation amount of \$1,056,218, which will be compared to the requested amount, and the gap-derived amount in the conclusion.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 0 Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Bank of America - Construction Loan	\$5,400,000	6.00%	24 months	57.33%
Richman Group - Syndication Proceeds	\$3,908,007	HTC Equity		41.49%
Deferred Developer Fee	\$125,493	Deferred Dev. Fee		1.33%
<b>Total</b>	<b>\$9,433,500</b>			

Comments:

Both Bank of America and Richman Group provided letters of interest for the development. These are the same financing parties for the phase I deal. Applicant has indicated that though the Bank of America Construction Loan reflects \$5,600,000; Applicant intends to only draw down \$5,400,000.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Bank of America	\$1,600,000	7.85%	30 years	18 years	16.99%
<b>Total</b>	<b>\$1,600,000</b>				

Comments:

The Applicant is a preferred customer with Bank of America. Annual payments on the permanent loan will equate to \$138,800.

Equity & Deterred Fees	Amount	Rate	% TC	% Def
Richman Group - Syndication Proceeds	\$7,816,013	\$0.74	82.98%	N/A
Deferred Developer Fee	\$3,504	N/A	0.04%	0%
<b>Total</b>	<b>\$7,819,517</b>			
<b>Total Sources</b>	<b>\$9,419,517</b>			

Comments:

Deferred developer fee is anticipated to be paid from operating revenue within 1 year of stabilized operation. The Richman Group's tax credit equity is based upon an assumed annual allocation of \$1,056,218 at \$.74. Richman was the syndicator for phase I and purchased those credit for \$0.67, indicating that the market has steadily improved since phase I closed in November 2009. If the Applicant were to ultimately secure pricing any higher than the committed \$0.74, the equity would exceed the gap in financing and an adjustment to the allocation would be necessary. At \$.78, for example, annual credits would be reduced by \$54K (\$421K in proceeds). Because the deal is sized just at the gap threshold with a potential for credit adjustment, receipt and acceptance, by carryover, of updated financing commitments or executed financing documents is a condition of this report.

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,600,000 and the deferred development fee of \$3,504 indicates the need for \$7,816,517 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,056,691 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,056,218
Allocation determined by gap in financing:	\$1,056,691
Allocation requested by the Applicant:	\$1,056,218

The Applicant's request is equal to the eligible basis-derived amount. Both are lower than the gap in financing calculated allocation. A tax credit allocation of \$1,056,218 per year for 10 years results in total equity proceeds of \$7,816,013 at a syndication rate of \$0.74 per tax credit dollar.

Underwriter:	<u>Blake Hopkins</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>



**UNIT RENT SCHEDULE**

**Presidio Palms II, San Elizario, LIHTC #11070**

LOCATION DATA	
CITY:	San Elizario
COUNTY:	El Paso
PROGRAM REGION:	13
RURAL RENT USED:	Yes
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	8	10.0%
2	24	30.0%
3	40	50.0%
4	8	10.0%
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC50%	\$483	2	1	1	706	\$483	\$98	\$385	\$0	\$0.55	\$385	\$770	\$770	\$385	\$0.55	\$0	\$608	0.86	\$223
TC60%	\$580	6	1	1	706	\$580	\$98	\$482	\$0	\$0.68	\$482	\$2,892	\$2,892	\$482	\$0.68	\$0	\$608	0.86	\$126
TC30%	\$348	2	2	1	994	\$348	\$120	\$228	\$0	\$0.23	\$228	\$456	\$456	\$228	\$0.23	\$0	\$714	0.72	\$486
TC50%	\$579	18	2	1	994	\$579	\$120	\$459	\$0	\$0.46	\$459	\$8,262	\$8,262	\$459	\$0.46	\$0	\$714	0.72	\$255
TC60%	\$696	4	2	1	994	\$696	\$120	\$576	\$0	\$0.58	\$576	\$2,304	\$2,304	\$576	\$0.58	\$0	\$714	0.72	\$138
TC30%	\$402	3	3	2	1,083	\$402	\$141	\$261	\$0	\$0.24	\$261	\$783	\$783	\$261	\$0.24	\$0	\$703	0.65	\$442
TC50%	\$670	29	3	2	1,083	\$670	\$141	\$529	\$0	\$0.49	\$529	\$15,341	\$15,341	\$529	\$0.49	\$0	\$703	0.65	\$174
TC60%	\$804	8	3	2	1,083	\$804	\$141	\$663	\$0	\$0.61	\$663	\$5,304	\$5,304	\$663	\$0.61	\$0	\$703	0.65	\$40
TC30%	\$449	3	4	2	1,255	\$449	\$164	\$285	\$0	\$0.23	\$285	\$855	\$855	\$285	\$0.23	\$0	\$758	0.60	\$473
TC50%	\$748	3	4	2	1,255	\$748	\$164	\$584	\$0	\$0.47	\$584	\$1,752	\$1,752	\$584	\$0.47	\$0	\$758	0.60	\$174
TC60%	\$898	2	4	2	1,255	\$898	\$164	\$734	\$0	\$0.58	\$734	\$1,468	\$1,468	\$734	\$0.58	\$0	\$758	0.60	\$24
<b>TOTALS/AVERAGE</b>		<b>80</b>			<b>82,864</b>				<b>\$0</b>	<b>\$0.48</b>	<b>\$502</b>	<b>\$40,187</b>	<b>\$40,187</b>	<b>\$502</b>	<b>\$0.48</b>	<b>\$0</b>	<b>\$702</b>	<b>\$0.68</b>	<b>\$200</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$482,244</b>	<b>\$482,244</b>
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**STABILIZED PROFORMA**

**Presidio Palms II, San Elizario, LIHTC #11070**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA			VARIANCE		
	Database	Mission Palms 2010 per unit	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.48	\$502	\$482,244	\$482,244	\$502	\$0.48		0.0%	\$0
Late Fees					\$10.00	\$9,600					0.0%	(9,600)
Forfeited Deposits					\$5.00	\$4,800					0.0%	(4,800)
Lease Violations					\$5.00	\$4,800					0.0%	(4,800)
Underwriter's Total Secondary Income							\$19,200	\$20.00			100.0%	19,200
<b>POTENTIAL GROSS INCOME</b>						\$501,444	\$501,444				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(37,608)	(37,608)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$463,836	\$463,836				0.0%	\$0

General & Administrative	\$21,410	\$268/Unit	\$550/Unit	9.49%	\$0.53	\$550	\$44,000	\$44,022	\$550	\$0.53	9.49%	-0.1%	(22)
Management	\$27,642	5.5% EGI	\$211/Unit	6.00%	\$0.34	\$348	\$27,850	\$27,830	\$348	\$0.34	6.00%	0.1%	20
Payroll & Payroll Tax	\$72,223	\$903/Unit	\$1,201/Unit	17.92%	\$1.00	\$1,039	\$83,100	\$83,100	\$1,039	\$1.00	17.92%	0.0%	-
Repairs & Maintenance	\$24,347	\$304/Unit	\$445/Unit	7.33%	\$0.41	\$425	\$34,000	\$35,634	\$445	\$0.43	7.68%	-4.6%	(1,634)
Utilities	\$24,943	\$312/Unit	\$112/Unit	2.16%	\$0.12	\$125	\$10,000	\$8,947	\$112	\$0.11	1.93%	11.8%	1,053
Water, Sewer, & Trash	\$37,098	\$464/Unit	\$247/Unit	3.45%	\$0.19	\$200	\$16,000	\$19,789	\$247	\$0.24	4.27%	-19.1%	(3,789)
Property Insurance	\$13,301	\$0.16 SF	\$275/Unit	3.45%	\$0.19	\$200	\$16,000	\$16,573	\$207	\$0.20	3.57%	-3.5%	(573)
Property Tax 2.1220	\$42,437	\$530/Unit	\$309/Unit	7.76%	\$0.43	\$450	\$36,000	\$35,650	\$446	\$0.43	7.69%	1.0%	350
Reserve for Replacements	\$17,686	\$221/Unit	\$250/Unit	4.31%	\$0.24	\$250	\$20,000	\$20,000	\$250	\$0.24	4.31%	0.0%	-
TDHCA Compliance Fees			\$40/Unit	0.69%	\$0.04	\$40	\$3,200	\$3,200	\$40	\$0.04	0.69%	0.0%	-
Supportive service contract fees			\$34/Unit	0.22%	\$0.01	\$13	\$1,000	\$1,000	\$13	\$0.01	0.22%	0.0%	-
<b>TOTAL EXPENSES</b>			\$3,675/Unit	62.77%	\$3.51	\$3,639	\$ 291,150	\$ 295,746	\$3,697	\$3.57	63.76%	-1.6%	\$ (4,596)
<b>NET OPERATING INCOME ("NOI")</b>			N/A	37.23%	\$2.08	\$2,159	\$172,686	\$168,090	\$2,101	\$2.03	36.24%	2.7%	\$4,596

<b>CONTROLLABLE EXPENSES</b>	\$2,250/Unit	\$2,555/Unit			\$2,339/Unit				\$2,394/Unit				
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$463,836	\$473,112	\$482,575	\$492,226	\$502,071	\$554,327	\$612,021	\$675,721	\$746,051	\$823,700	\$909,432	\$1,004,086
LESS: TOTAL EXPENSES	291,150	299,606	308,310	317,270	326,492	376,830	435,012	502,270	580,030	669,941	773,915	894,166
<b>NET OPERATING INCOME</b>	\$172,686	\$173,506	\$174,265	\$174,956	\$175,578	\$177,496	\$177,009	\$173,451	\$166,021	\$153,759	\$135,516	\$109,920
LESS: DEBT SERVICE	138,880	138,880	138,880	138,880	138,880	138,880	138,880	138,880	138,880	138,880	138,880	138,880
<b>NET CASH FLOW</b>	\$33,805	\$34,626	\$35,384	\$36,076	\$36,698	\$38,616	\$38,129	\$34,570	\$27,141	\$14,879	(\$3,364)	(\$28,961)
<b>CUMMULATIVE NET CASH FLOW</b>	\$33,805	\$68,432	\$103,816	\$139,892	\$176,590	\$366,679	\$559,384	\$740,730	\$893,021	\$994,086	\$1,016,401	\$926,037
DEFERRED DEVELOPER FEE BALANCE	\$3,504	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.24	1.25	1.25	1.26	1.26	1.28	1.27	1.25	1.20	1.11	0.98	0.79
<b>EXPENSE/EGI RATIO</b>	62.77%	63.33%	63.89%	64.46%	65.03%	67.98%	71.08%	74.33%	77.75%	81.33%	85.10%	89.05%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Presidio Palms II, San Elizario, LIHTC #11070**

<b>DEBT / GRANT SOURCES</b>														
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>										<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>				
<b>DEBT (Must Pay)</b>	<b>Cumulative DCR</b>		<b>Pmnt</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Principal</b>	<b>Principal</b>	<b>Term</b>	<b>Amort</b>	<b>Rate</b>	<b>Pmnt</b>	<b>Cumulative</b>	
	<b>As UW</b>	<b>App</b>											<b>DCR</b>	<b>LTC</b>
Bank of America	1.21	1.24	\$138,880	7.85%	30	18	\$1,600,000	\$1,600,000	18	30	7.85%	\$138,880	1.24	17.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$138,880				\$1,600,000	\$1,600,000				\$138,880		17.0%
<b>NET CASH FLOW</b>			\$33,805									\$29,210		

<b>EQUITY SOURCES</b>											
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>					
<b>EQUITY / DEFERRED FEES</b>	<b>DESCRIPTION</b>	<b>% Cost</b>	<b>Annual Credit</b>	<b>Credit Rate</b>	<b>Amount</b>	<b>Amount</b>	<b>Credit Rate</b>	<b>Annual Credit</b>	<b>% Cost</b>	<b>Per Unit Credit Developer Fee Summary</b>	
										<b>Annual Credit per Unit</b>	<b>Total Developer Fee</b>
The Richman Group	LIHTC Equity	83.0%	\$1,056,218	0.74	\$7,816,013	\$7,816,013	0.74	\$1,056,218	83.0%	Annual Credit per Unit:	\$97,700
Tropicana Building II, LLC	Deferred Developer Fees	0.2%	(1% Deferred)		\$17,487	\$3,504	(0% Deferred)		0.0%	Total Developer Fee:	\$1,177,500
Additional (Excess) Funds Req'd		0.0%			\$0	(\$0)			0.0%	15-Year Cash Flow:	\$559,384
<b>TOTAL EQUITY SOURCES</b>		83.2%			\$7,833,500	\$7,819,517			83.0%	15-Yr Cash Flow after Fee:	\$555,880
<b>TOTAL CAPITALIZATION</b>					\$9,433,500	\$9,419,517					

<b>DEVELOPMENT COST / ITEMIZED BASIS</b>											
<b>APPLICANT COST / BASIS ITEMS</b>					<b>TDHCA COST / BASIS ITEMS</b>					<b>COST VARIANCE</b>	
<b>Eligible Basis</b>		<b>Total Costs</b>	<b>Total Costs</b>	<b>Eligible Basis</b>		<b>%</b>	<b>\$</b>				
<b>Acquisition</b>	<b>New Const. Rehab</b>			<b>New Const. Rehab</b>	<b>Acquisition</b>						
Land Acquisition		\$2,000 / Unit	\$160,000	\$146,017	\$1,825 / Unit	-9.6%	(\$13,983)				
Building Acquisition	\$0	\$ / Unit	\$0	\$0	\$ / Unit	0.0%	\$0				
Off-Sites		\$ / Unit	\$0	\$0	\$ / Unit	0.0%	\$0				
Sitework	\$715,000	\$8,938 / Unit	\$715,000	\$715,000	\$8,938 / Unit	0.0%	\$0				
Direct Construction	\$5,190,000	\$62.63 SF	\$64,875/Unit	\$5,190,000	\$5,393,613	\$67,420/Unit	\$65.09 SF	3.8%	\$203,613		
Contingency	\$295,000	5.00%	\$295,000	\$295,000	4.83%	\$295,000		0.0%	\$0		
Contractor's Fees	\$826,000	13.32%	\$826,000	\$826,000	12.90%	\$826,000		0.0%	\$0		
Indirect Construction	\$504,000	\$6.300 / Unit	\$504,000	\$504,000	\$6,300 / Unit	\$504,000		0.0%	\$0		
Ineligible Costs		\$825 / Unit	\$66,000	\$66,000	\$825 / Unit			0.0%	\$0		
Developer's Fees	\$0	\$1,177,500	15.00%	\$1,177,500	\$1,177,500	14.62%	\$1,177,500	\$0	0.0%	\$0	
Interim Financing		\$320,000	\$4,000 / Unit	\$320,000	\$320,000	\$4,000 / Unit	\$320,000		0.0%	\$0	
Reserves		\$2,250 / Unit	\$180,000	\$180,000	\$2,250 / Unit			0.0%	\$0		
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$9,027,500</b>	<b>\$117,919 / Unit</b>	<b>\$9,433,500</b>	<b>\$9,623,130</b>	<b>\$120,288 / Unit</b>	<b>\$9,231,113</b>	<b>\$0</b>	<b>2.0%</b>	<b>\$189,630</b>	
<b>Acquisition Cost for Identity of Interest Seller</b>										(\$13,983)	
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$9,027,500</b>	<b>\$117,919 / Unit</b>	<b>\$9,419,517</b>	<b>\$9,623,130</b>		<b>\$9,231,113</b>	<b>\$0</b>			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				<b>\$9,419,517</b>							

**QUALIFICATION DEVELOPMENT COST BUDGET ESTIMATED BASIS ITEMS**

**Presidio Palms II, San Elizario, LIHTC #11070**

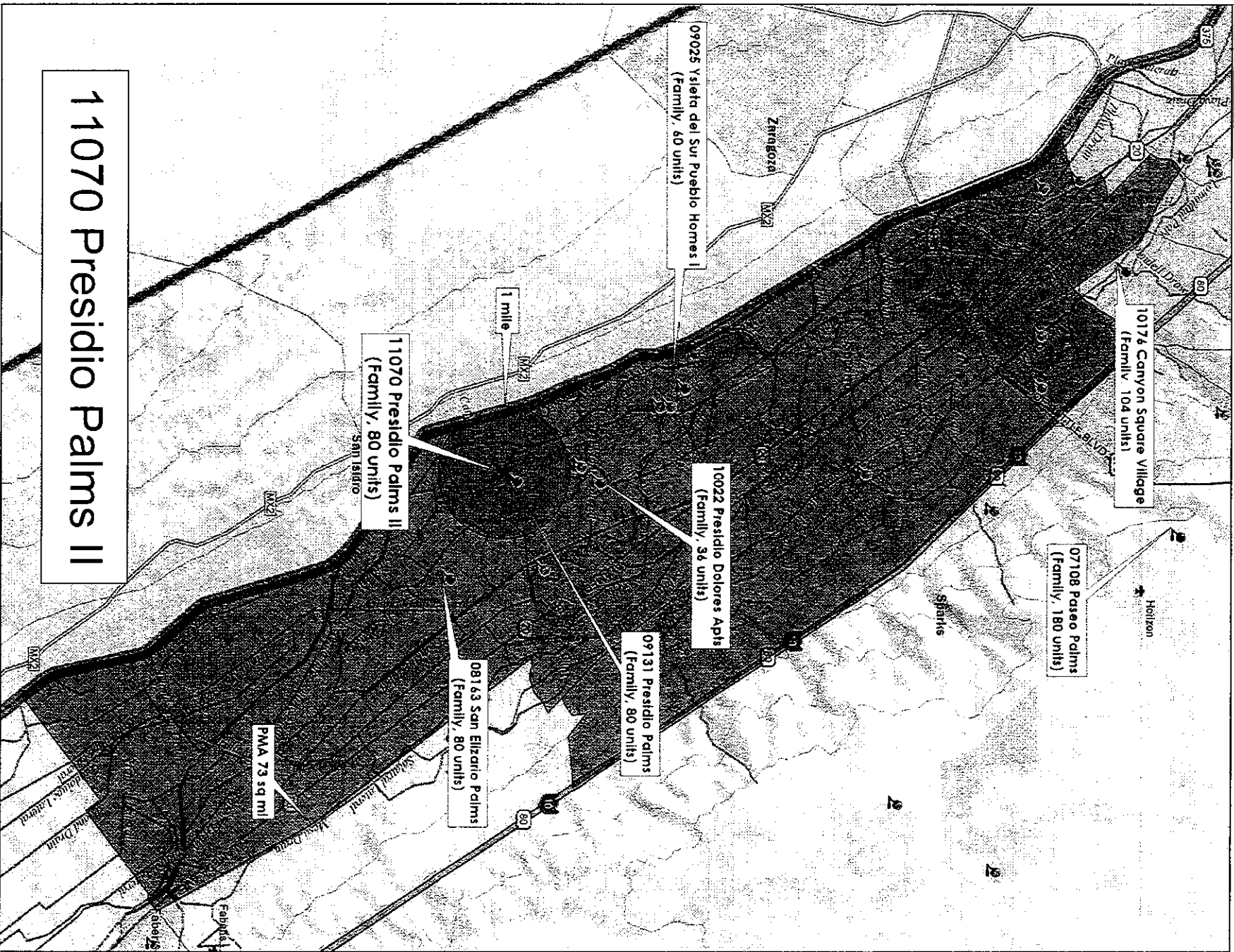
CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$9,027,500	\$0	\$9,231,113
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$9,027,500</b>	<b>\$0</b>	<b>\$9,231,113</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$11,735,750</b>	<b>\$0</b>	<b>\$12,000,447</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$11,735,750</b>	<b>\$0</b>	<b>\$12,000,447</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$1,056,218</b>	<b>\$0</b>	<b>\$1,080,040</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,056,218</b>		<b>\$1,080,040</b>	

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,056,218	\$7,816,013
Gap	\$1,056,691	\$7,819,517
Request	\$1,056,218	\$7,816,013

FINAL ANNUAL LIHTC ALLOCATION	
Method	Request
Credits	\$1,056,218
Underwritten Proceeds	\$7,816,013

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$74.82	\$77,500	\$6,200,000	\$6,403,613	\$80,045	\$77.28
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$84.79	\$87,825	\$7,026,000	\$7,229,613	\$90,370	\$87.25

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$65.98	\$5,467,600
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
	0.00%		0.00	0
Roofing	0	82,864	0.00	0
Subfloor	1.95	82,864	1.95	161,585
Floor Cover	11.57	82,864	11.57	958,738
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$1,015	-160	-1.96	(162,400)
Rough-ins	\$445	0	0.00	0
Built-in Appliances	\$2,525	80	2.44	202,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$0.00		0.00	0
Other:			0.00	0
Other:			0.00	0
Carpets	\$9.70	0	0.00	0
Heating/Cooling	\$0.00		0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$82.50	3,093	3.02	250,223
Other, fire sprinkler	\$2.25	82,864	2.25	186,444
<b>SUBTOTAL</b>			<b>85.25</b>	<b>7,064,187</b>
Current Cost Multiplier	1.03		2.56	211,926
Local Multiplier	0.91		-7.67	(635,777)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>80.14</b>	<b>\$6,640,336</b>
Plans, specs, survy, bld prmts	3.90%		-3.13	(258,973)
Interim Construction Interest	3.38%		-2.70	(224,111)
Contractor's OH & Profit	11.50%		-9.22	(763,539)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>65.09</b>	<b>\$5,393,613</b>

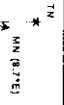


11070 Presidio Palms II

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11071

Heritage Oak Hill

Urban, Region 7



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Heritage Oak Hill, TDHCA Number 11071**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 8922 Manchaca Rd. Development #: 11071  
 City: Austin Region: 7 Population Served: Elderly  
 County: Travis Zip Code: 78748 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Heritage Oak Hill Housing Partners, LP  
 Owner Contact and Phone: Daniel Allgeier, (972) 573-3411  
 Developer: NuRock Development Group, Inc.  
 Housing General Contractor: NuRock Construction, LLC  
 Architect: Morton Gruber & Associates  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Boston Capital Partners  
 Supportive Services: NuRock Housing Foundation I, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96
	10	0	34	52	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	63	33	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	96
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,311,149	\$1,311,149			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Heritage Oak Hill, TDHCA Number 11071

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Wentworth, District 25, NC

US Representative: Doggett, District 25,

TX Representative: Workman, District 47, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Tanglewood Forest Limited District, Tanya Emmons

Letter Score: 24 S or O: S

Good use of land; quiet neighbors; fulfills housing needs in South Austin; development will be eco-friendly; will increase tax base for area; and will not utilize school district resources while at the same time creating revenue for AISD.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Heritage Oak Hill, TDHCA Number 11071**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 206  Meeting a Required Set-Aside Credit Amount\*: \$1,311,149

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11072

The Landings at Westheimer  
Lakes

Urban, Region 6





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Landings at Westheimer Lakes, TDHCA Number 11072

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Hegar, District 18, O

US Representative: Olson, District 22,

TX Representative: Zerwas, District 28, O

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

O, Thomas Randle, Superintendent of Schools

Individuals and Businesses: In Support: 5 In Opposition 2394

Quantifiable Community Participation Input:

Westheimer Lakes Property Owners Association, Linda Houston

Letter Score: 0 S or O: O

There is fear among homeowners, builders, realtors and politicians that this project will de-value area property values, increase crime, affect the local school system and generally have a negative impact on the area.

Community Input Other than Quantifiable Community Participation Input:

- Bella Terra Homeowner's Association, Inc., O, Bassam Barazi, President
RYKO Development, Inc., O, Bassam Barazi, President
Big Brothers Big Sisters, S, Raul L. Garcia, Recruitment Manager
Fort Bend County Women's Center, Inc., S, Vita Gooddell, Executive Director
Alief Family YMCA of Greater Houston, S, Kevin Kebede, Community Executive Director
Greater Fort Bend Economic Development Council, O, Jeffrey C. Wiley, President

General Summary of Comment:

Oppose - Developer stated there is a need for affordable housing in Fort Bend and believes the market will support affordable housing in the area. Development will decrease property values, and non-seniors may move into the units and overcrowd schools. Public transportation is more accessible elsewhere in Fort Bend county. Developer did not make enough of an effort to contact residents of the area. High traffic intersections would be overburdened with the addition of the development residents. There are no grocery stores or shopping within three miles. There is no close access to healthcare. Elected officials oppose the development. Petition and emails overwhelmingly opposing the development for similar reasons as stated above.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**The Landings at Westheimer Lakes, TDHCA Number 11072**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **155**  Meeting a Required Set-Aside Credit Amount\*: \$1,265,692

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11073

Cypress Run  
Rural, Region 9



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Cypress Run, TDHCA Number 11073**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Kitty Hawk Rd. across from Wagon Crossing Development #: 11073  
 City: Universal City Region: 9 Population Served: General  
 County: Bexar Zip Code: 78148 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Pedcor Investments - 2011 - CXXX, LP  
 Owner Contact and Phone: Craig H. Lintner, (317) 208-3769  
 Developer: Pedcor Development Services, LLC  
 Housing General Contractor: Signature Construction, LLC  
 Architect: Gonzalez Newell Bender, Inc. Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Pedcor Funding Corp.  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	24	40	16	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$10,523,106
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,070,658	\$1,070,658			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Cypress Run, TDHCA Number 11073

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, NC

US Representative: Smith, District 21,

TX Representative: Farias, District 118, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 3 In Opposition 113

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

- YMCA of Greater San Antonio, S, Freddy Degollado, Executive Director
Randolph Church of Christ, S, Chris Schaefer, Minister
Greater Randolph Area Services Program, Inc., S, Jay Higginson, President

General Summary of Comment:

Concern that the floodway adjacent to the proposed development site, which may increase the likelihood of flooding. Also concern that the development site be considered a wetland. Letter received by Department does not agree with tax credit program. Development may reduce property values, and increase traffic problems. The proposed development would also increase crime in the area. There is not public transportation available to the development site. Residents of proposed development would not pay taxes to support the Judson ISD Bonds.

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Cost Certification: Documentation that no buildings are located in the floodplain and all drives and paved areas in the floodplain are constructed in accordance with the requirements of the QAP.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.







**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11073 Program(s): 9% HTC

**Cypress Run**

Address/Location: Kitty Hawk Road across from Wagon Crossing

City: Universal City County: Bexar Zip: 98148

Population: Family Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 9

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$1,070,658				\$1,070,658				

**CONDITIONS**

- 1 Receipt and acceptance by Cost Certification:  
Documentation that no buildings are located in the floodplain and all drives and paved areas in the floodplain are constructed in accordance with the requirements of the QAP.
- 2 Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

**DEAL SUMMARY**

The development team for the subject includes several related parties that are unusual for tax credit transactions. The construction and permanent lender (Pedcor Bancorp), the syndicator (Pedcor Funding Corp), partial SLP and GP owner (Pedcor Investments, LLC), Developer (Pedcor Development Services, LLC), General Contractor (Signature Construction, LLC), and Property Manager (Pedcor Management Corp) are all related companies with the same principals.

The Pedcor Companies have developed more than 45 residential transactions and 4 commercial/retail transactions including a 1 million square foot mixed use deal. The two major financing parties, (Pedcor Funding Corp and Pedcor Bancorp) have significant financial capacity and have financed many of the Pedcor transactions developed in other states. Pedcor Bancorp is a bank holding company that owns 84% of International City Bank (a \$224M bank) and 100% of Pedcor Funding Corp (the syndicator). The Applicant has indicated that Pedcor Funding Corp doesn't have an upper tier investor for the credit. They intend to sell the credit to an unrelated investor but the Applicant indicated Pedcor has the capacity to warehouse the credits and has sufficient income to use the credit if necessary.

The subject development is one of two tax credit applications submitted in the 2011 cycle and Pedcor's first venture into Texas. The majority of Pedcor's previous experience is in Indiana, Ohio, and other Midwest states.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>The overall capture rate and rates for each unit size are relatively low and indicative of sufficient demand.</li> </ul>	<ul style="list-style-type: none"> <li>Relatively little site and construction cost due diligence has been completed to date and the development team has no prior experience in Texas</li> </ul>
<ul style="list-style-type: none"> <li>Related financing parties have significant financial capacity and resources, which mitigates risk of changes in the lending and equity markets</li> </ul>	<ul style="list-style-type: none"> <li>Related nature of the lender, syndicator, owner, developer, and management company removes the benefits of third party asset management and compliance oversight</li> </ul>
<ul style="list-style-type: none"> <li>Break even occupancy is relatively low, market rents well above program maximums, and expense to income ratio is below 60% indicating less sensitivity to adverse market changes</li> </ul>	

**DEVELOPMENT TEAM**

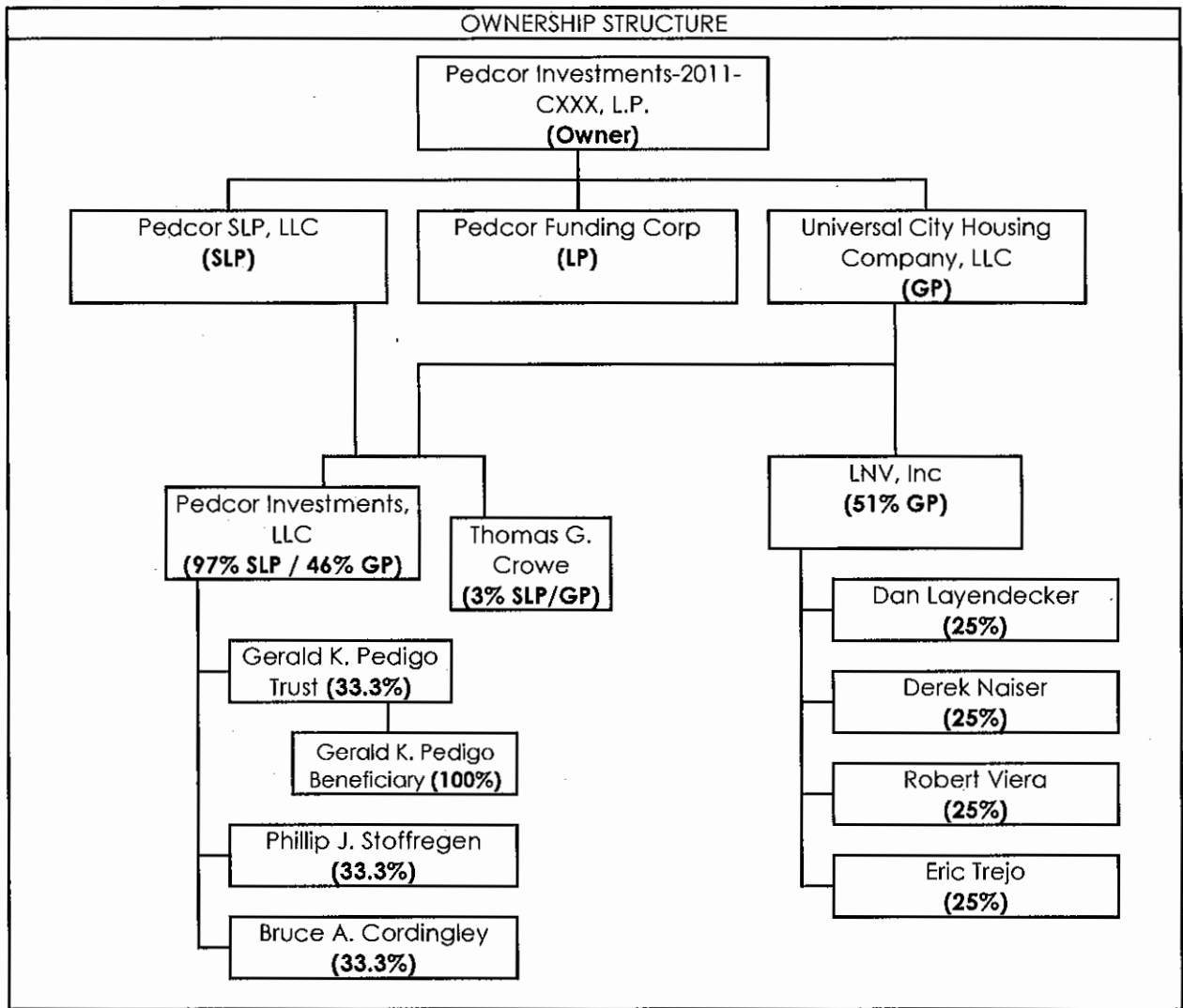
**PRIMARY CONTACTS**

Name: <u>Craig Lintner</u>	Relationship: <u>Developer Owner</u>
Email: <u>clintner@pedcor.net</u>	Phone: <u>(317) 208-3769</u> Fax: <u>(317) 587-0340</u>
Name: <u>Alyssa Carpenter</u>	Consultant: <u>S2A Development Consulting</u>
Email: <u>ajcarpen@gmail.com</u>	Phone: <u>(512) 789-1295</u> Fax: <u>(512) 233-2269</u>

**IDENTITIES OF INTEREST**

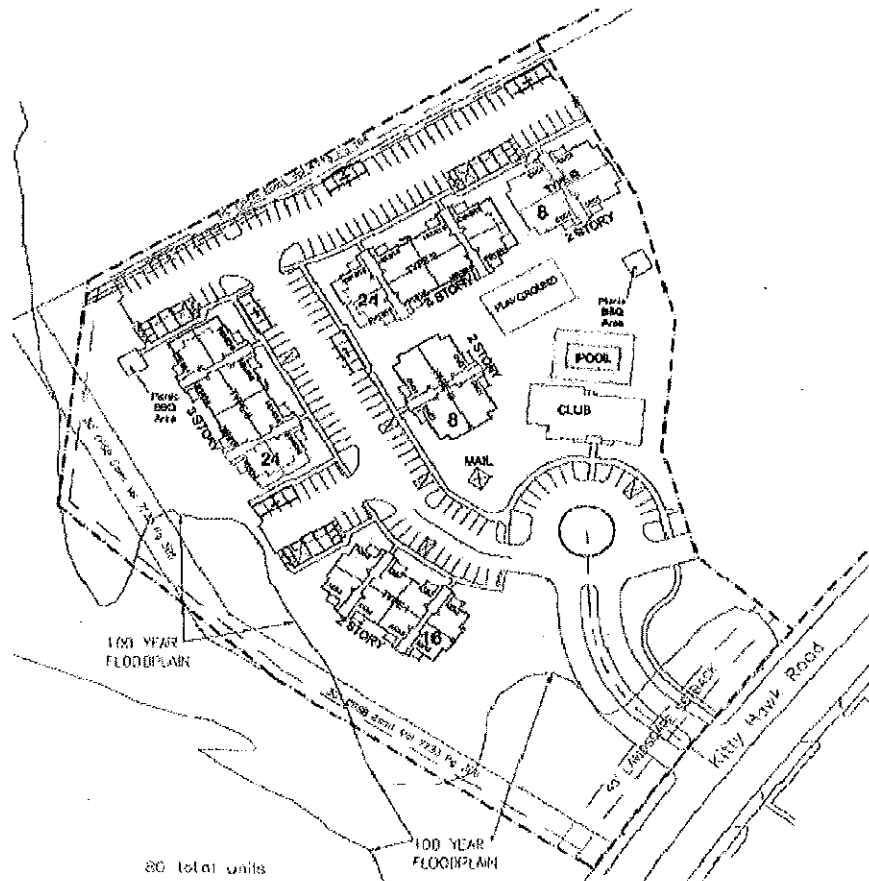
Related-Party Seller/Identity of Interest: No

The Applicant, Developer, General Contractor, Architect, Lender, Syndicator, and property manager are related entities.



## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	I	II	III		Total Buildings	
Floors/Stories	2	3	2			5
Number of Bldgs	1	2	2			5
Units per Bldg	16	24	8			80
<b>Total Units</b>	<b>16</b>	<b>48</b>	<b>16</b>		<b>80</b>	

### GENERAL INFORMATION

Total Size:	<u>6.95</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>X and AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>C1</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>11.5108</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The Applicant has an exclusive right and option to purchase the parcel directly east of the subject site. Per Section 28 of the executed purchase contract, the Applicant has up to 18 months following the date that the Applicant closes on the subject site. The Applicant has indicated that should this option exercised, the option parcel may be utilized for senior housing. Additional uses in the general vicinity are primarily residential; however, a Soil Conservation Reservoir is located directly to the north of the site and there are several retail uses across the street to the southwest.

Other Observations:

Due to the site's vicinity to the reservoir as well as a creek that runs west of the parcel line, the Applicant does not believe that a retention pond will be necessary. The 100 year floodplain runs along the southwestern and southeastern borders of the site. As proposed, no buildings will be constructed within the floodplain; however, the driveway entering from Kitty Hawk Road will be within the floodplain and the Applicant will be required to construct these drives in accordance the QAP.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc Date: 2/18/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

**MARKET ANALYSIS**

Provider: Apartment MarketData, LLC Date: 3/25/2011

Contact: Darrell Jack Phone: 210-530-0040

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

Primary Market Area (PMA): 34.2 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 15 census tracts within Bexar County and Guadalupe County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bexar County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$11,143	\$12,150	---	---	\$18,583	\$20,250	\$22,320	\$24,300
2	\$11,143	\$13,890	---	---	\$18,583	\$23,150	\$22,320	\$27,780
3	\$13,371	\$15,630	---	---	\$22,320	\$26,050	\$26,777	\$31,260
4	\$15,463	\$17,340	---	---	\$25,749	\$28,900	\$30,926	\$34,680
5	\$15,463	\$18,750	---	---	\$25,749	\$31,250	\$30,926	\$37,500
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09198	Montabella Pointe	New	Family	144	144
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		1	Total Units	252	

Proposed, Under Construction, and Unstabilized Comparable Supply:

09198 Montabella Pointe is an unstabilized family development whose PMA overlaps with the subject PMA in the more populated census tracts.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	35,716		35,716	
Potential Demand from the Primary Market Area	3,867		3,738	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>3,867</b>		<b>3,738</b>	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	0		144	
<b>RELEVANT SUPPLY</b>	<b>80</b>		<b>224</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.1%</b>		<b>6.0%</b>	

**Demand Analysis:**

The Market Analyst's calculations include all household sizes which results in Gross Demand for 3,867 units and a Gross Capture Rate of 2.1% for the proposed 80 units. The Underwriter limits demand to households of 5 or less resulting in Gross Demand for 3,738 units.

The Market Analyst's calculations did not include 09198 Montabella Pointe which is a comparable family development that is 5 miles to the southwest of the subject site. The Underwriter included all 144 income restricted units from this development resulting in a Gross Capture Rate of 6.0% for the Relevant Supply of 224 units.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	184	2	0	1%	83	2	2	5%
1 BR/50%	362	7	0	2%	149	7	16	15%
1 BR/60%	462	15	0	3%	194	15	18	17%
2 BR/30%	91	4	0	4%	81	4	4	10%
2 BR/50%	204	14	0	7%	161	14	33	29%
2 BR/60%	246	22	0	9%	191	22	35	30%
3 BR/30%	52	2	0	4%	30	2	2	13%
3 BR/50%	146	7	0	5%	89	7	16	26%
3 BR/60%	223	7	0	3%	127	7	18	20%

**Primary Market Occupancy Rates:**

" The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 252 affordable units within the PMA, and 1,351 conventional units... the overall average occupancy for income restricted units is 99.2%. (p 103)

**Absorption Projections:**

"Town Square (LIHTC) was built in 2008 and began leasing in February 2008. The project reached a stabilized occupancy of 90% after just 11 months and is currently 99.2% occupied." (p 11) "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." (p 52)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. New affordable units have been easily absorbed. Today, affordable projects are 99.2% occupied."(p 12)

Comments:

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

**OPERATING PROFORMA**

**SUMMARY - AS UNDERWRITTEN**

NOI:	\$216,862	Avg. Rent:	\$592	Expense Ratio:	59.86%
Debt Service:	\$167,833	B/E Rent:	\$546	Controllable Expenses:	\$2,453
Net Cash Flow:	\$49,028	Occupancy:	92.00%	Property Taxes/Unit:	\$774
Aggregate DCR:	1.29:1	B/E Occupancy:	83.65%	Program Rent Year:	2010

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

The maximum HTC rents were used by the Applicant and Underwriter. The Applicant applied a vacancy rate of 8.0% which is more conservative than the 7.5% vacancy rate typically applied by REA. The impact is relatively minimal and does not impact the viability of the transaction.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/3/2011

The Underwriter relied heavily on the TDHCA regional database figures for properties of a similar size. The Applicant and property management company have no prior experience in Texas to review for comps. The underwritten total expenses of \$4,043 per unit and controllable expenses of \$2,453 per unit are both healthy levels comparable to deals in the subject's region and other similar transactions statewide.

Conclusion:

The Applicant's income, expense, and NOI estimates all fall within 5% of the Underwriter's estimates. Therefore, the Applicant's proforma was used to determine the development's debt capacity. Based on the underwritten permanent financing structure the calculated DCR of 1.29 falls within the Department's guidelines.

Feasibility:

The development meets the initial feasibility and long term feasibility requirements as the Year 1 total operating expense estimate divided by the Year 1 effective gross income is less than 65% and the analysis does not show negative cash flow or a DCR below 1.15 during the first 15 years.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Contract for Purchase of Real Estate (Currently in Escrow) Acreage: 6.95

Acquisition Cost: \$764,500 Contract Expiration: 8/1/2011

Cost Per Unit: \$9,556

Seller: Estate of Frank Barron Related to Development Team?  Yes  No

Comments:

The cost schedule reflects the contract acquisition price plus \$14,500 in closing costs.



## DEVELOPMENT COST EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/17/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Site work Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Site work costs were estimated by the Applicant as being precisely \$9,000 per unit. Site work costs exceeding \$9,000 per unit must be certified by a third party engineer. As a result, site work costs estimated to be at or slightly below \$9,000 typically indicate actually costs will exceed this threshold but the Applicant did not want to complete the additional due diligence required. The Underwriter spoke with the Applicant regarding this matter and was assured that the development team spent a week at the site with contractors assessing the anticipated work that would be required to prepare the site for development. Based upon per square foot costs from previous developments, as well as consultations with local contractors, the development team is confident that site work will not exceed the \$9,000 threshold.

**Direct Construction Cost:**

Though total construction costs differ by less than 5%, the Applicant's direct construction costs are estimated to be \$4,624,742, which is \$337,251 or 7.9% higher than the Underwriter's estimate of \$4,287,291.

**Ineligible Costs:**

The Applicant has included 10 garage parking spaces and 20 carport spaces as part of the site plan and intends to provide tenants with the opportunity to lease a parking space within these amenities for \$50 per space per month for the garages and \$20 per space per month for the carports. The Applicant omitted the cost to construct these amenities from the estimated eligible basis.

**Conclusion:**

The Applicant's total development cost of \$10,523,106 is 3.9% higher than the Underwriter's estimate, which is less than the 5% threshold allowed under REA rules. The Applicant's cost schedule was utilized to determine the development's eligible basis and tax credit allocation. An eligible basis, adjusted for the 30% boost, is \$11,896,000 which yields an allocation amount of \$1,070,658 in annual credits.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 0 Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Pedcor Bancorp - Conventional Lender	\$8,000,000	5.00%	24 Months	76%
Capital Area Housing Finance Corp. - Local Gov	\$185,000	4.17%	12 Months	2%
Michael Petrie - Private Loan	\$225,000	4.17%	12 Months	2%
Pedcor Funding Corp. - Syndicator	\$2,034,047	0.00%	N/A	19%
<b>Total</b>	<b>\$10,444,047</b>			

**Comments:**

In addition to a construction loan provided by Pedcor Bancorp, a local government loan from the Capital Area Housing Finance Corporation and a private loan from Michael Petrie, Pedcor Funding Corp will fund \$2,034,047 in HTC equity during construction.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Pedcor Bancorp - Conventional Lender	\$2,000,259	7.50%	30 Years	15 Years	19%
<b>Total</b>	<b>\$2,000,259</b>				

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Pedcor Funding Corp. - Syndicator	\$8,136,187	\$0.76	77%	
Pedcor Investments - Deferred Dev. Fee	\$386,660		4%	32%
<b>Total</b>	<b>\$8,522,847</b>			
<b>Total Sources</b>	<b>\$10,523,106</b>			

Comments:

The deferred Developer Fee is currently estimated to be \$386,660. A deferred Developer Fee in this amount appears to be repayable from development cash flow within 8 years of stabilized operation.

Due to the related nature of the syndicator and permanent lender, the Applicant has considerable control over the sizing of the tax credit allocation based on the gap in financing. However, the Underwriter has done some sensitivity testing and relatively major changes in the equity pricing and loan terms would be necessary to impact the ultimate recommendation.

### CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,000,259 indicates the need for \$8,522,847 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,121,539 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$1,070,658</b>
Allocation determined by gap in financing:	\$1,121,539
<b>Allocation requested by the Applicant:</b>	<b>\$1,070,658</b>

The eligible basis derived allocation and Applicant's request of \$1,070,658 is recommended. This yields in total equity proceeds of \$8,136,187 at a syndication rate of \$0.76 per tax credit dollar.

Underwriter: Blake Hopkins

Manager of Real Estate Analysis: Cameron Dorsey

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX / RENT SCHEDULE**  
**Cypress Run, Universal City, 9% HTC #11073**

LOCATION DATA	
CITY:	Universal City
COUNTY:	Bexar
PROGRAM REGION:	9
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	24	30.0%
2	40	50.0%
3	16	20.0%
4		
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.46%
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																			
UNIT DESCRIPTION					HTC PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC30%	2	1	1	745	\$325	\$64	\$261	\$0	\$0.35	\$261	\$522	\$522	\$261	\$0.35	\$0	\$732	0.98	\$471	
TC50%	7	1	1	745	\$542	\$64	\$478	\$0	\$0.64	\$478	\$3,346	\$3,346	\$478	\$0.64	\$0	\$732	0.98	\$254	
TC60%	15	1	1	745	\$651	\$64	\$587	\$0	\$0.79	\$587	\$8,805	\$8,805	\$587	\$0.79	\$0	\$732	0.98	\$145	
TC30%	4	2	2	980	\$390	\$88	\$302	\$0	\$0.31	\$302	\$1,208	\$1,208	\$302	\$0.31	\$0	\$829	0.85	\$527	
TC50%	14	2	2	980	\$651	\$88	\$563	\$0	\$0.57	\$563	\$7,882	\$7,882	\$563	\$0.57	\$0	\$829	0.85	\$266	
TC60%	22	2	2	980	\$781	\$88	\$693	\$0	\$0.71	\$693	\$15,246	\$15,246	\$693	\$0.71	\$0	\$829	0.85	\$136	
TC30%	2	3	2	1,217	\$451	\$134	\$317	\$0	\$0.26	\$317	\$634	\$634	\$317	\$0.26	\$0	\$1,028	0.85	\$711	
TC50%	7	3	2	1,217	\$751	\$134	\$617	\$0	\$0.51	\$617	\$4,319	\$4,319	\$617	\$0.51	\$0	\$1,028	0.85	\$411	
TC60%	7	3	2	1,217	\$902	\$134	\$768	\$0	\$0.63	\$768	\$5,376	\$5,376	\$768	\$0.63	\$0	\$1,028	0.85	\$260	
<b>TOTALS/A</b>	<b>80</b>			<b>76,552</b>				<b>\$0</b>	<b>\$0.62</b>	<b>\$592</b>	<b>\$47,338</b>	<b>\$47,338</b>	<b>\$592</b>	<b>\$0.62</b>	<b>\$0</b>	<b>\$840</b>	<b>\$0.88</b>	<b>\$248</b>	
<b>ANNUAL POTENTIAL GROSS RENT:</b>											<b>\$568,056</b>	<b>\$568,056</b>							

**STABILIZED PROFORMA**

**Cypress Run, Universal City, 9% HTC #11073**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.62	\$592	\$568,056	\$568,056	\$592	\$0.62		0.0%	\$0
Laundry					\$10.00	\$9,600					0.0%	(9,600)
Late Fees					\$10.00	\$9,600					0.0%	(9,600)
						\$0					0.0%	-
Underwriter's Total Secondary Income							\$19,200	\$20.00			100.0%	19,200
<b>POTENTIAL GROSS INCOME</b>						\$587,256	\$587,256				0.0%	\$0
Vacancy & Collection Loss					8.0% PGI	(46,980)	(44,044)	7.5% PGI			-6.7%	2,936
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$540,276	\$543,212				0.5%	\$2,936

General & Administrative	\$28,002	\$350/Unit		4.21%	\$0.30	\$284	\$22,740	\$28,002	\$350	\$0.37	5.15%	-18.8%	(5,262)
Management	\$26,604	5.0% EGI		5.00%	\$0.35	\$338	\$27,000	\$27,147	\$339	\$0.35	5.00%	-0.5%	(147)
Payroll & Payroll Tax	\$74,722	\$934/Unit		14.31%	\$1.01	\$965	\$77,312	\$74,722	\$934	\$0.98	13.76%	3.5%	2,590
Repairs & Maintenance	\$41,075	\$513/Unit		7.66%	\$0.54	\$517	\$41,380	\$41,075	\$513	\$0.54	7.56%	0.7%	305
Utilities	\$24,596	\$307/Unit		4.65%	\$0.33	\$314	\$25,120	\$21,600	\$270	\$0.28	3.98%	16.3%	3,520
Water, Sewer, & Trash	\$37,385	\$467/Unit		5.49%	\$0.39	\$371	\$29,653	\$37,385	\$467	\$0.49	6.89%	-20.7%	(7,732)
Property Insurance	\$18,269	\$0.24 SF		2.80%	\$0.20	\$189	\$15,120	\$18,269	\$228	\$0.24	3.36%	-17.2%	(3,149)
Property Tax 2.8149	\$42,642	\$533/Unit		11.46%	\$0.81	\$774	\$61,889	\$60,232	\$753	\$0.79	11.09%	2.8%	1,657
Reserve for Replacements	\$28,047	\$351/Unit		3.70%	\$0.28	\$250	\$20,000	\$20,000	\$250	\$0.26	3.68%	0.0%	-
TDHCA Compliance Fees				0.59%	\$0.04	\$40	\$3,200	\$3,200	\$40	\$0.04	0.59%	0.0%	-
<b>TOTAL EXPENSES</b>				59.86%	\$4.22	\$4,043	\$ 323,414	\$ 331,632	\$4,145	\$4.33	61.05%	-2.5%	\$ (8,218)
<b>NET OPERATING INCOME ("NOI")</b>				40.14%	\$2.83	\$2,711	\$216,862	\$211,580	\$2,645	\$2.76	38.95%	2.5%	\$5,282

<b>CONTROLLABLE EXPENSES</b>	\$2,572/Unit				\$2,453/Unit			\$2,535/Unit					
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**LONG TERM OPERATING PROFORMA USING APPLICANT DEBT SIZING**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$540,276	\$554,076	\$565,158	\$576,461	\$587,990	\$649,188	\$716,756	\$791,357	\$873,722	\$964,660	\$1,065,062	\$1,175,915
LESS: TOTAL EXPENSES	323,414	332,996	342,709	352,708	363,001	419,196	484,172	559,311	646,212	746,727	863,001	997,517
<b>NET OPERATING INCOME</b>	<b>\$216,862</b>	<b>\$221,080</b>	<b>\$222,448</b>	<b>\$223,753</b>	<b>\$224,989</b>	<b>\$229,992</b>	<b>\$232,584</b>	<b>\$232,046</b>	<b>\$227,510</b>	<b>\$217,932</b>	<b>\$202,061</b>	<b>\$178,398</b>
LESS: DEBT SERVICE	167,833	167,833	167,833	167,833	167,833	167,833	167,833	167,833	167,833	167,833	167,833	167,833
<b>NET CASH FLOW</b>	<b>\$49,028</b>	<b>\$53,247</b>	<b>\$54,615</b>	<b>\$55,920</b>	<b>\$57,156</b>	<b>\$62,159</b>	<b>\$64,751</b>	<b>\$64,212</b>	<b>\$59,676</b>	<b>\$50,099</b>	<b>\$34,228</b>	<b>\$10,565</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$49,028</b>	<b>\$102,275</b>	<b>\$156,890</b>	<b>\$212,810</b>	<b>\$269,965</b>	<b>\$571,592</b>	<b>\$891,262</b>	<b>\$1,214,814</b>	<b>\$1,524,062</b>	<b>\$1,795,963</b>	<b>\$2,001,643</b>	<b>\$2,105,246</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$386,660</b>	<b>\$333,413</b>	<b>\$278,798</b>	<b>\$222,878</b>	<b>\$165,722</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.29</b>	<b>1.32</b>	<b>1.33</b>	<b>1.33</b>	<b>1.34</b>	<b>1.37</b>	<b>1.39</b>	<b>1.38</b>	<b>1.36</b>	<b>1.30</b>	<b>1.20</b>	<b>1.06</b>
<b>EXPENSE/EGI RATIO</b>	<b>59.86%</b>	<b>60.10%</b>	<b>60.64%</b>	<b>61.19%</b>	<b>61.74%</b>	<b>64.57%</b>	<b>67.55%</b>	<b>70.68%</b>	<b>73.96%</b>	<b>77.41%</b>	<b>81.03%</b>	<b>84.83%</b>

**CAPITALIZATION TOTAL DEVELOPMENT BUDGET ITEMIZED BASIS**

*Cypress Run, Universal City, 9% HTC #11073*

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
	As UW	App											DCR	LTC	
Pedcor Bancorp	1.26	1.29	\$167,833	7.50%	30	15	\$2,000,259	\$2,000,259	15	30	7.50%	\$167,833	1.29	19.0%	
<b>CASH FLOW DEBT / GRANTS</b>															
<b>TOTAL DEBT / GRANT SOURCES</b>			\$167,833				\$2,000,259	\$2,000,259				\$167,833		19.0%	
<b>NET CASH FLOW</b>			\$49,028												\$43,747

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
										Annual Credit per Unit:	Total Developer Fee:	
Pedcor Funding Corp.	LIHTC Equity	77.3%	\$1,070,658	0.76	\$8,136,187	\$8,136,187	0.76	\$1,070,658	77.3%	Annual Credit per Unit:	\$101,702	
Pedcor Investments-2011-CXXX, L.P.	Deferred Developer Fees	3.7%	(32% Deferred)		\$386,660	\$386,660	(34% Deferred)		3.7%	Total Developer Fee:	\$1,193,900	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$891,262	
<b>TOTAL EQUITY SOURCES</b>		81.0%			\$8,522,847	\$8,522,847			81.0%	15-Yr Cash Flow after Fee:	\$504,602	
<b>TOTAL CAPITALIZATION</b>						\$10,523,106	\$10,523,106					

**DEVELOPMENT COSTS ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis		Total Costs		Total Costs		Eligible Basis		%	\$	
	Acquisition	New Const. Rehab					New Const. Rehab	Acquisition			
Land Acquisition			\$9,738 / Unit	\$779,000	\$779,000	\$9,738 / Unit			0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0	0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0	
Sitework		\$720,000	\$9,000 / Unit	\$720,000	\$720,000	\$9,000 / Unit	\$720,000		0.0%	\$0	
Direct Construction		\$4,624,742	\$50.41 SF	\$57,809/Unit	\$4,624,742	\$4,289,779	\$53.622/Unit	\$56.04 SF	\$4,210,301	-7.8%	(\$334,963)
Contingency		\$267,237		5.00%	\$267,237	\$267,237	5.33%	\$267,237		0.0%	\$0
Contractor's Fees		\$748,264		13.33%	\$748,264	\$738,782	14.00%	\$738,782		-1.3%	(\$9,482)
Indirect Construction		\$893,935		\$11,174 / Unit	\$893,935	\$893,935	\$11,174 / Unit	\$893,935		0.0%	\$0
Ineligible Costs				\$4,602 / Unit	\$368,163	\$368,163	\$4,602 / Unit			0.0%	\$0
Developer's Fees	\$0	\$1,193,900		15.00%	\$1,193,900	\$1,141,887	15.00%	\$1,129,965	\$0	-4.6%	(\$52,013)
Interim Financing		\$702,845		\$8,786 / Unit	\$702,845	\$702,845	\$8,786 / Unit	\$702,845		0.0%	\$0
Reserves				\$2,813 / Unit	\$225,000	\$224,559	\$2,807 / Unit			-0.2%	(\$441)
<b>UNADJUSTED BASIS / COST</b>	\$0	\$9,150,923		\$131,539 / Unit	\$10,523,106	\$10,126,208	\$128,578 / Unit	\$8,663,066	\$0	-3.9%	(\$396,898)
Acquisition Cost for Identity of Interest Seller					\$0						
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$9,150,923		\$131,539 / Unit	\$10,523,106	\$10,126,208		\$8,663,066	\$0		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate)</b>					\$10,523,106						

**CAPITALIZATION DEVELOPMENT COSTS BUDGET ESTIMATED BASIS ITEMS**

Cypress Run, Universal City, 9% HTC #11073

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$9,150,923	\$0	\$8,663,066
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$9,150,923	\$0	\$8,663,066
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$11,896,200	\$0	\$11,281,985
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$11,896,200	\$0	\$11,281,985
Applicable Percentage	3.46%	9.00%	3.46%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,070,658	\$0	\$1,013,579
CREDITS ON QUALIFIED BASIS	\$1,070,658		\$1,013,579	

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT	
Base Cost: Multiple Residence Basis			\$54.86	4,199,304	
<b>Adjustments</b>					
Exterior Wall Finish	3.20%		1.76	\$134,378	
	0.00%		0.00	0	
9-Ft. Ceilings	1.60%		0.88	67,189	
Roofing	Base		0.00	0	
Subfloor	Base		0.00	0	
Floor Cover	3.23%	76552	3.24	247,646	
Breezeways	\$0.00	0	0.00	0	
Balconies	\$24.16	9512	3.00	229,805	
Plumbing Fixtures	\$845	208	2.30	175,760	
Rough-ins	\$420	80	0.44	33,600	
Built-In Appliances	\$1,850	80	1.93	148,000	
Exterior Stairs	\$2,125	16	0.44	34,000	
Enclosed Corridors	\$41.99	3024	1.66	126,964	
Other:			0.00	0	
Other:			0.00	0	
Carports	\$11.90	3,240	0.50	38,556	
Heating/Cooling	Base		0.00	0	
Garages	\$23.72	3,165	0.98	75,074	
Comm &/or Aux Bldgs	\$72.95	3,449	3.29	251,588	
Other: fire sprinkler	\$2.25	76,952	2.25	172,242	
<b>SUBTOTAL</b>			77.52	5,934,105	
Current Cost Multiplier	1.03		2.33	178,023	
Local Multiplier	0.86		-10.85	(830,775)	
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>				66.99	\$5,281,353
Plans, specs, survy, bld prmts	3.90%		-2.69	(\$205,973)	
Interim Construction Interest	3.38%		-2.33	(178,246)	
Contractor's OH & Profit	11.50%		-7.93	(607,356)	
<b>NET DIRECT CONSTRUCTION COSTS</b>			56.04	\$4,289,779	

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

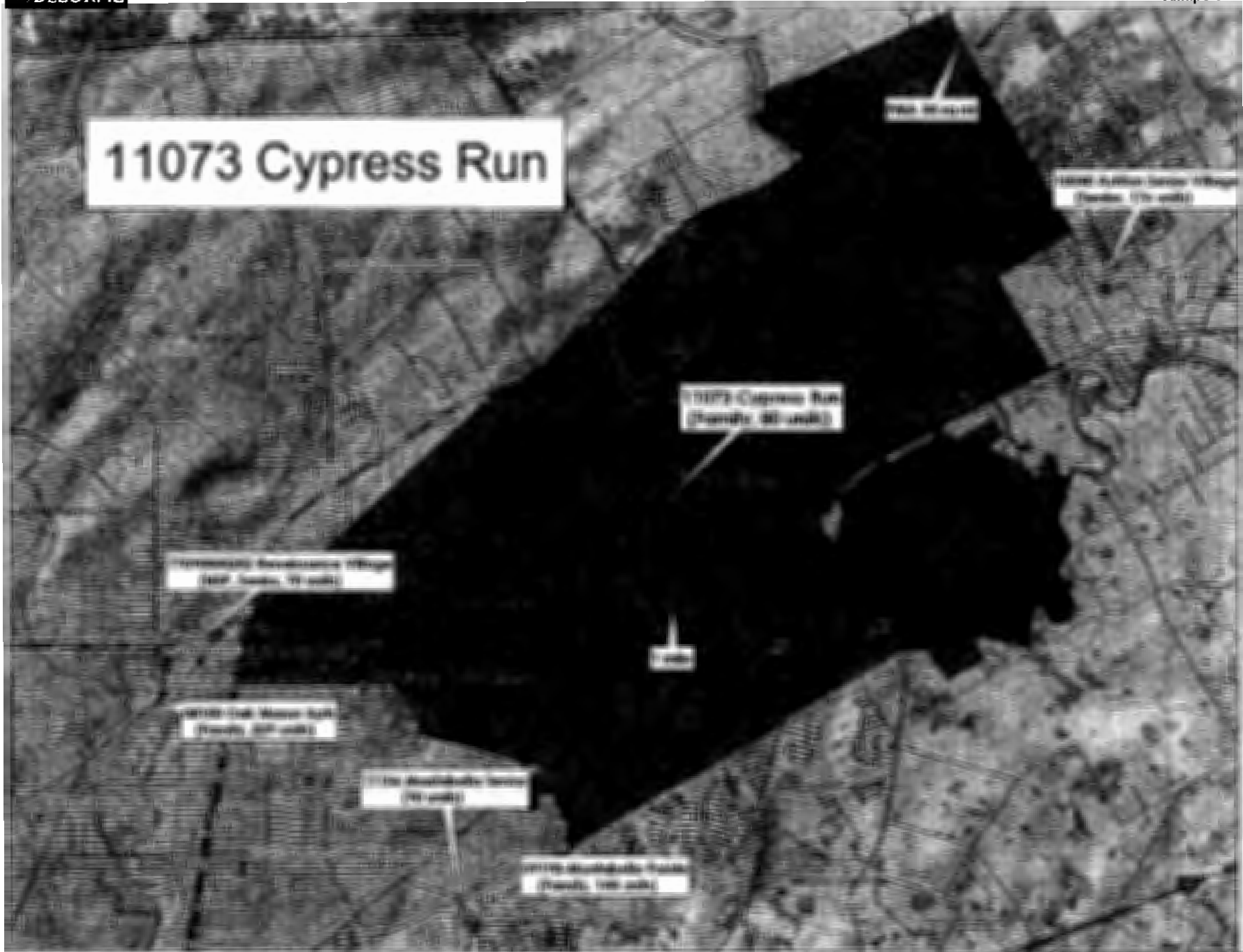
Method	Annual Credits	Proceeds
Eligible Basis	\$1,070,658	\$8,136,187
Gap	\$1,121,539	\$8,522,847
Request	\$1,070,658	\$8,136,187

**FINAL ANNUAL HTC ALLOCATION**

Method	Request
Credits	\$1,070,658
Underwritten Proceeds	\$8,136,187

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$73.31	\$70,150	\$5,611,979	\$5,277,016	\$65,963	\$88.93
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$83.08	\$79,503	\$6,360,243	\$6,015,799	\$75,197	\$78.58



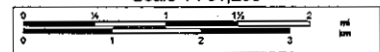
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TN  
 MN (4.9°E)

Scale 1 : 81,250



1" = 1.28 mi

Data Zoom 11-3

11074

The Villas at Tuscany

Urban, Region 1





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**The Villas at Tuscany, TDHCA Number 11074**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SWC of Lola Ave. and 66th St. Development #: 11074  
 City: Lubbock Region: 1 Population Served: Elderly  
 County: Lubbock Zip Code: 79424 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: OPG Tuscany Villa Partners, LLC  
 Owner Contact and Phone: Brett Johnson, (913) 693-7970  
 Developer: Overland Property Group, LLC  
 Housing General Contractor: Quantum 5  
 Architect: Jones Gillam Renz  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: Sarah Andre,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	25	55	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	16
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$788,972	\$788,972			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Villas at Tuscany, TDHCA Number 11074

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Perry, District 83, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Karen Gibson, Councilwoman, District 5

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Iola Avenue Property Owner's Association, Cindy Snell

Letter Score: 24 S or O: S

Taking care of the elderly in such a constructive way is one of the best uses of taxpayer dollars.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Villas at Tuscany, TDHCA Number 11074

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 213  Meeting a Required Set-Aside Credit Amount\*: \$788,972

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11076

Saddlebrook Apts

Rural, Region 2



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Saddlebrook Apts, TDHCA Number 11076**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SE Quadrant of Preston and Kramer Development #: 11076  
 City: Burkburnett Region: 2 Population Served: General  
 County: Wichita Zip Code: 76354 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: OPG Saddlebrook Partners, LLC  
 Owner Contact and Phone: Brett Johnson, (913) 693-7970  
 Developer: Overland Property Group, LLC  
 Housing General Contractor: Quantum 5  
 Architect: Jones Gillam Renz  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: Sarah Andre,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	8	0	28	44	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	44	28	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$9,572,002
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	8

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$990,345	\$981,097			
HOME Activity Fund Amount:	\$479,996	\$479,996	30	15	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Saddlebrook Apts, TDHCA Number 11076

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC

US Representative: Thornberry, District 13,

TX Representative: Lyne, District 69, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Preston Neighborhood Association, Tracy Stringfellow

Letter Score: 24 S or O: S

The organization feels that the project will enhance new development, growth, and clean up a vacant property.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: Acceptable site inspection report from TDHCA or TDRA staff.
2. Receipt and acceptance by 10% test: Comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt and acceptance by Carryover: a. Boundary survey of the subject 8-acre tract; and b. Updated syndication commitment letter/partnership agreement.
4. Receipt and acceptance by Cost Certification: a: Documentation clearing environmental issues contained in the ESA report, specifically: i: that a Phase 2 ESA has been conducted to determine if the identified RECs have created any significant environmental liability. ii: that all noise assessment recommendations were implemented.
5. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Saddlebrook Apts, TDHCA Number 11076**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **0**
- Total # Monitored: **0**

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

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$981,097

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

HOME Activity Funds:	Loan Amount:	\$479,996
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
<b>Recommendation:</b>		

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11076 Program(s): 9 % HTC / HOME

**Saddlebrook Apartments**

Address/Location: SE Quadrant of Preston and Kramer  
 City: Burkburnett County: Wichita Zip: 76354  
 Population: Family Program Set-Aside: Rural Area: Rural  
 Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 2  
 Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST*				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$479,996	2.00%	20	15	\$479,996	2.00%	30	15	2
LIHTC (Annual)	\$981,097				\$981,097				

\* The Applicant's original HTC request was \$990,345. This was revised to \$981,097 on 5/11/11.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:  
Acceptable site inspection report from TDHCA or TDRA staff.
- 2 Receipt and acceptance by 10% test:  
Comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt and acceptance by Carryover:
  - a. Boundary survey of the subject 8-acre tract; and
  - b. Updated syndication commitment letter/partnership agreement.
- 4 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: that a Phase 2 ESA has been conducted to determine if the identified RECs have created any significant environmental liability.
    - ii: that all noise assessment recommendations were implemented.
- 5 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	4
50% of AMFI	Low HOME	4
60% of AMFI	High HOME	8

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households of or below 60% of AMFI.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
◦ Experienced LIHTC Developer (no Texas experience).	
◦ Income-restricted units in the PMA are 97.7% occupied.	
◦ Average rents are 85% of market.	

WEAKNESSES/RISKS	
◦ 10% of units are one-bedrooms in market where 38% of total demand is for one-bedroom units.	
◦ Individual unit capture rates on 60% AMI units are 35% (55% of total units).	

**DEVELOPMENT TEAM**

**PRIMARY CONTACTS**

Name: Brett Johnson  
 Email: brett@ovpgrp.com

Relationship: Applicant / Developer  
 Phone: (913) 693-7970 Fax: (913) 693-7799

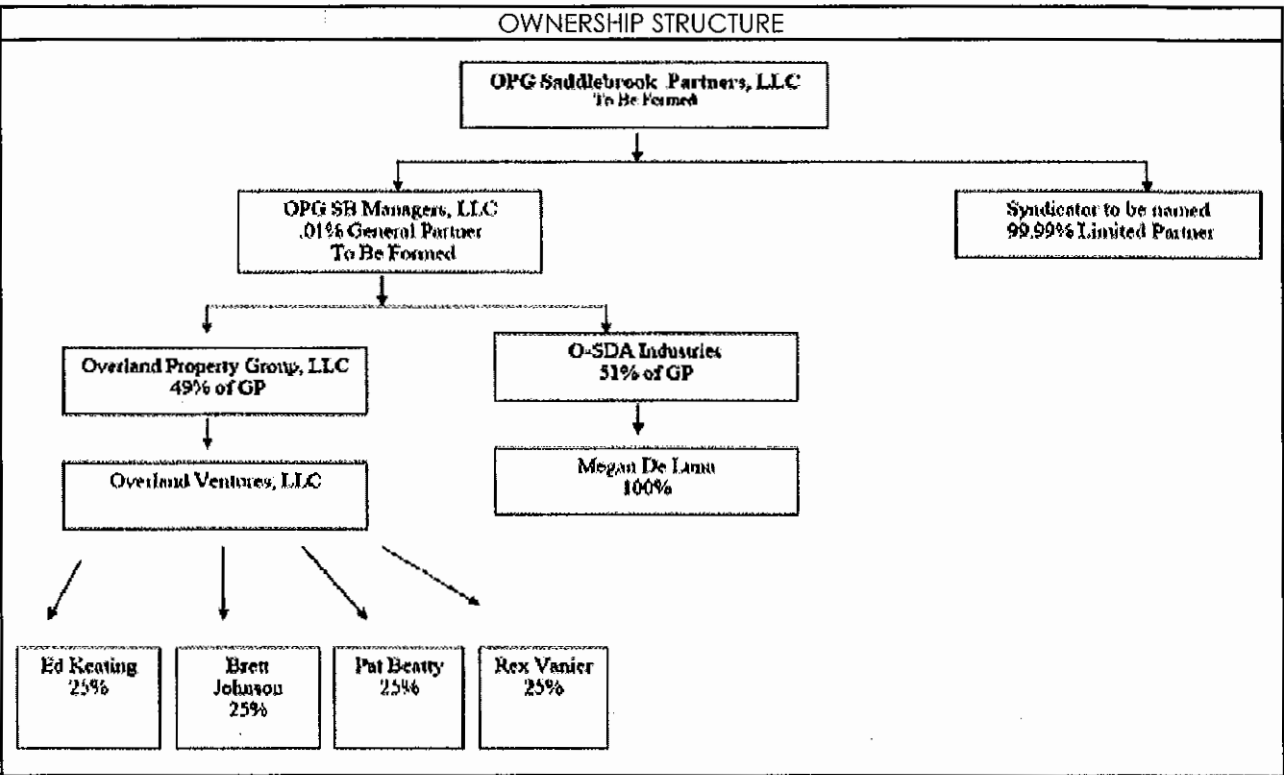
Name: Sarah Andre  
 Email: SARAH@s2odevelopment.com

Consultant: S<sup>2</sup>A Development  
 Phone: (512) 698-3369 Fax: (512) 233-2269

Related-Party Seller/Identity of Interest: No

- The Applicant, Developer, General Contractor and architect are related entities.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN





**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: All Appropriate Inquiries Environmental Corporation Date: 2/28/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- A review of the Texas Railroad Commission Oil and Gas Well Database identified former oilfield drilling activities at the subject site considered to be a REC. (p 21)
- "A former Conoco filling station was located to the north adjacent property and was not listed in TCEQ database. Site observations related to Ron's Paint & Body Shop, also a north adjacent property, indicated the presence of improperly stored 55-gallon drums, overturned containers, and staining on the ground. These sites are considered to be RECs for the subject property." (p 21)
- "Sheppard AFB and Wichita County Airport are located approximately 9.0 miles southeast of the target Property. Therefore, we recommend a noise study for complete noise potential examination." (ESA Addendum 4-28-11 pg 1)

**Comments:**

"AAI recommends that a Phase 2 ESA be conducted at the subject property to determine if the above mentioned RECs have created a significant environmental liability at the subject property." (p 7)

**MARKET ANALYSIS**

Provider: Apartment MarketData Date: 2/24/2011  
 Contact: Darrell Jack Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 40.2 sq. miles 4 mile equivalent radius

The Primary Market Area is defined by 16 census tracts in Wichita County with the proposed site being in the city of Burkburnett. The market area has a relatively unusual shape due to the location. The market area follows Interstate 44 from the site in Burkburnett to the larger city of Wichita Falls approximately 10 miles to the south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Wichita County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,251	\$11,190	---	---	\$17,109	\$18,650	---	---
2	\$10,251	\$12,780	---	---	\$17,109	\$21,300	\$24,617	\$25,560
3	\$12,309	\$14,370	---	---	\$20,503	\$23,950	\$24,617	\$28,740
4	---	---	---	---	---	---	\$28,457	\$31,920
5	---	---	---	---	---	---	\$28,457	\$34,500
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10246	Green Briar Village Ph II	New	Family	36	36
Other Affordable Developments in PMA since 2007					
11061	Pioneer Crossing for Seniors	New	Senior	n/a	80
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		3	Total Units	256	

Proposed, Under Construction, and Unstabilized Comparable Supply:

Green Briar Village Ph II is development under construction that is Comparable Supply located just outside Saddlebrook Apartments' PMA but Green Briar Village's PMA does overlap some census tracts in Saddlebrook's PMA.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	18,859		18,859	
Senior Households in the Primary Market Area	0		7,270	
Potential Demand from the Primary Market Area	2,766		2,587	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>2,766</b>		<b>2,587</b>	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	0		36	
<b>RELEVANT SUPPLY</b>	<b>80</b>		<b>116</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.9%</b>		<b>4.5%</b>	

Demand Analysis:

The Market Analyst identifies Gross Demand for 2,766 units, resulting in a Gross Capture Rate of 2.9% for the subject 80 units.

The Market Analyst overstated the Gross Demand by including 1 to 6 person households. The Underwriter limited demand to 1 to 5 person households. The Underwriter also included Green Briar Village Ph II in the comparable supply as it is located just outside the PMA but is still pulling demand from the same market area. The Underwriter calculated a Gross Capture Rate of 4.5% for the Relevant Supply of 116 units.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	214	4	0	2%	98	4	2	6%
1 BR/50%	316	4	0	1%	155	4	10	9%
2 BR/30%	111	4	0	4%	97	4	0	4%
2 BR/50%	148	24	0	16%	146	24	5	20%
2 BR/60%	177	16	0	9%	77	16	11	35%
3 BR/60%	166	28	0	17%	97	28	6	35%

Primary Market Occupancy Rates:

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 639 affordable units within or near the PMA, and 555 conventional units. The market reflects solid demand, as did the overall macro market, for all of the competitive projects in the micro-market. The overall average occupancy for income restricted units is 97.7%." (p 12)

Absorption Projections:

"The most recently completed LIHTC project in or near the Primary Market Area was Green Briar Village, which was completed in 2008. Green Briar Village is currently 100% occupied." (p 49) The Market Analyst projects the absorption rate to achieve a lease rate of 7% to 10% of its units per month. (p47)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance, of supply and demand in this market. Newer affordable family units have been easily absorbed. Today, affordable projects are 97.7% occupied." (p53)

Comments:

Demand for one bedroom units is 38% of total demand. Subject's one-bedroom units make up only 10% of total units. Two-bedroom units (including the one bathroom units) are 55% of the total units (matching the QAP threshold).

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

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$251,483	Avg. Rent:	\$595	Expense Ratio:	53.9%
Debt Service:	\$191,519	B/E Rent:	\$535	Controllable Expenses:	\$2,139
Net Cash Flow:	\$59,964	Occupancy:	92.50%	Property Taxes/Unit:	\$696
Aggregate DCR:	1.31:1	B/E Occupancy:	85.59%	Program Rent Year:	2011

Income: Number of Revisions: 3 Date of Last Applicant Revision: 5/31/2011

The Applicant's rental income is based on maximum program rents adjusted for utility allowances from the Wichita Falls Housing Authority.

The Applicant originally proposed \$15 per unit per month in non-rental income from "laundry", and \$5 per unit from "late fees". But the Applicant received points for providing washers and dryers in each unit free of charge. This was pointed out, and the application was revised to show \$20 per unit per month in non-rental income simply from late fees (within the underwriting guideline for non-rental income). The Applicant's proposed losses to vacancy and collection are consistent with underwriting guidelines.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 5/11/2011

The Applicant's proposed annual operating expenses are equal to \$3,473 per unit. This is 5% lower than the underwriting estimate of \$3,678. The Underwriter's estimate is based primarily on the TDHCA database of properties in Region 2; management fee is calculated as 5% of EGI; property insurance is based on a vendor quote; and property tax is based on capitalization of the NOI at 11%. Significant variations include general & Administrative (the Applicant's value is 11% lower than the Underwriter's), utilities (the Applicant's value is 15% lower), water, sewer, & trash (the Applicant's value is 19% lower), and property tax (the Applicant's value is 14% higher).

The Applicant anticipates that the supportive services will be provided by a local organization at no cost to the partnership or the residents. It is a risk to the Applicant to assume the provision of free services from an unrelated organization. These services will be required under the LURA and may not remain free for the term of the LURA.

The Applicant provided operating expenses from eight existing properties in Kansas and Missouri which tend to support the proposed level of expenses. But these properties vary in size from 12 units to 96 units, with all but one being 48 units or less. The subject will be the Applicant's first development in Texas.

While the Underwriter relied primarily on the TDHCA database. The Underwriter also considered four other comps in Wichita Falls. Based on the actual expenses at those properties, the underwriting estimate for expenses would be even higher, at \$4,091 per unit, with a debt coverage ratio of 1.14.

**Conclusion:**

Since the Applicant's operating expenses and net operating income differ from the underwriting estimates by more than 5%, the Underwriter's values are used to determine debt capacity and feasibility. The Underwriter's pro forma and the recommended financing structure indicate a first year debt coverage ratio of 1.31, which is within the guidelines of 1.15 and 1.35.

**Feasibility:**

The long-term pro forma, based on 2% growth in income and 3% growth in expenses, indicates continued positive cash flow and debt coverage that remains above 1.15 for at least 30 years. The proposed development is therefore considered financially feasible.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Unimproved Property Contract Acreage: 19.757  
 Acquisition Cost: \$185,000 19.757 acre (total site) Contract Exp: 12/31/2011  
\$74,645 8.0 acre (subject site)  
 Cost Per Unit: \$933  
 Seller: The Mohicans Related to Development Team?  Yes  No

**Comments:**

Credit sizing is based on the pro rata acquisition cost of the subject 8-acre site. In the event that this transaction is re-underwritten, the acquisition cost included in credit sizing should not exceed the cost of the subject 8 acres.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 5/11/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Comments:**

The Applicant's cost schedule includes \$23,975 for off-site utilities. This cost has been certified by a third party engineer as required.

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The Applicant's cost schedule includes site work costs equal to \$12,234 per unit. This cost has been certified by a third party engineer as required. The site is relatively flat, but the Applicant indicated that they have budgeted for potential negative soil characteristics and to bring fill in to raise the buildings and improve drainage.

**Direct Construction Cost:**

The Applicant's proposed direct construction cost is \$4.65M. This is 6% higher than the underwriting estimate of \$4.38M, derived from the Marshall & Swift Residential Cost Handbook.

**Interim Interest Expense:**

REA Rules limit eligible interim interest to one year of interest on the fully-drawn amounts of construction financing. As explained below, the Applicant overstated the interest rate on the construction tranche of the Bank of Oklahoma loan. As a result, the Applicant's total claimed eligible interest exceeds the limit by \$9,493. The Underwriter has adjusted the Applicant's eligible interim financing cost and included the difference with ineligible cost.

**Contingency & Fees:**

The Applicant's eligible developer fee is overstated by \$1,424.

**Conclusion:**

The Applicant's total development cost of \$9.57M is within 5% of the underwriting estimate of \$9.25M. As a result, the Applicant's cost is used to determine eligible basis and the need for permanent financing. An eligible basis of \$11,299,479 would support an annual tax credit allocation of \$1,016,953. The recommended allocation will be the least of this amount determined by eligible basis, the amount determined by the gap in financing, and the amount requested by the Applicant.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 3 Last Update: 5/11/2011

Interim Sources	Amount	Rate	Term	LTC
Bank of Oklahoma	\$5,414,700	5.94%	24 months	57%
TDHCA HOME Loan	\$479,996	0.00%	18 months	5%
Innovative Investment Solutions	\$185,000	4.30%	24 months	2%
Raymond James - Syndication Proceeds	\$3,531,596	HTC Equity		37%
<b>Total</b>	<b>\$9,611,292</b>			

**Comments:**

The Applicant lists the interest rate for the Bank of Oklahoma loan as 7.5%. But the commitment indicates this loan will be priced in two tranches. The first tranche of \$2M (equal to the permanent loan amount) has a current indicative rate of 7.5%. The second tranche of \$3.4M "will float at BOK National Prime plus 100 basis points. This currently equates to 5.00%." The weighted average rate for the construction phase is 5.94%.

The Applicant's interim sources include a private loan from Innovative Investment Solutions. The letter indicates a commitment for up to \$200,000 at AFR. The Applicant's most recent schedule of sources indicates only \$185,000.

The total interim sources exceed the total development cost; however, this is not unusual at this stage in development and ultimately not all sources will be sized exactly as shown here or drawn 100%.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Bank of Oklahoma	\$2,028,814	7.50%	30	17	21%
TDHCA HOME Loan	\$479,996	2.00%	30	15	5%
<b>Total</b>	<b>\$2,508,810</b>				

**Comments:**

The Bank of Oklahoma loan "will be fixed at BOK's cost of funds plus 300 basis points. This currently equates to 7.50%."



The Applicant has requested HOME funds from the Department amortized over 20 years at 2.0%. REA Rules state "The Department requires an amortization of not less than thirty (30) years ... or an adjustment to the amortization structure is evaluated and recommended." The underwriting analysis assumes this loan will be amortized over 30 years. The Applicant requested a loan term of 15 years. It is unlikely that the first lien lender will allow the subordinate loan to mature first. If it is necessary to adjust the loan term from 15 to 17 years this will not impact the conclusions of this report.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Raymond James - Syndication Proceeds	\$7,063,192	\$0.72	74%	0%
<b>Total Sources</b>	<b>\$9,572,002</b>			

Comments:

Pricing of \$0.72 is low compared to the pricing reflected in other applications and other recently closed transactions.

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,028,814, and a \$479,996 HOME loan, indicates the need for \$7,063,192 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$981,097 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,014,148
Allocation determined by gap in financing:	\$981,097
<b>Allocation requested by the Applicant:</b>	<b>\$981,097</b>

The allocation amount requested by the Applicant is recommended. A tax credit allocation of \$981,097 per year for 10 years results in total equity proceeds of \$7,063,192 at a syndication rate of \$0.72 per tax credit dollar.

The Applicant's request is equal to the gap methodology. Any increase in the syndication price (above \$.72) will result in a reduction of the credit recommendation. For this reason, receipt and acceptance, by Carryover, of an updated syndication commitment letter or partnership agreement is a condition to the recommendation.

The Underwriter further recommends a HOME loan in the amount of \$479,996, amortized over 30 years at 2.00% interest, with a term of 15 years.

In the event the HOME funds are not awarded the Underwriter would recommend an increase in the primary debt to \$2,246,740 to reduce the debt coverage ratio to the maximum 1.35. This would result in the need for \$262K in additional funds, which could be sourced through deferred developer fees repaid within 4 years of stabilized operations.

Underwriter:	<u>Thomas Cavanagh</u>
Reviewing Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX / MONTHLY RENT SCHEDULE**  
**Saddlebrook Apartments, Burkburnett, 9 % HTC / HOME #11076**

LOCATION DATA	
CITY:	Burkburnett
COUNTY:	Wichita
PROGRAM REGION:	2
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	8	10.0%
2	44	55.0%
3	28	35.0%
4		
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																						
UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS			
Type	Gross Rent	Home Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC30%	\$299	30%/30%	\$300	4	1	1	956	\$299	\$59	\$240	\$0	\$0.25	\$240	\$960	\$960	\$240	\$0.25	\$0	\$645	0.67	\$405	
TC50%	\$499	LH/50%	\$499	4	1	1	979	\$499	\$59	\$440	\$0	\$0.45	\$440	\$1,760	\$1,760	\$440	\$0.45	\$0	\$655	0.67	\$215	
TC30%	\$359			4	2	2	956	\$359	\$72	\$287	\$0	\$0.30	\$287	\$1,148	\$1,148	\$287	\$0.30	\$0	\$670	0.70	\$383	
TC50%	\$598			12	2	2	956	\$598	\$72	\$526	\$0	\$0.55	\$526	\$6,312	\$6,312	\$526	\$0.55	\$0	\$670	0.70	\$144	
TC50%	\$598			12	2	2	979	\$598	\$72	\$526	\$0	\$0.54	\$526	\$6,312	\$6,312	\$526	\$0.54	\$0	\$680	0.69	\$154	
TC60%	\$718			4	2	2	979	\$718	\$72	\$646	\$0	\$0.66	\$646	\$2,584	\$2,584	\$646	\$0.66	\$0	\$680	0.69	\$34	
TC60%	\$718			6	2	1	1,072	\$718	\$72	\$646	\$0	\$0.60	\$646	\$3,876	\$3,876	\$646	\$0.60	\$0	\$700	0.65	\$54	
TC60%	\$718			6	2	1	1,095	\$718	\$72	\$646	\$0	\$0.59	\$646	\$3,876	\$3,876	\$646	\$0.59	\$0	\$710	0.65	\$64	
TC60%	\$830			14	3	2	1,072	\$830	\$89	\$741	\$0	\$0.69	\$741	\$10,374	\$10,360	\$740	\$0.69	(\$1)	\$740	0.69	\$0	
TC60%	\$830	HH/60%	\$866	8	3	2	1,095	\$830	\$89	\$741	\$0	\$0.68	\$741	\$5,928	\$5,928	\$741	\$0.68	\$0	\$750	0.68	\$9	
TC60%	\$830			6	3	2	1,095	\$830	\$89	\$741	\$0	\$0.68	\$741	\$4,446	\$4,446	\$741	\$0.68	\$0	\$750	0.68	\$9	
<b>TOTALS/AVERAGES:</b>				<b>80</b>				<b>\$2,040</b>				<b>\$0</b>	<b>\$0.58</b>	<b>\$595</b>	<b>\$47,576</b>	<b>\$47,562</b>	<b>\$595</b>	<b>\$0.58</b>	<b>(\$0)</b>	<b>\$702</b>	<b>\$0.68</b>	<b>\$107</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>															<b>\$570,912</b>	<b>\$570,744</b>						

**STABILIZED PROFORMA**

**Saddlebrook Apartments, Burkburnett, 9 % HTC / HOME #11076**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Wichita Falls comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.58	\$595	\$570,912	\$570,744	\$595	\$0.58		0.0%	(\$168)	
Late Fees					\$20.00	\$19,200					0.0%	(19,200)	
Underwriter's Total Secondary Income							\$19,200	\$20.00			100.0%	19,200	
<b>POTENTIAL GROSS INCOME</b>						\$590,112	\$589,944				0.0%	(\$168)	
Vacancy & Collection Loss					7.5% PGI	(44,258)	(44,246)	7.5% PGI			0.0%	13	
Non-Rental Units/Concessions						-					0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$545,854	\$545,698				0.0%	(\$155)	
General & Administrative	\$21,679	\$271/Unit	\$32,756	3.54%	\$0.24	\$241	\$19,300	\$21,679	\$271	\$0.26	3.97%	-11.0%	(2,379)
Management	\$26,454	6.7% EGI	\$22,971	5.00%	\$0.33	\$341	\$27,300	\$27,285	\$341	\$0.33	5.00%	0.1%	15
Payroll & Payroll Tax	\$70,805	\$885/Unit	\$93,916	11.70%	\$0.78	\$798	\$63,840	\$70,805	\$885	\$0.86	12.98%	-9.8%	(6,965)
Repairs & Maintenance	\$36,205	\$453/Unit	\$41,094	5.69%	\$0.38	\$388	\$31,040	\$36,205	\$453	\$0.44	6.63%	-14.3%	(5,165)
Utilities	\$17,730	\$222/Unit	\$22,479	2.30%	\$0.15	\$157	\$12,552	\$17,730	\$222	\$0.22	3.25%	-29.2%	(5,178)
Water, Sewer, & Trash	\$26,912	\$335/Unit	\$15,133	3.66%	\$0.24	\$250	\$20,000	\$24,666	\$308	\$0.30	4.52%	-18.9%	(4,666)
Property Insurance	\$21,084	\$0.29 /sf		3.11%	\$0.21	\$213	\$17,000	\$17,000	\$213	\$0.21	3.12%	0.0%	-
Property Tax 2.4068	\$31,344	\$392/Unit		11.65%	\$0.78	\$796	\$63,646	\$55,646	\$696	\$0.68	10.20%	14.4%	8,000
Reserve for Replacements	\$20,358	\$254/Unit		3.66%	\$0.24	\$250	\$20,000	\$20,000	\$250	\$0.24	3.67%	0.0%	-
TDHCA Compliance Fees				0.59%	\$0.04	\$40	\$3,200	\$3,200	\$40	\$0.04	0.59%	0.0%	-
Supportive service contract fees				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>				<b>50.91%</b>	<b>\$3.39</b>	<b>\$3,473</b>	<b>\$ 277,878</b>	<b>\$ 294,215</b>	<b>\$3,678</b>	<b>\$3.59</b>	<b>53.92%</b>	<b>-5.6%</b>	<b>\$ (16,337)</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>49.09%</b>	<b>\$3.27</b>	<b>\$3,350</b>	<b>\$267,976</b>	<b>\$251,483</b>	<b>\$3,144</b>	<b>\$3.07</b>	<b>46.08%</b>	<b>6.6%</b>	<b>\$16,492</b>
<b>CONTROLLABLE EXPENSES</b>		\$2,167/Unit	\$2,567/Unit			\$1,834/Unit			\$2,139/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$545,698	\$556,612	\$567,744	\$579,099	\$590,681	\$652,160	\$720,037	\$794,979	\$877,721	\$969,075	\$1,069,937	\$1,181,297
<b>LESS: TOTAL EXPENSES</b>	294,215	302,769	311,573	320,637	329,966	380,891	439,758	507,813	586,500	677,492	782,725	904,440
<b>NET OPERATING INCOME</b>	<b>\$251,483</b>	<b>\$253,844</b>	<b>\$256,171</b>	<b>\$258,463</b>	<b>\$260,715</b>	<b>\$271,269</b>	<b>\$280,280</b>	<b>\$287,167</b>	<b>\$291,221</b>	<b>\$291,583</b>	<b>\$287,213</b>	<b>\$276,857</b>
<b>LESS: DEBT SERVICE</b>	191,519	191,519	191,519	191,519	191,519	191,519	191,519	191,519	191,519	191,519	191,519	191,519
<b>NET CASH FLOW</b>	<b>\$59,964</b>	<b>\$62,324</b>	<b>\$64,652</b>	<b>\$66,944</b>	<b>\$69,196</b>	<b>\$79,750</b>	<b>\$88,760</b>	<b>\$95,648</b>	<b>\$99,702</b>	<b>\$100,064</b>	<b>\$95,694</b>	<b>\$85,338</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$59,964	\$122,289	\$186,941	\$253,884	\$323,080	\$701,235	\$1,127,741	\$1,593,185	\$2,084,880	\$2,586,147	\$3,075,483	\$3,525,560
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.31	1.33	1.34	1.35	1.36	1.42	1.46	1.50	1.52	1.52	1.50	1.45
<b>EXPENSE/EGI RATIO</b>	53.92%	54.39%	54.88%	55.37%	55.86%	58.40%	61.07%	63.88%	66.82%	69.91%	73.16%	76.56%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Saddlebrook Apartments, Burkburnett, 9 % HTC / HOME #11076**

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE						AS UNDERWRITTEN DEBT/GRANT STRUCTURE						Cumulative	
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
	UW	App												
Bank of Oklahoma	1.48	1.57	\$170,229	7.50%	30	17	\$2,028,814	\$2,028,814	17	30	7.50%	\$170,229	1.48	21.2%
TDHCA HOME Loan	1.26	1.34	\$29,139	2.00%	20	15	\$479,996	\$479,996	15	30	2.00%	\$21,290	1.31	5.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$199,368</b>				<b>\$2,508,810</b>	<b>\$2,508,810</b>				<b>\$191,519</b>		<b>26.2%</b>
<b>NET CASH FLOW</b>			<b>\$68,608</b>									<b>\$59,964</b>		

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
Raymond James	LIHTC Equity	73.8%	\$981,097	0.72	\$7,063,192	\$7,063,192	0.7199	\$981,097	73.8%	Annual Credit per Unit: \$88,290		
Deferred Developer Fees		0.0%	(0% Deferred)		\$0	\$0	(0% Deferred)		0.0%	Total Developer Fee: \$1,130,800		
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow: \$1,127,741		
<b>TOTAL EQUITY SOURCES</b>		<b>73.8%</b>			<b>\$7,063,192</b>	<b>\$7,063,192</b>			<b>73.8%</b>	<b>15-Yr Cash Flow after Fee: \$1,127,741</b>		
<b>TOTAL CAPITALIZATION</b>					<b>\$9,572,002</b>	<b>\$9,572,002</b>						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition				
Land Acquisition			\$933 / Unit \$74,645	\$74,645	\$933 / Unit \$74,645			0.0%	\$0	
Building Acquisition	\$0		\$ / Unit \$0	\$0	\$ / Unit \$0		\$0	0.0%	\$0	
Off-Sites			\$300 / Unit \$23,975	\$23,975	\$300 / Unit \$23,975			0.0%	\$0	
Sitework		\$978,753	\$12,234 / Unit \$978,753	\$978,753	\$12,234 / Unit \$978,753		\$978,753	0.0%	\$0	
Direct Construction		\$4,647,134	\$56.64 /sf \$58,089 / Unit \$4,647,134	\$4,384,033	\$54,800 / Unit \$53.44 /sf \$4,384,033			-6.0%	(\$263,101)	
Contingency		\$281,294	5.00% \$281,294	\$281,294	5.25% \$281,294			0.0%	\$0	
Contractor's Fees		\$786,949	13.27% \$786,949	\$786,949	13.88% \$786,949			0.0%	\$0	
Indirect Construction		\$401,506	\$5,019 / Unit \$401,506	\$401,506	\$5,019 / Unit \$401,506			0.0%	\$0	
Ineligible Costs			\$3,619 / Unit \$289,508	\$289,508	\$3,619 / Unit \$289,508			0.0%	\$0	
Developer's Fees	\$0	\$1,132,024	15.02% \$1,132,024	\$1,091,135	15.00% \$1,091,135		\$0	-3.7%	(\$40,889)	
Interim Financing		\$441,695	\$5,521 / Unit \$441,695	\$441,695	\$5,521 / Unit \$441,695			0.0%	\$0	
Reserves			\$6,431 / Unit \$514,519	\$494,519	\$6,181 / Unit \$494,519			-4.0%	(\$20,000)	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$8,669,356</b>	<b>\$119,650 / Unit</b>	<b>\$9,572,002</b>	<b>\$9,248,012</b>	<b>\$115,600 / Unit</b>	<b>\$8,365,365</b>	<b>\$0</b>	<b>-3.5%</b>	<b>(\$323,991)</b>
Acquisition Cost for Identity of Interest Seller				\$0						
Developer's Fee	\$0	(\$1,424)								
Contractor's Fee		\$0								
Contingency		\$0								
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$8,667,932</b>	<b>\$119,650 / Unit</b>	<b>\$9,572,002</b>	<b>\$9,248,012</b>		<b>\$8,365,365</b>	<b>\$0</b>		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				<b>\$9,572,002</b>						

**CAPITALIZATION DEVELOPMENT COSTS BUDGET REVISED BASIS ITEMS**

**Saddlebrook Apartments, Burkburnett, 9 % HTC / HOME #11076**

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$8,667,932	\$0	\$8,365,365
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$8,667,932</b>	<b>\$0</b>	<b>\$8,365,365</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$11,268,311</b>	<b>\$0</b>	<b>\$10,874,975</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$11,268,311</b>	<b>\$0</b>	<b>\$10,874,975</b>
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$1,014,148</b>	<b>\$0</b>	<b>\$978,748</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,014,148</b>		<b>\$978,748</b>	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$54.29	4,453,573
Adjustments				
Exterior Wall Finish	1.76%		0.96	\$78,383
	0.00%		0.00	0
	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(0.70)	(57,428)
Floor Cover			2.41	197,716
Breezeways	\$0.00	0	0.00	0
Balconies	\$22.77	9600	2.66	218,634
Plumbing Fixtures	\$845	180	1.85	152,100
Rough-ins	\$420	80	0.41	33,600
Built-In Appliances	\$3,155	80	3.08	252,400
Interior Stairs	\$1,650	40	0.80	66,000
Enclosed Corridors	\$41.42		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	150,133
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$79.95	1,714	1.67	137,031
Other fire sprinkler	\$2.25	82,040	2.25	184,590
<b>SUBTOTAL</b>			<b>71.51</b>	<b>5,866,732</b>
Current Cost Multiplier	1.03		2.15	176,002
Local Multiplier	0.89		-7.87	(645,341)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>65.79</b>	<b>\$5,397,393</b>
Plans, specs, survey, bldg permits	3.90%		-2.57	(\$210,498)
Interim Construction Interest	3.38%		-2.22	(162,162)
Contractor's OH & Profit	11.50%		-7.57	(520,700)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>53.44</b>	<b>\$4,384,033</b>

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

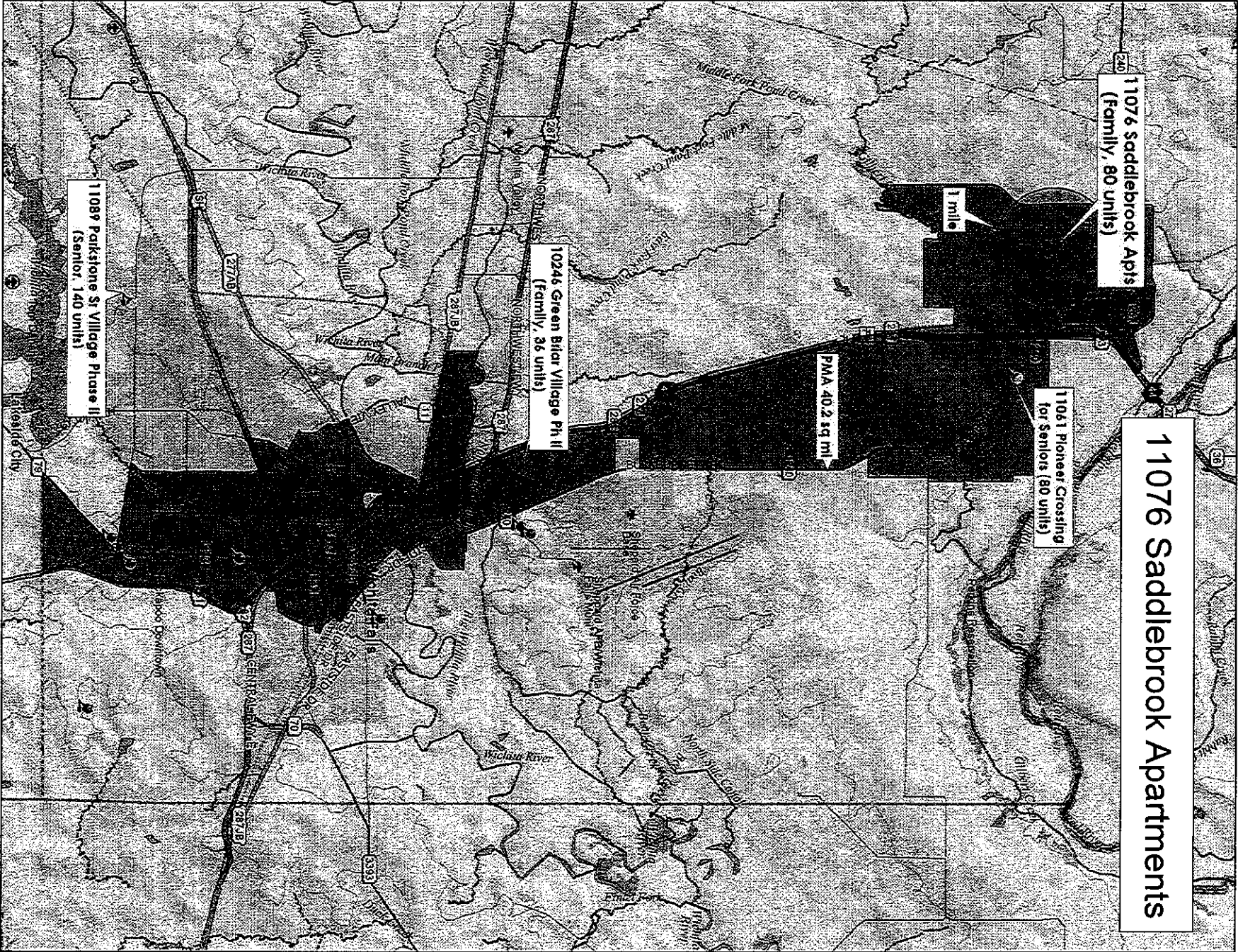
Method	Annual Credits	Proceeds
Eligible Basis	\$1,014,148	\$7,301,135
Gap	\$981,097	\$7,063,192
Request	\$981,097	\$7,063,192

**FINAL ANNUAL HTC ALLOCATION**

Method	Request
Credits	\$981,097
Underwrite in Proceeds	\$7,063,192

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$72.30	\$74,139	\$5,931,156	\$5,658,055	\$70,851	\$69.09
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$81.60	\$83,677	\$6,694,130	\$6,431,029	\$80,388	\$78.39



# 11076 Saddlebrook Apartments

11076 Saddlebrook Apts  
(Family, 80 units)

11061 Pioneer Crossing  
for Seniors (80 units)

PMA 40.2 sq mi

10246 Green Biran Village Ph II  
(Family, 56 units)

11089 Parkstone St Village Phase II  
(Senior, 140 units)

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Scale 1 : 137,500

1" = 2.17 mi  
Data Zoom 10-5

11077

Main Street Commons

Rural, Region 7



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Main Street Commons, TDHCA Number 11077**

**BASIC DEVELOPMENT INFORMATION**

Site Address: E side of Main St., S of Carlos Parker      Development #: 11077  
 City: Taylor      Region: 7      Population Served: Elderly  
 County: Williamson      Zip Code: 76754      Allocation: Rural  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Main St Commons Seniors, LP  
 Owner Contact and Phone: Michael Roderer, (317) 663-6818  
 Developer: Herman & Kittle Properties, Inc.  
 Housing General Contractor: Herman & Kittle Properties, Inc.  
 Architect: Herman & Kittle Properties, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	75
	8	0	27	40	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	56	19	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	75
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	15

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,061,857	\$1,061,857			
HOME Activity Fund Amount:	\$1,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Main Street Commons, TDHCA Number 11077

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

US Representative: Carter, District 31,

TX Representative: Gonzales, District 52, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

Main Street Neighborhood Organization, Carol Bachmayer Letter Score: 24 S or O: S

We believe that this development will benefit the community as well as bring added value to the surrounding properties.

Community Input Other than Quantifiable Community Participation Input:

- Trinity Lutheran Church, S, Marilyn Safarik, Director
United Seniors of Taylor, S, Fred Switzer, Director
Bluebonnet Trails Community Service, S, Andrea Richardson, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Main Street Commons, TDHCA Number 11077

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 0

Total # Monitored: 0

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

Competitive Housing Tax Credits:  Score: 211  Meeting a Required Set-Aside Credit Amount\*: \$1,061,857

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

11079

Lexington Landing

Urban, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Lexington Landing, TDHCA Number 11079**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1455 Southgate Dr. Development #: 11079  
 City: Corpus Christi Region: 10 Population Served: General  
 County: Nueces Zip Code: 78415 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Lexington Landing, LP  
 Owner Contact and Phone: Richard J. Franco, (361) 889-3350  
 Developer: Michael's Development Co. I, LP  
 Housing General Contractor: TBD  
 Architect: JHP Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Prestige Affordable Housing Equity Partners  
 Supportive Services: Corpus Christi Housing Authority  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156
	34	0	51	71	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	44	84	28	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	156
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	22
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Lexington Landing, TDHCA Number 11079

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Hinojosa, District 20, S

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

La Armada I and II Resident Council, Jackie Mendoza

Letter Score: 24 S or O: S

This proposed development will provide new decent, sanitary, safe, affordable housing that is really needed in Corpus Christi. There is a need for affordable apartments as well as affordable houses in Corpus Christi.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Lexington Landing, TDHCA Number 11079**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds: Loan Amount: \$0

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

**Recommendation:**

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

11080

Hidden Valley Estates

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Hidden Valley Estates, TDHCA Number 11080**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NEC of Veterans Memorial Dr. & Dewalt Rd. Development #: 11080  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77088 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Memorial Housing, LP  
 Owner Contact and Phone: Dru Childre, (512) 458-5577  
 Developer: Songhai Development Company, LLC  
 Housing General Contractor: CMB Construction, LLC  
 Architect: Ted Trout Architect and Assoc., Ltd.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: Capstone Real Estate Services, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	150
	16 0 53 81	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 32 82 36 0 0	Total Development Units:	150
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,978,636	\$1,978,636			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Hidden Valley Estates, TDHCA Number 11080

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, S

US Representative: Jackson Lee, District 18,

TX Representative: Turner, District 139, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Jarvis Johnson, Council Member District B

Individuals and Businesses: In Support: 2 In Opposition 0

Quantifiable Community Participation Input:

Dewalt Area Association, Rev. TJ Booker

Letter Score: 24 S or O: S

There is a great demand for new affordable housing in this community and this project contributes to meeting this need. The developer is also proposing a very high quality project with many amenities and services for the tenants.

Community Input Other than Quantifiable Community Participation Input:

Star of Hope, S, Henry L. Rush, President & CEO

General Summary of Comment:

CONDITIONS OF COMMITMENT



11081

Northwood Apts

Rural, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Northwood Apts, TDHCA Number 11081**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 516 Laredo St. Development #: 11081  
 City: Navasota Region: 8 Population Served: General  
 County: Grimes Zip Code: 77868 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: PK Northwood Apartments, LP  
 Owner Contact and Phone: Ronald Potterpin, (517) 347-2001  
 Developer: Megan & Associates XII, LLC  
 Housing General Contractor: PK Construction LLC  
 Architect: Harry W. Bostick Architect  
 Market Analyst: NA  
 Syndicator: Michel Associates, Ltd.  
 Supportive Services: TBD  
 Consultant and Contact: San Marcos Valley LLC,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	48
	6	0	17	25	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	40	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	48
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$3,958,523
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$340,306	\$332,894			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Northwood Apts, TDHCA Number 11081

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

US Representative: Flores, District 17,

TX Representative: Kolkhorst, District 13, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Laredo Heights Resident Council, Eloise Morris

Letter Score: 24 S or O: S

We feel the developer will make improvements to the units and property that will greatly benefit the residence.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$327,420 in potential gross income.
2. Receipt and acceptance, by Carryover, of USDA/RD approval of the transfer and reamortization of the existing USDA/RD loans, as underwritten, and approval of the proposed financing structure.
3. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Northwood Apts, TDHCA Number 11081**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **7**

Total # Monitored: **0**

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

Competitive Housing Tax Credits:  Score: **155**  Meeting a Required Set-Aside Credit Amount\*: **\$332,894**

**Recommendation: Competitive in USDA Allocation**

HOME Activity Funds:

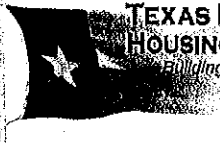
Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

**Recommendation:**

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



REPORT DATE: 06/10/11

PROGRAM: 9% HTC

FILE NUMBER: 11081

**DEVELOPMENT**

**Northwood Apartments**

Location: 516 Laredo Street Region: 6

City: Navasota County: Grimes Zip: 77868  QCT  DDA

Key Attributes: Rural, Acquisition/Rehabilitation/USDA At-Risk

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION*			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Liен Position
Housing Tax Credit (Annual)	\$340,306			<b>\$332,894</b>			

\* This report has been reposted due to an adjustment to the building acquisition basis. A discussion of the adjustment is noted in the acquisition cost section of the report. This repost adjusts the recommendation from \$338,097 to \$332,894.

**CONDITIONS**

Receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$327,420 in potential gross income.

Receipt and acceptance, by Carryover, of USDA/RD approval of the transfer and reamortization of the existing USDA/RD loans, as underwritten, and approval of the proposed financing structure.

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

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

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

**SALIENT ISSUES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	17
60% of AMI	60% of AMI	25

**STRENGTHS/MITIGATING FACTORS**

- USDA re-analyzes rents upon request to provide sufficient rental income to cover expenses and debt service

**WEAKNESSES/RISKS**

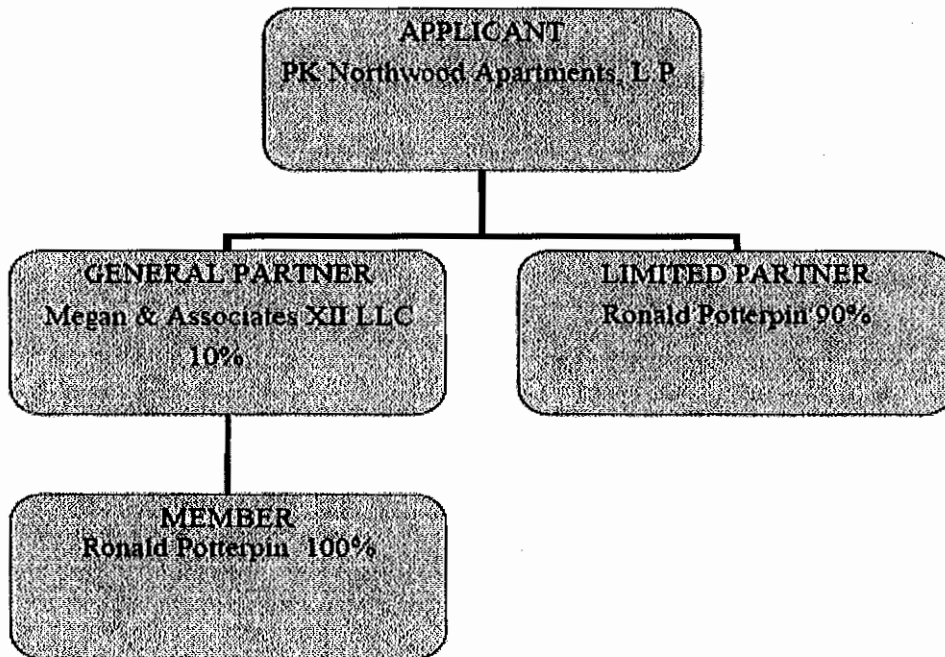
- The expense to income ratio is 71%; operations may be stressed during periods of rising expenses and flat rents

- The property has USDA Rental Assistance on 43 of 48 units
- Deal is dependent on continued rental assistance in excess of the market rents
- Principals of Applicant have experience with LIHTC/USDA deals
- Deal shares secondary access with neighboring property owned by un-related party
- The development is currently 98% occupied

**PREVIOUS UNDERWRITING REPORTS**

The subject transaction originally received an allocation of tax credits in 1994 and is currently known as Laredo Heights Apartments (#94209). The development has completed its 15 year compliance period.

**DEVELOPMENT TEAM  
OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Ronald Potterpin Phone: (517) 347-2001 Fax: (517) 347-9626  
 Email: ppotterpin@pkhousing.com

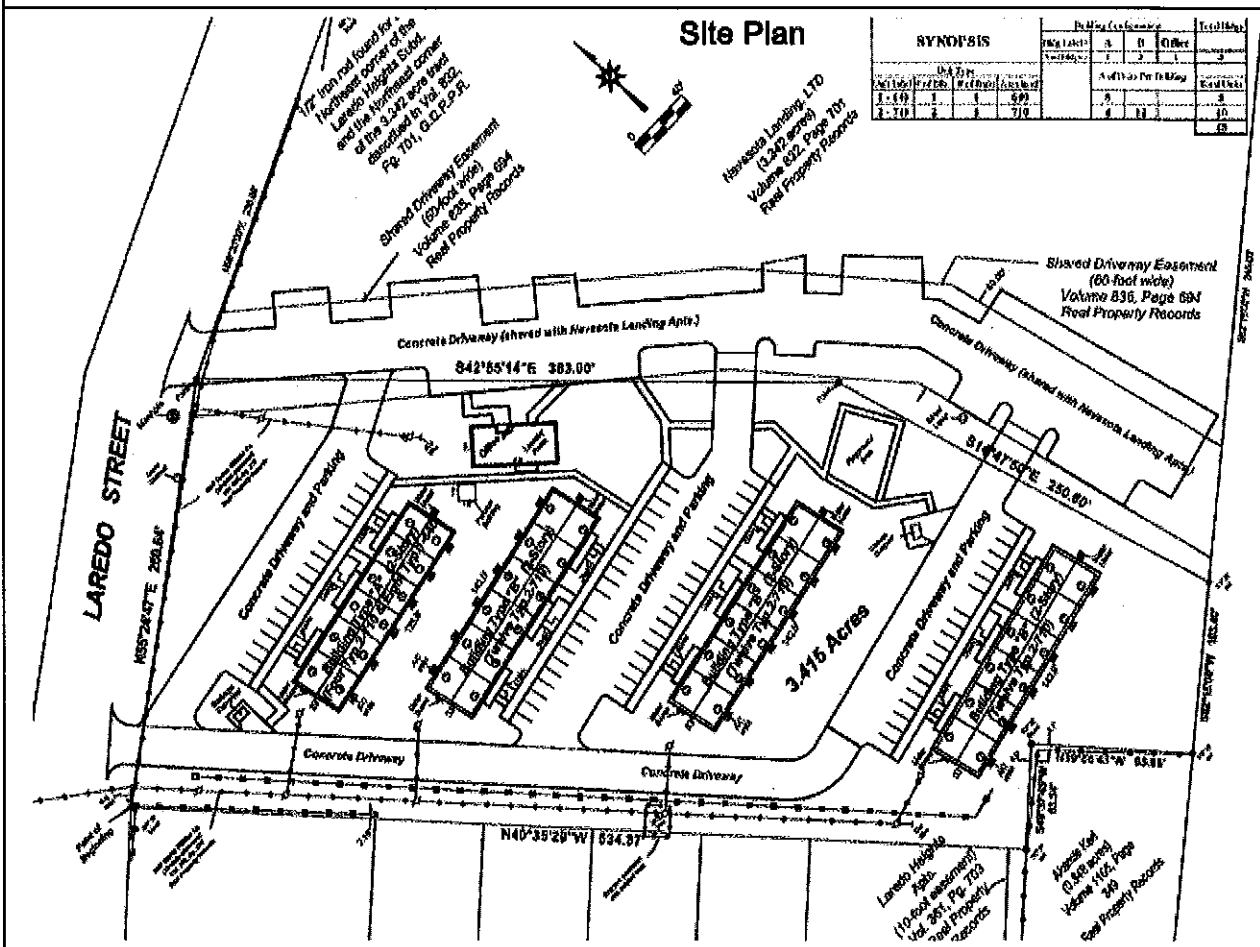
**IDENTITIES of INTEREST**

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities.



**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	A	B		Total Buildings	
Floors/Stories	2	2			
Number	1	3			4

**Rehabilitation Summary:**

The rehabilitation scope of work includes the repair, replacement, or construction of roof coverings (asphalt shingles), HVAC, windows, doors, interior flooring, cabinets, countertops & sinks, bath & electric fixtures, appliances, landscaping, drives and parking, foundation repair, and interior and exterior painting.

**Relocation Plan:**

The units will be rehabilitated in groups of four. Tenants will be notified of the rehabilitation schedule with sufficient time to make plans and to pack their personal items. The rehabilitation of each group of four will be completed in one week. Each apartment will be emptied of most or all of the tenant's personal items by the Applicant's staff on Monday morning of the week scheduled for that apartment. The tenant's personal items will be stored on site in a locked semi trailer. The tenant will stay at a local motel at the expense of the Applicant during the week of the renovations. The Applicant's crew will complete the rehabilitation of the unit during the week and on Friday of that week the unit will be completed and inspected, and the tenant's personal items will be moved back into the apartment. The tenant will then be able to return back to the apartment on that Friday.

**OTHER SITE INFORMATION**

Total Size: 3,415 acres      Scattered site?       Yes       No  
 Flood Zone: X      Within 100-yr floodplain?       Yes       No  
 Zoning: R-3 Multifamily      Needs to be re-zoned?       Yes       No       N/A  
 Density: 14.0556 units/acre

**Surrounding Uses:**

Except for another USDA-RD property located adjacent, the immediate area is generally sparse residential with more dense residential to the south and east. The neighboring USDA deal is owned by a related party to the seller and both properties were probably developed and operated as two phases of the same deal. Access to the site is via a shared easement with the adjacent property.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Bandy & Associates, Inc.      Date: 2/21/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

• None

**Other:**

"Since there is an active railroad within 3000 feet of the subject site, it may be prudent to conduct a noise study at this site." (p 2)

**MARKET ANALYSIS**

Provider: Rafael Luebbert      Date: 2/14/2011  
 Contact: Rafael Luebbert      Phone: (210) 408-6041  
 Number of Revisions: None      Date of Last Applicant Revision: N/A

**Primary Market Area (PMA):**

The market area is that geographical region enveloped by Grimes, Montgomery, and extreme northwest Harris Counties. Navasota is located within Grimes County. However, a search of the area revealed no significant conventional apartment complexes. The closest comparable market was that in the Magnolia and Tomball communities. The market from the area of College Station and Bryan (Brazos County) was ignored, for obvious reasons. The described area above is one which would influence the economics of the property. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region." (p 26)

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,943	\$10,830	---	---	\$16,560	\$18,050	\$19,886	\$21,660
2	\$9,943	\$12,390	---	---	\$16,560	\$20,650	\$19,886	\$24,780
3	\$11,931	\$13,920	---	---	\$19,851	\$23,200	\$23,863	\$27,840
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

**Primary Market Occupancy Rates:**

The Applicant's rent roll indicates 1 vacant unit out of a total of 48, or 98% occupancy. The three properties cited in the appraisal as rent comparables have reported occupancies of 100%, 97%, and 94%.

**Comments:**

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 80% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 98% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

**OPERATING PROFORMA ANALYSIS**

Income: Number of Revisions: 1 Date of Last Applicant Revision: 3/22/2011

The development has 43 units receiving USDA Rental Assistance (RA). The Applicant's and Underwriter's rents for these units are based on the Applicant's expected USDA Contract rents. The proposed Contract rents will require that the Applicant receive approval from USDA of a 17% increase in the current Contract rents reflected in the application. The Applicant's rents for the 5 non-RA units are equal to the net HTC program rents. However, the market rents reflected in the appraisal are well below the current and proposed Contract rents and the HTC net rents. The Underwriter used the market rents for the 5 non-RA units, which accounts for the difference in effective gross income.

Generally, USDA does not approve Contract rents that are higher than the market rents (called CRCU or Comparable Rent for Comparable Units by USDA). Additionally, RA rents are often limited to those that can be achieved by the non-RA units. For both circumstances, USDA has the ability to approve exceptions to the general requirements and often does for tax credit/USDA 515 layered transactions. The underwritten proforma indicates such exceptions are necessary to support the continued future viability of the transaction. Accordingly, receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$327,420 in potential gross income is a condition of this report.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 4/29/2011

The Applicant's total annual operating expense projection at \$4,488 per unit is within 5% of the Underwriter's estimate of \$4,531 derived from actual operating history of the development, the TDHCA database, and 2011 property tax assessment. Proforma controllable expenses are \$600/unit higher than the database although it includes non-USDA deals. The Applicant is projecting significant savings in the water expense line item, but indicated that the historical figure is skewed due to a previous water leak at the property. The Underwriter contacted the current management company and verified that this was an anomaly and that the surrounding year's expenses were well below this level. The Underwriter used the actual 2010 water, sewer, and trash costs based on discussion with the management company.

**Conclusion:**

The Applicant's net operating income is not within 5% of the Underwriter's estimate; therefore, the Underwriter's year-one pro forma was used to determine the development's debt capacity. Additionally, based on the underwritten financing structure the DCR is estimated to be 1.24. The Applicant's and the Underwriter's expense to income ratio exceed the Department's normal maximum at 69% and 71%, respectively and the DCR falls below a 1.15 before year 15. However, the majority of units receive Rental Assistance and the development qualifies for an exception pursuant to §1.32(l)(6)(B)(v) of the 2011 REA Rules. Transactions with Rental Assistance can often receive budget based increases in assistance which can offset the risk of future changes in expenses or other adverse market conditions.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Provider: Rafael C. Luebbert, MAI, SRA Date: 2/14/2011  
 Number of Revisions: 1 Date of Last Applicant Revision: 2/22/2011

Land Only	3,415 acres	<u>\$52,100</u>	As of:	<u>2/9/2011</u>
Existing Buildings: (as-is)		<u>\$886,900</u>	As of:	<u>1/0/1900</u>
Favorable Financing:		<u>\$343,000</u>	As of:	<u>2/9/2011</u>
Total Development: (as-is)		<u>\$1,282,000</u>	As of:	<u>2/9/2011</u>

**Comments:**

The appraiser provided an "as is and as restricted" market value of \$939,000, and interest credit subsidy values of \$343,000 for the USDA/RD mortgages being assumed. This results in a "Sum of Market Value and Value of Financing Subsidy" value of \$1,282,000.

**EVIDENCE OF PROPERTY CONTROL**

Type: USDA Option to Purchase Real Property Acreage: 3,415

Contract Expiration: 12/31/2012 Valid Through Board Date?  Yes  No

Acquisition Cost: \$153,000 equity to sellers plus approx. \$902,537 USDA loan balance assumptions

Seller: Laredo Heights Apartments, Ltd. Related to Development Team?  Yes  No

**Comments:**

The acquisition cost is to be \$153,000 equity to be paid to the General and Limited Partners, along with the assumption of the two existing USDA loans (approximately \$902,537 in outstanding principal).

The Applicant estimated a building basis of \$1,004,537, which is equal to the purchase price less a land value of \$51,000; however, the Underwriter calculated a building basis of \$937,874, which is based on the purchase price less a land value of \$55,094, closing costs of \$30,000 and reserve account of \$42,449. This land value was calculated in accordance with the REA rules and is equal to the appraised land value as a percentage of the "as is, as restricted" value multiplied by the purchase price (adjusted for the reserve account). The Applicant did not remove the reserve account that will transfer to the buyer from the acquisition basis. This report was initially posted without the removal of the reserve account balance from basis and is being reposted with an adjusted building basis after a similar structure was encountered on another transaction submitted by the same principals. Closing costs of \$30,000 are also excluded by both the Applicant and Underwriter.

If the value of the favorable financing were included in the basis calculations and proportionately attributed to the land and buildings, the ratio of land value to building value would not change. Therefore, the acquisition basis value ascribed by the Underwriter would remain the same.

**CONSTRUCTION COST ESTIMATE EVALUATION**

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

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer Cert.  Yes  No  N/A  
CPA Cert.  Yes  No  N/A

**Direct Construction Cost:**

The Underwriter's costs are based on the Capital Needs Assessment provided. The direct cost in the CNA is equal to that of the Applicant's.

**Contingency & Fees:**

While the Applicant's overall developer fee is equal to 20%, a disproportionate amount is attributed to rehabilitation basis. This results in an overstated rehabilitation basis, understated acquisition basis and ultimately an overstated eligible allocation amount since a 9% applicable percentage is used for rehab basis. The Underwriter has adjusted the developer fee accordingly.

**Reserves**

The Applicant estimated operating reserves of \$130,000. This is approximately based on the premise that their syndicator, Michel Associates, Ltd. will require reserves of 5 months of expenses and debt service. The Applicant rounded \$117K up to \$130K. The Underwriter used the standard maximum under the REA rules \$118,268. This difference has no impact on the conclusions of the report.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. This is an acquisition/rehabilitation development; therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$4,419,490 supports annual tax credits of \$335,629. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**PROPOSED FINANCING STRUCTURE**

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 3/22/2011

Source: Stearns Bank Type: Interim Financing

Principal: \$1,115,000 Interest Rate: 7.5%  Fixed Term: 18 months

Comments:  
Interest is to be a variable interest rate equal to the Wall Street Journal Prime Rate plus 1.0% at the time of closing with a floor interest rate of 7.50%. Interest is to be payable monthly beginning thirty (30) days from the date of the loan closing. Principal and interest payments are to begin within 120 days of the certificate of occupancy, based on a 40 year amortization.

Source: Great Lakes Capital Fund Type: Permanent Financing

Interim: \$533,538 Interest Rate: 7.1%  Fixed Term: 18 months

Permanent: \$592,820 Interest Rate: 7.1%  Fixed Term: 360 months

Comments:  
This Fannie Mae loan is conditioned upon the recasting and restructuring of the USDA/RD loan. Additionally, Fannie Mae will require a parity first lien position with the USDA/RD loan. During underwriting the Applicant provided a standard form of documentation from a previously negotiated agreement between USDA and Fannie Mae on the subordination of USDA's priority first lien with some rights reserved. This agreement provides the parity first lien to the two organizations.

Source: USDA/RD Type: Permanent Financing

Principal: \$902,537 Interest Rate: 1.0%  Fixed Amort: 600 months  
Term: 30 years

Comments:  
The Applicant is proposing to assume the two existing USDA/RD loans that has total outstanding balances of approximately \$902,537; however, they are proposing that the remaining principal be reamortized at 1%. Accordingly, receipt and approval, by coryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loan is a condition of this report.  
  
The two USDA loans being assumed consist of one originally dated 12/15/1995 in the amount of \$260,000 with a current balance of approximately \$231,606, and a second loan originally dated 7/15/1996 in the amount of \$751,764 with a current balance of approximately \$670,931. The original interest rates are 7.50% and 7.25%, respectively; however, both have interest credit subsidies that reduce the effective interest rates to 1%.

Source: Michel & Associates, Inc. Type: Syndication

Proceeds: \$2,518,010 Syndication Rate: 74% Anticipated HTC: \$ 340,306

Amount: \$203,287 Type: Deferred Developer Fees

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loans of \$1,495,357 indicates the need for \$2,463,166 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$332,894 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$335,629
<b>Allocation determined by gap in financing:</b>	<b>\$332,894</b>
Allocation requested by the Applicant:	\$340,306

The allocation amount determined by the gap basis calculation of the Underwriter is recommended. A tax credit allocation of \$332,894 per year for 10 years results in total equity proceeds of \$2,463,166 at a price of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure does not indicate the need for any additional permanent funds. However, if it is determined that additional funds are needed due to cost overruns, etc, then deferred developer fees should be available to fund those costs.

### Return on Equity:

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	_____	Date:	_____
	<i>D.P. Burrell</i>		June 10, 2011
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Cameron Dorsey</i>		June 10, 2011
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 10, 2011

**UNIT MIX / RENT SCHEDULE**

**Northwood Apartments, Navasota, 9% HTC #11081**

LOCATION DATA	
CITY:	Navasota
COUNTY:	Grimes
PROGRAM REGION:	6
RURAL RENT USED:	Yes
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
1	13	16.7%
2	40	83.3%
3		
4		
<b>TOTAL</b>	<b>48</b>	<b>100.0%</b>

Other Unit Designation
PROGRAMS
USDA

OTHER ASSUMPTIONS			
DEVELOPMENT ACTIVITY:		Acc/Rehab	
REVENUE GROWTH:	2.00%	ID of Interest:	No
EXPENSE GROWTH:	3.00%		
HIGH COST ADJUSTMENT:	130%	App Type:	Application
APPLICABLE FRACTION:	100.00%		
APP % - ACQUISITION:	3.48%		
APP % - CONSTRUCTION:	9.00%		

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								APPLICABLE PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			MARKET RENTS			
HTC Type	HTC Gross Rent	Other Designation/ Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified )	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	USDA RA	\$615	2	1	1	640	\$615	\$90	\$525	\$0	\$0.82	\$525	\$1,050	\$1,050	\$525	\$0.82	\$0	\$418	0.65	(\$107)
TC50%	\$483	USDA RA	\$615	4	1	1	640	\$615	\$90	\$525	\$0	\$0.82	\$525	\$2,100	\$2,100	\$525	\$0.82	\$0	\$418	0.65	(\$107)
TC60%	\$580	USDA RA	\$615	2	1	1	640	\$615	\$90	\$525	\$0	\$0.82	\$525	\$1,050	\$1,050	\$525	\$0.82	\$0	\$418	0.65	(\$107)
TC30%	\$348	USDA RA	\$701	4	2	1	710	\$701	\$111	\$590	\$0	\$0.83	\$590	\$2,360	\$2,360	\$590	\$0.83	\$0	\$487	0.69	(\$103)
TC50%	\$579	USDA RA	\$701	13	2	1	710	\$701	\$111	\$590	\$0	\$0.83	\$590	\$7,670	\$7,670	\$590	\$0.83	\$0	\$487	0.69	(\$103)
TC60%	\$696	USDA RA	\$701	18	2	1	710	\$701	\$111	\$590	\$0	\$0.83	\$590	\$10,620	\$10,620	\$590	\$0.83	\$0	\$487	0.69	(\$103)
TC60%	\$696		\$701	5	2	1	696	\$696	\$111	\$585	\$0	\$0.84	\$585	\$2,925	\$2,436	\$487	\$0.70	(\$98)	\$487	0.70	\$0
<b>TOTAL:</b>				<b>48</b>			<b>33,450</b>							<b>\$27,135</b>	<b>\$27,285</b>						
<b>AVG:</b>							<b>697</b>				<b>\$0</b>	<b>\$0.83</b>	<b>\$579</b>			<b>\$568</b>	<b>\$0.82</b>	<b>(\$10)</b>	<b>\$476</b>	<b>\$0.68</b>	<b>\$93</b>
<b>ANNUAL:</b>														<b>\$333,300</b>	<b>\$327,420</b>						

**STABILIZED PROFORMA**

**Northwood Apartments, Navasota, 9% HTC #11081**

**STABILIZED FIRST YEAR PROFORMA**

EXPENSE COMPS	2009 ACTUAL	APPLICANT				TDHCA				VARIANCE		
		Database	12 Months	PER SQ FT	PER UNIT	% EGI	Value	Value	% EGI	PER UNIT	PER SQ FT	% CHANGE
<b>POTENTIAL GROSS RENT</b>	<b>\$ 255,561</b>					<b>\$333,300</b>	<b>\$327,420</b>				<b>-1.8%</b>	<b>(\$5,880)</b>
Laundry	-			\$2.08		1,200					0.0%	(1,200)
Vending	-			\$2.08		1,200					0.0%	(1,200)
	2,719			\$0.00		-					0.0%	-
Total Secondary Income							2,880		\$5.00			
<b>POTENTIAL GROSS INCOME</b>	<b>\$ 258,280</b>					<b>\$335,700</b>	<b>\$330,300</b>				<b>-1.6%</b>	<b>(\$5,400)</b>
Vacancy & Collection Loss	-				7.50%	(25,178)	(24,773)	7.50%			-1.6%	405
Non-Rental Units/Concessions	-					-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>	<b>\$ 258,280</b>					<b>\$310,523</b>	<b>\$305,528</b>				<b>-1.6%</b>	<b>(\$4,995)</b>
General & Administrative	\$14,968	12,693	0.45	310	4.80%	14,900	12,693	4.15%	264	0.38	17.4%	2,207
Management	\$17,259	23,375	0.88	611	9.94%	29,304	29,304	9.38%	611	0.88	0.0%	-
Payroll & Payroll Tax	\$37,860	48,285	1.33	927	14.33%	44,500	48,285	15.80%	1,006	1.44	-7.8%	(3,785)
Repairs & Maintenance	\$31,499	49,159	0.88	615	9.50%	29,500	31,499	10.31%	656	0.94	-6.3%	(1,999)
Utilities	\$10,840	11,525	0.33	233	3.61%	11,200	11,525	3.77%	240	0.34	-2.8%	(325)
Water, Sewer, & Trash	\$17,956	42,098	1.02	708	10.95%	34,000	36,054	11.80%	751	1.08	-5.7%	(2,054)
Property Insurance	\$14,866	13,269	0.45	313	4.83%	15,000	13,289	4.34%	276	0.40	13.0%	1,731
Property Tax 2.252861	\$19,925	7,541	0.40	281	4.35%	13,500	12,458	4.08%	280	0.37	8.4%	1,042
Reserve for Replacements	\$14,352	24,377	0.65	450	6.96%	21,600	20,501	6.71%	427	0.61	5.4%	1,099
TDHCA Compliance Fees	-	-	0.06	40	0.62%	1,920	1,920	0.63%	40	0.06	0.0%	-
<b>TOTAL EXPENSES</b>	<b>\$ 232,322</b>		<b>\$6.44</b>	<b>\$4,488</b>	<b>69.37%</b>	<b>\$ 215,424</b>	<b>\$ 217,508</b>	<b>71.19%</b>	<b>\$4,631</b>	<b>\$6.60</b>	<b>-1.0%</b>	<b>\$ (2,084)</b>
<b>NET OPERATING INCOME ("NOI")</b>	<b>\$ 25,958</b>		<b>\$2.84</b>	<b>\$1,981</b>	<b>30.63%</b>	<b>\$95,099</b>	<b>\$88,019</b>	<b>28.81%</b>	<b>\$1,834</b>	<b>\$2.63</b>	<b>8.0%</b>	<b>\$7,079</b>

NOI: \$88,019	Underwritten Rent/Unit/Month: \$568
Debt Service: \$70,753	B/E Rent/Unit/Month: \$566
Net Cash Flow: \$17,267	Underwritten Economic Occupancy: 92.50%
Aggregate DCR: 1.24:1	B/E Economic Occupancy: 92.50%

Database: \$2,357
Applicant: \$2,794
Underwritten: \$2,918

EFFECTIVE GROSS INCOME	\$305,528	\$311,638	\$317,871	\$324,228	\$330,713	\$365,134	\$403,137	\$445,096	\$491,422	\$542,569	\$599,040	\$661,389
LESS: TOTAL EXPENSES	217,508	223,082	229,482	236,068	242,846	279,813	322,490	371,767	428,676	494,409	570,346	658,086
<b>NET OPERATING INCOME</b>	<b>\$88,019</b>	<b>\$88,556</b>	<b>\$88,389</b>	<b>\$88,160</b>	<b>\$87,866</b>	<b>\$85,320</b>	<b>\$80,647</b>	<b>\$73,329</b>	<b>\$62,746</b>	<b>\$48,161</b>	<b>\$28,694</b>	<b>\$3,303</b>
LESS: DEBT SERVICE	70,753	70,753	70,753	70,753	70,753	70,753	70,753	70,753	70,753	70,753	70,753	70,753
<b>NET CASH FLOW</b>	<b>\$17,267</b>	<b>\$17,803</b>	<b>\$17,636</b>	<b>\$17,407</b>	<b>\$17,114</b>	<b>\$14,568</b>	<b>\$9,894</b>	<b>\$2,576</b>	<b>(\$8,007)</b>	<b>(\$22,592)</b>	<b>(\$42,058)</b>	<b>(\$67,450)</b>
CUMULATIVE NET CASH FLOW	\$17,267	\$35,070	\$52,706	\$70,113	\$87,227	\$165,916	\$225,682	\$254,373	\$236,949	\$154,925	(\$14,285)	(\$298,149)
DEFERRED FEE BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON TDHCA FIXED DEBT	1.24	1.25	1.25	1.25	1.24	1.21	1.14	1.04	0.89	0.68	0.41	0.05
EXPENSE/EGI RATIO	71.19%	71.58%	72.19%	72.81%	73.43%	76.63%	80.00%	83.53%	87.23%	91.12%	95.21%	99.50%



**SOURCES & USES/DEVELOPMENT COSTS - ITEMIZED BASIS ITEMS**

**Northwood Apartments, Navasota, 9% HTC #11081**

DEBT	Applicant Proposed Debt Structure							Underwritten Debt Structure						Notes
	UW NOI	Cumml. DCR	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	
Fannie Mae	1.84	1.99	\$47,807	7.10%	30	30	\$592,820	\$592,820	30	30	7.10%	\$47,807	1.84	
Existing USDA RD 515 Loan	1.24	1.34	\$22,945	1.00%	50	30	\$902,537	\$902,537	30	50	1.00%	\$22,945	1.24	
<b>TOTALS</b>			\$70,753				\$1,495,357	\$1,495,357				\$70,753		
<b>NET CASH FLOW</b>			\$24,346									\$17,267		

EQUITY/DEFERRED FEES	TYPE	Credits	Equity Rate	Amount	Amount	Equity Rate	Credits	Notes	Developer Fee
Michel Associates Ltd	LIHTC Equity	\$340,306	0.74	\$2,518,010	\$2,463,166	0.74	\$332,894		DC Available: \$209,888
Deferred Developer Fees	Deferred Developer Fees	(0% Deferred)		\$0	\$0	(0% Deferred)			Total Deferred: \$0
Additional (Excess) Funds Req'd				\$0	\$0				EB Yield: \$225,682
<b>TOTAL EQUITY SOURCES</b>				\$2,518,010	\$2,463,166				Remaining CF: \$225,682

<b>TOTAL SOURCES</b>	<b>\$4,013,367</b>	<b>\$3,958,523</b>
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	Acquisition EB	Rehab/New EB	% Cost	PER SQ FT	Per (48 Units)	Total Costs	Total Costs	Per (48 Units)	PER SQ FT	% Cost	Rehab/New EB	Acquisition EB	%	\$
Land Acquisition				\$1.52	\$1,063	\$51,000	\$55,094	\$1,148	\$1.65				7.4%	\$4,094
Building Acquisition	\$1,004,537			\$30.93	\$21,553	\$1,034,537	\$1,000,443	\$20,843	\$29.91			\$937,874	-3.4%	(\$34,094)
Off-Sites				\$0.00	\$0	\$0	\$0	\$0	\$0.00				0.0%	\$0
Sitework		\$228,793		\$6.84	\$4,767	\$228,793	\$228,793	\$4,767	\$6.84		\$228,793		0.0%	\$0
Direct Construction		\$1,121,357		\$33.52	\$23,362	\$1,121,357	\$1,121,357	\$23,362	\$33.52		\$1,121,357		0.0%	\$0
Contingency		\$134,880	9.99%	\$4.03	\$2,810	\$134,880	\$134,880	\$2,810	\$4.03		\$134,880		0.0%	\$0
Contractor's Fees		\$188,616	12.70%	\$5.64	\$3,930	\$188,616	\$188,616	\$3,930	\$5.64	12.70%	\$188,616		0.0%	\$0
Indirect Construction		\$275,419		\$8.23	\$5,738	\$275,419	\$275,419	\$5,738	\$8.23		\$275,419		0.0%	\$0
Ineligible Costs				\$1.89	\$1,318	\$63,265	\$63,265	\$1,318	\$1.89				0.0%	\$0
Developer's Fees	\$155,000	\$468,000	19.99%	\$18.62	\$12,979	\$623,000	\$609,888	\$12,706	\$18.23	20.00%	\$422,313	\$187,575	-2.1%	(\$13,112)
Interim Financing		\$162,500		\$4.86	\$3,385	\$162,500	\$162,500	\$3,385	\$4.86		\$162,500		0.0%	\$0
Reserves				\$3.89	\$2,708	\$130,000	\$118,268	\$2,464	\$3.54				-9.9%	(\$11,732)
<b>TOTAL COST/BASIS</b>	\$1,159,537	\$2,579,565		\$119.98	\$83,612	\$4,013,367	\$3,958,523	\$82,469	\$118.34		\$2,533,878	\$1,125,448	-1.4%	(\$54,844)
<b>Identity of Interest Acquisition Adjustment</b>														
Developer's Fees	\$45,836	(\$45,836)												
Contractor's Fees		\$0												
Contingency		\$0												
<b>TOTAL USES/ADJUSTED BASIS</b>	\$1,205,373	\$2,533,729				\$4,013,367	\$3,958,523							

<b>Total Hard Costs</b>	\$44.40	\$30,938	\$1,485,030	\$1,485,030	\$30,938	\$44.40
<b>Hard Costs plus Contractor Fees</b>	\$50.03	\$34,868	\$1,673,646	\$1,673,646	\$34,868	\$50.03

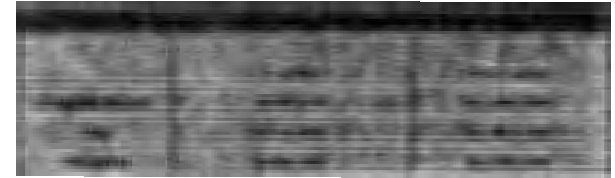
**\$3,958,523**

**Northwood Apartments, Navasota, 9% HTC #11081**

APPLICANT	
Acquisition EB	Rehab/New EB
\$0	\$0
\$1,205,373	\$2,533,729
	130%
\$1,205,373	\$3,293,847
100.00%	100.00%
\$1,205,373	\$3,293,847
3.48%	9.00%
\$41,947	\$296,446
<b>\$338,393</b>	

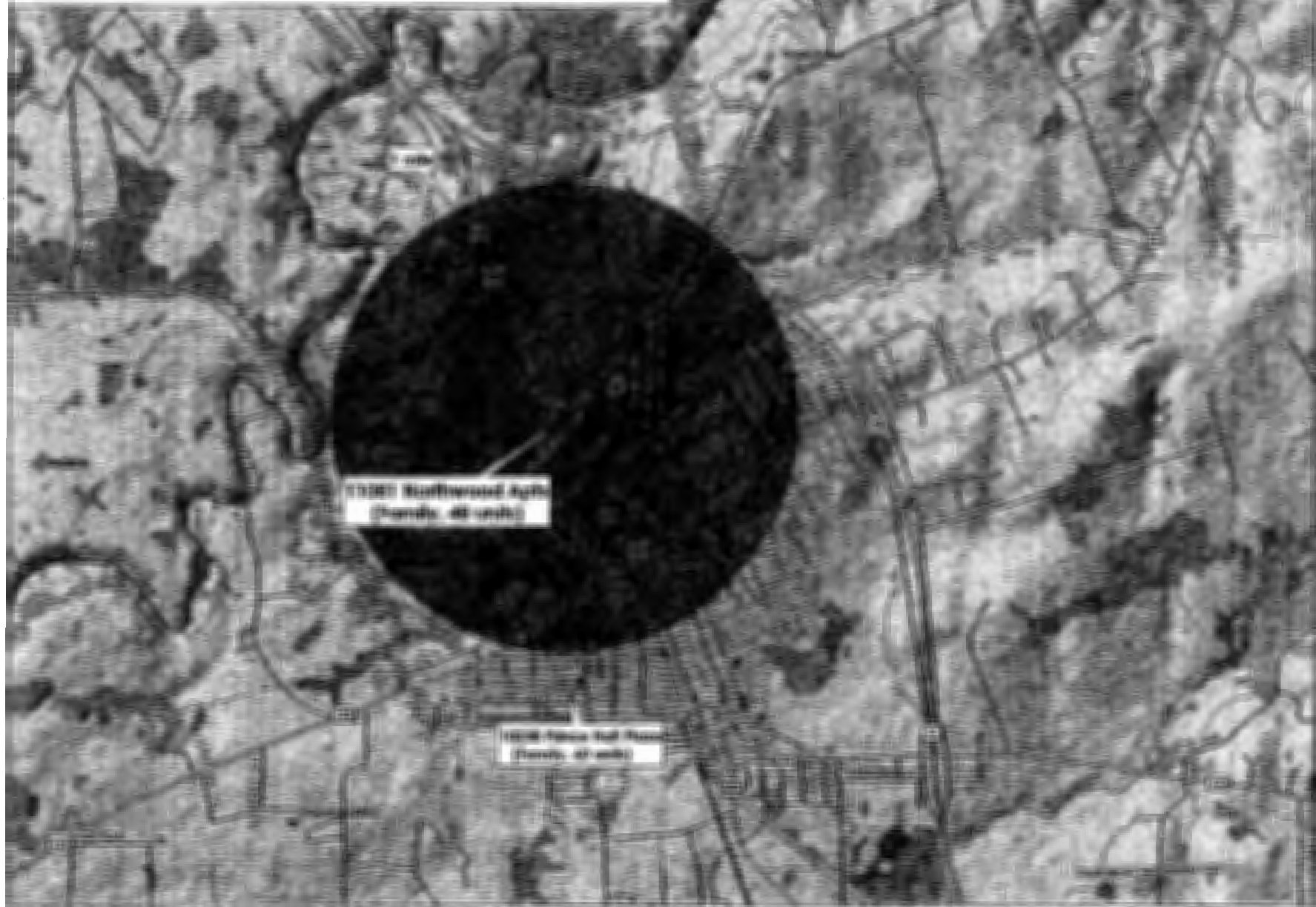
DEDUCTION FROM BASIS  
 TOTAL ELIGIBLE BASIS  
 High Cost Area Adjustment  
 TOTAL ADJUSTED BASIS  
 Applicable Fraction  
 TOTAL QUALIFIED BASIS  
 Applicable Percentage  
 TOTAL LIHTC's

TDHCA	
Acquisition EB	Rehab/New EB
\$0	\$0
\$1,125,448	\$2,533,878
	130%
\$1,125,448	\$3,294,041
100.00%	100.00%
\$1,125,448	\$3,294,041
3.48%	9.00%
\$39,166	\$296,464
<b>\$335,629</b>	



FINAL RECOMMENDED ALLOCATION		
Gap	\$332,894	\$2,463,166

# 11081 Northwood Apts



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TN  
 MN (2.7E)  
 Page 13 of 13

Scale 1 : 37,500  
 1" = 3,125.0 ft Data Zoom 12-4

11082

Oakwood Apts

Rural, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Oakwood Apts, TDHCA Number 11082**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 701 N. Madison St. Development #: 11082  
 City: Madisonville Region: 8 Population Served: General  
 County: Madison Zip Code: 77864 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: PK Oakwood Apartments, LP  
 Owner Contact and Phone: Ronald Potterpin, (517) 347-2001  
 Developer: Megan & Associates XIII, LLC  
 Housing General Contractor: PK Construction LLC  
 Architect: Harry W. Bostic Architect  
 Market Analyst: NA  
 Syndicator: Michel Associates, Ltd.  
 Supportive Services: TBD  
 Consultant and Contact: San Marcos Valley LLC,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>		Total Restricted Units:	36		
	4	0	14	18		Market Rate Units:	0		
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Owner/Employee Units:	0	
	0	0	36	0	0	0	Total Development Units:	36	
Type of Building:							Total Development Cost*:	\$3,323,223	
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/>	5 units or more per building						Number of Residential Buildings:	4
<input type="checkbox"/> Triplex	<input type="checkbox"/>	Detached Residence						HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/>	Single Room Occupancy						HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/>	Transitional							

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$291,886	\$283,295			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Oakwood Apts, TDHCA Number 11082

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

US Representative: Flores, District 17,

TX Representative: Beck, District 57, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Terri Creel, Mayor

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Oakwood Community Council, Cachandra Davis

Letter Score: 24 S or O: S

We feel the developer will make improvements to the units & property that will greatly benefit the residents.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: a management agreement supporting the Applicant's estimated management fee. a recommendation regarding the need for a noise assessment from the ESA provider.
2. Receipt and acceptance by Carryover: of documentation of USDA's approval of Contract rents that provide for at least \$245,000 in potential gross income; and of USDA-RD approval of the assumption and reamortization, as underwritten, of the existing USDA/RD loans.
3. Receipt and acceptance, by Cost Certification, of documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey completed to identify the presence of asbestos-containing-materials and lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials and lead-based paint be followed for the demolition and removal, or maintenance, of any such materials; and a comprehensive survey to identify the presence of lead -based paint and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Oakwood Apts, TDHCA Number 11082**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 7
- Total # Monitored: 0

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

Competitive Housing Tax Credits:  Score: 158  Meeting a Required Set-Aside Credit Amount\*: \$283,295

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11082 Program(s): 9% HTC

**Oakwood Apartments**

Address/Location: 701 N. Madison Street

City: Madisonville County: Madison Zip: 77864

Population: Family Program Set-Aside: USDA Area: Rural

Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 8

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$291,886				\$283,295				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - a management agreement supporting the Applicant's estimated management fee.
  - a recommendation regarding the need for a noise assessment from the ESA provider.
- 2 Receipt and acceptance by Carryover:
  - of documentation of USDA's approval of Contract rents that provide for at least \$245,000 in potential gross income; and
  - of USDA-RD approval of the assumption and reamortization, as underwritten, of the existing USDA/RD loans.
- 3 Receipt and acceptance, by Cost Certification, of documentation clearing environmental issues contained in the ESA report, specifically:
  - A comprehensive survey completed to identify the presence of asbestos-containing-materials and lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials and lead-based paint be followed for the demolition and removal, or maintenance, of any such materials; and
  - A comprehensive survey to identify the presence of lead -based paint and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



**SET-ASIDES**

## TDHCA SET-ASIDES for HTC LURA

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	14
60% of AMI	60% of AMI	18

**RISK PROFILE****STRENGTHS/MITIGATING FACTORS**

- Property has USDA Rental Assistance on 33 of 36 units
- USDA subsidy can increase to offset operating cost increases
- Principals of Applicant has extensive LIHTC/USDA development experience.

**WEAKNESSES/RISKS**

- Expense to income ratio is 67%, which on the high end of typical expense ratios
- Deal is dependent on continued rental assistance in excess of the market rents

**PREVIOUS UNDERWRITING REPORTS**

The subject transaction originally received an allocation of tax credits in 1994 and is currently known as Lance Street Apartments (#94250). The development has completed its 15 year compliance period. The award of new credits will allow the property to be revitalized and continue to provide safe and sanitary housing.

**DEVELOPMENT TEAM**

## PRIMARY CONTACTS

Name: Ronald Potterpin Relationship: Owner of the GP  
 Email: ppotterpin@pkhousing.com Phone: (517) 347-2001 Fax: (517) 347-9626

Name: Don Nichols Relationship: Owner of Consultant  
 Email: dnicwark@gmail.com Phone: (386) 956-9699 Fax: (866) 528-8430

## KEY PRINCIPALS

Related-Party Seller/Identity of Interest: No

- The Applicant, Developer, General Contractor and property manager are related entities.



**BUILDING CONFIGURATION**

Building Type	A	B		<b>Total Buildings</b>
Floors/Stories	2	2		<b>4</b>
Number of Bldgs	1	3		
Units per Bldg	12	8		
<b>Total Units</b>	<b>12</b>	<b>24</b>		<b>36</b>

**Rehabilitation Summary:**

The rehabilitation scope of work includes the repair/replacement of roofing, HVAC, windows, doors, interior flooring, cabinets, countertops & sinks, bath & electric fixtures, appliances, landscaping, drives and parking, foundation repair, and interior and exterior painting.

**Relocation Plan:**

The units will be rehabilitated in groups of four. Tenants will be notified of the rehabilitation schedule with sufficient time to make plans and to pack their personal items. The rehabilitation of each group of four will be completed in one week. Each apartment will be emptied of most or all of the tenant's personal items by the Applicant's staff on Monday morning of the week scheduled for that apartment. The tenant's personal items will be stored on site in a locked semi trailer. The tenant will stay at a local motel at the expense of the Applicant during the week of the renovations. The Applicant's crew will complete the rehabilitation of the unit during the week and on Friday of that week the unit will be completed and inspected, and the tenant's personal items will be moved back into the apartment. The tenant will then be able to return back to the apartment on that Friday.

**GENERAL INFORMATION**

Total Size:	<u>2.041 acres</u>	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>Multifamily</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>17.6384 units/acre</u>	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

Surrounding property uses are single family residential homes.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Bandy & Associates, Inc. Date: 2/17/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Prior to any renovation or demolition activities of an existing structure, EPA and the State of Texas require that a comprehensive asbestos survey be conducted on the facility." (p 29)

**Comments:**

The ESA provider indicated that noise and lead-based paint assessments were outside the scope of the ESA. However, recommendations regarding noise and lead based paint are requirements of the REA rules and are conditions of this report.

**MARKET ANALYSIS**

Provider: Rafael C. Luebbert Date: 2/9/2011  
 Contact: Rafael C. Luebbert Phone: (210) 408-6041  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA):

"The market area is that geographical region enveloped by Madison, Grimes, and Walker Counties. Madisonville is located within Madison County. However, a search of the area revealed no significant conventional apartment complexes. The closest comparable market was that in the Huntsville area at its northwesterly sector. The market from the area of College Station and Bryan (Brazos County) was ignored. The described area is one which would influence the economics of the property. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region." (p 26)

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	---	---	---	---
2	\$0	\$12,390	---	---	\$0	\$20,650	\$0	\$24,780
3	\$0	\$13,920	---	---	\$0	\$23,200	\$0	\$27,840
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

Primary Market Occupancy Rates:

The Applicant's rent roll indicates 3 vacant units out of 36 total units, or 92% occupancy. The three comparable properties cited in the appraisal as rent comparables have reported occupancies of 94%, 93%, and 91%.

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 92% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$78,339	Avg. Rent:	\$577	Expense Ratio:	66.35%
Debt Service:	\$62,356	B/E Rent:	\$533	Controllable Expenses:	\$2,576
Net Cash Flow:	\$15,983	Occupancy:	92.50%	Property Taxes/Unit:	\$236
Aggregate DCR:	1.26:1	B/E Occupancy:	86.15%	Program Rent Year:	2011

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

Both the Applicant's and the Underwriter's rents are based on projected USDA Rental Assistance contract rents for 33 of the total 36 units. The development has 33 units receiving USDA Rental Assistance (RA). The Applicant's and Underwriter's rents for these units are based on the Applicant's expected USDA Contract rents. The proposed Contract rents will require that the Applicant receive approval from USDA of a 23% increase in the current Contract rents reflected in the application. The Applicant's rents for the 3 non-RA units are equal to the net HTC program rents. However, the market rents reflected in the appraisal are well below the current and proposed Contract rents and the HTC net rents. The Underwriter used the market rents for the 3 non-RA units, which accounts for the difference in effective gross income.

Generally, USDA does not approve Contract rents that are higher than the market rents (called CRCU or Comparable Rent for Comparable Units by USDA). Additionally, RA rents are often limited to those that can be achieved by the non-RA units. For both circumstances, USDA has the ability to approve exceptions to the general requirements and often does for tax credit/USDA 515 layered transactions and the underwritten proforma indicates such exceptions are necessary for the subject. In order for the proforma to reflect a 1.15 debt coverage ratio, the underwritten potential gross income must be \$245,000. Accordingly, receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$245,000 in potential gross income is a condition of this report.

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

The Applicant's total annual operating expense projection at \$4,290 per unit is within 5% of the Underwriter's estimate of \$4,215, derived primarily from the actual operating history of the development. The Applicant indicates a management fee of 10.21%, which is significantly higher than the 5% underwriting standard. A higher management fee is typical for USDA transactions, but adequate support was not provided for the higher fee. Receipt and acceptance, by Commitment, of a management agreement supporting the Applicant's estimated management fee is a condition of this report.

The Underwriter's replacement reserve is based on future repairs and capital improvements reflected in the third-party Capital Needs Assessment (CNA). The Underwriter's replacement reserve estimate of \$504/unit is the amount necessary to fund future needs for 15 years as documented in the CNA.

**Conclusion:**

The Applicant's year one pro forma was used to determine the development's debt capacity. Based on the underwritten financing structure the Applicant's DCR is 1.26. The Applicant's and the Underwriter's expense to income ratios exceed the Department's normal maximum of 65%. However, the Rental Assistance received allows the development to qualify for an exception to the maximum expense ratio pursuant to §1.32(i)(6)(B)(v) of the 2011 REA Rules. The viability of the transaction is dependent upon receipt of an increase in rental assistance from USDA and continued rental assistance though the affordability period.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The debt coverage ratio remains above 1.15 for 15 years.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Appraiser: <u>Rafael C. Luebbert, MAI, SRA</u>	Date: <u>2/12/2011</u>		
Land Only: 2.042 acres	\$32,000	Per Unit:	\$889
Existing Buildings: (as-is)	\$846,000	Per Unit:	\$23,500
Favorable Financing:	\$314,000	Per Unit:	\$8,722
Total Development: (as-is)	\$1,192,000	Per Unit:	\$33,111

**Comments:**

The appraiser provided an "as is and as restricted" market value of \$878,000, and interest credit subsidy values of \$314,000 for the USDA/RD mortgages being assumed.

**SITE CONTROL**

Type: Option to Purchase Real Property Acreage: 2.042

Acquisition Cost: \$123,000 equity to seller plus assumption of USDA debt of approximately \$662,448

Cost Per Unit: \$21,818

Seller: Lance Street Apartments, Ltd. Related to Development Team?  Yes  No

**Comments:**

The purchase price of the development is \$123,000 plus the assumption of the existing debt on the development.

The Applicant estimated a building basis of \$783,448, which is equal a purchase price of \$153,000 plus USDA loans less a land value of \$32,000. However, the option agreement reflects a purchase price of \$123,000 plus USDA loan assumption. This is \$30,000 less than reflected in the Applicant's cost schedule. Additionally, the reserve account with a balance of approximately \$42,449 (per the option agreement) will transfer to the buyer. This must also be deducted from the acquisition price to determine the building eligibility basis. The resulting underwritten building basis of \$710,999 is equal to \$123,000 plus USDA loan assumption less land of \$32,000 and reserve account of \$42,449. Closing costs of \$30,000 are also excluded by both the Applicant and Underwriter.

**DEVELOPMENT COST EVALUATION**

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

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Direct Construction Cost:**

Both the Applicant's and the Underwriter's direct construction costs are the same and reflect the Capital Needs Assessment (CNA) estimates based on the immediate needs and the Applicant's additional scope of work.

**Developer Fee:**

The Applicant disproportionately allocated the developer fee between the acquisition and rehab basis. The Underwriter adjusted the eligible basis calculation to correctly apportion developer fee in accordance with the rules.

**Reserves**

The Applicant estimated operating reserves of \$105,000. This was based on the premises that their syndicator, Michel Associates, Ltd. will require reserves of 5 months of expenses and debt service. Based on this formula, the Applicant estimated 5 months operating expenses of \$154,450 annually, debt service of \$41,515 for the Great Lakes loan, and \$16,842 debt service for the USDA loan. This yielded \$216,807 annually or \$18,067 per month, which comes to \$90,336 for 5 months. The Applicant then rounded this \$90,336 up to \$105,000. The Underwriter used the Department's normal reserve calculation formula which resulted in total reserves of \$85,614.

**Conclusion:**

The Underwriter's cost schedule was used to determine the development's eligible basis and total development cost. An eligible basis, including the 30% boost, of \$3,730,049 supports annual tax credits of \$288,608. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Great Lakes Capital Fund / Fannie Mae	\$507,954	7.10%	12 Months	15%
Stearns Bank Construction Loan	\$965,000	7.50%	18 Months	29%
USDA 515 Loan	\$662,448	1.00%	N/A	20%
Michel Associates, Ltd	\$1,079,871	0.00%	12 Months	32%
Deferred Developer Fee	\$153,639	0.00%	12 Months	5%
<b>Total</b>	<b>\$3,368,912</b>			

**Comments:**

The total construction sources are greater than the total development cost. However, the draw down of these sources will be managed by the lenders and syndicator and the total sources at any given time will not exceed the amount necessary to fund actual costs.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Great Lakes Capital Fund / Fannie Mae	\$564,393	7.10%	30 Years	30 Years	17%
USDA 515 Loan	\$662,448	1.00%	50 Years	30 Years	20%
<b>Total</b>	<b>\$1,226,841</b>				

**Comments:**

Fannie Mae will require a parity first lien position with the USDA/RD loan. During underwriting the Applicant provided a standard form of documentation from a previously negotiated agreement between USDA and Fannie Mae on the subordination of USDA's priority first lien with some rights reserved. This agreement provides the parity lien to the two organizations.

The Applicant is proposing to assume the two existing USDA/RD loans that has total combined outstanding balances of approximately \$662,448; however, they are proposing that the recast loans be restructured with a new amortization and loan terms. Accordingly, receipt and approval, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loans is a condition of this report. The Fannie Mae loan is also conditioned upon the restructuring of the USDA/RD loan.

The two USDA loans being assumed consist of one originally dated 11/1/1994 in the amount of \$200,000 with a current balance of approximately \$177,613, and a second loan originally dated 6/30/1995 in the amount of \$751,754 with a current balance of approximately \$484,835. The original interest rates of the two loans were 8.0% each; however, USDA granted interest credit subsidies on both that reduced the effective interest rates to 1%.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Michel Associates, Ltd	\$2,096,382	\$0.74	63%	
Deferred Developer Fees	\$0		0%	0%
<b>Total</b>	<b>\$2,096,382</b>			
<b>Total Sources</b>	<b>\$3,323,223</b>			

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's total development cost estimate less permanent loans of \$1,226,841 indicate the need for \$2,096,382 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$283,295 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$288,608
<b>Allocation determined by gap in financing:</b>	<b>\$283,295</b>
Allocation requested by the Applicant:	\$291,886

The allocation amount determined by the gap in financing is recommended. A tax credit allocation of \$283,295 per year for 10 years results in total equity proceeds of \$2,096,382 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure does not indicate the need for any additional permanent funds. However, if it is determined that additional funds are needed due to cost overruns, etc, then deferred developer fees should be available to fund those costs.

### Return on Equity:

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>June 10, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>June 10, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 10, 2011</u>



**UNIT MIX RENT SCHEDULE**  
**Oakwood Apartments, Madisonville, 9% HTC #11082**

LOCATION DATA	
CITY:	Madisonville
COUNTY:	Madison
PROGRAM REGION:	8
RURAL RENT USED:	Yes
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1		
2	36	100.0%
3		
4		
<b>TOTAL</b>	<b>36</b>	<b>100.0%</b>

Applicable Programs
LIHTC
USDA

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																					
UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
HTC Type	HTC Gross Rent	Other Designation/Subsidy	USDA Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$348	USDA RA	\$695	4	2	1	710	\$695	\$118	\$577	\$0	\$0.81	\$577	\$2,308	\$2,308	\$577	\$0.81	\$0	\$436	0.61	\$141
TC50%	\$579	USDA RA	\$695	14	2	1	710	\$695	\$118	\$577	\$0	\$0.81	\$577	\$8,078	\$8,078	\$577	\$0.81	\$0	\$436	0.61	\$141
TC60%	\$696	USDA RA	\$695	15	2	1	710	\$695	\$118	\$577	\$0	\$0.81	\$577	\$8,655	\$8,655	\$577	\$0.81	\$0	\$436	0.61	\$141
TC60%	\$696		\$695	3	2	1	710	\$695	\$118	\$577	\$0	\$0.81	\$577	\$1,731	\$1,308	\$436	\$0.61	(\$141)	\$436	0.61	\$0
<b>TOTALS/AVERAGES:</b>				<b>36</b>			<b>25,660</b>				<b>\$0</b>	<b>\$0.81</b>	<b>\$577</b>	<b>\$20,772</b>	<b>\$20,349</b>	<b>\$665</b>	<b>\$0.80</b>	<b>(\$12)</b>	<b>\$436</b>	<b>\$0.61</b>	<b>\$129</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>														<b>\$249,264</b>	<b>\$244,188</b>						

**STABILIZED PROFORMA**

**Oakwood Apartments, Madisonville, 9% HTC #11082**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	2009 Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>		\$169,709		\$0.81	\$577	\$249,264	\$244,188	\$565	\$0.80		-2.1%	(\$5,076)
Laundry		\$0			\$2.78	\$1,200					0.0%	(1,200)
Vending		\$0			\$2.78	\$1,200					0.0%	(1,200)
Other Income		\$1,084			\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$2,400	\$5.56			100.0%	2,400
<b>POTENTIAL GROSS INCOME</b>		\$170,793				\$251,664	\$246,588				-2.1%	(\$5,076)
Vacancy & Collection Loss		\$0			7.5% PGI	(18,875)	(18,494)	7.5% PGI			-2.1%	381
Non-Rental Units/Concessions		\$0				-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$170,793				\$232,789	\$228,094				-2.1%	(\$4,695)

General & Administrative	\$11,617	\$323/Unit	\$8,548	4.23%	\$0.39	\$274	\$9,850	\$8,548	\$237	\$0.33	3.75%	15.2%	1,302	
Management	\$17,622	8.5% EGI	\$17,213	10.21%	\$0.93	\$680	\$23,760	\$23,288	\$647	\$0.91	10.21%	2.0%	472	
Payroll & Payroll Tax	\$25,161	\$699/Unit	\$30,084	16.54%	\$1.51	\$1,069	\$36,500	\$30,084	\$836	\$1.18	13.19%	28.0%	8,416	
Repairs & Maintenance	\$28,357	\$788/Unit	\$26,939	9.02%	\$0.82	\$593	\$21,000	\$26,939	\$748	\$1.05	11.81%	-22.0%	(5,939)	
Utilities	\$6,303	\$231/Unit	\$4,449	1.46%	\$0.13	\$94	\$3,400	\$4,449	\$124	\$0.17	1.95%	-23.6%	(1,049)	
Water, Sewer, & Trash	\$16,713	\$464/Unit	\$21,331	8.59%	\$0.78	\$566	\$20,000	\$21,331	\$593	\$0.83	9.35%	-6.2%	(1,331)	
Property Insurance	\$8,883	\$0.35 SF	\$9,939	4.30%	\$0.39	\$278	\$10,000	\$9,939	\$276	\$0.39	4.30%	0.6%	61	
Property Tax	2,3189	\$13,095	\$384/Unit	\$7,581	3.65%	\$0.33	\$236	\$8,500	\$7,581	\$211	\$0.30	3.32%	12.1%	919
Reserve for Replacements	\$12,924	\$359/Unit		7.73%	\$0.70	\$500	\$18,000	\$18,144	\$504	\$0.71	7.95%	-0.8%	(144)	
TDHCA Compliance Fees				0.62%	\$0.06	\$40	\$1,440	\$1,440	\$40	\$0.06	0.63%	0.0%	-	
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Supportive service contract fees				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
<b>TOTAL EXPENSES</b>		\$ 126,084		66.35%	\$6.04	\$4,290	\$ 154,450	\$ 151,743	\$4,215	\$5.94	66.53%	1.8%	\$ 2,707	
<b>NET OPERATING INCOME ("NOI")</b>		\$ 44,709		33.65%	\$3.06	\$2,176	\$78,339	\$76,351	\$2,121	\$2.99	33.47%	2.6%	\$1,989	

<b>CONTROLLABLE EXPENSES</b>	\$2.504/Unit	#DIV/0!		\$2.576/Unit		\$2.538/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$232,789	\$237,445	\$242,194	\$247,038	\$251,979	\$278,205	\$307,180	\$339,130	\$374,427	\$413,397	\$456,424	\$503,929
LESS: TOTAL EXPENSES	154,450	158,846	163,369	168,023	172,811	198,916	229,031	263,780	303,882	350,174	403,618	465,333
<b>NET OPERATING INCOME</b>	\$78,339	\$78,599	\$78,825	\$79,015	\$79,167	\$79,288	\$78,129	\$75,350	\$70,544	\$63,224	\$52,806	\$38,596
LESS: DEBT SERVICE	62,356	62,356	62,356	62,356	62,356	62,356	62,356	62,356	62,356	62,356	62,356	62,356
<b>NET CASH FLOW</b>	\$15,983	\$16,243	\$16,469	\$16,659	\$16,811	\$16,932	\$15,773	\$12,994	\$8,188	\$868	(\$9,550)	(\$23,760)
<b>CUMULATIVE NET CASH FLOW</b>	\$15,983	\$32,226	\$48,694	\$65,353	\$82,164	\$167,034	\$248,793	\$320,045	\$371,499	\$391,593	\$366,046	\$277,336
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.26	1.26	1.26	1.27	1.27	1.27	1.25	1.21	1.13	1.01	0.85	0.62
<b>EXPENSE/EGI RATIO</b>	66.35%	66.90%	67.45%	68.02%	68.58%	71.50%	74.56%	77.78%	81.16%	84.71%	88.43%	92.34%

**CAPITALIZATION TOTAL DEVELOPMENT BUDGET ITEMIZED BASIS**

**Oakwood Apartments, Madisonville, 9% HTC #11082**

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE												AS UNDERWRITTEN DEBT/GRANT STRUCTURE			
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative			
	UW	App											DCR	LTC		
Great Lakes Capital Fund / Fannie Mae	1.88	1.72	\$45,515	7.10%	30	30	\$584,393	\$584,393	30	30	7.10%	\$45,515	1.72	17.0%		
USDA 515 Loan	1.22	1.26	\$18,841	1.00%	50	30	\$862,448	\$862,448	30	50	1.00%	\$18,841	1.26	19.9%		
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$62,356</b>				<b>\$1,226,841</b>	<b>\$1,226,841</b>				<b>\$62,356</b>		<b>36.9%</b>		
<b>NET CASH FLOW</b>			<b>\$15,983</b>									<b>\$13,994</b>				

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE										AS UNDERWRITTEN EQUITY STRUCTURE			
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary				
										Total Developer Fee	15-Yr Cash Flow			
Michel Associates, Ltd	LIHTC Equity	65.0%	\$291,886	0.74	\$2,159,742	\$2,096,382	0.74	\$263,295	63.1%	Annual Credit per Unit:	\$58,233			
Deferred Developer Fee	Deferred Developer Fees	0.0%	(0% Deferred)	\$0	\$0	(0% Deferred)	\$0	0.0%	Total Developer Fee:	\$511,027				
Additional (Excess) Funds Req'd		0.0%		\$0	\$0			0.0%	15-Year Cash Flow:	\$248,793				
<b>TOTAL EQUITY SOURCES</b>		<b>65.0%</b>			<b>\$2,159,742</b>	<b>\$2,096,382</b>			<b>63.1%</b>	<b>15-Yr Cash Flow after Fee:</b>	<b>\$248,793</b>			
<b>TOTAL CAPITALIZATION</b>					<b>\$3,386,583</b>	<b>\$3,323,223</b>								

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$								
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition										
Land Acquisition			\$889 / Unit	\$32,000	\$32,000	\$889 / Unit			0.0%	\$0						
Building Acquisition	\$783,448		\$22,596 / Unit	\$813,448	\$783,448	\$21,762 / Unit	\$710,999		-3.8%	(\$30,000)						
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0						
Sitework		\$231,986	\$6,444 / Unit	\$231,986	\$231,986	\$6,444 / Unit	\$231,986		0.0%	\$0						
Direct Construction		\$940,893	\$36.81 SF	\$26,136/Unit	\$940,893	\$940,893	\$26,136/Unit	\$36.81 SF	\$940,893	0.0%	\$0					
Contingency		\$117,171	9.99%	\$117,171	\$117,171	9.99%	\$117,171		0.0%	\$0						
Contractor's Fees		\$163,850	12.70%	\$163,850	\$163,850	12.70%	\$163,850		0.0%	\$0						
Indirect Construction		\$236,735	\$8,576 / Unit	\$236,735	\$236,735	\$8,576 / Unit	\$236,735		0.0%	\$0						
Ineligible Costs			\$1,861 / Unit	\$67,000	\$67,000	\$1,861 / Unit			0.0%	\$0						
Developer's Fees	\$135,000	\$390,000	19.88%	\$525,000	\$511,027	20.00%	\$368,827	\$142,200	-2.7%	(\$13,973)						
Interim Financing		\$153,500	\$4,264 / Unit	\$153,500	\$153,500	\$4,264 / Unit	\$153,500		0.0%	\$0						
Reserves			\$2,917 / Unit	\$105,000	\$85,814	\$2,378 / Unit			-22.6%	(\$19,386)						
<b>UNADJUSTED BASIS / COST</b>	<b>\$918,448</b>	<b>\$2,234,135</b>	<b>\$94,072 / Unit</b>	<b>\$3,386,583</b>	<b>\$3,323,223</b>	<b>\$92,312 / Unit</b>	<b>\$2,212,962</b>	<b>\$853,199</b>	<b>-1.9%</b>	<b>(\$63,360)</b>						
Acquisition Cost for Identity of Interest Seller				\$0												
Developer's Fee	\$21,536	(\$21,536)														
Contractor's Fee		\$0														
Contingency		\$0														
<b>ADJUSTED BASIS / COST</b>	<b>\$939,984</b>	<b>\$2,212,599</b>	<b>\$94,072 / Unit</b>	<b>\$3,386,583</b>	<b>\$3,323,223</b>		<b>\$2,212,962</b>	<b>\$853,199</b>								
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$3,323,223</b>											

**CAPITALIZATION DEVELOPMENT COSTS BASED ON ELIGIBLE BASIS ITEMS**

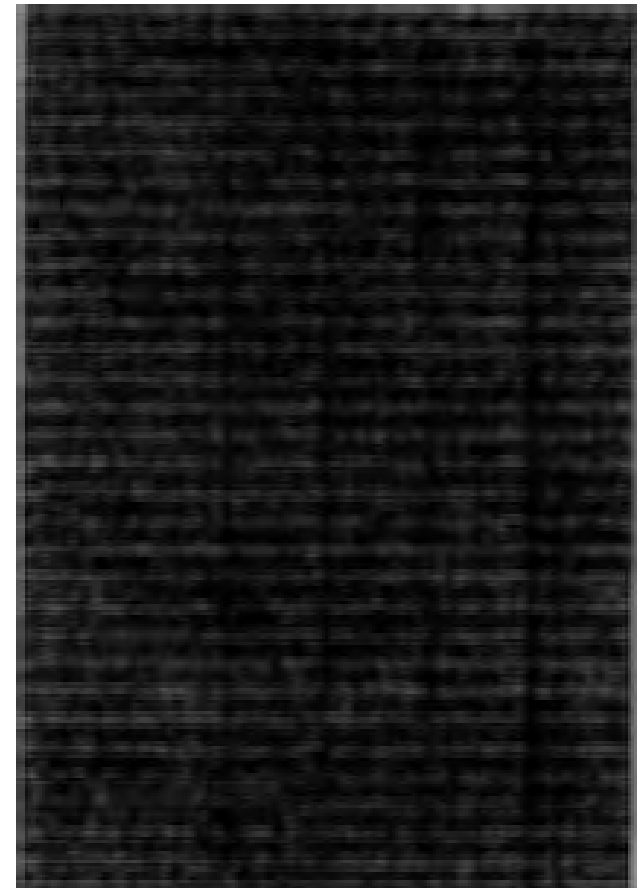
*Oakwood Apartments, Madisonville, 9% HTC #11082*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$939,984	\$2,212,599	\$853,199	\$2,212,962
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$939,984	\$2,212,599	\$853,199	\$2,212,962
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$939,984	\$2,876,379	\$853,199	\$2,876,851
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$939,984	\$2,876,379	\$853,199	\$2,876,851
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$32,711	\$258,874	\$29,691	\$258,917
CREDITS ON QUALIFIED BASIS	\$291,586		\$288,608	

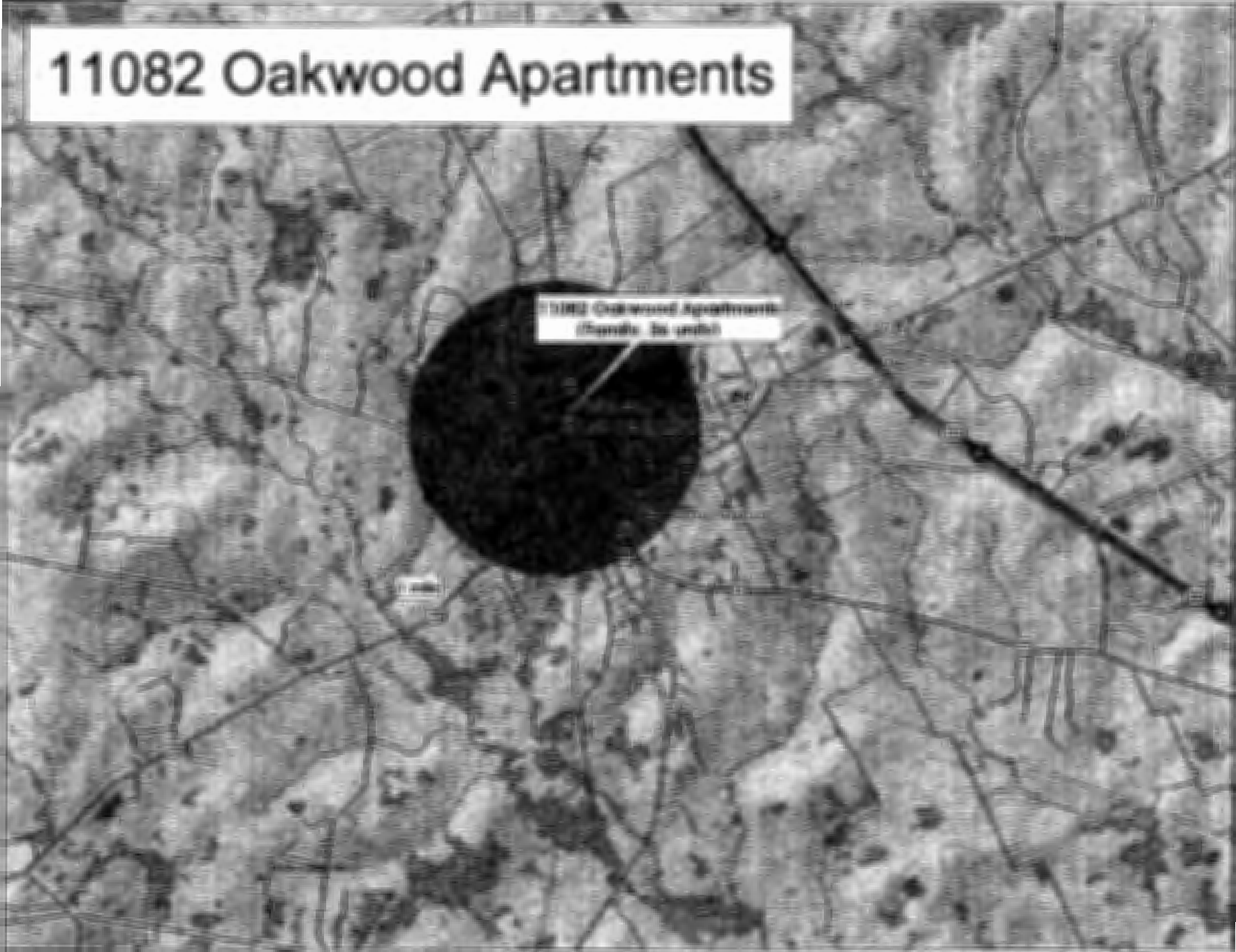
ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$288,608	\$2,135,698
Gap	\$283,295	\$2,096,382
Request	\$291,886	\$2,159,958

FINAL ANNUAL HTC ALLOCATION	
Method	Gap
Credits	\$283,295
Underwritten Proceeds	\$2,096,382

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$50.47	\$35,835	\$1,290,050	\$1,290,050	\$35,835	\$50.47
Hard Costs plus Contractor Fees	\$56.88	\$40,386	\$1,453,900	\$1,453,900	\$40,386	\$56.88



# 11082 Oakwood Apartments



11082 Oakwood Apartments  
(Circle 30 yards)

11083

Countrywood Apts

Rural, Region 4



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Countrywood Apts, TDHCA Number 11083**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7080 Lamar Rd. Development #: 11083  
 City: Reno Region: 4 Population Served: General  
 County: Lamar Zip Code: 75462 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: PK Countrywood Apartments, LP  
 Owner Contact and Phone: Ronald Potterpin, (517) 347-2001  
 Developer: Megan & Associates XI, LLC  
 Housing General Contractor: PK Construction LLC  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: NA  
 Syndicator: Michel Associates, Ltd.  
 Supportive Services: TBD  
 Consultant and Contact: San Marcos Valley LLC,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	24	
	4	0	8	12	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	16	0	0	0	
Type of Building:						Total Development Units:	24
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$2,328,247
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	8

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$197,271	\$189,311			
HOME Activity Fund Amount:	\$352,226	\$352,226	40	30	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Countrywood Apts, TDHCA Number 11083

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Eltife, District 1, S

US Representative: Hall, District 4,

TX Representative: Cain, District 3, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 4 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Models of the Maker, S, Dana Sale, Executive Director
YWCA Paris and Lamar County, S, Charla Farmer, Director of Women's Services
Shelter Agencies for Families in East Texas, Inc., S, Dr. Claire Haslam

General Summary of Comment:

Support - Shelter Agencies for Families in East Texas Inc. support the development because there is a need for affordable housing. There is a need for senior housing in the area. (all letters of support from supportive non-profit agencies)

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment of: A management agreement supporting the Applicant's estimated management fee.
2. Receipt and acceptance by Carryover of: USDA/RD approval of the proposed rates and terms transfer of the existing USDA/RD loans and acceptance of the additional HOME loan funds as a parity first lien with the existing USDA/RD loans; of USDA's requirements related to reserves and reserve for replacements; and of documentation of USDA's approval of Contract rents that provide for at least \$134,496 in potential gross income.
3. Receipt and acceptance by Cost Certification of: Documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey be completed to identify the presence of any asbestos-containing materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials. A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Countrywood Apts, TDHCA Number 11083**

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 7
- Total # Monitored: 0

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

Competitive Housing Tax Credits:  Score: **162**  Meeting a Required Set-Aside Credit Amount\*: \$189,311

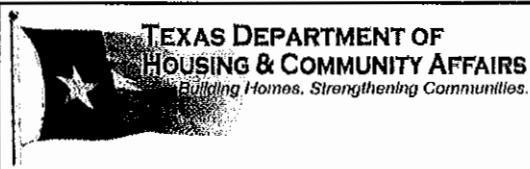
Recommendation: Competitive in USDA Allocation

HOME Activity Funds: Loan Amount: \$352,226

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

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11083 Program(s): 9% HTC / HOME

**Countrywood Apartments**

Address/Location: 7080 Lamar Road, Reno, Texas 75462

City: Reno County: Lamar Zip: 75462

Population: Family Program Set-Aside: At-Risk Area: Rural

Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 4

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$352,226	2.00%	40	30	\$352,226	2.00%	40	30	Parity
LIHTC (Annual)	\$197,271				\$189,311				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment of:
  - A management agreement supporting the Applicant's estimated management fee.
- 2 Receipt and acceptance by Carryover of:
  - USDA/RD approval of the proposed rates and terms transfer of the existing USDA/RD loans and acceptance of the additional HOME loan funds as a parity first lien with the existing USDA/RD loans;
  - of USDA's requirements related to reserves and reserve for replacements; and
  - of documentation of USDA's approval of Contract rents that provide for at least \$134,496 in potential gross income.
- 3 Receipt and acceptance by Cost Certification of:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - A comprehensive survey be completed to identify the presence of any asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
    - A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	8
60% of AMI	60% of AMI	12

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	8
60% of AMFI	High HOME	12

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▫	Property has USDA Rental Assistance on all 24 units
▫	USDA can offset increases in expenses and debt service with increases in rental subsidies
▫	Site is well located with good access to amenities and to US Hwy 82, a major thoroughfare
▫	Principals of Applicant has extensive LIHTC/USDA development experience

WEAKNESSES/RISKS	
▫	Expense to income ratio is 76% and break-even occupancy is 93%
▫	Deal is dependent on continued rental assistance at rates in excess of the market rents
▫	DCR below 1.15 starting in year 5 (does not consider USDA approved rent increases)

**PREVIOUS UNDERWRITING REPORTS**

The subject transaction originally received an allocation of tax credits in 1988 and is currently known as the Regency Apartments. The development has completed its 15 year compliance period. The award of new credits will allow the property to be revitalized and continue to provide safe and sanitary housing.

**DEVELOPMENT TEAM****PRIMARY CONTACTS**

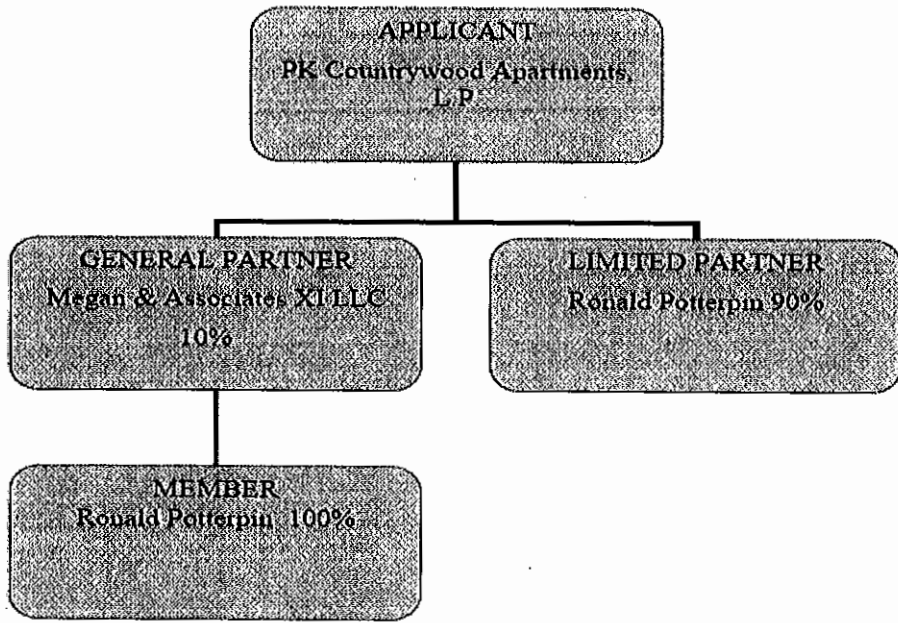
Name: <u>Ronald Potterpin</u>	Relationship: <u>Developer / Applicant</u>
Email: <u>ppotterpin@pkhousing.com</u>	Phone: <u>(517) 347-2001</u> Fax: <u>(517) 347-9626</u>
Name: <u>San Marcos Valley, LLC</u>	Consultant: <u>Don Nichols</u>
Email: <u>dnicwork@gmail.com</u>	Phone: <u>(386) 956-9699</u> Fax: <u>(866) 528-8430</u>

**KEY PRINCIPALS**

Related-Party Seller/Identity of Interest: Yes

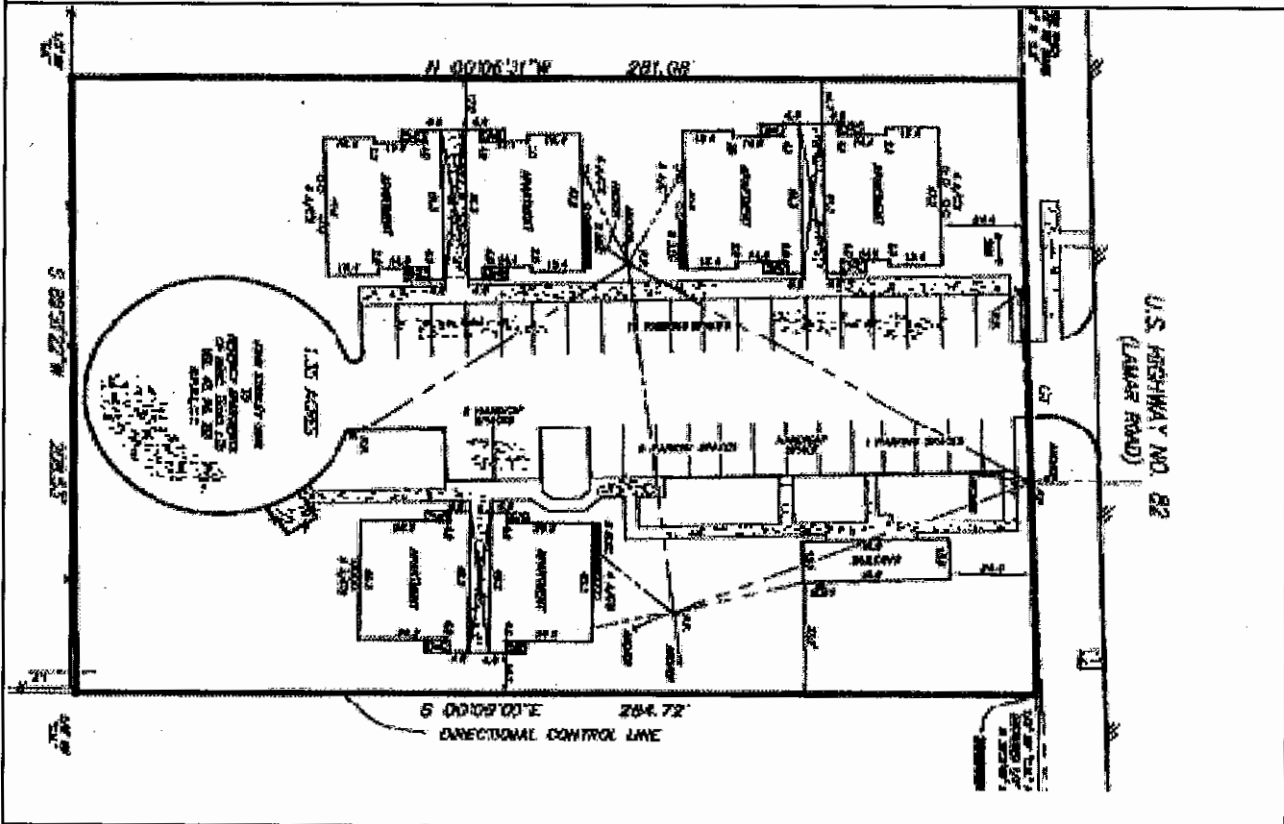
- The subject is considered an Identity of Interest transaction development because Megan Property Management, Inc., the proposed property manager and TMG Executive Management, LLC., a development consultant, both owned by Gary Maddock, are considered members of the Applicant's Development Team. Gary Maddock is also Chairman of Megan Asset Services, LLC., the current General Partner and Investor Services Agent of the Seller. This is also discussed in the acquisition section below.
- The Applicant, Developer, General Contractor and property manager are related entities.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



**BUILDING CONFIGURATION**

Building Type	A	B		Total Buildings
Floors/Stories	2	2		3
Number of Bldgs	1	2		
Units per Bldg	8	8		
<b>Total Units</b>	<b>8</b>	<b>16</b>		<b>24</b>

**Rehabilitation Summary:**

The rehabilitation scope of work includes the repair, replacement, or construction of roof coverings (asphalt shingles), HVAC, windows, doors, interior flooring, cabinets, countertops & sinks, bath & electric fixtures, appliances, landscaping, drives and parking, foundation repair, and interior and exterior painting.

**Relocation Plan:**

The units will be rehabilitated in groups of four. Tenants will be notified of the rehabilitation schedule with sufficient time to make plans and to pack their personal items. The rehabilitation of each group of four will be completed in one week. Each apartment will be emptied of most or all of the tenant's personal items by the Applicant's staff on Monday morning of the week scheduled for that apartment. The tenant's personal items will be stored on site in a locked semi trailer. The tenant will stay at a local motel at the expense of the Applicant during the week of the renovations. The Applicant's crew will complete the rehabilitation of the unit during the week and on Friday of that week the unit will be completed and inspected, and the tenant's personal items will be moved back into the apartment. The tenant will then be able to return back to the apartment on that Friday.

**GENERAL INFORMATION**

Total Size:	<u>1.35</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>MF-1 Multifamily</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>17.8</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

The area is generally sparse residential and retail with vacant land all around.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Bandy & Associates, Inc Date: 2/21/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Prior to any renovation or demolition activities of an existing structure, EPA and the State of Texas require that a comprehensive asbestos survey be conducted on the facility." (pg 1)

**MARKET ANALYSIS**

Provider: Rafael Luebbert Date: 1/31/2011

Contact: Rafael Luebbert Phone: (210) 408-6041

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

**Primary Market Area (PMA):**

"The market area is that geographical region enveloped by the community of Paris, within Lamar County. Paris is adjacent to Reno to the west. There were insufficient numbers of conventional project samples within Reno to enable the appraiser to deduce economic rentals. This is an area which would influence the economics of the property within the described market area. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region" (pg 26)

ELIGIBLE HOUSEHOLDS BY INCOME								
Lamar County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
			40% of AMI		50% of AMI		60% of AMI	
		max	min	max	min	max	min	max
1	\$9,531	\$10,380	---	---	\$15,874	\$17,300	\$19,063	\$20,760
2	\$9,531	\$11,880	---	---	\$15,874	\$19,800	\$19,063	\$23,760
3	\$11,417	\$13,350	---	---	\$19,063	\$22,250	\$22,869	\$26,700
4	---	---	---	---	---	---	---	---

**Primary Market Occupancy Rates:**

The Applicant's rent roll indicates 1 vacant unit out 24 total units, or 96% occupancy. The three comparable properties cited in the appraisal as rent comparables have reported occupancies of 100%, 95%, and 100%.

**Comments:**

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing affordable housing that is at least 80% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 96% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$31,448	Avg. Rent:	\$467	Expense Ratio:	75.8%
Debt Service:	\$26,706	B/E Rent:	\$432	Controllable Expenses:	\$2,275
Net Cash Flow:	\$4,741	Occupancy:	95.00%	Property Taxes/Unit:	\$293
Aggregate DCR:	1.18:1	B/E Occupancy:	93.29%	Program Rent Year:	2010

Income:      Number of Revisions:      3      Date of Last Applicant Revision:      6/22/2011

The development has USDA Rental Assistance (RA) for all 24 units. Both the Applicant's and Underwriter's rents for these units are based on the Applicant's expected USDA Contract rents. The proposed Contract rents will require that the Applicant receive approval from USDA of a 22.4% increase in the current Contract rents. The market rents reflected in the appraisal are well below the current and proposed Contract rents and the 60% tax credit rents.

Generally, USDA does not approve Contract rents that are higher than the market rents (called CRCU or Comparable Rent for Comparable Units by USDA). Additionally, RA rents are often limited to those that can be achieved by the non-RA units. For both circumstances, USDA has the ability to approve exceptions to the general requirements and often does for tax credit/USDA 515 layered transactions and the underwritten proforma indicates such exceptions are necessary for the subject. Accordingly, receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$134,496 in potential gross income is a condition of this report.



**SITE CONTROL**

Type: Option to Purchase Real Estate Acreage: 1.35  
 Acquisition Cost: \$660,010 Contract Expiration: 12/31/2012  
 Cost Per Unit: \$27,500  
 Seller: Regency Apartments of Reno, Texas, Ltd. Related to Development Team?  Yes  No

The Applicant's acquisition cost is equal to the purchase price plus \$30,000 in closing costs. The Applicant estimated a building basis of \$610,610, which is equal to the purchase price less a land value of \$49,400. The Underwriter determined a building basis of \$545,036, which is equal to the purchase price less \$52,835 for the land value and \$62,139 for replacement reserves that are being acquired by the Applicant in the sale. The land value was calculated in accordance with the REA rules and is equal to the appraised land value as a percentage of the "as is, as restricted" value multiplied by the actual purchase price less acquired reserves.

The Applicant identified the acquisition of the property as an identity of interest transfer in the application. The general partner of the seller and one of the limited partners of the seller are also affiliates of the application consultant. The consultant is also affiliated with the current and proposed property manager. The principal creating the affiliate relationship between these entities is Gary Maddock.

The identity of interest relationships between the development team and the seller does not impact the purchase price of the property. The appraised value and original purchase plus holding costs both support the contract price. However, The Applicant included eligible developer fee associated with the building basis, which is generally allowable for a third party acquisition with a rehab deal but specifically disallowed when the seller is related to any member of the development team. The result is a decrease in eligible basis (which flows through to the allocation amount) and a decrease in the developer fees the transaction can support.

The Applicant has indicated the current GP of the seller is a replacement GP that has very limited liability and that the LP interest held in the seller is very small. However, this doesn't change the application of the rule.

**DEVELOPMENT COST EVALUATION**

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

Off-Site Cost:  
 Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:  
 Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Direct Construction Cost:  
 Both the Applicant's and the Underwriter's direct construction costs are the same and reflect the Capital Needs Assessment (CNA) value.

Reserves:  
 The Applicant estimated operating reserves of \$65,000. This was based on the premises that the syndicator, Michel Associates, Ltd. will require reserves of 4 months of expenses plus debt service since this project has 100% USDA rental assistance. Based on this formula, the Applicant estimated 4 months operating expenses of \$92,800, debt service of \$12,800 for the HOME loan, and debt service of \$13,907 for the USDA loan. This yielded \$119,507 annually or \$9,996 per month, which comes to \$39,984 for 4 months. The Applicant then rounded this \$39,984 up to \$65,000. The Underwriter used the Department's normal reserve calculation formula which resulted in a total of \$46,688.



**Developer Fee:**

As a result of the identity of interest relationship between the development team and the seller, eligible developer fee cannot be calculated on the eligible building basis. This results in a \$121K adjustment to the acquisition basis.

**Conclusion:**

The Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis, adjusted for the 30% boost, of \$2,437,742 supports annual tax credits of \$189,311. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 3/24/2011

Interim Sources	Amount	Rate	Term	LTC
TDHCA HOME Loan	\$317,003	0.00%	18 mos.	14%
Stearns Bank - Construction Loan	\$650,000	7.50%	18 mos.	28%
Michel Associates Ltd. - HTC Equity	\$729,830	N/A		32%
Deferred Developer Fees	\$63,031	N/A		3%
USDA 515 Loan	\$547,010	N/A		24%
<b>Total</b>	<b>\$2,306,874</b>			

Permanent Sources	Amount	Rate	Amort	Term	LTC
TDHCA HOME Loan	\$352,226	2.00%	40	30	15%
USDA 515 Loan	\$547,010	1.00%	50	30	23%
<b>Total</b>	<b>\$899,236</b>				

**Comments:**

Applicant is requesting HOME funds at an interest rate of 2% with a 40 year amortization period and a 30 year term. Applicant is also requesting that the USDA/RD loans being assumed be re-casted and restructured into one loan based on a 50 year amortization with a 30 year term. The HOME loan must have parity of term with the USDA loan; accordingly, the Underwriter recommends a term equal to the 30 year term of the USDA loan, and this report is conditioned on USDA approval of the HOME loan with a parity first lien position and parity of term with the USDA loan.

The Applicant is proposing to assume the existing USDA/RD loan that has an outstanding balance of approximately \$547,101; however, they are proposing that the recast loan be restructured with a new amortization and loan terms. Accordingly, receipt and approval, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loan is a condition of this report.

The USDA loan being assumed was originally originated on 11/1/1994 in the amount of \$583,382. The original interest rate on this loan was 9.5%; however, USDA granted interest credit subsidies that reduced the effective interest rate to 1%.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Michel Associates Ltd. - HTC Equity	\$1,400,900	\$0.74	60%	
Deferred Developer Fees	\$28,111		1%	8%
<b>Total</b>	<b>\$1,429,011</b>			
<b>Total Sources</b>	<b>\$2,328,247</b>			

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loans of \$899,236 indicates the need for \$1,429,011 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$193,110 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$189,311</b>
Allocation determined by gap in financing:	\$193,110
Allocation requested by the Applicant:	\$197,271

The allocation amount determined by the eligible basis calculation of the Underwriter is recommended. A tax credit allocation of \$189,311 per year for 10 years results in total equity proceeds of \$1,400,900 at a syndication rate of \$0.74 per tax credit dollar.

A HOME loan of \$352,226 at a 2% interest rate, 30 year term, and 40 year amortization is recommended. By program rule, the deal does not qualify for an interest rate lower than 2%. Deferred developer fees of \$28,111 are repayable from development cashflow within 15 years of stabilized operation.

### Return on Equity:

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>June 23, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>June 23, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 23, 2011</u>

**UNIT MIX RENT SCHEDULE**

Countrywood Apartments, Reno, 9% HTC / HOME #11083

LOCATION DATA	
CITY:	Reno
COUNTY:	Lamar
PROGRAM REGION:	4
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	8	33.3%
2	16	66.7%
3		
4		
<b>TOTAL</b>	<b>24</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME
USDA

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION										USDA PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS			TDHCA PROFORMA RENTS					MARKET RENTS		
Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$278			USDA RA	\$512	1	1	1	572	\$512	\$85	\$427	\$0	\$0.75	\$427	\$427	\$427	\$427	\$0.75	\$0	\$366	0.64	(\$61)
TC50%	\$463	LH/50%	\$463	USDA RA	\$512	2	1	1	572	\$512	\$85	\$427	\$0	\$0.75	\$427	\$854	\$854	\$427	\$0.75	\$0	\$366	0.64	(\$61)
TC60%	\$556	HH/60%	\$513	USDA RA	\$512	3	1	1	572	\$512	\$85	\$427	\$0	\$0.75	\$427	\$1,281	\$1,281	\$427	\$0.75	\$0	\$366	0.64	(\$61)
TC30%	\$278			USDA RA	\$512	1	1	1	585	\$512	\$85	\$427	\$0	\$0.72	\$427	\$427	\$427	\$427	\$0.72	\$0	\$377	0.63	(\$50)
TC50%	\$483			USDA RA	\$512	1	1	1	595	\$512	\$85	\$427	\$0	\$0.72	\$427	\$427	\$427	\$427	\$0.72	\$0	\$377	0.63	(\$50)
TC30%	\$333	0		USDA RA	\$597	1	2	1	714	\$597	\$110	\$487	\$0	\$0.68	\$487	\$487	\$487	\$487	\$0.68	\$0	\$424	0.59	(\$63)
TC50%	\$526	LH/50%	\$556	USDA RA	\$597	4	2	1	714	\$597	\$110	\$487	\$0	\$0.68	\$487	\$1,948	\$1,948	\$487	\$0.68	\$0	\$424	0.59	(\$63)
TC60%	\$667	HH/60%	\$644	USDA RA	\$597	7	2	1	714	\$597	\$110	\$487	\$0	\$0.68	\$487	\$3,409	\$3,409	\$487	\$0.68	\$0	\$424	0.59	(\$63)
TC30%	\$333			USDA RA	\$597	1	2	1	737	\$597	\$110	\$487	\$0	\$0.66	\$487	\$487	\$487	\$487	\$0.66	\$0	\$441	0.60	(\$46)
TC50%	\$526	LH/50%	\$556	USDA RA	\$597	1	2	1	737	\$597	\$110	\$487	\$0	\$0.66	\$487	\$487	\$487	\$487	\$0.66	\$0	\$441	0.60	(\$46)
TC60%	\$667	HH/60%	\$644	USDA RA	\$597	2	2	1	737	\$597	\$110	\$487	\$0	\$0.66	\$487	\$974	\$974	\$487	\$0.66	\$0	\$441	0.60	(\$46)
<b>TOTALS/AVERAGES:</b>						24			16,138				\$0	\$0.69	\$467	\$11,208	\$11,208	\$467	\$0.69	\$0	\$408	\$0.61	(\$59)
<b>ANNUAL POTENTIAL GROSS RENT:</b>																\$134,496	\$134,496						

**STABILIZED PROFORMA**

**Countrywood Apartments, Reno, 9% HTC / HOME #11083**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	2008 Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT				\$0.69	\$467	\$134,496	\$134,496	\$467	\$0.69		0.0%	\$0	
Laundry					\$4.17	\$1,200					0.0%	(1,200)	
Vending					\$4.17	\$1,200					0.0%	(1,200)	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$2,400	\$8.33			100.0%	2,400	
POTENTIAL GROSS INCOME						\$136,896	\$136,896				0.0%	\$0	
Vacancy & Collection Loss					5.0% PGI	(6,845)	(6,845)	5.0% PGI			0.0%	-	
Non-Rental Units/Concessions						-					0.0%	-	
EFFECTIVE GROSS INCOME						\$130,051	\$130,051				0.0%	\$0	
General & Administrative	\$6,578	\$274/Unit	\$9,491	5.23%	\$0.42	\$283	\$6,800	\$6,578	\$274	\$0.41	5.06%	3.4%	222
Management	\$10,450	10.4% EGI	\$9,120	12.50%	\$0.93	\$827	\$15,048	\$15,047	\$827	\$0.93	11.57%	0.0%	1
Payroll & Payroll Tax	\$13,206	\$550/Unit	\$19,552	10.23%	\$0.82	\$554	\$13,300	\$19,552	\$815	\$1.21	15.03%	-32.0%	(6,252)
Repairs & Maintenance	\$17,267	\$719/Unit	\$19,792	12.84%	\$1.03	\$898	\$16,700	\$17,267	\$719	\$1.07	13.28%	-3.3%	(567)
Utilities	\$2,782	\$116/Unit	\$3,507	1.38%	\$0.11	\$75	\$1,800	\$2,782	\$115	\$0.17	2.14%	-35.3%	(982)
Water, Sewer, & Trash	\$8,414	\$351/Unit	\$6,710	7.23%	\$0.58	\$392	\$9,400	\$8,414	\$351	\$0.52	6.47%	11.7%	986
Property Insurance	\$5,046	\$0.31 SF	\$5,224	5.77%	\$0.46	\$313	\$7,500	\$5,046	\$210	\$0.31	3.88%	48.6%	2,454
Property Tax 1.9335	\$8,110	\$338/Unit	\$7,585	6.54%	\$0.53	\$354	\$8,500	\$7,031	\$293	\$0.44	5.41%	20.9%	1,469
Reserve for Replacements	\$7,613	\$317/Unit		8.30%	\$0.67	\$450	\$10,800	\$15,927	\$664	\$0.99	12.25%	-32.2%	(5,127)
TDHCA Compliance Fees				0.74%	\$0.06	\$40	\$960	\$960	\$40	\$0.06	0.74%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>N/A</b>	<b>69.82%</b>	<b>\$5.63</b>	<b>\$3,784</b>	<b>\$ 90,808</b>	<b>\$ 98,604</b>	<b>\$4,108</b>	<b>\$6.11</b>	<b>75.82%</b>	<b>-7.9%</b>	<b>\$ (7,796)</b>
<b>NET OPERATING INCOME ("NOI")</b>			<b>N/A</b>	<b>30.18%</b>	<b>\$2.43</b>	<b>\$1,635</b>	<b>\$39,243</b>	<b>\$31,448</b>	<b>\$1,310</b>	<b>\$1.95</b>	<b>24.18%</b>	<b>24.8%</b>	<b>\$7,796</b>
<b>CONTROLLABLE EXPENSES</b>		\$2,010/Unit	\$2,461/Unit			\$2,000/Unit			\$2,275/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$130,051	\$132,652	\$135,305	\$138,011	\$140,772	\$155,423	\$171,600	\$189,460	\$209,179	\$230,951	\$254,988	\$281,528
LESS: TOTAL EXPENSES	98,604	101,411	104,300	107,272	110,331	127,005	146,241	168,438	194,055	223,628	257,771	297,199
NET OPERATING INCOME	\$31,448	\$31,241	\$31,005	\$30,739	\$30,441	\$28,418	\$25,359	\$21,022	\$15,124	\$7,323	(\$2,783)	(\$15,671)
LESS: DEBT SERVICE	26,706	26,706	26,706	26,706	26,706	26,706	26,706	26,706	26,706	26,706	26,706	26,706
NET CASH FLOW	\$4,741	\$4,535	\$4,299	\$4,033	\$3,734	\$1,712	(\$1,347)	(\$5,584)	(\$11,582)	(\$19,383)	(\$29,489)	(\$42,377)
CUMULATIVE NET CASH FLOW	\$4,741	\$9,276	\$13,575	\$17,608	\$21,342	\$34,319	\$34,161	\$14,979	(\$30,448)	(\$110,926)	(\$237,147)	(\$422,038)
DEFERRED DEVELOPER FEE BALANCE	\$28,111	\$23,576	\$19,277	\$15,245	\$11,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.18	1.17	1.16	1.15	1.14	1.06	0.95	0.79	0.57	0.27	-0.10	-0.59
EXPENSE/EGI RATIO	75.82%	76.45%	77.08%	77.73%	78.38%	81.72%	85.22%	88.90%	92.77%	96.83%	101.09%	105.57%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Countrywood Apartments, Reno, 9% HTC / HOME #11083

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
TDHCA HOME Loan	2.46	3.07	\$12,800	2.00%	40	30	\$352,226	\$352,226	30	40	2.00%	\$12,800	2.46	15.1%
USDA 515 Loan	1.18	1.47	\$13,907	1.00%	50	30	\$547,010	\$547,010	30	50	1.00%	\$13,907	1.18	23.5%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$26,706				\$899,236	\$899,236				\$26,706		38.6%
<b>NET CASH FLOW</b>			\$12,537									\$4,741		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	Developer Fee
Michel Associates Ltd. - HTC Equity	LIHTC Equity	62.7%	\$197,271	0.74	\$1,459,661	\$1,400,900	0.74	\$189,311	60.2%	Annual Credit per Unit:	\$58,371
Deferred Developer Fees	Deferred Developer Fees	0.0%	(0% Deferred)		\$0	\$28,111	(8% Deferred)		1.2%	Total Developer Fee:	\$351,662
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$34,161
<b>TOTAL EQUITY SOURCES</b>		62.7%			\$1,459,661	\$1,429,011			61.4%	15-Yr Cash Flow after Fee:	\$6,050
<b>TOTAL CAPITALIZATION</b>					\$2,358,897	\$2,328,247					

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis		Total Costs			Total Costs		Eligible Basis		%	\$	
	Acquisition	New Const. Rehab						New Const. Rehab	Acquisition			
Land Acquisition			\$2,058 / Unit	\$49,400	\$52,835	\$2,201 / Unit				6.5%	\$3,435	
Building Acquisition	\$610,610		\$26,892 / Unit	\$640,610	\$637,175	\$26,549 / Unit		\$545,036		-0.5%	(\$5,435)	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Sitework		\$54,607	\$2,275 / Unit	\$54,607	\$54,607	\$2,275 / Unit		\$54,607		0.0%	\$0	
Direct Construction		\$675,827	\$41.88 /sf	\$28,159/Unit	\$675,827	\$675,827	\$28,159/Unit	\$41.88 /sf	\$675,827		0.0%	\$0
Contingency		\$72,970		9.99%	\$72,970	\$72,970		9.99%	\$72,970		0.0%	\$0
Contractor's Fees		\$102,042		12.70%	\$102,042	\$102,042		12.70%	\$102,042		0.0%	\$0
Indirect Construction		\$187,827		\$7,826 / Unit	\$187,827	\$187,827		\$7,826 / Unit	\$187,827		0.0%	\$0
Ineligible Costs			\$1,109 / Unit	\$26,614	\$26,614	\$1,109 / Unit					0.0%	\$0
Developer's Fees	\$90,000	\$274,000		19.96%	\$364,000	\$351,662		20.00%	\$242,655	\$0	-3.5%	(\$12,338)
Interim Financing		\$120,000		\$5,000 / Unit	\$120,000	\$120,000		\$5,000 / Unit	\$120,000		0.0%	\$0
Reserves			\$2,708 / Unit	\$65,000	\$46,688	\$1,945 / Unit					-39.2%	(\$18,312)
<b>UNADJUSTED BASIS / COST</b>	<b>\$700,610</b>	<b>\$1,487,273</b>		\$98,287 / Unit	<b>\$2,358,897</b>	<b>\$2,328,247</b>		\$97,010 / Unit	<b>\$1,455,928</b>	<b>\$545,036</b>	<b>-1.3%</b>	<b>(\$30,650)</b>
Acquisition Cost for Identity of Interest Seller						\$3,435						
Developer's Fee	(\$90,000)	(\$31,345)										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$610,610</b>	<b>\$1,455,928</b>		\$98,287 / Unit	<b>\$2,362,332</b>	<b>\$2,328,247</b>			<b>\$1,455,928</b>	<b>\$545,036</b>		
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>						<b>\$2,328,247</b>						

**CAPITALIZATION/DEVELOPMENT COSTS/BUDGET/INDEXED BASIS ITEMS**

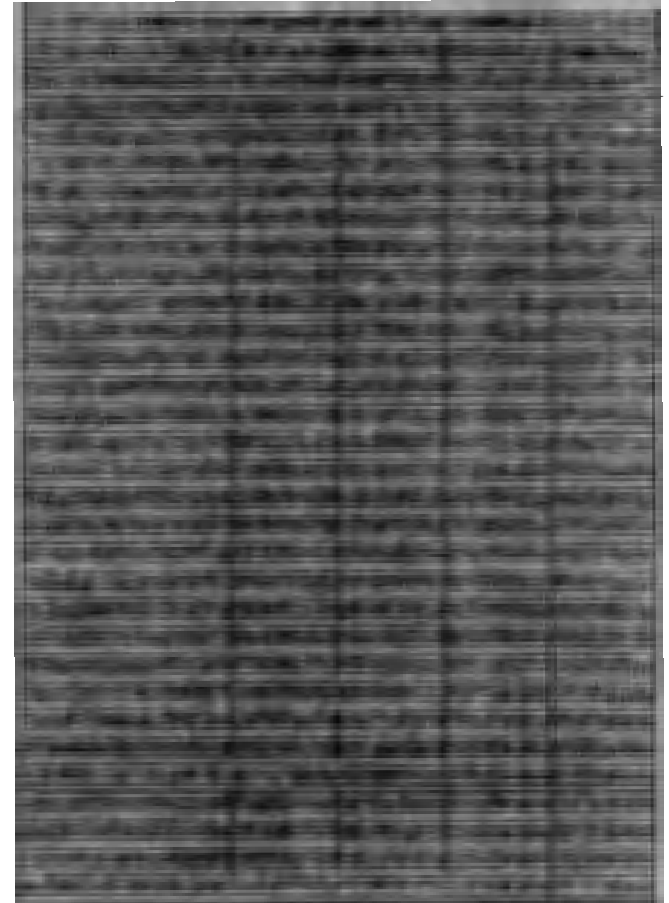
Countrywood Apartments, Reno, 9% HTC / HOME #11083

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$610,610	\$1,455,928	\$545,036	\$1,455,928
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$610,610	\$1,455,928	\$545,036	\$1,455,928
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$610,610	\$1,892,706	\$545,036	\$1,892,706
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$610,610	\$1,892,706	\$545,036	\$1,892,706
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$21,249	\$170,344	\$18,967	\$170,344
CREDITS ON QUALIFIED BASIS	\$191,593		\$189,311	

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$189,311	\$1,400,900
Gap	\$193,110	\$1,429,011
Request	\$197,271	\$1,459,607

FINAL ANNUAL LIHTC ALLOCATION	
Method	Eligible Basis
Credits	\$189,311
Underwritten Proceeds	\$1,400,900

TOTAL HARD-COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$49.78	\$33,475	\$803,404	\$803,404	\$33,475	\$49.78
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$56.11	\$37,727	\$905,446	\$905,446	\$37,727	\$56.11





11084

Southwood Apts

Rural, Region 5





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Southwood Apts, TDHCA Number 11084**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2050 South Byrd Ave. Development #: 11084  
 City: Shepherd Region: 5 Population Served: General  
 County: San Jacinto Zip Code: 77371 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: PK Southwood Apartments, LP  
 Owner Contact and Phone: Ronald Potterpin, (517) 347-2001  
 Developer: Megan & Associates XIV, LLC  
 Housing General Contractor: PK Construction LLC  
 Architect: Harry W. Bostic Architect  
 Market Analyst: NA  
 Syndicator: Michel Associates, Ltd.  
 Supportive Services: TBD  
 Consultant and Contact: San Marcos Valley LLC,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	48	
	6	0	17	25	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	16	28	4	0	0	
Type of Building:						Total Development Units:	48
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$4,209,174
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	17

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$357,215	\$347,472			
HOME Activity Fund Amount:	\$644,053	\$644,053	40	30	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Southwood Apts, TDHCA Number 11084

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, NC

US Representative: Brady, District 8,

TX Representative: White, District 12, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Glenn Dillon, Mayor city of Shepherd

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Southwood Apts. resident council, Harrell Parker

Letter Score: 24 S or O: S

We feel the developer will make improvements to the units & property that will greatly benefit the residents.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment of: A management agreement supporting the Applicant's estimated management fee.
2. Receipt and acceptance by Carryover of: USDA/RD approval of the proposed rates/terms and the transfer of the existing USDA/RD loans and acceptance of the additional HOME loan funds as a parity first lien with the existing USDA/RD loans.
3. Receipt and acceptance by 10% test of: A comprehensive noise assessment that has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
4. Receipt and acceptance by Cost Certification of: Documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey that has been completed to identify the presence of asbestos containing- materials or lead-based paint, and that all ESA recommendations regarding asbestos containing- materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
5. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Southwood Apts, TDHCA Number 11084**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 7

Total # Monitored: 0

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

Competitive Housing Tax Credits:  Score:178  Meeting a Required Set-Aside Credit Amount\*: \$347,472

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$644,053

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11084 Program(s): HTC 9% / HOME

**Southwood Apartments**

Address/Location: 2050 S. Byrd Avenue

City: Shepherd County: San Jacinto Zip: 77371

Population: Family Program Set-Aside: At-Risk Area: Rural

Activity: Acq/Rehab Construction Type: Fourplex Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION			
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type
HOME Activity Funds	\$644,053	2.00%	40/30	Parity 1st	\$644,053	2.00%	40/30	Parity 1st*
LIHTC (Annual)	\$357,215				\$347,472			

\* Lien position after conversion to permanent. The Department's lien position during construction may vary. Parity first lien with the USDA/RD loan.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment of:
  - A management agreement supporting the Applicant's estimated management fee.
- 2 Receipt and acceptance by Carryover of:
  - USDA/RD approval of the proposed rates/terms and the transfer of the existing USDA/RD loans and acceptance of the additional HOME loan funds as a parity first lien with the existing USDA/RD loans.
  - Documentation of USDA's approval of Contract rents that provide for at least \$286,500 in potential gross income.
- 3 Receipt and acceptance by 10% test of:
  - A comprehensive noise assessment that has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt and acceptance by Cost Certification of:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - A comprehensive survey that has been completed to identify the presence of asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.

- A comprehensive survey that has been completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- that all noise assessment recommendations were implemented.

5 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

### SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	17
60% of AMI	60% of AMI	25

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	17

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

### RISK PROFILE

#### STRENGTHS/MITIGATING FACTORS

- USDA Rental Assistance on 46 of 48 units
- Current 97% occupancy
- Well located with good access to amenities and major thoroughfares
- Applicant's experience on USDA/LIHTC
- USDA will monitor interest rates and rental subsidies

#### WEAKNESSES/RISKS

- 77% expense to income ratio (exemption for 65% rule)
- Dependent on continued rental assistance in excess of the market rents
- Breakeven occupancy within 2% of underwritten occupancy.

### PREVIOUS UNDERWRITING REPORTS

The subject transaction originally received allocations of tax credits in 1994 as two separate developments that are currently known as Shepherd South I and Shepherd South II Apartments (#94251 & 94252). The developments have completed their 15 year compliance periods. The Applicant is proposing to consolidate the two existing developments into one.

### DEVELOPMENT TEAM

#### PRIMARY CONTACTS

Name: Ronald Potterpin  
 Email: ppotterpin@pkhousing.com

Relationship: Owner  
 Phone: (517) 347-2001 Fax: (517) 347-9626

Name: San Marcos Valley, LLC  
 Email: dnicwork@gmail.com

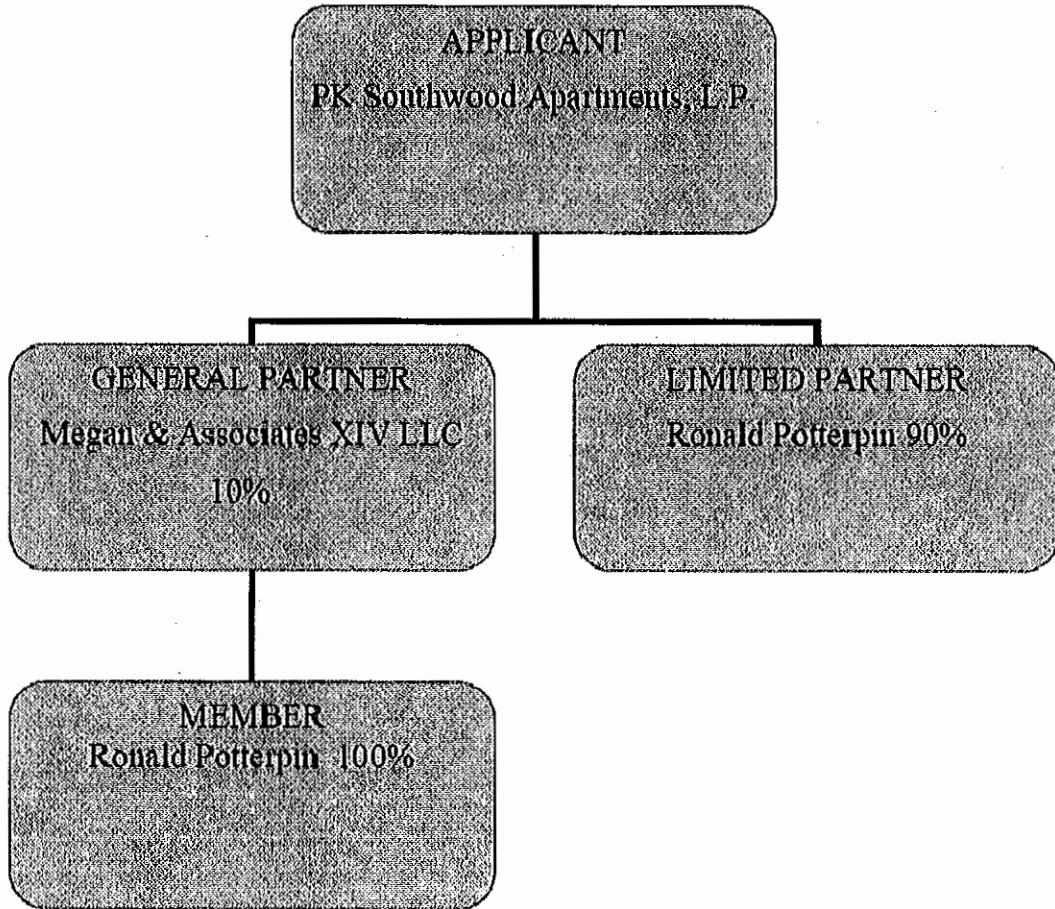
Consultant: Don Nichols  
 Phone: (386) 956-9699 Fax: (866) 528-8430

IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest:     No    

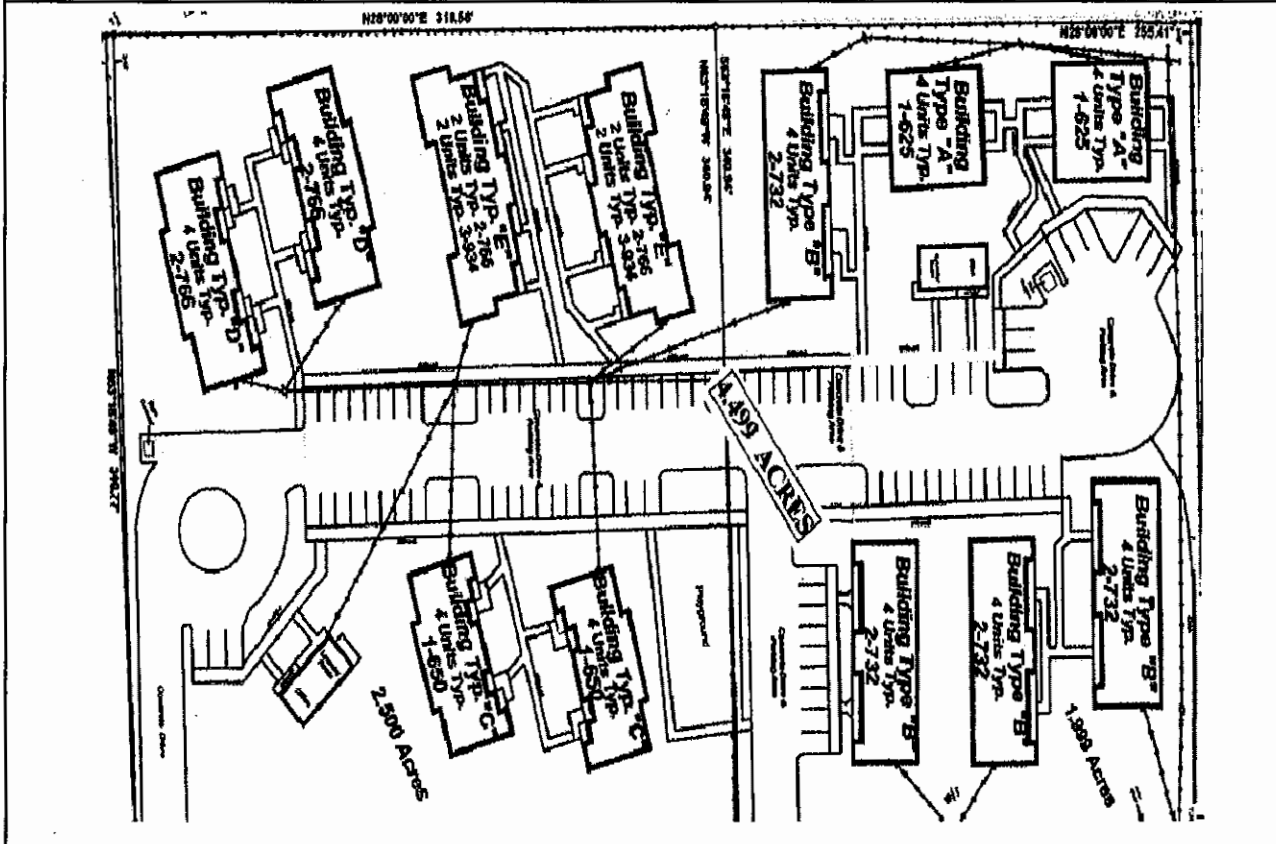
- The Applicant, Developer, General Contractor and property manager are related entities.

OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



## BUILDING CONFIGURATION

Building Type	A	B	C	D	E		Total Buildings
Floors/Stories	1	1	1	1	1		12
Number of Bldgs	2	4	2	2	2		48
Units per Bldg	4	4	4	4	4		
<b>Total Units</b>	<b>8</b>	<b>16</b>	<b>8</b>	<b>8</b>	<b>8</b>		<b>48</b>

### Rehabilitation Summary:

The rehabilitation scope of work includes the repair, replacement, or construction of roof coverings (asphalt shingles), HVAC, windows, doors, interior flooring, cabinets, countertops & sinks, bath & electric fixtures, appliances, landscaping, drives and parking, foundation repair, and interior and exterior painting.

### Relocation Plan:

The units will be rehabilitated in groups of four. Tenants will be notified of the rehabilitation schedule with sufficient time to make plans and to pack their personal items. The rehabilitation of each group of four will be completed in one week. Each apartment will be emptied of most or all of the tenant's personal items by the Applicant's staff on Monday morning of the week scheduled for that apartment. The tenant's personal items will be stored on site in a locked semi trailer. The tenant will stay at a local motel at the expense of the Applicant during the week of the renovations. The Applicant's crew will complete the rehabilitation of the unit during the week and on Friday of that week the unit will be completed and inspected, and the tenant's personal items will be moved back into the apartment. The tenant will then be able to return back to the apartment on that Friday.

**GENERAL INFORMATION**

Total Size: 4.499 acres Scattered Site?  Yes  No  
 Flood Zone: X Within 100-yr floodplain?  Yes  No  
 Zoning: The City of Shepherd has no zoning. Re-Zoning Required?  Yes  No  N/A  
 Density: 10.669 units/acre Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

The developments are surrounded by single family and multifamily residential properties, a storage facility, a wrecker service and vacant land.

**Other Observations:**

The subject site is located in the White Zone X area, which is outside the floodplains marked Zone A. A "Zone A" is about 300 feet to the east of the subject property. There are two types of Zone X. First, the "Shaded" Zone X which are areas in the 500-year floodplain and areas of the 100-year floodplain with average depths of less than 1 foot. Second is "White" Zone X, which are areas determined to be outside the 500-year and 100-year floodplain.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Bandy & Associates Date: 2/16/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Since the subject site is bounded by an active railroad, on the west side, it may be prudent to conduct a noise study at this site." (p 2)
- "Prior to any renovation or demolition activities of an existing structure, EPA and the State of Texas require that a comprehensive asbestos survey be conducted on the facility." (p 1-2)

**MARKET ANALYSIS**

Provider: Rafael C Luebbert Date: 2/14/2011  
 Contact: Rafael C Luebbert Phone: (210) 408-6041  
 Number of Revisions: None Date of Last Applicant Revision: N/A

**Primary Market Area (PMA):**

"The market area is that geographical region enveloped by the communities of Shepherd, Livingston, and Cleveland, within San Jacinto and Polk Counties. Livingston is located to the northeast, while Cleveland is located to the southwest of Shepherd. There were insufficient numbers or no conventional project samples within Shepherd to enable the appraiser to deduce economic rentals. This is an area which would influence the economics of the property within the described market area. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region." (p 26)

ELIGIBLE HOUSEHOLDS BY INCOME								
San Jacinto County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$13,680	---	---	\$0	\$22,800	\$0	\$27,360
2	\$0	\$15,630	---	---	\$0	\$26,050	\$0	\$31,260
3	\$0	\$17,580	---	---	\$0	\$29,300	\$0	\$35,160
4	\$0	\$19,530	---	---	\$0	\$32,550	\$0	\$39,060
5	\$0	\$21,120	---	---	\$0	\$35,200	\$0	\$42,240
6	---	---	---	---	---	---	---	---



**Primary Market Occupancy Rates:**

The Applicant's rent roll indicate 1 vacant unit out of 48 total units, or 97% occupancy. The three comparable properties cited in the appraisal as rent comparables have reported occupancies of 100%, 97%, and 95%. (pdf p 95)

**Comments:**

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 97% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$62,283	Avg. Rent:	\$502	Expense Ratio:	77.1%
Debt Service:	\$48,670	B/E Rent:	\$462	Controllable Expenses:	\$2,549
Net Cash Flow:	\$13,613	Occupancy:	92.50%	Property Taxes/Unit:	\$300
Aggregate DCR:	1.28:1	B/E Occupancy:	89.50%	Program Rent Year:	2011

Income:      Number of Revisions:      1      Date of Last Applicant Revision:      5/5/2011

Both the Applicant's and the Underwriter's rents are based on projected USDA Rental Assistance contract rents for 46 of the total 48 units. Prior to filing the Housing Tax Credit application, the Applicant filed an application with USDA for the transfer and loan assumption for this development. As a part of the application to USDA, the Applicant requested the proposed rent increases that they estimate will be necessary in order to cover all of the resulting debt service of this development. The Applicant's rents for the 2 non-RA units are based on the proposed Contract rents. However, the market rents reflected in the appraisal are well below the current and proposed Contract rents and the HTC net rents. The Underwriter used the market rents for the 2 non-RA units, which accounts for the difference in effective gross income. Utility allowances are based on USDA/RD approved allowances which became effective 1/1/2011. Tenants are to pay electrical costs, while the development is to pay water, sewer and trash.

Generally, USDA does not approve Contract rents that are higher than the market rents (called CRCU or Comparable Rent for Comparable Units by USDA). Additionally, RA rents are often limited to those that can be achieved by the non-RA units. For both circumstances, USDA has the ability to approve exceptions to the general requirements and often does for tax credit/USDA 515 layered transactions and the underwritten proforma indicates such exceptions are necessary for the subject. Accordingly, receipt and acceptance, by Carryover, of documentation of USDA's approval of Contract rents that provide for at least \$289,300 in potential gross income is a condition of this report.

Expense:      Number of Revisions:      1      Date of Last Applicant Revision:      5/5/2011

The Applicant's total annual operating expense projection at \$4,068 per unit is not within 5% of the Underwriter's estimate of \$4,371 derived from actual operating history of the development, the TDHCA database, and third-party data sources. It should be noted that both the Applicant's and the Underwriter's replacement reserve estimates are somewhat high, but are based on a third party Capital Needs Assessment (CNA) Report which lists repairs and renovations that will most likely be required within the next 20 years. The Underwriter's reserve estimate of \$596 per unit is based the Department's replacement reserve requirement estimate on 15 years.

The Applicant indicates a management fee of 10.77%, which is significantly higher than the 5% underwriting standard. A higher management fee is typical for USDA transactions, but adequate support was not provided for the higher fee. Receipt and acceptance, by Commitment, of a management agreement supporting the Applicant's estimated management fee is a condition of this report.

**Conclusion:**

The Applicant's effective gross income is within 5% of the Underwriter's estimate; however, expenses and net operating income are not within 5%. Therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. Based on the proposed permanent financing structure the Underwriter's initial year's debt coverage ratio of 1.28 is within the Department's acceptable guidelines.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The debt coverage ratio falls to 0.97, below break-even, before year 15. Additionally, the underwritten expense to income ratio is 77.11%. However, because the development receives Rental Assistance from USDA on more than 50% of the units, the development qualifies for an exception to the maximum expense to income ratio pursuant to §1.32(i)(6)(B) of the 2011 REA Rules. Due to the provision of rental assistance by USDA, the transaction is less sensitive to market changes or flat income limits. USDA can approve increases in rental assistance to help offset increases in expenses or other adverse market changes. However, the viability of the transaction is dependent upon receipt of an increase in rental assistance from USDA and continued rental assistance through the affordability period.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Appraiser: <u>Rafael C. Luebbert, MAI, SRA</u>		Date: <u>2/14/2011</u>
Land Only: 4.499 acres	<u>\$56,900</u>	Per Unit: <u>\$1,185</u>
Existing Buildings: (as-is)	<u>\$1,560,100</u>	Per Unit: <u>\$32,502</u>
Favorable Financing:	<u>\$414,000</u>	Per Unit: <u>\$8,625</u>
Total Development: (as-is)	<u>\$2,031,000</u>	Per Unit: <u>\$42,313</u>

**Comments:**

The appraiser provided "as is and as restricted" market values of the two developments of \$1,617,000 and interest credit subsidy values of \$414,000 for the USDA/RD mortgages being assumed. This results in a "Sum of Market Value and Value of Financing Subsidy" value of the two combined properties of \$2,031,000.

**SITE CONTROL**

Type: <u>Option to Purchase Real Property</u>	Acreage: <u>4.499</u>
Acquisition Cost: <u>\$186,000 plus USDA Debt Assumption</u>	Contract Expiration: <u>3/1/2012</u>
Cost Per Unit: <u>\$24,580</u>	

Seller: Shepherd South I, Ltd. & Shepherd South II, Ltd. Related to Development Team?  Yes  No

**Comments:**

These are two separate developments that are being purchased and combined into one commonly financed development.

The acquisition price in the cost schedule is equal to the \$186,000 plus the assumed USDA debt plus closing costs of \$40,000. The Applicant estimated a building basis of \$1,122,928, which is equal to the purchase price of \$186,000 plus USDA loans less a land value of \$56,900 and closing costs of \$40,000; however, the Underwriter's estimated building basis is \$1,012,387 because replacement reserves of approximately \$110,541 (per the Option Agreement) that is being transferred during the sale must also be deducted from the acquisition price to determine the building eligibility basis.

### DEVELOPMENT COST EVALUATION

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

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Direct Construction Cost:**

Both the Applicant's and the Underwriter's direct construction costs are the same and reflect the Capital Needs Assessment (CNA) value.

**Developer Fee:**

The Applicant disproportionately allocated the developer fee between the acquisition and rehabilitation basis. The Underwriter adjusted the eligible basis calculation to correctly apportion developer fee in accordance with the rules.

**Reserves:**

The Applicant estimated operating reserves of \$150,000. This was based on the premises that their syndicator, Michel Associates, Ltd. will require reserves of 5 months of expenses plus debt service. Based on this formula, the Applicant estimated 5 months operating expenses of \$195,274, debt service of \$23,404 for the TDHCA HOME loan, and \$25,266 debt service for the USDA loan. This yielded \$243,944 annually or \$20,329 per month, which comes to \$101,643 for 5 months. The Applicant then rounded the \$101,643 up to \$150,000. The Underwriter used the Department's normal reserve calculation formula which resulted in a total of \$99,327.

**Conclusion:**

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. This is an acquisition/rehabilitation development; therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$3,426,218, after the 30% boost supports annual tax credits of \$350,710. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

### UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 1 Last Update: 4/20/2011

Interim Sources	Amount	Rate	Term	LTC
TDHCA HOME Loan	\$579,648	0.00%	18 Months	14%
Stearns Bank	\$1,165,000	7.50%	18 Months	28%
USDA 515 Loan	\$993,828	1.00%	N/A	24%
Michel Associates Ltd	\$1,321,562	0.00%	18 Months	31%
Deferred Developer Fee	\$220,968	0.00%	N/A	5%
<b>Total</b>	<b>\$4,281,006</b>			

<b>Permanent Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>LTC</b>
TDHCA HOME Loan	\$644,053	2.00%	40	30	15%
USDA 515 Loan	\$993,828	1.00%	50	30	
<b>Total</b>	<b>\$1,637,881</b>				

**Comments:**

The Applicant is proposing to assume the four existing USDA/RD loans that has total combined outstanding balances of approximately \$993,828; however, they are proposing that the recast loans be restructured with a new amortization and loan terms. Accordingly, receipt and approval, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loans is a condition of this report.

The four USDA loans consist of two for the existing Shepherd South I Apartments and two for the existing Shepherd South II Apartments. The Applicant is proposing to purchase the two developments and to combine them into effectively one development. The two USDA loans being assumed for Shepherd South I consist of one originally dated 1/19/1995 in the amount of \$158,000 with a current balance of approximately \$140,675, and a second loan originally dated 1/5/1995 in the amount of \$427,896 with a current balance of approximately \$374,301. The original interest rates of the two loans were 8.0% and 6.75% respectively; however, USDA granted interest credit subsidies on both that reduced the effective interest rates to 1%.

The two USDA loans being assumed for Shepherd South II consist of one originally dated 1/19/1995 in the amount of \$142,000 with a current balance of approximately \$126,608, and a second loan originally dated 1/5/1995 in the amount of \$402,679 with a current balance of approximately \$352,244. The original interest rates of the two loans were 8.0% and 6.75% respectively; however, USDA granted interest credit subsidies on both that reduced the effective interest rates to 1%.

The Applicant is also requesting HOME funds at an interest rate of 2% with a 40 year amortization period with a term of 30 years. The HOME loan was underwritten as requested.

<b>Equity &amp; Deferred Fees</b>	<b>Amount</b>	<b>Rate</b>	<b>% TC</b>	<b>% Def</b>
Michel Associates Ltd	\$2,571,293	\$0.74	61%	
<b>Total Sources</b>	<b>\$4,209,174</b>			

## CONCLUSIONS

**Recommended Financing Structure:**

The development demonstrates a need for the requested HOME funds of \$664,053; however, as discussed above, the HOME loan should be in a parity lien position with the USDA loans. It is recommended that the TDHCA HOME loan be at a rate of 2% interest with an amortization based on 40 years, and a term of 30 years.

The Underwriter's total development cost estimate less the permanent loans of \$1,637,881 indicates the need for \$2,571,293 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$347,472 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$350,710
<b>Allocation determined by gap in financing:</b>	<b>\$347,472</b>
Allocation requested by the Applicant:	\$357,215

The allocation amount determined by the Underwriter's calculation of the gap in need is recommended. A tax credit allocation of \$347,472 per year for 10 years results in total equity proceeds of \$2,571,293 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure does not indicate the need for any additional permanent funds. However, if it is determined that additional funds are needed due to cost overruns, etc, then deferred developer fees should be available to fund those costs.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number of HOME units to total units.

**Return on Equity:**

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>June 16, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>June 16, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 16, 2011</u>

**UNIT RENT SCHEDULE**

**Southwood Apartments, Shepherd, HTC 9% / HOME #11084**

LOCATION DATA	
CITY:	Shepherd
COUNTY:	San Jacinto
PROGRAM REGION:	5
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	16	33.3%
2	28	58.3%
3	4	8.3%
4		
<b>TOTAL</b>	<b>48</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME
USDA

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION										USDA PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$386		\$386	USDA RA	\$523	2	1	1	625	\$523	\$63	\$460	\$0	\$0.74	\$460	\$920	\$920	\$460	\$0.74	\$0	\$397	0.64	(\$93)
TC50%	\$610	LH/50%	\$610	USDA RA	\$523	3	1	1	625	\$523	\$63	\$460	\$0	\$0.74	\$460	\$1,380	\$1,380	\$460	\$0.74	\$0	\$397	0.64	(\$63)
TC60%	\$732		\$732	USDA RA	\$523	3	1	1	625	\$523	\$63	\$460	\$0	\$0.74	\$460	\$1,380	\$1,380	\$460	\$0.74	\$0	\$397	0.64	(\$63)
TC30%	\$386		\$386	USDA RA	\$537	1	1	1	650	\$537	\$77	\$460	\$0	\$0.71	\$460	\$460	\$460	\$460	\$0.71	\$0	\$434	0.67	(\$26)
TC50%	\$610	LH/50%	\$610	USDA RA	\$537	3	1	1	650	\$537	\$77	\$460	\$0	\$0.71	\$460	\$1,380	\$1,380	\$460	\$0.71	\$0	\$434	0.67	(\$26)
TC60%	\$732		\$732	USDA RA	\$537	3	1	1	650	\$537	\$77	\$460	\$0	\$0.71	\$460	\$1,380	\$1,380	\$460	\$0.71	\$0	\$434	0.67	(\$26)
TC60%	\$732		\$732		\$557	1	1	1	650	\$557	\$97	\$460	\$0	\$0.71	\$460	\$460	\$434	\$434	\$0.67	(\$26)	\$434	0.67	\$0
TC30%	\$439		\$439	USDA RA	\$617	1	2	1	732	\$617	\$97	\$520	\$0	\$0.71	\$520	\$520	\$520	\$520	\$0.71	\$0	\$495	0.68	(\$25)
TC50%	\$732	LH/50%	\$732	USDA RA	\$617	6	2	1	732	\$617	\$97	\$520	\$0	\$0.71	\$520	\$3,120	\$3,120	\$520	\$0.71	\$0	\$495	0.68	(\$25)
TC60%	\$879		\$879	USDA RA	\$620	9	2	1	732	\$620	\$100	\$520	\$0	\$0.71	\$520	\$4,680	\$4,680	\$520	\$0.71	\$0	\$495	0.68	(\$25)
TC30%	\$439		\$439	USDA RA	\$620	1	2	1	766	\$620	\$100	\$520	\$0	\$0.68	\$520	\$520	\$520	\$520	\$0.68	\$0	\$498	0.65	(\$22)
TC50%	\$732	LH/50%	\$732	USDA RA	\$620	4	2	1	766	\$620	\$100	\$520	\$0	\$0.68	\$520	\$2,080	\$2,080	\$520	\$0.68	\$0	\$498	0.65	(\$22)
TC60%	\$879		\$879	USDA RA	\$717	6	2	1	766	\$717	\$197	\$520	\$0	\$0.68	\$520	\$3,120	\$3,120	\$520	\$0.68	\$0	\$498	0.65	(\$22)
TC60%	\$879		\$879		\$717	1	2	1	766	\$717	\$197	\$520	\$0	\$0.68	\$520	\$520	\$498	\$498	\$0.65	(\$22)	\$498	0.65	\$0
TC30%	\$506		\$506	USDA RA	\$692	1	3	1	934	\$692	\$132	\$560	\$0	\$0.60	\$560	\$560	\$560	\$560	\$0.60	\$0	\$573	0.61	\$13
TC50%	\$846	LH/50%	\$846	USDA RA	\$692	1	3	1	934	\$692	\$132	\$560	\$0	\$0.60	\$560	\$560	\$560	\$560	\$0.60	\$0	\$573	0.61	\$13
TC60%	\$1,016		\$1,016	USDA RA	\$692	2	3	1	934	\$692	\$132	\$560	\$0	\$0.60	\$560	\$1,120	\$1,120	\$560	\$0.60	\$0	\$573	0.61	\$13
<b>TOTALS/AVERAGES:</b>						<b>48</b>			<b>34,840</b>				<b>\$0</b>	<b>\$0.69</b>	<b>\$503</b>	<b>\$24,160</b>	<b>\$24,112</b>	<b>\$502</b>	<b>\$0.69</b>	<b>(\$1)</b>	<b>\$476</b>	<b>\$0.66</b>	<b>(\$27)</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>																	<b>\$289,920</b>	<b>\$289,344</b>					
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**STABILIZED PROFORMA**

**Southwood Apartments, Shepherd, HTC 9% / HOME #11084**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Actual 2009	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.69	\$503	\$289,920	\$289,344	\$502	\$0.69		-0.2%	(\$576)	
Laundry					\$4.17	\$2,400					0.0%	(2,400)	
Vending					\$4.17	\$2,400					0.0%	(2,400)	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$4,800	\$8.33			100.0%	4,800	
<b>POTENTIAL GROSS INCOME</b>						\$294,720	\$294,144				-0.2%	(\$576)	
Vacancy & Collection Loss					7.5% PGI	(22,104)	(22,061)	7.5% PGI			-0.2%	43	
Non-Rental Units/Concessions						-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$272,616	\$272,083				-0.2%	(\$533)	
General & Administrative	\$15,997	\$333/Unit	\$12,496	7.13%	\$0.56	\$405	\$19,450	\$15,997	\$333	\$0.48	5.88%	21.6%	3,453
Management	\$16,242	6.4% EGI	\$23,163	11.81%	\$0.84	\$611	\$29,304	\$29,303	\$610	\$0.84	10.77%	0.0%	1
Payroll & Payroll Tax	\$35,957	\$749/Unit	\$46,491	15.96%	\$1.25	\$906	\$43,500	\$46,491	\$969	\$1.33	17.09%	-6.4%	(2,991)
Repairs & Maintenance	\$31,815	\$663/Unit	\$41,528	9.17%	\$0.72	\$521	\$25,000	\$31,815	\$663	\$0.91	11.69%	-21.4%	(6,815)
Utilities	\$10,150	\$211/Unit	\$4,086	1.47%	\$0.11	\$83	\$4,000	\$4,086	\$85	\$0.12	1.50%	-2.1%	(86)
Water, Sewer, & Trash	\$16,427	\$342/Unit	\$23,952	8.44%	\$0.66	\$479	\$23,000	\$23,952	\$499	\$0.69	8.80%	-4.0%	(952)
Property Insurance	\$14,716	\$0.42 SF	\$13,244	5.32%	\$0.42	\$302	\$14,500	\$13,244	\$276	\$0.38	4.87%	9.5%	1,256
Property Tax 2.3482	\$16,880	\$352/Unit	\$10,053	4.77%	\$0.37	\$271	\$13,000	\$14,398	\$300	\$0.41	5.28%	-9.7%	(1,398)
Reserve for Replacements	\$16,442	\$343/Unit	\$1,748	7.92%	\$0.62	\$450	\$21,600	\$26,593	\$596	\$0.82	10.51%	-24.5%	(6,993)
TDHCA Compliance Fees				0.70%	\$0.06	\$40	\$1,920	\$1,920	\$40	\$0.06	0.71%	0.0%	-
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>		\$ 176,761	71.63%	\$5.60	\$4,068	\$ 195,274	\$ 209,800	\$4,371	\$6.02	77.11%	-6.9%	\$ (14,526)	
<b>NET OPERATING INCOME ("NOI")</b>		N/A	28.37%	\$2.22	\$1,611	\$77,342	\$62,283	\$1,298	\$1.79	22.89%	24.2%	\$15,059	
<b>CONTROLLABLE EXPENSES</b>		\$2,299/Unit	\$2,678/Unit		\$2,395/Unit			\$2,549/Unit					

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$272,083	\$277,525	\$283,075	\$288,737	\$294,512	\$325,165	\$359,008	\$396,374	\$437,629	\$483,178	\$533,467	\$588,991
LESS: TOTAL EXPENSES	209,800	215,801	221,976	228,330	234,869	270,527	311,682	359,191	414,045	477,390	550,554	635,072
<b>NET OPERATING INCOME</b>	\$62,283	\$61,724	\$61,099	\$60,406	\$59,642	\$54,637	\$47,326	\$37,183	\$23,584	\$5,787	(\$17,087)	(\$46,081)
LESS: DEBT SERVICE	48,670	48,670	48,670	48,670	48,670	48,670	48,670	48,670	48,670	48,670	48,670	48,670
<b>NET CASH FLOW</b>	\$13,613	\$13,054	\$12,429	\$11,736	\$10,972	\$5,967	(\$1,345)	(\$11,488)	(\$25,087)	(\$42,883)	(\$65,757)	(\$94,752)
<b>CUMULATIVE NET CASH FLOW</b>	\$13,613	\$26,666	\$39,095	\$50,831	\$61,803	\$102,476	\$111,396	\$75,492	(\$21,222)	(\$198,201)	(\$479,013)	(\$892,102)
DEFERRED DEVELOPER FEE BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.28	1.27	1.26	1.24	1.23	1.12	0.97	0.76	0.48	0.12	-0.35	-0.95
<b>EXPENSE/EGI RATIO</b>	77.11%	77.76%	78.42%	79.08%	79.75%	83.20%	86.82%	90.62%	94.61%	98.80%	103.20%	107.82%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Southwood Apartments, Shepherd, HTC 9% / HOME #11084*

<b>DEBT / GRANT SOURCES</b>																
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>										<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>						
<b>DEBT (Must Pay)</b>	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative			
	UW	App											DCR	LTC		
TDHCA HOME Loan	2.66	3.30	\$23,404	2.00%	40	30	\$644,053	\$644,053	30	40	2.00%	\$23,404	2.66	15.3%		
USDA 515 Loan	1.28	1.59	\$25,266	1.00%	50	30	\$993,828	\$993,828	30	50	1.00%	\$25,266	1.28	23.6%		
<b>CASH FLOW DEBT / GRANTS</b>																
<b>TOTAL DEBT / GRANT SOURCES</b>			\$48,670				\$1,637,881	\$1,637,881				\$48,670	36.9%			
<b>NET CASH FLOW</b>			\$28,672											\$13,613		

<b>EQUITY SOURCES</b>												
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>						
<b>EQUITY / DEFERRED FEES</b>	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Total Developer Fee:	15-Year Cash Flow:	
Michel Associates Ltd	LIHTC Equity	62.8%	\$397,215	0.74	\$2,643,125	\$2,571,293	0.74	\$347,472	61.1%	Annual Credit per Unit:	\$53,568	
Deferred Developer Fee	Deferred Developer Fees	0.0%	(0% Deferred)		\$0	\$0	(0% Deferred)		0.0%	Total Developer Fee:	\$841,841	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$111,396	
<b>TOTAL EQUITY SOURCES</b>		62.8%			\$2,643,125	\$2,571,293			61.1%	15-Yr Cash Flow after Fee:	\$111,396	
<b>TOTAL CAPITALIZATION</b>						\$4,281,006	\$4,209,174					

<b>DEVELOPMENT COST / ITEMIZED BASIS</b>											
<b>APPLICANT COST / BASIS ITEMS</b>						<b>TDHCA COST / BASIS ITEMS</b>				<b>COST VARIANCE</b>	
	Eligible Basis		Total Costs	Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition				
Land Acquisition			\$1,165 / Unit	\$56,900	\$56,900	\$1,165 / Unit				0.0%	\$0
Building Acquisition	\$1,122,928		\$24,228 / Unit	\$1,162,928	\$1,162,928	\$24,228 / Unit		\$1,012,387		0.0%	\$0
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0			0.0%	\$0
Sitework		\$123,875	\$2,581 / Unit	\$123,875	\$123,875	\$2,581 / Unit	\$123,875			0.0%	\$0
Direct Construction		\$1,223,042	\$36.10 SF	\$25,480/Unit	\$1,223,042	\$1,223,042	\$25,480/Unit	\$36.10 SF	\$1,223,042		\$0
Contingency		\$134,557	9.99%	\$134,557	\$134,557	9.99%	\$134,557			0.0%	\$0
Contractor's Fees		\$188,164	12.70%	\$188,164	\$188,164	12.70%	\$188,164			0.0%	\$0
Indirect Construction		\$334,179	\$6,962 / Unit	\$334,179	\$334,179	\$6,962 / Unit	\$334,179			0.0%	\$0
Ineligible Costs			\$1,070 / Unit	\$51,361	\$51,361	\$1,070 / Unit				0.0%	\$0
Developer's Fees	\$175,000	\$488,000	19.97%	\$663,000	\$641,841	20.00%	\$439,363	\$202,477		-3.3%	(\$21,159)
Interim Financing		\$193,000	\$4,021 / Unit	\$193,000	\$193,000	\$4,021 / Unit	\$193,000			0.0%	\$0
Reserves			\$3,125 / Unit	\$150,000	\$99,327	\$2,069 / Unit				-51.0%	(\$50,673)
<b>UNADJUSTED BASIS / COST</b>	<b>\$1,297,928</b>	<b>\$2,684,817</b>	<b>\$89,188 / Unit</b>	<b>\$4,281,006</b>	<b>\$4,209,174</b>	<b>\$87,691 / Unit</b>	<b>\$2,636,180</b>	<b>\$1,214,864</b>		<b>-1.7%</b>	<b>(\$71,832)</b>
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	\$49,265	(\$49,265)									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	<b>\$1,347,193</b>	<b>\$2,635,552</b>	<b>\$88,188 / Unit</b>	<b>\$4,281,006</b>	<b>\$4,209,174</b>		<b>\$2,636,180</b>	<b>\$1,214,864</b>			
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$4,209,174</b>						



**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Southwood Apartments, Shepherd, HTC 9% / HOME #11084*

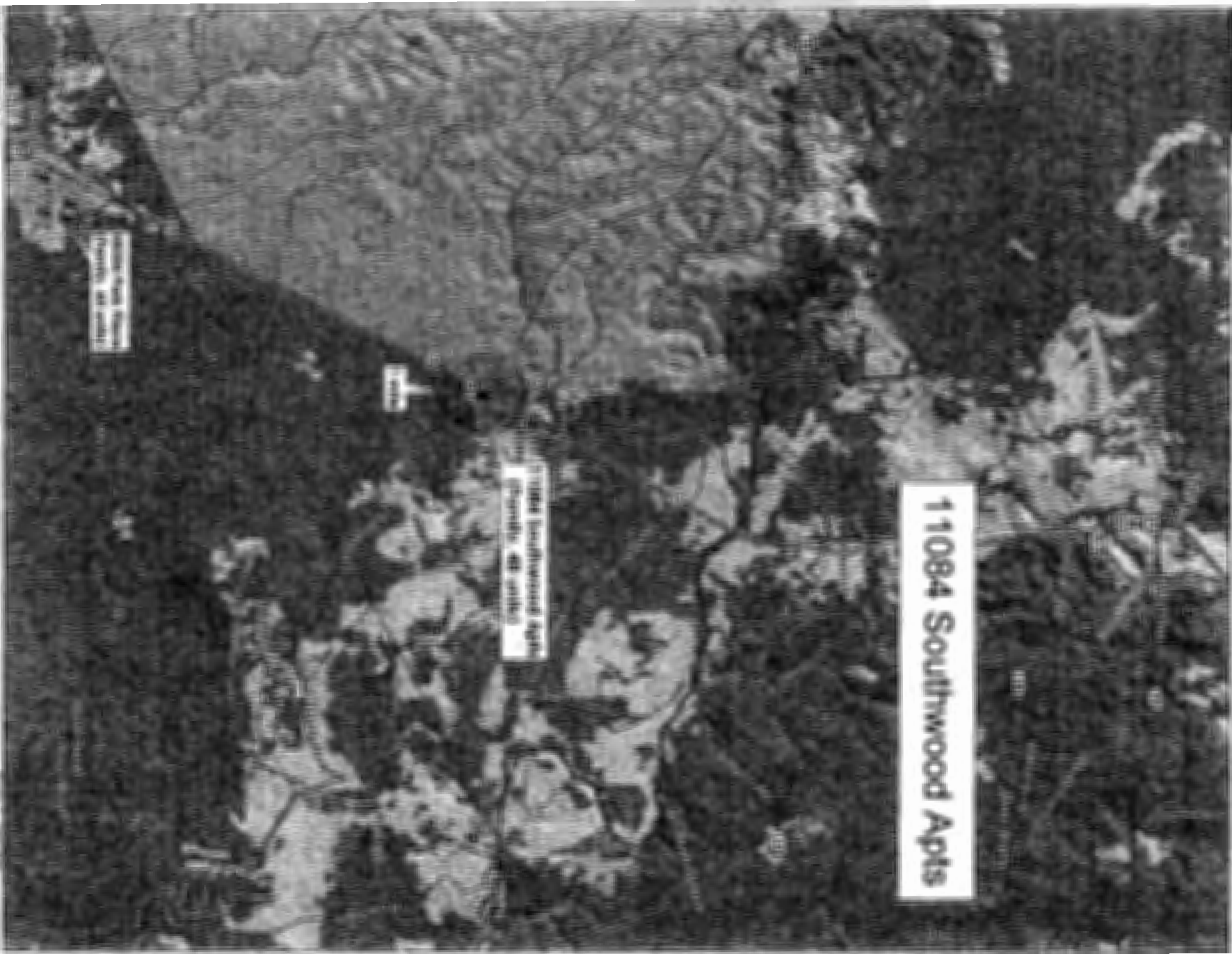
CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$1,347,193	\$2,635,552	\$1,214,864	\$2,636,180
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$1,347,193	\$2,635,552	\$1,214,864	\$2,636,180
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$1,347,193	\$3,426,218	\$1,214,864	\$3,427,035
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$1,347,193	\$3,426,218	\$1,214,864	\$3,427,035
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$46,882	\$308,360	\$42,277	\$308,433
CREDITS ON QUALIFIED BASIS	\$355,242		\$350,710	

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$350,710	\$2,595,257
Gap	\$347,472	\$2,571,293
Request	\$357,215	\$2,643,390

FINAL ANNUAL LIHTC ALLOCATION	
Method	Gap
Credits	\$347,472
Underwritten Proceeds	\$2,571,293

TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$42.52	\$30,864	\$1,481,474	\$1,481,474	\$30,864	\$42.52
Hard Costs plus Contractor Fees	\$47.92	\$34,784	\$1,669,638	\$1,669,638	\$34,784	\$47.92

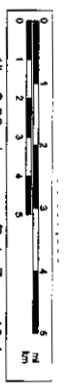




**11084 Southwood Apts**

**11084 Southwood Apts**  
(possibly old address)

**11084 Southwood Apts**



**11085**

**Whitetail Ridge**

**Rural, Region 5**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Whitetail Ridge, TDHCA Number 11085

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, S

US Representative: Gohmert, District 1,

TX Representative: Christian, District 9, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Donald P. Iles, Hemphill City Manager

S, Todd Staples, Texas Dept. of Agriculture, Commissioner

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. A 9% HTC allocation not to exceed \$458,619.
2. Receipt and acceptance by Commitment:
-Of an executed commitment letter from Sabine County for Hurricane Ike Funds. Should these funds not be made available by the County, the deal will need to be re-evaluated and an adjustment to the credit allocation amount may be warranted.
-Of a commitment signed by National Equity Fund indicating HTC proceeds of at least \$3,347,920.
3. Receipt and acceptance by 10% test:
-Of an executed LPA with the investor LP indicating proceeds of at least \$3,347,920.
4. Receipt and acceptance by Cost Certification:
-Documentation clearing environmental issues contained in the ESA report, specifically:
-A survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Whitetail Ridge, TDHCA Number 11085

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 8

Total # Monitored: 8

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

Competitive Housing Tax Credits:  Score: 199  Meeting a Required Set-Aside Credit Amount\*: \$479,094

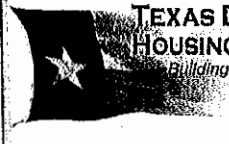
Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11085 Program(s): 9% HTC

**Whitetail Ridge**

Address/Location: 355 Highway 83

City: Hemphill County: Sabine Zip: 75948

Population: Senior Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$479,094				\$0				

**NOT RECOMMENDED DUE TO THE FOLLOWING**

The Applicant's deferred developer fees cannot be repaid from cash flow within fifteen (15) years of stabilized operation based on the Applicant's submitted proforma (2011 Real Estate Analysis Rules and Guidelines §1.32(i)(2)). Additionally, the Board should consider the other weaknesses/risks associated with this transaction reflected in the Risk Profile section.

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST WAIVE ITS RULE FOR THE ISSUE LISTED ABOVE AND SUCH AN AWARD SHOULD BE CONSIDERED UPON THE FOLLOWING:

- 1 A 9% HTC allocation not to exceed \$458,619.
- 2 Receipt and acceptance by Commitment:
  - of an executed commitment letter from Sabine County for Hurricane Ike Funds. Should these funds not be made available by the County, the deal will need to be re-evaluated and an adjustment to the credit allocation amount may be warranted.
  - of a commitment signed by National Equity Fund indicating HTC proceeds of at least \$3,347,920.
- 3 Receipt and acceptance by 10% test:
  - of an executed LPA with the investor LP indicating proceeds of at least \$3,347,920.
- 4 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - A survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	13
60% of AMI	60% of AMI	17

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▫	Gross Capture Rate of 3.4%
▫	Slightly increasing senior population
▫	Co-GP familiar with demographic and need; operate a senior healthcare service in area

WEAKNESSES/RISKS	
▫	Deal is infeasible as submitted; deferred fee cannot be repaid in 15 years
▫	Design is inferior to other new construction deals; unit plans are poor
▫	Site will be managed part time by employees of separate business co-owned by Principals of GP and not located on-site
▫	Only senior HTC deal in market has current occupancy of 84%
▫	Due to low number of units, breakeven occupancy of 87% is only two units less than underwritten 92.5% occupancy rate
▫	Two-bedroom 60% AMI units only \$6 below estimated market rent; few comps to compare rents
▫	High expense to income ratio of 65%
▫	67% of units are two bedroom units
▫	No growth in program max rents since 2007- 2008
▫	Very low and declining overall population in the City of Hemphill

**DEVELOPMENT TEAM**

PRIMARY CONTACTS

Name: Melda Hart Bartholdi  
 Email: meldahart@yahoo.com

Relationship: Co-GP, Guarantor, Supp. Services  
 Phone: 409-383-3823 Fax: 409-579-1172

Name: Jerry Moore  
 Email: jerry.moore@moorebuilding.com

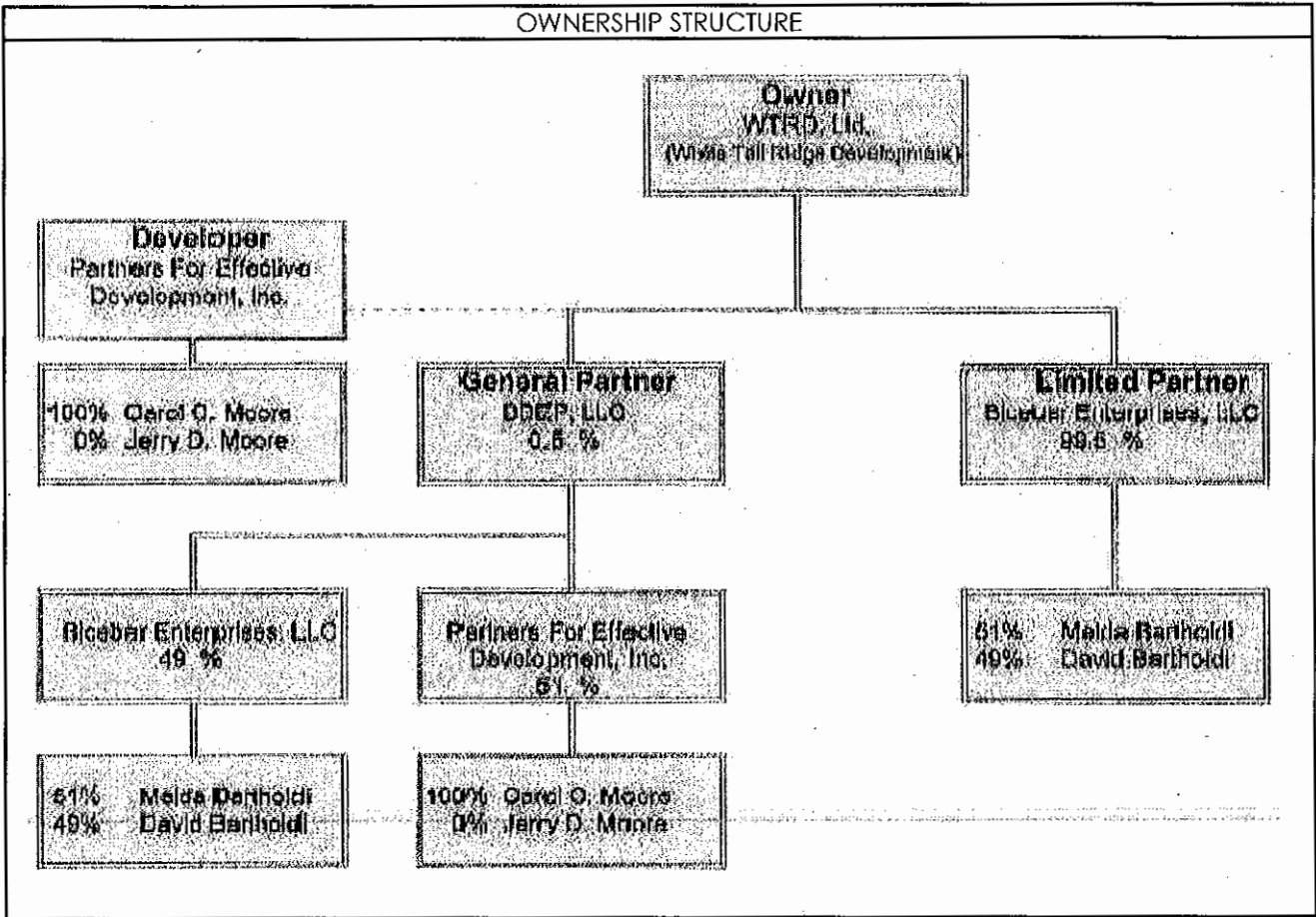
Relationship: Developer, GC, Prop. Management  
 Phone: 936-699-2965 Fax: 936-699-2962

Related-Party Seller/Identity of Interest:           No          

- The Developer, General Contractor, and Property Management Firm are related entities. Additionally, Texas Medical Enterprises, a company for which a Co-General Partner serves as an officer, will provide the supportive services for the deal.

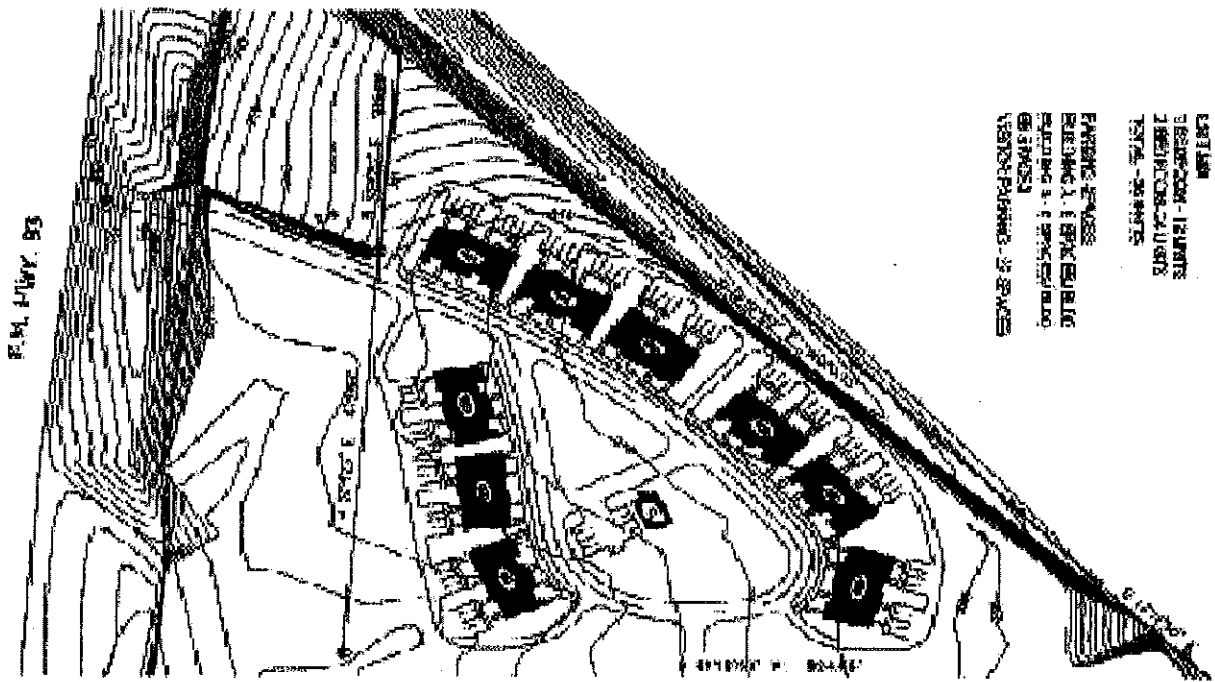


OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN

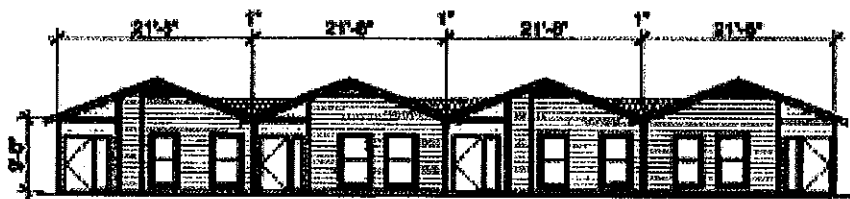


CONTAIN  
2 BLDG - 12 UNITS  
2 BLDG - 12 UNITS  
TOTAL - 24 UNITS

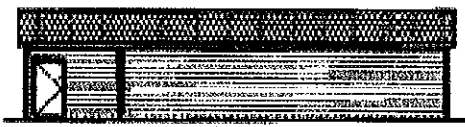
PARKING SPACES  
RESIDING 1, 6 SERVICE BLDG  
RESIDING 1, 6 SERVICE BLDG  
TOTAL - 12 SPACES

VEHICLE PARKING - 12 SPACES

R.M. HWY. 93



**FRONT**



**SIDE**



**REAR**



## MARKET ANALYSIS

Provider: Mark C. Temple & Associates, LLC Date: 3/17/2011  
 Contact: Mark C Temple Phone: 210-496-9499  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 577 sq. miles 14 mile equivalent radius  
 The Primary Market Area is defined by 3 census tracts in Hemphill and encompasses all of Sabine County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$6,960	\$10,830	---	---	\$11,592	\$18,050	\$13,920	\$21,660
2	\$6,960	\$12,390	---	---	\$11,592	\$20,650	\$13,920	\$24,780
3	\$8,352	\$13,920	---	---	\$13,896	\$23,200	\$16,704	\$27,840
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	1		Total Units	32

Proposed, Under Construction, and Unstabilized Comparable Supply:  
None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	4,511		4,460	
Senior Households in the Primary Market Area	2,811		2,504	
Potential Demand from the Primary Market Area	1,061		880	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	1,061		880	
Subject Affordable Units	36		36	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	36		36	
<b>Relevant Supply + Gross Demand = GROSS CAPTURE RATE</b>	<b>3.4%</b>		<b>4.1%</b>	

**Demand Analysis:**

The Market Analyst identifies Gross Demand for 1,061 units based on income-eligible senior households; this indicates a Gross Capture Rate of 3.4% for the subject 36 units.

The Market Analyst's calculations are based on demographic data from a variety of sources including ESRI. The underwriting analysis is based on Ribbon Demographics HISTA data, which provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a lower concentration of senior households in the target income range. The Underwriter calculates Gross Demand for 880 units, resulting in a Gross Capture Rate of 4.1% for the subject 36 units.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	309	5	0	2%	118	5	0	4%
1 BR/50%	492	4	0	1%	194	4	0	2%
1 BR/60%	614	3	0	0%	97	3	0	3%
2 BR/30%	265	1	0	0%	60	1	0	2%
2 BR/50%	562	9	0	2%	141	9	0	6%
2 BR/60%	634	14	0	2%	84	14	0	17%

**Primary Market Occupancy Rates:**

"There are two apartment projects totaling 56 units in the Hemphill, Sabine County Market Area ... Currently, the projects maintain 98-100 percent occupancy levels with waiting lists." (p VII -1) "Pineland Housing Authority, which has 62 single family low rent units for family and senior residents, stated that they had a lengthy waiting list." (p VII -2)

The Underwriter contacted the Pineland Housing Authority and confirmed that the Housing Authority currently has 100 units of Public Housing. The tenants of these units are only required to pay 30% of their income toward rent. Public Housing properties often serve tenants at or below 30% of AMFI who would not be able to afford the rent levels at a typical tax credit transaction. Therefore, these units generally target lower income individuals than tax credit properties. Additionally, the Housing Authority indicated that they do have a Section 8 voucher program, so these lower income tenants would not be able to utilize a rental voucher to live at the subject property.

Additionally, the only existing senior HTC deal, Westlake Apartments, is 84% occupied as of July 11, 2011. Westlake is a 32 unit USDA transaction that received an allocation of credits for rehab in 2000.

**Absorption Projections:**

"According to demographic statistics from ESRI, Inc., present absorption trends of apartment projects located in the Hemphill, Sabine County Market Area range from 5 to 7 units per month... it is estimated that a 95+ percent occupancy level can be achieved in a 5 to 7 month time frame." (p IX- 3/4)

The Underwriter determined that the most recent HTC development to come on line in the surrounding area (but outside of the market area) was Prospect Point with 72 units in Jasper. Prospect Point placed in service in December 2008 and was 90% occupied by February 2010, indicating an absorption rate of 5 units per month.

**Market Impact:**

"The need for affordable housing within the prescribed market area is justified for the subject development. The subject development will not affect the trends of the other apartment projects located in the market area ... the Primary Market Area can support 106 senior units." (p. XI-1)

Comments:

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

The market study indicates that the general population of the City of Hemphill was only 1,027 in 2010 and is projected to decrease by almost 3 percent from 2010 to 2015; the senior population is projected to increase by 2.4%, from 296 to 303.

The general population of the Primary Market Area (Sabine County) was 10,437 in 2010 and is projected to decrease by approximately 1% by 2015; but the senior population is projected to increase by 6.6%, from 4,642 to 4,950.

The Underwriter's data for the PMA indicates general population and total households decreasing by 1% between 2010 and 2015, while senior population is projected to increase by 2%, and senior households are projected to increase by 2.5%.

The very low and declining population of the City of Hemphill is cause for concern regarding the ability to lease-up the proposed development. While the market study meets the REA rules, this presents some concern for the Underwriter.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$73,245	Avg. Rent:	\$518	Expense Ratio:	65.59%
Debt Service:	\$60,832	B/E Rent:	\$493	Controllable Expenses:	\$2,487
Net Cash Flow:	\$12,413	Occupancy:	92.50%	Property Taxes/Unit:	\$365
Aggregate DCR:	1.2:1	B/E Occupancy:	87.11%	Program Rent Year:	2010

Income:      Number of Revisions:      1      Date of Last Applicant Revision:      6/2/2011

The Market Study states that there are currently no market rate apartment (family or senior) projects located in the Hemphill, Sabine County Market Area. The Underwriter contacted the property management company for the only existing HTC deal in the market - Westlake Apartments, a 2000 LIHTC rehab deal with USDA financing and rental assistance. The current occupancy is actually 84% rather than the 98-100% occupancy reported in the Market Study. Additionally, the Department's compliance occupancy data from February reflects a 76% occupancy.

The lack of good comps in the PMA and the very low occupancy at the only other senior HTC deal in the market is a serious concern of the Underwriter. The Underwriter reviewed current market rents reported by market rate apartment complexes within the neighboring Cities of Lufkin and Nacogdoches to determine if the development can be reasonably expected to achieve the restricted rent levels. Though these two cities are located approximately 60 miles west of the site, due to a lack of data for the Hemphill, Sabine County Market Area, they are the closest data points available to the Underwriter for comparison purposes.

The Underwriter reviewed current rents for one-bedroom and two-bedroom units at 5 developments. The average rent per square foot for the one-bedroom units is \$0.74 and the average rent per square foot for the 60% two-bedroom units is \$0.68. This average square foot cost was applied to the one- and two-bedroom units within the subject development to determine an estimated market rate for the units. Though the overall rent per unit is \$115/unit lower than market, it is important to note that the rents for the two-bedroom units restricted at 60% of AMI (representing 39% of the total units) are only \$6 or \$0.01 per square foot lower than the market.

Due to the location of these comps in larger markets and lack of proximity, there is a much larger margin for error than typically expected for underwriting. Some discount to these rate would be advisable; however, the transaction is not feasible even if the program maximum rents could be achieved.

Due to the low number of units proposed, each unit represents a large percentage of the whole. As a result, the breakeven occupancy rate of 87.11% represents a vacancy of only 2 units below the underwritten occupancy rate of 92.5%.

Additionally, a one month rental concession on the 60% units would cause the deal to operate at breakeven. Given the need in many markets to provide similar or comparable concessions, this represents a risk to the deal.

Some risk may be mitigated by the Applicant's ability to market the units to existing clients of Texas Medical Clinics, the Senior Health Care Service owned and operated by the Applicant. Texas Medical Clinics has over 1,000 active patient charts and sees between 20 and 30 patients a day at its clinic located approximately 11 miles from the site in Pineland, TX. Additionally, the Hemphill Family Clinic is presently being utilized by a couple of specialists, a podiatrist and a cardiologist who come to Hemphill once a week and each see between 20 and 30 patients. Additionally, Texas Medical Enterprises, Inc., the home health care agency owned and operated by the Applicant has a census of 100 active patients. The Underwriter assumes that the Applicant's experience and daily interaction serving the elderly of Sabine County will be a benefit to the ability to lease the 36 units.

The Utility Allowances for the one- and two-bedroom units are \$43 and \$53, respectively. The Housing Authority of the City of Hemphill, Texas provided these Utility Allowances as well as an explanation for how they were derived.

Per the explanation from the Authority, on an annual basis the utility bills from 20 units managed by the Authority are obtained from the City of Hemphill. The high and low bill for each unit size is not used and the remaining bills are averaged to obtain the respective gas and electric utility allowance for the respective size unit. The Authority does not provide an itemized breakdown of utility costs, only a total for each unit size. The itemized breakdown included in the application was estimated by the Applicant based on the total amount per unit size provided by the Housing Authority and anticipated usage rates.

Expense:    Number of Revisions:        4        Date of Last Applicant Revision:        6/13/2011    

The Applicant provided a side-by-side comparison of the proposed operating expenses with two properties owned by the Developer. These properties share similar unit counts, 36- and 26-units; however, the building types differ as both properties submitted for comparison purposes consist of a mix of single-family homes and duplexes with up to 3-bedroom units. These figures were used as an additional data point; however, the Region 5 database was utilized as the primary source for the underwritten operating expenses.

The proposed controllable expenses of \$2,487 per unit are \$36 or 1% less than the Region 5 average of \$2,523 per unit and the total operating expenses proposed by the Applicant fall within 1% of the Underwriter's total estimate. Though the total expenses meet REA's threshold requirements, several individual operating expense line items varied greatly from those reported in the REA database for Region 5.

Of particular concern are the utility (electricity), water, sewer and trash expenses proposed. The electricity expense of \$2,592 is 51.7% less than the Region 5 average of \$5,364 and the proposed Water, Sewer, & Trash expense of \$13,176 is 42.7% higher than the Region 5 average of \$9,235. Though these line items differ by a large percentage from the Region 5 averages, when combined the total proposed annual expense for utilities, water, sewer, and trash only differs by \$1,169 or 7.4%.

The proposed staffing plan submitted by the Applicant includes one part-time manager who will also be a part-time employee at an adjacent medical clinic which is owned and managed by the Applicant. The manager will show the units, receive the necessary documents for tenant certification, respond to tenant questions, and be available on short notice in case of emergency. A maintenance person will be staffed on an hourly basis and will work 30 hours per week on the property and the balance at the medical clinic. The maintenance person will also be available on short notice in case of emergencies.

Certification of tenants, accounting, reporting, and other related work will be conducted by Moore Asset Management's main office in Lufkin, TX. This activity will be paid for by the management fee which is set at 5% of effective gross income.

**Conclusion:**

The Applicant's NOI is within 5% of the Underwriter's NOI. Therefore, the Applicant's proforma was used in the analysis. While the DCR and expense to income ratio meet the REA rules, the deferred developer fee necessary to fill the gap in financing is too large to project repayment in 15 years. This concern is heightened because the program maximum rents have not increased since 2007 to 2008 and the increase that year was the result of the Housing and Economic Recovery Act legislation rather than actual income growth. The Underwriter's proforma is projecting 2% income growth despite flat rents in recent years.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Unimproved Property Contract Acreage: 6.704

Acquisition Cost: \$70,000 Contract Expiration: 12/31/2011

Cost Per Unit: \$1,944

Seller: Perry and Alice Bice Related to Development Team?  Yes  No

**Comments:**

The site is currently occupied by a mobile home which is expected to be removed, at no expense to the Applicant, prior to the commencement of construction.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 3 Date of Last Applicant Revision: 6/6/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Comments:**

The Applicant will be responsible for storm drain inlets, water and sewer piping, a sewer lift pump and entrance paving on the utility right-of-way that separates the site from Highway 83. These costs have been estimated to total \$47,400 or \$1,316 per unit and have been certified by a third party architect.

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The Applicant has estimated \$471,407 or \$13,095 per unit in site work costs which include grading, paving, site clearing, sewer and water lines among other improvements. Site work was originally estimated to be \$321,939 or \$8,942 per unit; however, after discussing the proposed development with the Underwriter, the Applicant agreed to have a third party engineer assess the site. The final estimate of \$471,407 has been certified by a third party engineer.

**Direct Construction Cost:**

The Underwriter believes that the direct development cost estimated by the Applicant of \$2,010,058 is overstated. The building product (included above) that the Applicant has proposed is extremely simple in design - no exterior masonry, simple rooflines, little exterior articulation, the buildings are effectively rectangular. The REA Rules require the Underwriter to apply the "Average Quality" costs listed in the Marshall and Swift Residential Handbook; however, the building product proposed in the site plan most closely resembles the description for "Fair Quality" buildings per Marshall and Swift.



The Underwriter reviewed recently completed underwriting reports for 36-unit developments; however a comparable deal utilizing similar building materials and/or a similar design could not be found. A majority of deals reviewed either consisted of two-story multifamily style design and/or included a large percentage of exterior masonry. These developments, which are viewed to be superior in building quality to the subject site, were typically underwritten at approximately \$55,000 per unit in direct construction cost.

Due to the quality differences, the Underwriter is unable to accurately estimate the direct building cost; however, based on a combination of Marshall and Swift estimates and a comparison to superior 36-unit developments, the Underwriter estimated the direct construction cost to be \$1,858,621; or \$151,437 (8%) lower than the Applicant's estimated direct construction cost of \$2,010,058. The Underwriter's estimated direct construction cost is \$51,628 per unit.

As the building plan calls for relatively basic designs with 100% fiber cement siding, the Underwriter assumes that the additional cost that the Applicant has included is due primarily to the rural location and size of the development. The City of Hemphill is located approximately 60 miles east of Lufkin and Nacogdoches along the Louisiana border. The cost to mobilize and develop a site in Hemphill is likely higher than would be expected in a more populated and urbanized location. According to the Market Study, the 2010 population for the City of Hemphill was 1,027.

Additionally, by developing a site plan that calls for only 36 units, the economics of scale associated with a larger deal may not be achievable. The Developer provided a detailed itemized cost schedule to serve as back up data for the proposed costs submitted in the application.

Despite these considerations for cost escalations, as well as the detailed cost schedule submitted by the Developer, the Underwriter remains concerned that actual realized development costs will be or should be below those underwritten in this report.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$5,095,769 and 9% applicable percentage support an annual allocation of \$458,619. This figure was compared to both the Applicant's request and the tax credits calculated based on the gap between the cost of development and permanent funds to determine the recommended allocation.

As submitted, the Applicant included the grant from Sabine County in eligible basis. The Underwriter has confirmed with the Applicant and County that the funding source is federal CDBG funds and will be structured as a grant to the partnership. Therefore, the Underwriter removed the \$175,000 grant from eligible basis. This results in a lower eligible credit amount than initially expected by the Applicant.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 4/28/2011

<b>Interim Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>	<b>LTC</b>
Walker & Dunlop - Construction Loan	\$725,000	7.50%	2 Years	16%
National Equity Fund, Inc. - Syndicator	\$3,422,100	HTC Equity		77%
Sabine County Grant	\$175,000	Grant		4%
Deferred Developer Fee	\$111,508	Developer Fee		3%
<b>Total</b>	<b>\$4,433,608</b>			

Comments:

The Applicant requested support from Sabine County and received a commitment of \$175,000 from the 2010 Hurricane Ike Funds allocated to the County for the construction of new homes. According to the commitment letter supplied by the County, at this time, HUD and/or the State of Texas have not released these funds for distribution; however, the County will support the development when funding becomes available. The Hurricane Ike funds will have passed through several entities prior to their final destination as a source of funding for the subject development. The funding from HUD to the State was subgranted to the Deep East Texas Council of Governments and are expected to be subgranted again to the County of Sabine. As these funds originated from the federal government, they were removed from eligible basis.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Walker & Dunlop -Permanent Loan	\$725,000	7.50%	30	15	16%
Sabine County Grant	\$175,000	0.00%	Grant		4%
<b>Total</b>	<b>\$900,000</b>				

Comments:

The conventional loan from Walker and Dunlop as well as the grant from Sabine County will be available during the construction phase and will convert to permanent. As the Sabine County Grant originates from 2010 Hurricane Ike Funds, repayment of this funding source will not be required.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
National Equity Fund, Inc. - Syndicator	\$3,256,196	\$0.71	73%	
Deferred Developer Fee	\$277,410		6%	41%
<b>Total</b>	<b>\$3,533,606</b>			
<b>Total Sources</b>	<b>\$4,433,606</b>			

Comments:

National Equity Fund, Inc. has indicated an interest in providing \$3,422,100 in tax credit equity at a rate of \$0.71. However, this equity contribution was priced under the assumption that the \$175,000 grant from Sabine County would be counted toward eligible basis. When the \$175,000 is removed from basis, if NEF were to provide equity to the deal at the same rate of \$0.71, the resulting equity would only be \$3,256,196. This decrease in equity creates the need for an increase in deferred developer fees to a level that cannot be repaid within 15 years of stabilized operation based on the Applicant's proforma.

Per §1.32(i)(2) of the Rules, a development is considered infeasible if an allocation of tax credits cannot repay the estimated deferred developer fee from cash flow within the first fifteen (15) years of the long term proforma. As such, the deal is infeasible as proposed and the Underwriter does not recommend that tax credits be awarded.

When this issue was discussed with the Developer, he indicated that NEF may be willing to increase the syndication rate from \$0.71 to \$0.73. This increase of 2 cents on the dollar would make the deal feasible as currently underwritten per the Rules as the deferred developer fees could be repaid from projected cash flow within 15 years. No commitment was provided for this higher rate.

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$725,000 and county grant of \$175,000 indicates the need for \$3,533,606 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$497,691 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$458,619</b>
Allocation determined by gap in financing:	\$497,691
Allocation requested by the Applicant:	\$479,094

The allocation amount determined by the Applicant's calculation of the eligible basis is the amount that would be recommended for the deal; however, the \$3,256,196 in equity resulting from an annual allocation of \$458,619 would require \$277,410 in deferred developer fees. As stated above, deferred developer fees in this amount cannot be repaid within 15 years of operation making the deal infeasible under the rules.

The Underwriter does not recommend an allocation of tax credits based on the deal's inability to repay deferred developer fees within 15 years of operation (10 TAC § 1.32(i)(2) of the Rules).

Underwriter:	<u>Blake Hopkins</u>
Reviewing Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

**Whitetail Ridge, Hemphill, 9% HTC #11085**

LOCATION DATA	
CITY:	Hemphill
COUNTY:	Sabine
PROGRAM REGION:	5
RURAL RENT USED:	Yes
IREM REGION:	NA

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	12	33.3%
2	24	66.7%
3		
4		
<b>TOTAL</b>	<b>36</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	5	1	1	807	\$290	\$43	\$247	\$0	\$0.31	\$247	\$1,235	\$1,235	\$247	\$0.31	\$0	\$601	0.74	\$354
TC50%	\$483	4	1	1	807	\$483	\$43	\$440	\$0	\$0.55	\$440	\$1,760	\$1,760	\$440	\$0.55	\$0	\$601	0.74	\$161
TC60%	\$580	3	1	1	807	\$580	\$43	\$537	\$0	\$0.67	\$537	\$1,611	\$1,611	\$537	\$0.67	\$0	\$601	0.74	\$64
TC30%	\$348	1	2	1	957	\$348	\$53	\$295	\$0	\$0.31	\$295	\$295	\$295	\$295	\$0.31	\$0	\$649	0.68	\$354
TC50%	\$579	9	2	1	957	\$579	\$53	\$526	\$0	\$0.55	\$526	\$4,734	\$4,734	\$526	\$0.55	\$0	\$649	0.68	\$123
TC60%	\$696	14	2	1	957	\$696	\$53	\$643	\$0	\$0.67	\$643	\$9,002	\$9,002	\$643	\$0.67	\$0	\$649	0.68	\$6
<b>TOTALS/AVERAGE</b>		<b>36</b>			<b>32,652</b>				<b>\$0</b>	<b>\$0.57</b>	<b>\$518</b>	<b>\$18,637</b>	<b>\$18,637</b>	<b>\$518</b>	<b>\$0.57</b>	<b>\$0</b>	<b>\$633</b>	<b>\$0.70</b>	<b>\$115</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>											<b>\$223,644</b>	<b>\$223,644</b>							

**STABILIZED PROFORMA**

**Whitetail Ridge, Hemphill, 9% HTC #11085**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.57	\$518	\$223,644	\$223,644	\$518	\$0.57		0.0%	\$0
Application and credit check fees					\$10.00	\$4,320					0.0%	(4,320)
Late payment fees					\$5.00	\$2,160					0.0%	(2,160)
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$6,480	\$15.00			100.0%	6,480
<b>POTENTIAL GROSS INCOME</b>						\$230,124	\$230,124				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(17,259)	(17,259)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$212,865	\$212,865				0.0%	\$0

General & Administrative	\$13,394	\$372/Unit	-	4.90%	\$0.32	\$289	\$10,420	\$13,394	\$372	\$0.41	6.29%	-22.2%	(2,974)
Management	\$13,617	6.4% EGI	-	5.00%	\$0.33	\$296	\$10,650	\$10,650	\$296	\$0.33	5.00%	0.0%	-
Payroll & Payroll Tax	\$26,967	\$749/Unit	-	18.31%	\$1.19	\$1,083	\$38,980	\$39,420	\$1,095	\$1.21	18.52%	-1.1%	(440)
Repairs & Maintenance	\$23,861	\$663/Unit	-	11.44%	\$0.75	\$676	\$24,350	\$23,861	\$663	\$0.73	11.21%	2.0%	489
Utilities	\$8,520	\$237/Unit	-	1.22%	\$0.08	\$72	\$2,592	\$5,364	\$149	\$0.16	2.52%	-51.7%	(2,772)
Water, Sewer, & Trash	\$13,771	\$383/Unit	-	6.19%	\$0.40	\$366	\$13,176	\$9,310	\$259	\$0.29	4.37%	41.5%	3,866
Property Insurance	\$12,307	\$0.38 SF	-	4.76%	\$0.31	\$281	\$10,122	\$11,428	\$317	\$0.35	5.37%	-11.4%	(1,306)
Property Tax 1.63984	\$14,109	\$392/Unit	-	6.17%	\$0.40	\$365	\$13,140	\$11,689	\$325	\$0.36	5.49%	12.4%	1,451
Reserve for Replacements	\$13,815	\$384/Unit	-	4.23%	\$0.28	\$250	\$9,000	\$9,000	\$250	\$0.28	4.23%	0.0%	-
TDHCA Compliance Fees			-	0.58%	\$0.04	\$40	\$1,440	\$1,440	\$40	\$0.04	0.68%	0.0%	-
Supportive service contract fees			-	0.94%	\$0.06	\$58	\$2,000	\$2,000	\$56	\$0.06	0.94%	0.0%	-
Syndicator Review Fee			-	1.76%	\$0.11	\$104	\$3,750	\$3,750	\$104	\$0.11	1.76%	0.0%	-
<b>TOTAL EXPENSES</b>			\$ -	65.59%	\$4.28	\$3,878	\$139,620	\$ 141,306	\$3,925	\$4.33	66.38%	-1.2%	\$ (1,686)
<b>NET OPERATING INCOME ("NOI")</b>			\$ -	34.41%	\$2.24	\$2,035	\$73,245	\$71,559	\$1,988	\$2.19	33.62%	2.4%	\$1,686

<b>CONTROLLABLE EXPENSES</b>	\$2,403/Unit	\$/Unit		\$2,487/Unit		\$2,537/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$212,865	\$217,122	\$221,464	\$225,894	\$230,412	\$254,393	\$280,870	\$310,104	\$342,380	\$378,015	\$417,359	\$460,798
LESS: TOTAL EXPENSES	139,620	143,702	147,905	152,231	156,685	181,004	209,131	241,665	279,299	322,839	373,215	431,506
<b>NET OPERATING INCOME</b>	<b>\$73,245</b>	<b>\$73,420</b>	<b>\$73,660</b>	<b>\$73,663</b>	<b>\$73,727</b>	<b>\$73,389</b>	<b>\$71,739</b>	<b>\$68,439</b>	<b>\$63,080</b>	<b>\$65,176</b>	<b>\$44,144</b>	<b>\$29,292</b>
LESS: DEBT SERVICE	60,832	60,832	60,832	60,832	60,832	60,832	60,832	60,832	60,832	60,832	60,832	60,832
<b>NET CASH FLOW</b>	<b>\$12,413</b>	<b>\$12,588</b>	<b>\$12,728</b>	<b>\$12,831</b>	<b>\$12,895</b>	<b>\$12,557</b>	<b>\$10,908</b>	<b>\$7,607</b>	<b>\$2,249</b>	<b>(\$5,656)</b>	<b>(\$16,688)</b>	<b>(\$31,540)</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$12,413	\$25,001	\$37,730	\$50,561	\$63,456	\$127,381	\$185,806	\$231,180	\$254,055	\$242,711	\$182,715	\$56,402
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$277,410	\$264,822	\$252,094	\$239,262	\$226,367	\$162,442	\$104,017	\$58,643	\$35,768	\$34,880	\$34,880	\$34,880
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.20	1.21	1.21	1.21	1.21	1.21	1.18	1.13	1.04	0.91	0.73	0.48
<b>EXPENSE/EGI RATIO</b>	65.59%	66.18%	66.78%	67.39%	68.00%	71.15%	74.45%	77.93%	81.58%	85.40%	89.42%	93.64%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Whitetail Ridge, Hemphill, 9% HTC #11085*

	DEBT / GRANT SOURCES															
	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative			
As UW	App	DCR											LTC			
<b>DEBT (Must Pay)</b>																
Walker and Dunlop Real Estate Financial Services	1.18	1.20	\$60,832	7.50%	30	15	\$725,000	\$725,000	15	30	7.50%	\$60,832	1.20	16.4%		
<b>CASH FLOW DEBT / GRANTS</b>																
Sabine County, Texas	1.18	1.20		0.00%	0	0	\$175,000	\$175,000	0	0	0		1.20	3.9%		
<b>TOTAL DEBT / GRANT SOURCES</b>			\$60,832				\$900,000	\$900,000				\$60,832		20.3%		
<b>NET CASH FLOW</b>			\$12,413									\$10,727				

	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE				
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
Annual Credit per Unit:										Total Developer Fee:	
<b>EQUITY / DEFERRED FEES</b>											
National Equity Fund, Inc.	LHTC Equity	77.2%	\$479,084	0.71	\$3,422,100	\$3,256,196	\$0.71	\$458,619	73.4%	Annual Credit per Unit:	\$90,450
Partners For Effective Development, Inc.	Deferred Developer Fees	2.5%	(17% Deferred)		\$111,508	\$277,410	(42% Deferred)		6.3%	Total Developer Fee:	\$670,000
Additional (Excess) Funds Red's		0.0%			(\$2)	(\$0)			0.0%	15-Year Cash Flow:	\$185,808
<b>TOTAL EQUITY SOURCES</b>		79.7%			\$3,533,606	\$3,533,606			79.7%	15-Yr Cash Flow after Fee:	(\$91,604)
<b>TOTAL CAPITALIZATION</b>					\$4,433,606	\$4,433,606					

	DEVELOPMENT COST / ITEMIZED BASIS										COST VARIANCE	
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					%	\$
	Eligible Basis		Total Costs	Total Costs	Eligible Basis							
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition			\$1,944 / Unit	\$70,000	\$70,000	\$1,944 / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites		\$0	\$1,317 / Unit	\$47,400	\$47,400	\$1,317 / Unit		\$0		0.0%	\$0	
Sitework		\$471,407	\$13,095 / Unit	\$471,407	\$471,407	\$13,095 / Unit		\$471,407		0.0%	\$0	
Direct Construction		\$2,010,058	\$61.56 /sf	\$95.935/Unit	\$2,010,058	\$1,858,621	\$51.628/Unit	\$98.92 /sf	\$1,858,621	-8.1%	(\$151,437)	
Contingency		\$172,460		6.95%	\$172,460	\$163,102		7.00%	\$163,102	-5.7%	(\$9,358)	
Contractor's Fees		\$393,420		14.96%	\$393,420	\$393,420		15.49%	\$393,420	0.0%	\$0	
Indirect Construction		\$247,386		\$6,872 / Unit	\$247,386	\$247,386		\$6,872 / Unit	\$247,386	0.0%	\$0	
Ineligible Costs				\$4,134 / Unit	\$148,828	\$148,828		\$4,134 / Unit		0.0%	\$0	
Developer's Fees	\$0	\$670,000		19.56%	\$670,000	\$652,805		20.00%	\$652,805	-2.6%	(\$17,195)	
Interim Financing		\$130,091		\$3,614 / Unit	\$130,091	\$130,091		\$3,614 / Unit	\$130,091	0.0%	\$0	
Reserves				\$2,015 / Unit	\$72,556	\$72,556		\$2,015 / Unit		0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$4,094,822		\$123,156 / Unit	\$4,433,606	\$4,255,617		\$118,212 / Unit	\$3,916,833	-4.2%	(\$177,989)	
Acquisition Cost for Identity of Interest Seller					\$0							
Developer's Fee	\$0	\$0										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	\$0	\$4,094,822		\$123,156 / Unit	\$4,433,606	\$4,255,617		\$3,916,833	\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$4,433,606							

**CAPITALIZATION/DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

*Whitetail Ridge, Hemphill, 9% HTC #11085*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$4,094,822	\$0	\$3,916,833
Deduction for Other Federal Funds	\$0	\$175,000	\$0	\$175,000
TOTAL ELIGIBLE BASIS	\$0	\$3,919,822	\$0	\$3,741,833
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$5,095,769	\$0	\$4,864,383
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$5,095,769	\$0	\$4,864,383
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$458,619	\$0	\$437,794
CREDITS ON QUALIFIED BASIS	\$458,619		\$437,794	

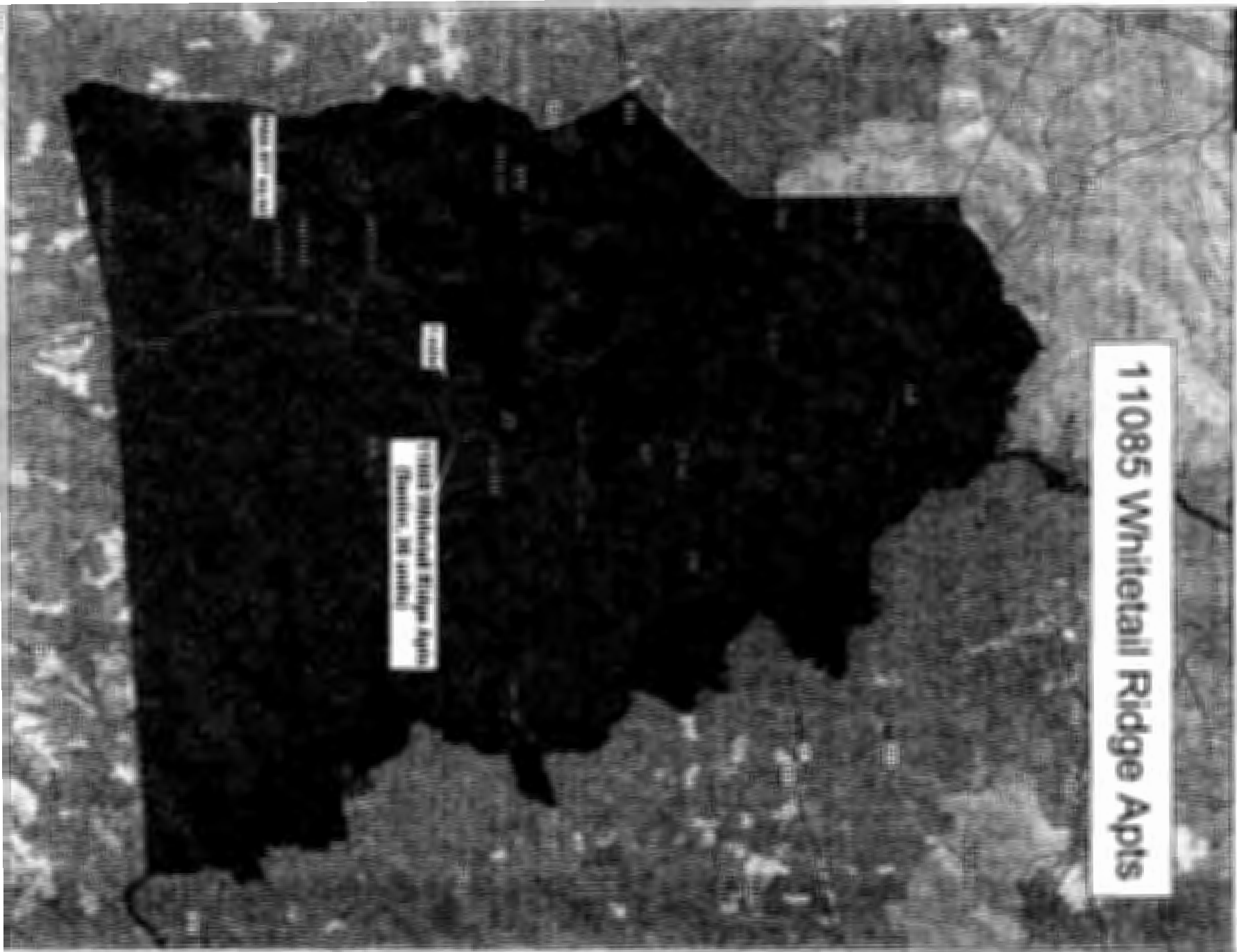
ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$458,619	\$3,256,196
Gap	\$497,691	\$3,533,606
Request	\$479,094	\$3,401,569

FINAL ANNUAL LIHTC ALLOCATION	
Method	Eligible Basis
Credits	\$458,619
Underwritten Proceeds	\$3,256,196

	TOTAL HARD/COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$82.73	\$75,037	\$2,701,325	\$2,540,530	\$70,570	\$77.81
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$93.33	\$84,648	\$3,047,345	\$2,886,550	\$80,182	\$88.40

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Townhome			\$56.82	1,855,238
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	3.00%		1.70	55,657
9-Ft. Ceilings	3.00%		1.70	55,657
Roofing			0.00	0
Subfloor			(1.95)	(63,671)
Floor Cover			3.11	101,515
Breezeways	\$0.00	0	0.00	0
Balconies	\$23.63	2520	1.82	59,571
Plumbing Fixtures	\$1,015	-144	-4.48	(146,180)
Rough-ins	\$445	12	0.16	5,340
Built-In Appliances	\$3,155	36	3.48	113,580
Exterior Stairs	\$0	0	0.00	0
Heating/Cooling			1.86	60,733
Enclosed Corridors	\$0.00		0.00	0
Carports	\$0.00	0	0.00	0
Garages	\$0.00	0	0.00	0
Comm &/or Aux Bldgs	\$88.89	735	2.00	65,337
Other:			0.00	0
Other:			0.00	0
Other: fire sprinkler	\$0.00	0	0.00	0
<b>SUBTOTAL</b>			<b>66.24</b>	<b>2,162,796</b>
Current Cost Multiplier	1.03		1.99	64,884
Local Multiplier	0.89		-7.29	(237,908)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>60.94</b>	<b>\$1,989,772</b>
Plans, specs, survey, bldg permits	3.90%		-2.38	(\$77,601)
Interim Construction Interest	3.38%		-2.06	(67,155)
Contractor's OH & Profit	11.50%		-7.01	(228,824)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>49.50</b>	<b>\$1,616,193</b>

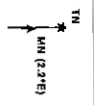
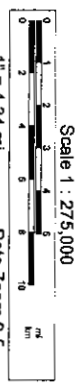
# 11085 Whitetail Ridge Apts



11085 Whitetail Ridge Apts  
(Location: 11085)

11085

11084





11086

La Belle Vie

Rural, Region 5



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**La Belle Vie, TDHCA Number 11086**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 350 ft SE of Shakespeare Ln. on W side of N LHS Dr. Development #: 11086  
 City: Lumberton Region: 5 Population Served: Elderly  
 County: Hardin Zip Code: 77657 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Lumberton La Belle Vie, LP  
 Owner Contact and Phone: Donald R. Ball, (409) 988-1851  
 Developer: Lumberton La Belle Vie Developers, LLC  
 Housing General Contractor: Icon Builders, LLC  
 Architect: Long Architects, Inc.  
 Market Analyst: Gerald A. Teel Company, Inc  
 Syndicator: NA  
 Supportive Services: Itex Property Management, LLC  
 Consultant and Contact: Itex Developers, LLC, Tracy Ambridge

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	56	24	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$8,832,438
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	8

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$945,833	\$927,326			
HOME Activity Fund Amount:		\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Belle Vie, TDHCA Number 11086

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, NC

US Representative: Brady, District 8,

TX Representative: Hamilton, District 19, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 1

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Support & Opposition - River Birch Place supports the development.

Letter received by the Department opposing the development because there is no public transportation available for tenants. Development is too close to a major gas pipeline.

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: Firm commitment from Strategic Housing Finance Corporation of Travis County for the award of construction loan in the amount of \$177,000, stating terms of financing, including interest rate, term, and amortization period. Firm commitment from the Orange Regional HOME Consortium for the award of HOME loan in the amount of \$360,000, stating terms of financing, including interest rate, term, and amortization period.
2. Receipt and acceptance by Carryover: Investigation into the wetland area located on the site to determine if a wetland delineation survey will be required and all recommendations were implemented with the findings by the investigation.
3. Receipt and acceptance by 10% test: A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
4. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: That all noise assessment recommendations were implemented.
5. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Belle Vie, TDHCA Number 11086

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **189**  Meeting a Required Set-Aside Credit Amount\*: \$927,326

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11086 Program(s): 9% HTC

**La Belle Vie**

Address/Location: 350' SE of Shakespeare Lane on the West Side of North Lhs Drive

City: Lumberton County: Hardin Zip: 77657

Population: Senior Program Set-Aside: Rural Area: Rural

Activity: New Construction Construction Type: Gorden (Up to 3 story) Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$942,604				\$927,326				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - Firm commitment from Strategic Housing Finance Corporation of Travis County for the award of construction loan in the amount of \$177,000, stating terms of financing, including interest rate, term, and amortization period.
  - Firm commitment from the Orange Regional HOME Consortium for the award of HOME loan in the amount of \$360,000, stating terms of financing, including interest rate, term, and amortization period.
- 2 Receipt and acceptance by Carryover:
  - Investigation into the wetland area located on the site to determine if a wetland delineation survey will be required and all recommendations were implemented with the findings by the investigation.
- 3 Receipt and acceptance by 10% test:
  - A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - That all noise assessment recommendations were implemented.
- 5 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS
▫ Development consultant has extensive development experience
▫ Comp deals are achieving max program rents
▫ 84.69% break even occupancy
▫ Low gross capture rate of 3%

WEAKNESSES/RISKS
▫ No frontage and limited visibility; site is accessed via a 270 foot driveway through heavily wooded easement
▫ Poor parking access to some units
▫ Site work costs set exactly at Real Estate Analysis threshold of \$9,000 per unit.
▫ 64% expense to income ratio
▫ Site is located further from Beaumont and medical facilities than direct competition
▫ Unemployment in Beaumont is 11%, above state average of 8.3%

**DEVELOPMENT TEAM**

## PRIMARY CONTACTS

Name: Donald R. Ball  
 Email: dball1@gt.rr.com

Relationship: Co-General Partner  
 Phone: 409-988-1851 Fax: 409-670-0973

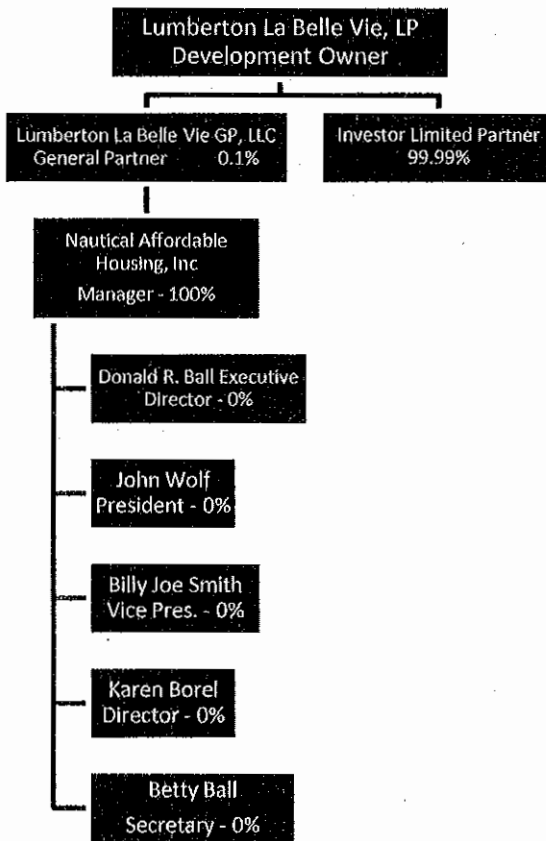
Name: Chris Akbari  
 Email: chrisakbari@itexmgt.com

Consultant: Vice President, Itex Group, Consultant  
 Phone: 409-719-5780 Fax: 866-395-6362

Related-Party Seller/Identity of Interest: No

- The General Contractor, Property Management Company and Supportive Services Provider are related entities.

OWNERSHIP STRUCTURE



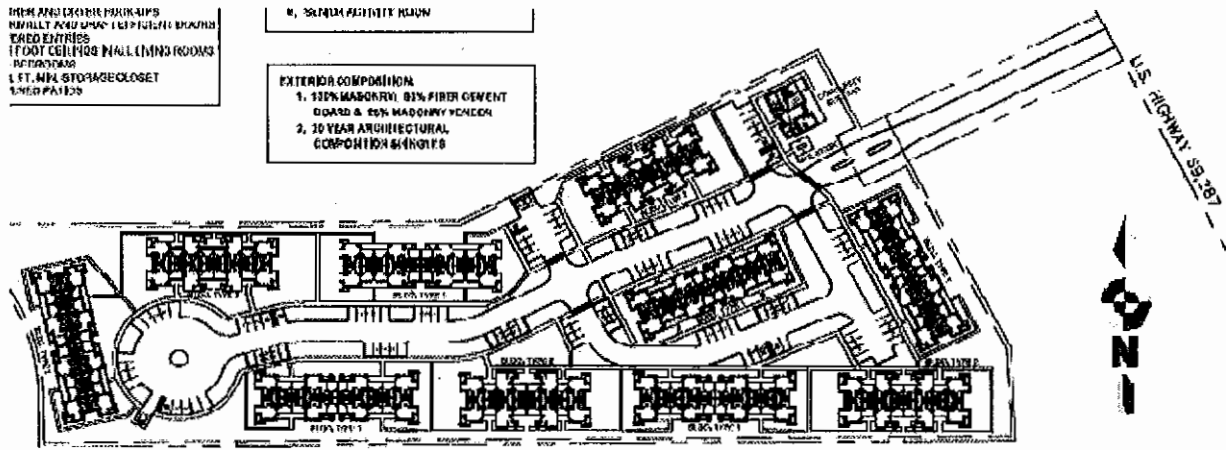
DEVELOPMENT SUMMARY

SITE PLAN

INTERIOR FINISHES  
 HARDWOOD FLOORING  
 CERAMIC TILE  
 CROWN MOULDING  
 1 FT. MPL STORAGE CLOSET  
 SPLIT PATIOS

W. SIDEWALK PATIO

EXTERIOR COMPOSITION  
 1. 12% MASONRY, 88% FIBER CEMENT  
 BOARD & 6% MASONRY PANELS  
 2. 10 YEAR ARCHITECTURAL  
 COMPOSITION GARAGES



**BUILDING CONFIGURATION**

Building Type	1	2		<b>Total Buildings</b>
Floors/Stories	1	1		<b>10</b>
Number of Bldgs	6	4		
Units per Bldg	8	8		
<b>Total Units</b>	<b>48</b>	<b>32</b>		<b>80</b>

**GENERAL INFORMATION**

Total Size:	<u>8</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>Not Zoned</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Density:	<u>10</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

Site borders residential properties to the north and east and unoccupied, heavily wooded land to the south and west. A mobile home park is located directly north of the site on the opposite (eastern) side of N. Lhs Drive.

**Other Observations:**

The site is located outside of Lumberton in the unincorporated portion of Hardin County. The Hardin County Floodplain Administration as well as a Hardin County Judge provided letters certifying that Hardin County requires no zoning approval for residential or commercial structures except when located within Special Flood Hazard Areas. As the site is located outside of a Special Flood Hazard Area, it is not subject to zoning.

Due to a 30' wide Houston Pipeline Easement, the site is set back approximately 270 feet from N. Lhs Drive and will only be accessed via a driveway constructed by the Applicant and added to Off-Site Costs. Additionally, due to the fact that the area is heavily wooded, visibility of the site from the roadway is poor.

The layout of the buildings calls for several units to be located along the perimeter of the site and these units can only be accessed by walking from the parking area around the building to the rear of the structure. This may pose an issue for senior residents who may need to walk an abnormally long distance from their vehicle to their unit.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Medina Consulting Company, Inc Date: 2/22/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "MCC recommends a Noise Survey be performed for the Site." (p ii)
- "Further investigation of the wetland area located on the Site is also recommended to determine if a wetland delineation survey will be required. This assessment of the wetland must be completed before the wetland is disturbed." (p ii)



## MARKET ANALYSIS

Provider: The Gerald A. Teel Company, Inc Date: 3/4/2011  
 Contact: Tim Treadway Phone: 713-467-5858  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 899 sq. miles 17 mile equivalent radius

The Primary Market Area is defined by 11 census tract in Hardin County. The PMA is bound by the Neches River and Sabine Lake to the east, Pine Island Bayou to the south, and the Hardin Line to the north and west.

ELIGIBLE HOUSEHOLDS BY INCOME								
Hardin County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$7,488	\$11,670	---	---	\$12,480	\$19,450	\$14,976	\$23,340
2	\$7,488	\$13,320	---	---	\$12,480	\$22,200	\$14,976	\$26,640
3	\$9,000	\$15,000	---	---	\$15,000	\$25,000	\$18,000	\$30,000
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREal Estate Analysis					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
08174	Ookleaf Estates	New	Family	n/a	80
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		3	Total Units	118	

Proposed, Under Construction, and Unstabilized Comparable Supply:

None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	22,597		20,062	
Senior Households in the Primary Market Area	7,980		7,980	
Potential Demand from the Primary Market Area	2,553		2,352	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>2,553</b>		<b>2,352</b>	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>80</b>		<b>80</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>3.1%</b>		<b>3.4%</b>	

**Demand Analysis:**

The Market Analyst calculates an income band minimum using the Net Rent of \$255 instead of Gross Rent, resulting in a minimum income of \$6,120. The Market Analyst identifies a Gross Demand of 2,553 units and incorrectly reports a Gross Capture Rate of 5.0% for the subject 80 units; the numbers presented actually indicate a Gross Capture Rate of 3.1% .

The Underwriter calculates minimum eligible income of \$7,488 based on the Gross Rent of \$312. The Underwriter identifies a Gross Demand for 2,352 units and a Gross Capture Rate of 3.4%.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	427	6	0	1%	298	6	0	2%
1 BR/50%	381	20	0	5%	534	20	0	4%
1 BR/60%	446	30	0	7%	235	30	0	13%
2 BR/30%	248	2	0	1%	131	2	0	2%
2 BR/50%	270	8	0	3%	324	8	0	2%
2 BR/60%	356	14	0	4%	234	14	0	6%

**Primary Market Occupancy Rates:**

"According to demographics for the primary market area, there were a total of 22,579 housing units as of the 2010 demographics estimates, with rental housing accounting for 16.2% or approximately 3,658 units. Vacant units consist of 12.1%." (p 24)

Department data for the three closest senior HTC developments (Gardens of Sienna in Beaumont, Gateway Senior in Beaumont, and The Greens on Turtle Creek in Port Arthur) indicate current occupancies of 93%, 99%, and 99%, respectively.

**Absorption Projections:**

"Gardens at Sienna, a tax credit senior's project that was completed during 2010... is currently operating at 98% occupancy. The manager indicated that the community reached an occupancy level of 90% or higher three months ago. This indicates an absorption of 10 units per month." (p 30)

"The subject property appears to be viable in this area. There are currently long waiting lists for restricted rent/HTC properties in Beaumont and Port Arthur. An average long-term stabilized occupancy level for the subject property of approximately 94% to 95% appears reasonable in this vicinity, less 1% to 2% for credit or collection loss." (p 30)

**Market Impact:**

"Based on current occupancy levels and current restricted rent property performance at capacity, there should be adequate demand for addition of new low-income housing. This is supported by the demographic data presented in this report. All of the properties surveyed have high occupancies and waiting lists." (p 30)

**Comments:**

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

The comparable rent data in the market study indicates that the current rents for 60% AMI at some of the HTC developments in the area are below the maximum program rents. But current data reported to the Department by the three closest senior HTC properties indicates they are achieving the maximum rents.

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$175,163	Avg. Rent:	\$528	Expense Ratio:	64.0%
Debt Service:	\$134,059	B/E Rent:	\$489	Controllable Expenses:	\$2,284
Net Cash Flow:	\$41,104	Occupancy:	92.50%	Property Taxes/Unit:	\$450
Aggregate DCR:	1.31:1	B/E Occupancy:	84.69%	Program Rent Year:	2010

Income:      Number of Revisions:          3          Date of Last Applicant Revision:          6/16/2011    

The Applicant's proposed rents and the underwriting estimates are based on maximum HTC program rents. The Underwriter is concerned that the market analyst's market rents are skewed higher than would be achievable without restrictions. However, the Underwriter confirmed that several other comparable HTC deals are achieving maximum or close to maximum tax credit rents.

The average underwritten rents are \$41/unit higher than the break even rent; a one-month concession on the 60% units would result in an effective rent only \$12 above break even.

The Applicant has proposed the Real Estate Analysis maximum of \$20 per unit per month in secondary income comprised of laundry fees, late fees, and income from reserving 24 carport spaces. (The cost of constructing the Carports was removed by the Underwriter from Eligible Basis.)

Based upon the maximum rents, utility allowances established by the Deep East Texas Council of Governments, secondary income of \$20 per unit per month, and a vacancy rate of 7.5%, both the Underwriter and the Applicant arrived at an Effective Gross Income of \$486,908.

Expense:      Number of Revisions:          2          Date of Last Applicant Revision:          6/22/2011    

The Applicant's total annual operating expenses (\$3,897 per unit) are within 1% of the underwriting estimate (\$3,941 per unit). The underwritten controllable estimate of \$2,284 per unit is within the range typically expected for a development of this size.

The Underwriter relied heavily on the actual expenses for the year ending June 30, 2011 for Oakleaf Estates, a 2008 HTC deal with 80 units located in Silsbee. While targeting families, the Silsbee deal is the same number of units, recently constructed, operated by the same management company, and is located less than 10 miles away. Other sources were used to derive utilities and water/sewer/trash primarily because a family deal with larger units would be expected to have higher per unit water/sewer/trash costs.

The Applicant provided Real Estate Analysis with a written statement from Talon Insurance Agency, LTD, estimating the annual premium for the property to be \$450 per unit (\$36,000 total). This estimate is for builders risk, property, windstorm, general liability umbrella and flood insurance which is included as a precaution after the devastation caused in the region by Hurricane Ike in 2008. The estimated property insurance amount provided by Talon Insurance Agency was included in the Underwriter's analysis of the deal.

The Property tax estimate is relatively low compared to other new construction deals. The Silsbee deal paid property taxes of \$801 per unit last year, for example. However, the tax rate is higher for the Silsbee site and the Underwriter's estimate was calculated based on a 10% cap rate, consistent with Texas Property Tax Code.

Conclusion:

The Applicant's income, expenses and NOI are each within 5% of the Underwriter's NOI. Therefore, the Applicant's proforma was used in the analysis.

Feasibility:

The development meets the initial and long term feasibility requirements per Real Estate Analysis rules; however, due to a Year 1 expense to income ratio of 64%, there is a risk that long-term feasibility is threatened if growth in expenses outpaces income by more than a 3 to 2 margin for an extended period. The DCR as underwritten is 1.30 which is within the acceptable range of 1.15 to 1.35.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase Option - Commercial Contract for Unimproved Property Acreage: 8  
Acquisition Cost: \$240,000 Contract Expiration: 9/11/2011  
Cost Per Unit: \$3,000  
Seller: Boykin Home & Land Sales, LLC Related to Development Team?  Yes  No

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 6/16/2011

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Comments:

The site is heavily wooded and located approximately 270 feet from the closest roadway. Due to a 30' wide Houston Pipeline Easement running along the western edge of N. Lhs Drive, an access way will be constructed from the road and utilities will also need to be brought in from the roadway. Total off-site costs were certified by a third party architect to be \$65,287 or \$816 per unit.

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

The Applicant has estimated total site work costs to be \$720,000 or \$9,000 per unit, which is the exact threshold limit allowed by Real Estate Analysis prior to requiring certification by a third party engineer or architect.

The Applicant stated that due to fluctuations in oil prices, it is difficult to estimate what the actual site work costs will be in the future, but that the costs to prepare the site are not expected to exceed \$9,000 per unit.

The Underwriter remains concerned that due diligence for site work costs was not thoroughly performed and that the estimate is simply set at the rule threshold.

Direct Construction Cost:

The Underwriter and Applicant's estimated construction costs differed by 4.3% or 172,978. Though the Developer does not have experience completing this particular building product, the housing development consultant has extensive development experience completing 11 Rehabilitation deals (1,639 units), 3 reconstruction deals (288 units), and 6 new construction deals (558 units).

**Interim Interest Expense:**

Given the submitted terms for the construction loans, the Applicant has overstated the amount of interim interest that can be applied to eligible basis. Per the Rules, the eligible construction period is limited to the lesser of actual eligible construction period interest, or the interest in one year's fully drawn construction period loan funds at the construction period interest rate indicated in the commitment. The Travis County Finance Corporation has not provided a commitment letter stating terms for the \$177,000 construction loan; however, the applicant indicated in the application that this loan will carry an interest rate equal to AFR. An AFR interest rate for this loan is a condition of this report, should the rate change, the deal may need to be re-evaluated.

The interest for one year, given a construction loan in the amount of \$3,000,000 at 4.5% interest from Wells Fargo and a construction loan in the amount \$177,000 at 4.21% (AFR) interest from the Strategic Housing Finance Corporation of Travis County, is \$142,452. As the Applicant's proposed interim interest of \$256,000 is overstated by \$113,548, this excess amount was removed from eligible basis.

**Ineligible Costs:**

Since tenants will be charged a fee for the use of the carports, the proposed \$24,000 cost for this amenity has been excluded from eligible basis. Ineligible cost has also been increased due to the reduction in eligible interim interest.

**Contingency & Fees:**

Due to the reduction in eligible basis resulting from the adjustment in interim interest and the removal of carport costs, the developer fee has been reduced by \$17,032 from \$1,050,841 to \$1,033,809 as well.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. Taking into account the adjustment resulting from the reduction in interim financing, an eligible basis (adjusted for the boost) of \$10,303,625 and 9% applicable percentage support an annual allocation of \$927,326. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 2 Last Update: 6/16/2011

Interim Sources	Amount	Rate	Term	LTC
Wells Fargo Bank - Construction Loan	\$3,000,000	4.50%	24 Months	29%
Strategic Housing Finance Corporation	\$177,000	AFR	12 Months	2%
Orange Rural HOME Consortium	\$360,000	0.00%	12 Months	3%
Wells Fargo Bank - Syndicator	\$5,948,697	Tax Credit Equity		58%
Lumberton La Belle Vie Developers, LLC	\$843,553	Deferred Dev. Fees		8%
<b>Total</b>	<b>\$10,329,250</b>			

**Comments:**

The Applicant has applied for a HOME loan from the Orange Rural HOME Consortium and a construction loan from the Strategic Housing Finance Corporation of Travis County. The HOME loan is expected to serve as a construction source and a permanent source of funding.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Wells Fargo Bank - Permanent Loan	\$1,350,000	7.75%	30	18	15%
Orange Rural HOME Consortium	\$360,000	0.00%	20	20	4%
<b>Total</b>	<b>\$1,710,000</b>				

Comments:

The HOME funds provided by the Orange Rural HOME Consortium will not bear any interest over the 20 year term.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Wells Fargo Bank - Syndicator	\$6,885,034	\$0.74	78%	
Lumberton La Belle Vie Developers, LLC	\$237,404		3%	23%
<b>Total</b>	<b>\$7,122,438</b>			
<b>Total Sources</b>	<b>\$8,832,438</b>			

Comments:

In addition to supplying construction and permanent financing, Wells Fargo will supply the tax credit equity for the deal at a rate of \$0.74. In total, Wells Fargo will be responsible for 93% of the deal's permanent financing.

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,350,000 and the HOME loan of \$360,000 indicates the need for \$7,122,438 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$959,301 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$927,326
Allocation determined by gap in financing:	\$959,301
Allocation requested by the Applicant:	\$942,604

The allocation amount determined by the Underwriter's calculation of the Eligible Basis is recommended. A tax credit allocation of \$927,326 per year for 10 years results in total equity proceeds of \$6,885,034 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$237,404 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cash flow within 7 years of stabilized operation. The Developer has indicated a willingness to defer \$123,971 in developer fees; as underwritten, an additional \$113,433 would need to be deferred to make the deal feasible.

Underwriter:	<u>Blake Hopkins</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

**La Belle Vie, Lumberton, 9% HTC #11086**

LOCATION DATA	
CITY:	Lumberton
COUNTY:	Hardin
PROGRAM REGION:	5
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	56	70.0%
2	24	30.0%
3		
4		
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%
AVERAGE SF	868

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS			MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$312	6	1	1	790	\$312	\$59	\$253	\$0	\$0.32	\$253	\$1,519	\$1,519	\$253	\$0.32	\$0	\$810	1.03	\$557
TC50%	\$520	20	1	1	790	\$520	\$59	\$461	\$0	\$0.58	\$461	\$9,223	\$9,223	\$461	\$0.58	\$0	\$810	1.03	\$349
TC60%	\$624	30	1	1	790	\$624	\$59	\$565	\$0	\$0.72	\$565	\$16,954	\$16,954	\$565	\$0.72	\$0	\$810	1.03	\$245
TC30%	\$375	2	2	2	1,050	\$375	\$70	\$305	\$0	\$0.29	\$305	\$610	\$610	\$305	\$0.29	\$0	\$950	0.90	\$645
TC50%	\$625	8	2	2	1,050	\$625	\$70	\$555	\$0	\$0.53	\$555	\$4,440	\$4,440	\$555	\$0.53	\$0	\$950	0.90	\$395
TC60%	\$750	14	2	2	1,050	\$750	\$70	\$680	\$0	\$0.65	\$680	\$9,520	\$9,520	\$680	\$0.65	\$0	\$950	0.90	\$270
<b>TOTALS/AVERAGE</b>		<b>80</b>				<b>\$9,440</b>			<b>\$0</b>	<b>\$0.61</b>	<b>\$528</b>	<b>\$42,266</b>	<b>\$42,266</b>	<b>\$528</b>	<b>\$0.61</b>	<b>\$0</b>	<b>\$852</b>	<b>\$0.98</b>	<b>\$324</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$507,187</b>	<b>\$507,187</b>						

**STABILIZED PROFORMA**

La Belle Vie, Lumberton, 9% HTC #11086

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA			VARIANCE			
	Database	Sillsbee Deal	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT				\$0.61	\$528	\$507,187	\$507,187	\$528	\$0.61		0.0%	\$0	
Laundry, NSF, Late fees					\$10.00	\$9,600					0.0%	(9,600)	
Carports					\$10.00	\$9,600					0.0%	(9,600)	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$19,200	\$20.00			100.0%	19,200	
<b>POTENTIAL GROSS INCOME</b>						\$526,387	\$526,387				0.0%	\$0	
Vacancy & Collection Loss					7.5% PGI	(39,479)	(39,479)	7.5% PGI			0.0%	-	
Non-Rental Units/Concessions						-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$486,908	\$486,908				0.0%	\$0	
General & Administrative	\$28,467	\$356/Unit	\$364/Unit	4.79%	\$0.34	\$291	\$23,300	\$29,130	\$384	\$0.42	6.98%	-20.0%	(5,830)
Management	\$29,573	6.4% EGI	4.68%	5.00%	\$0.35	\$304	\$24,345	\$24,345	\$304	\$0.35	5.00%	0.0%	(0)
Payroll & Payroll Tax	\$59,928	\$749/Unit	\$919/Unit	19.84%	\$1.39	\$1,208	96,600	\$73,543	\$919	\$1.06	15.10%	31.4%	23,057
Repairs & Maintenance	\$53,025	\$663/Unit	\$522/Unit	5.81%	\$0.41	\$354	28,300	\$41,787	\$522	\$0.60	8.59%	-32.3%	(13,487)
Utilities	\$18,499	\$231/Unit	\$146/Unit	1.79%	\$0.13	\$109	\$8,700	\$14,929	\$187	\$0.21	3.07%	-41.7%	(6,229)
Water, Sewer, & Trash	\$29,908	\$374/Unit	\$491/Unit	5.90%	\$0.37	\$323	\$25,800	\$28,440	\$356	\$0.41	5.84%	-9.3%	(2,640)
Property Insurance	\$26,741	\$0.39 /sf		7.39%	\$0.52	\$450	\$36,000	\$36,000	\$450	\$0.52	7.39%	0.0%	-
Property Tax 2.0046	\$30,661	\$383/Unit		7.39%	\$0.52	\$450	\$36,000	\$34,399	\$430	\$0.50	7.05%	4.7%	1,601
Reserve for Replacements	\$29,990	\$375/Unit		4.11%	\$0.29	\$250	\$20,000	\$20,000	\$250	\$0.29	4.11%	0.0%	-
TDHCA Compliance Fees				0.66%	\$0.05	\$40	\$3,200	\$3,200	\$40	\$0.05	0.66%	0.0%	-
Cable TV				0.41%	\$0.03	\$25	\$2,000	\$2,000	\$25	\$0.03	0.41%	0.0%	-
Supportive service contract fees				1.03%	\$0.07	\$63	\$5,000	\$5,000	\$63	\$0.07	1.03%	0.0%	-
Security				0.51%	\$0.04	\$31	\$2,500	\$2,500	\$31	\$0.04	0.51%	0.0%	-
<b>TOTAL EXPENSES</b>				64.03%	\$4.49	\$3,897	\$311,745	\$315,274	\$3,941	\$4.54	64.75%	-1.1%	\$ (3,529)
<b>NET OPERATING INCOME ("NOI")</b>				35.97%	\$2.52	\$2,190	\$175,163	\$171,635	\$2,145	\$2.47	35.25%	2.1%	\$3,529

<b>CONTROLLABLE EXPENSES</b>	\$2,373/Unit	\$2,442/Unit		\$2,284/Unit		\$2,348/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$486,908	\$496,646	\$506,579	\$516,711	\$527,045	\$581,900	\$642,465	\$709,333	\$783,161	\$864,673	\$954,669	\$1,054,032
LESS: TOTAL EXPENSES	311,745	320,854	330,231	339,885	349,823	404,086	466,841	539,424	623,382	720,510	832,882	962,904
<b>NET OPERATING INCOME</b>	<b>\$175,163</b>	<b>\$175,792</b>	<b>\$176,348</b>	<b>\$176,826</b>	<b>\$177,222</b>	<b>\$177,814</b>	<b>\$175,624</b>	<b>\$169,910</b>	<b>\$159,779</b>	<b>\$144,163</b>	<b>\$121,787</b>	<b>\$91,128</b>
LESS: DEBT SERVICE	134,059	134,059	134,059	134,059	134,059	134,059	134,059	134,059	134,059	134,059	134,059	134,059
<b>NET CASH FLOW</b>	<b>\$41,104</b>	<b>\$41,734</b>	<b>\$42,289</b>	<b>\$42,767</b>	<b>\$43,163</b>	<b>\$43,755</b>	<b>\$41,565</b>	<b>\$35,851</b>	<b>\$25,720</b>	<b>\$10,105</b>	<b>(\$12,272)</b>	<b>(\$42,931)</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$41,104</b>	<b>\$82,838</b>	<b>\$125,127</b>	<b>\$167,894</b>	<b>\$211,058</b>	<b>\$259,813</b>	<b>\$304,378</b>	<b>\$349,929</b>	<b>\$396,449</b>	<b>\$443,954</b>	<b>\$492,459</b>	<b>\$541,528</b>
DEFERRED DEVELOPER FEE BALANCE	\$237,404	\$195,670	\$153,381	\$110,614	\$67,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.31	1.31	1.32	1.32	1.32	1.33	1.31	1.27	1.19	1.08	0.91	0.68
EXPENSE/EGI RATIO	64.03%	64.60%	65.19%	65.78%	66.37%	69.44%	72.66%	76.05%	79.60%	83.33%	87.24%	91.35%



**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

La Belle Vie, Lumberton, 9% HTC #11086

DEBT / GRANT SOURCES														
DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
UW	App	DCR											LTC	
Wells Fargo Bank, NA	1.48	1.51	\$116,059	7.75%	30	18	\$1,350,000	\$1,350,000	18	30	7.75%	\$116,059	1.51	15.3%
Orange Rural HOME Consortium	1.28	1.31	\$18,000	0.00%	20	20	\$360,000	\$360,000	20	20	0.00%	\$18,000	1.31	4.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$134,059				\$1,710,000	\$1,710,000				\$134,059		19.4%
<b>NET CASH FLOW</b>			\$41,104									\$37,576		

EQUITY SOURCES											
EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
Wells Fargo Bank, NA	LHTC Equity	79.2%	\$942,804	0.74	\$6,998,467	\$6,885,034	\$0.74	\$927,326	78.0%	Annual Credit per Unit:	\$86.063
Lumberton La Belle Vie Developers, LLC	Deferred Developer Fees	1.4%	(12% Deferred)	\$123,971	\$237,404	(24% Deferred)	2.7%	Total Developer Fee:	\$1,033,809		
Additional (Excess) Funds Red's		0.0%		\$0	(\$0)		0.0%	15-Year Cash Flow:	\$643,088		
<b>TOTAL EQUITY SOURCES</b>		80.6%		\$7,122,438	\$7,122,438		80.6%	15-Yr Cash Flow after Fee:	\$405,684		
<b>TOTAL CAPITALIZATION</b>				\$8,832,438	\$8,832,438						

DEVELOPMENT COST / ITEMIZED BASIS												
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs			Eligible Basis		Total Costs			%	\$
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition					
Land Acquisition			\$3,000 / Unit	\$240,000	\$240,000	\$3,000 / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0	0.0%	\$0	
Off-Sites			\$816 / Unit	\$65,287	\$65,287	\$816 / Unit				0.0%	\$0	
Sitework		\$720,000	\$9,000 / Unit	\$720,000	\$720,000	\$9,000 / Unit	\$720,000			0.0%	\$0	
Direct Construction		\$4,212,000	\$60.66 /sf	\$52,650/Unit	\$4,212,000	\$4,039,022	\$50,488/Unit	\$58.17 /sf	\$4,039,022	-4.3%	(\$172,976)	
Contingency		\$247,800		5.02%	\$247,800	\$247,800	5.21%	\$247,800		0.0%	\$0	
Contractor's Fees		\$693,840		13.23%	\$693,840	\$693,840	13.68%	\$693,840		0.0%	\$0	
Indirect Construction		\$645,000		\$8,063 / Unit	\$645,000	\$645,000	\$8,063 / Unit	\$645,000		0.0%	\$0	
Ineligible Costs				\$3,705 / Unit	\$296,423	\$306,702	\$3,834 / Unit			3.4%	\$10,279	
Developer's Fees	\$0	\$1,050,841		15.25%	\$1,050,841	\$1,007,862	15.00%	\$1,007,862	\$0	-4.3%	(\$42,979)	
Interim Financing		\$373,417		\$4,668 / Unit	\$373,417	\$373,417	\$4,668 / Unit	\$373,417		0.0%	\$0	
Reserves				\$3,596 / Unit	\$287,830	\$196,143	\$2,452 / Unit			-46.7%	(\$91,687)	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$7,942,898		\$110,405 / Unit	\$8,832,438	\$8,535,072	\$106,588 / Unit	\$7,726,940	\$0	-3.5%	(\$297,366)	
Acquisition Cost for Identity of Interest Seller					\$0							
Developer's Fee	\$0	(\$17,032)										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	\$0	\$7,925,865		\$110,405 / Unit	\$8,832,438	\$8,535,072		\$7,726,940	\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$8,832,438							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

La Belle Vie, Lumberton, 9% HTC #11086

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$7,925,865	\$0	\$7,726,940
Deduction for Other Federal Func	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$7,925,865	\$0	\$7,726,940
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$10,303,625	\$0	\$10,045,022
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$10,303,625	\$0	\$10,045,022
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$927,326	\$0	\$904,052
CREDITS ON QUALIFIED BASIS	\$927,326		\$904,052	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multifamily		69,440	\$56.37	3,914,072
Adjustments				
Exterior Wall Finish	1.60%		0.90	\$62,625
Elderly	3.00%		1.69	117,422
9-Ft. Ceilings	3.20%		1.80	125,250
Roofing			3.32	230,541
Subfloor			(2.48)	(172,211)
Floor Cover			2.80	194,328
Patio	\$5.68	8,448	0.69	47,985
Balconies	\$21.87	5,895	1.86	128,961
Plumbing Fixtures	\$845	48	0.58	40,560
Rough-ins	\$420	80	0.48	33,600
Built-In Appliances	\$1,850	80	2.13	148,000
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			1.85	128,464
Enclosed Corridors	\$43.50		0.00	0
Carports	\$9.70	4,800	0.67	46,560
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$77.55	2,200	2.46	170,610
Other:			0.00	0
Other: Windstorm	\$0.99	76,440	1.09	75,676
Other: fire sprinkler	\$2.25	76,440	2.48	171,990
<b>SUBTOTAL</b>			<b>78.69</b>	<b>5,464,432</b>
Current Cost Multiplier	1.03		2.36	163,933
Local Multiplier	0.88		-9.44	(555,732)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>71.61</b>	<b>\$4,972,634</b>
Plans, specs, survey, bldg permits	3.90%		-2.79	(\$193,933)
Interim Construction Interest	3.38%		-2.42	(167,826)
Contractor's OH & Profit	11.50%		-8.24	(571,853)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>58.17</b>	<b>\$4,039,022</b>

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$927,326	\$6,885,034
Gap	\$959,301	\$7,122,438
Request	\$942,604	\$6,998,467

FINAL ANNUAL LIHTC ALLOCATION	
Method	Eligible Basis
Credits	\$927,326
Underwrite in Proceeds	\$6,885,034

TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$75.53	\$55,564	\$5,245,087	\$5,072,109	\$63,401	\$73.04
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$84.59	\$73,421	\$5,873,640	\$5,700,662	\$71,258	\$82.09

# 11086 Lumberton La Belle Vie



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Scale 1 : 300,000



1" = 4.73 mi

Data Zoom 9-4

11087

Tidwell Lakes Ranch

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Tidwell Lakes Ranch, TDHCA Number 11087**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 15.69 acre tract approx. 1000' N of 12900 block of Tidwell/W of      Development #: 11087  
 City: Houston      Region: 6      Population Served: General  
 County: Harris      Zip Code: 77044      Allocation: Urban  
 HTC Set Asides: At-Risk   Nonprofit   USDA   Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:   CHDO   Preservation   General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Tidwell Lakes Ranch, Ltd.  
 Owner Contact and Phone: W. Barry Kahn, (713) 871-0063  
 Developer: HK/Tidwell Lakes Development, LLC  
 Housing General Contractor: Hettig Construction Corp.  
 Architect: JRM Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	94
	10   0   34   50	Market Rate Units:	1
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0   0   0   0   95   0	Total Development Units:	95
Type of Building:		Total Development Cost*:	\$19,363,111
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	95
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,890,742	\$1,888,910			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Tidwell Lakes Ranch, TDHCA Number 11087

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, S

US Representative: Poe, District 2,

TX Representative: Dutton, District 142, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Owners of Hidden Meadows Community Association, Inc., Joe D. Goggins Letter Score: 24 S or O: S

To encourage: upgrade of the neighborhood, fulfill the housing shortage, increase and improve property values and create affordable single family housing.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: A firm commitment from Harris County Housing Finance Corporation.
2. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and an adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Tidwell Lakes Ranch, TDHCA Number 11087

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 21

Total # Monitored: 17

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

Competitive Housing Tax Credits:  Score: 207  Meeting a Required Set-Aside Credit Amount\*: \$1,888,910

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11087 Program(s): 9% HTC

**Tidwell Lakes Ranch**

Address/Location: App. 1000' N of 12900 blk of Tidwell/W of app. 9000 blk of E Sam Houston Pkwy N

City: Houston County: Harris Zip: 77044

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Single-Family Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,890,742				\$1,888,910				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:  
 A firm commitment from Harris County Housing Finance Corporation.
- 2 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and an adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	10
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	34
60% of AMI	60% of AMI	50

**DEAL SUMMARY**

The subject is a 95 unit single family subdivision that will be owned and operated as a multifamily rental development. The roadway's interior to the site will be owned and maintained by the Applicant as will all utilities and other infrastructure interior to the site. All 95 units are 4 bedroom units and targeted for larger families with several children.



As a result of the unique characteristics of this development, the development and operating costs are much higher than typically underwritten for garden or townhome style deals with several unit types. The sitework alone is estimated at \$26.7K per unit, which is significantly higher than the vast majority of deals. However, the siteplan reflects a significant amount of interior roadways, driveways for every unit, and rear access alley ways throughout. Additionally, utilities must be run throughout the low density site (6 units/acre).

The higher construction costs lead to a total development cost of \$204K per unit and an eligible basis that supports a recommended allocation amounting to \$20K in annual tax credits per unit.

The operating costs are also significantly higher than typically supported for other more conventional transactions. The underwritten controllable expenses of \$3,868 per unit are more than 40% higher than the per unit database figure. However, the staffing and maintenance for this development are expected to be much more costly than most transactions.

The development team for the subject has completed several similar single family transactions and provided actual cost information to support the higher development costs and operating costs. Moreover, on a per foot basis or if looking at these costs based on the number of tenants occupying the property, the development and operating costs are more in line with other deals.

### RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ Principals have done 17 previous affordable housing developments; 8 are single family subdivisions</li> </ul>	<ul style="list-style-type: none"> <li>▫ One-month concession on 60% and MR units produces an overall average effective rent that is \$6/unit above breakeven</li> </ul>
<ul style="list-style-type: none"> <li>▫ Syndicator and Applicant have worked together successfully on 12 previous tax credit deals</li> </ul>	<ul style="list-style-type: none"> <li>▫ Site does not have frontage on or visibility from a major thoroughfare</li> </ul>
<ul style="list-style-type: none"> <li>▫ Same unit plans have leased up quickly on other previous deals</li> </ul>	<ul style="list-style-type: none"> <li>▫ Plan has little diversity in unit types and are all 4 bedroom</li> </ul>
<ul style="list-style-type: none"> <li>▫</li> </ul>	<ul style="list-style-type: none"> <li>▫ Primary market area alone yields insufficient demand</li> </ul>

### DEVELOPMENT TEAM

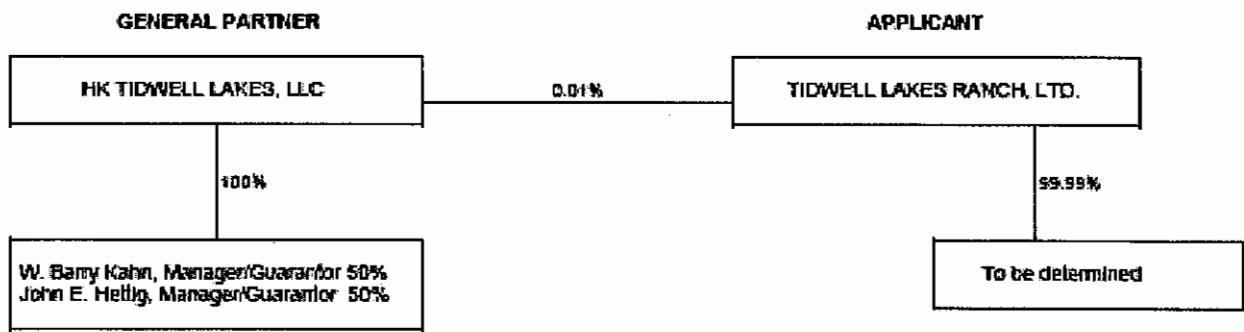
#### PRIMARY CONTACTS

Name: W. Barry Kahn Relationship: Developer/Owner  
 Email: bkahn@hettig-kahn.com Phone: (713) 871-0063 Fax: (713) 871-1916

Related-Party Seller/Identity of Interest: No

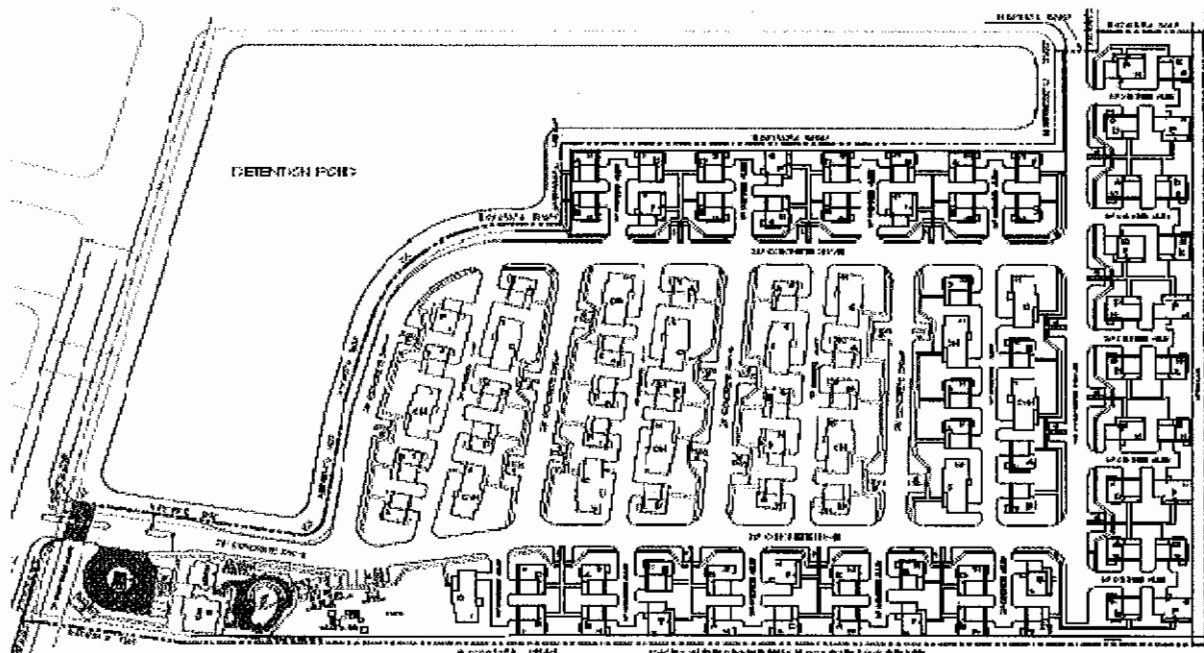
- The Applicant, Developer, General Contractor, and Property Management Company are related entities.

**OWNERSHIP STRUCTURE**



**DEVELOPMENT SUMMARY**

**SITE PLAN**



\*Site includes portion with units drawn with lighter grey lines

**BUILDING CONFIGURATION**

Building Type	A	B	C	D	E	F		Total Buildings
Floors/Stories	2	2	1	2	2	2		<b>95</b>
Number of Bldgs	16	16	15	16	16	16		<b>95</b>
Units per Bldg	1	1	1	1	1	1		<b>95</b>
<b>Total Units</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>95</b>	

**GENERAL INFORMATION**

Total Size: 15.69 acres Scattered Site?  Yes  No  
 Flood Zone: Zone X Within 100-yr floodplain?  Yes  No  
 Zoning: No Zoning Re-Zoning Required?  Yes  No  N/A  
 Density: 6.05481 units/acre Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

Low Density Residential uses and open space primarily surround the subject site; however, the property located north of the site is a lumber storage yard.

**Other Observations:**

The site abuts a large detention pond directly to the southwest. The detention pond is offsite but will serve the site and other surrounding property.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc Date: 2/8/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- None

**Comments:**

A noise study was completed by Phase Engineering which determined that noise levels were below the thresholds.

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 3/8/2011  
 Contact: Bob Coe Phone: 281-387-7552  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 85 sq. miles 5 mile equivalent radius

The Primary Market Area is defined by 13 census tracts in Northeast Houston in Harris County running from I610 and past Beltway 8 towards Lake Houston.

Secondary Market Area (SMA): 60 sq. miles 4 mile equivalent radius

The Secondary Market Area is defined by 10 census tracts along the northeast side of I 10 and 610 and surrounds the PMA to the south and east.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	---	---	---	---
2	---	---	---	---	---	---	---	---
3	---	---	---	---	---	---	---	---
4	\$19,440	\$19,530	---	---	\$32,400	\$32,550	\$38,880	\$39,060
5	\$19,440	\$21,120	---	---	\$32,400	\$35,200	\$38,880	\$42,240
6	\$19,440	\$22,680	---	---	\$32,400	\$37,800	\$38,880	\$45,360

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
11022	East Houston Gardens	Rehab	Family	n/a	86
10064	Cypress Gardens	New	Senior	n/a	100
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		5	Total Units	1044	

COMPARABLE SUPPLY in SECONDARY MARKET					
None					

**Proposed, Under Construction, and Unstabilized Comparable Supply:**

The subject development consists entirely of four-bedroom single-family units. Consistent with previous underwriting of similar developments, only four-bedroom units are considered to be comparable, and households of five and six persons are considered eligible. (While four-person households are technically eligible to rent four-bedroom units, only a small fraction of such households meet the minimum income; moreover, if four-person households are included in the demand, then three-bedroom units must be included in the supply, since they would be competing for those same households.)

There are no comparable units in the Primary or Secondary Market defined by the Market Analyst.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	25,412		25,412	25,412
Potential Demand from the Primary Market Area	811		786	786
Potential Demand from Other Sources	268		0	262
<b>GROSS DEMAND</b>	<b>1,079</b>		<b>786</b>	<b>1,048</b>
Subject Affordable Units	94		94	94
Unstabilized Comparable Units	0		0	0
<b>RELEVANT SUPPLY</b>	<b>94</b>		<b>94</b>	<b>94</b>
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>8.7%</b>		<b>12.0%</b>	<b>9.0%</b>

**Demand Analysis:**

The Market Analyst calculates Gross Demand for 1,079 units from the Primary and Secondary Market Areas and a Gross Capture Rate of 8.7% for the 94 subject units.

The Market Analyst assumes the subject will place in service in 30 months and calculates Gross Demand for 1,079 units, with 268 units of demand from a secondary market and a Gross Capture Rate of 8.7%. TDHCA rules allow for 25% of the total demand to come from a secondary market. The Underwriter calculated a secondary demand of 684 units, but only used 262 units as maximum amount available per TDHCA rules. The Underwriter assumes a place-in-service date of 2013, resulting in Gross Demand for 1,048 units from the Primary and Secondary Market Areas and a Gross Capture Rate of 9.0% for the 94 subject units.

The Underwriter calculates a Gross Demand of 1,048 units and a Gross Capture Rate of 9.0% for the 94 subject units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%. Demand from the Primary Market Area was insufficient to support the proposed site. The Market Analyst and the Underwriter calculated a Gross Capture Rate above 10% for the PMA. Therefore a secondary market analysis was done by both the Market Analyst and the Underwriter. The market analysis based on the secondary market area indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
4 BR/30%	140	10	0	7%	67	10	0	15%
4 BR/50%	355	34	0	10%	153	34	0	22%
4 BR/60%	357	50	0	14%	182	50	0	27%

**Primary Market Occupancy Rates:**

The subject consists solely of four-bedroom single-family units. The management company for the proposed development manages a number of similar properties. The Market Analyst reports data for six such properties, with occupancies ranging from 91% to 98%, and overall occupancy of 93% for 530 total units. The Market Analyst also states that there are a number of older properties in the PMA which are in inferior condition and have poor occupancies, which depress the overall average.

Timber Ridge I & II with a total of 604 units is 72% occupied. Pine Creek with 300 units was 36% occupied, and is for sale. Greensbrook Manor with 168 units was 50% occupied. Dover Pointe with 168 units was 54% occupied. Excluding these complexes, the average Class B occupancy increases from 77.92% to 88.29%, and overall occupancy increases to 86.06%.

**Absorption Projections:**

Sheldon Ranch and Sterling Green Village are the closest HTC projects to the subject property, and are located within two miles of the subject. Sheldon Ranch was completed in September 2008, and attained stabilized occupancy in October 2008, which equates to an average absorption of approximately 30 units per month. Magnolia Estates is a 160-unit Family HTC which was completed in January 2009 and attained stabilized occupancy in May 2010, which equates to an average absorption of approximately 11 units per month. The Market Analyst estimates absorption at 10 to 20 units a month and property stabilization within 5 to 10 months of opening.

**Market Impact:**

The Market Analyst projects that the subject property will have minimal sustained negative impact upon the existing apartment market. The proposed subject should help fill the need for housing for larger families with current overcrowding issues, those facing foreclosure, and those not yet able to afford homeownership. Any negative impact from the subject property should be of reasonable scope and limited duration.

**Comments:**

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

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$359,446	Avg. Rent:	\$903	Expense Ratio:	62.7%
Debt Service:	\$295,615	B/E Rent:	\$851	Controllable Expenses:	\$3,868
Net Cash Flow:	\$63,831	Occupancy:	92.50%	Property Taxes/Unit:	\$1,099
Aggregate DCR:	1.22:1	B/E Occupancy:	86.37%	Program Rent Year:	2010

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

The site plan calls for 94 restricted units and 1 market rate unit. The program maximum rents were used for all of the restricted units, which are supported by the market study. The Market Analyst's rent for the market rate unit is \$1,435 per month. The Applicant has proposed a rent of \$1,200 per month. While there is no material impact, the Underwriter has used the Market Analyst's market rent.

The Applicant is constructing the units with solar water heaters. The utility allowances provided include estimates from the local utility provider and make an adjustment to the water heating cost to account for the use of solar water heaters.

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

The Applicant has proposed 95 detached single family homes, as opposed to the typical HTC multifamily deal. As such, for all controllable expenses, the Underwriter utilized the actual 2010 per unit expenses reported for Parkway Ranch and Waterside Court, two comparable detached single family developments located within Houston. Both are operated by the Applicant and are comprised of 112 units and 118 units, respectively. To determine an estimated expense amount for each controllable line item, the Underwriter applied the average per unit amount reported by these two properties for 2010 to the unit count for the subject property.

Additionally, electricity, gas, water, sewer and trash expenses were based upon the comparable amounts reported by Parkway Ranch and Waterside Court for 2010. The Applicant will be paying for all water usage on the property.

The Applicant applied a cap rate of 11.6% to Net Operating Income to determine the property value from which property taxes were estimated. REA typically applies a 10% cap rate for underwriting purposes; furthermore, the Harris County Appraisal District's website indicates that the HCAD applies a standard cap rate of 10% to affordable housing projects.

Documentation was provided by the Applicant identifying actual 2010 NOI figures, 2010 Harris County Appraisal District valuations and the resulting 2010 cap rates for 3 comparable deals owned and operated by the Applicant. The resulting cap rates for these three properties in 2010 were 12.75%, 13.04%, and 14.95%. Though the documentation provided by the Applicant indicates that a cap rate in excess of 10% may ultimately apply to the development in the future, per the Rules and for underwriting purposes, the cap rate listed on the Harris County Appraisal District's website was utilized.

Given the assumptions listed above, the total expenses proposed by the Applicant were within 1% of those estimated by the Underwriter. The underwritten controllable expenses of \$3,868 per unit are significantly higher than would typically be expected for a deal in the Department's portfolio. However, the characteristics of the transaction and comps to support the estimates warrant the underwritten expenses.

**Conclusion:**

The Applicant's income, expenses, and NOI estimates all fall within 5% of the Underwriter's estimates. Therefore, the Applicant's proforma was utilized to determine the development's debt capacity. Based on the underwritten permanent financing structure, the calculated DCR of 1.22 falls within the Department's guidelines.

**Feasibility:**

The development meets the initial feasibility and long term feasibility requirements as the Year 1 total operating expense estimate divided by the Year 1 effective gross income is less than 65% and the analysis does not show negative cash flow or a DCR below 1.15 during the first 15 years.

**ACQUISITION INFORMATION****SITE CONTROL**

Type: Earnest Money Contract - In Escrow Acreage: 15.69  
 Acquisition Cost: \$1,976,535 Contract Expiration: 11/1/2011  
 Cost Per Unit: \$20,806  
 Seller: Far East Land, Ltd. Related to Development Team?  Yes  No

## Comments:

The property sale is broken into two components: A cash portion of the Sales Price payable by the Applicant of \$1,576,535 and a nine month promissory note in the amount of \$400,000; bearing interest at 7% per annum until maturity, and thereafter bearing interest at 12% per annum. The \$400,000 promissory note will serve as a form of short-term interim debt.

The acquisition cost reflected in the cost schedule is equal to the contract price.

**DEVELOPMENT COST EVALUATION**

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

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Comments:

Applicant will be required to construct a road from East Sam Houston Parkway to provide access to the site. This off-site cost of \$207,200 has been included in the deal's eligible basis based on PLR 200916007. Per § 1.32(e)(2) of the Rules, the Applicant has provided documentation from a Third Party engineer as well as a statement of findings from a Certified Public Accountant which describes the facts relevant to the development and affirmatively certifies that the fact pattern of the development matches the fact pattern in PLR 200916007.

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

## Comments:

Site work for the deal is estimated to be \$2,533,600 which has been certified by a Third Party engineer. The site work equates to \$26,669 per unit. This level of site work costs is significantly higher than typically underwritten. The site plan submitted shows a significant amount of on site paving. Many of the single family units are served by both an alley with rear parking and a main front roadway. Additionally, each unit is connected by sidewalks and each has its own driveway. The cost to run utilities (including both electric and gas) to each unit is much higher than on a typical deal. The cost certification for the South Acres deal shows actual sitework costs of \$22K per unit but the Applicant estimates 17% to 20% more on-site concrete for the subject.

## Direct Construction Cost:

Though total construction costs differ by less than 5%, the Applicant's direct construction costs of \$83,287 per unit are 6.6% lower than the Underwriter's estimate. The Underwriter originally arrived at a higher direct construction cost by utilizing the Marshall & Swift Residential Handbook costing for single family. However, Marshall & Swift does not have a discount for the efficiencies gained from building 95 very similar units in a subdivision. The Underwriter derived a 13% "Subdivision Discount", which was applied to the Marshall & Swift estimate based on the differential between the Marshall & Swift estimate for South Acres and the actual final construction costs for South Acres. Since the same unit types were used and the size and location of South Acres are comparable, a similar discount can be expected for the subject.

The Applicant included \$595,000 in eligible basis for costs associated with the materials for and installation of solar hot water heaters. The total estimated cost is \$700,000. The \$105,000 reduction for inclusion in eligible basis is required due to the Applicant's plan to pursue renewable energy tax credits (also known as Investment Tax Credit or ITC). The ITC is governed by Section 48 of the Internal Revenue Code (IRC). The ITC is a 1 year 30% tax credit (in this case, 30% of \$700,000) with a five year compliance/recapture period. The Applicant has estimated \$210,000 in ITCs could be claimed on the owner's tax return. In accordance with IRC Section 50(c)(3), depreciable basis must be reduced by 50% of the ITC amount (\$210,000 x 50% = \$105,000). Moreover, because HTC eligible basis is a function of depreciable basis, the HTC eligible basis must also be reduced by \$105,000. As indicated above, the Applicant has already made this adjustment in the development cost schedule.

**Contingency & Fees:**

The developer fee included in the application was overstated by \$15,749. The proposed \$2,143,969 fee equates to 15.11% of eligible costs. Eligible developer Fees are capped at 15% of eligible costs, or \$2,128,220.

**Conclusion:**

The Applicant's total development cost of \$19,363,111 is 2.4% lower than the Underwriter's estimate of \$19,846,966, which is less than the 5% threshold in the REA rules. The Applicant's cost schedule was utilized to determine the development's eligible basis and basis derived tax credit allocation. The total qualified basis, adjusted for the 30% boost, a 98.95% applicable fraction and the reduced developer fee, is \$21,760,440 which yields an allocation amount of \$1,888,910 in annual credits.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 0 Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Capital One - Construction Loan	\$13,500,000	7.00%	24 Months	67%
Hudson Housing - Syndicator (Tax Credits)	\$3,828,370	0.00%	N/A	19%
Hudson Housing - Syndicator (Renewable Energy)	\$44,621	0.00%	N/A	0%
Deferred Developer Fee	\$1,990,120	4.17%	N/A	10%
Harris County Housing Finance Corp.	\$430,000	4.17%	12 Months	2%
Far East Land Trust (Seller note)	\$400,000	7.00%	9 Months	2%
<b>Total</b>	<b>\$20,193,111</b>			

**Comments:**

The total construction sources exceed the total construction costs. While these amounts are available during construction, the amount of funds in the deal at a given time will not exceed the total cost and will likely be significantly less than the total cost due to a majority developer fee and reserves being funded after construction. The seller note, for example, will have to be taken out during construction with one of the other construction sources.

The Applicant has applied for a \$430,000 construction loan from the Harris County Housing Finance Corporation. It is the HCFC's policy to not award loans until a tax credit award has been made. As such, a firm commitment for this loan is a condition of this report. As part of the purchase price for the site, the land seller will provide a 9-month interim loan in the amount of \$400,000.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Capital One - Permanent Loan	\$3,310,000	8.15%	30	15	17%
<b>Total</b>	<b>\$3,310,000</b>				

**Comments:**

The only permanent loan for the deal will be a \$3,310,000 loan from Capital One. The interest rate for this loan will be set at the Bank's 24-month forward-locked rate, currently estimated at 8.15%. The loan will be amortized over 30 years with a 15 year term.



Equity & Deferred Fees	Amount	Rate	% TC	% Def
Hudson Housing - Syndicator (Tax Credits)	\$15,298,278	\$0.81	79%	
Hudson Housing - Syndicator (Renewable Energy)	\$178,479	\$0.85	1%	
Deferred Developer Fee	\$576,354		3%	27%
<b>Total</b>	<b>\$16,053,111</b>			
<b>Total Sources</b>	<b>\$19,363,111</b>			

Comments:

In addition to traditional housing tax credit equity in the amount of \$15,300,167, the Applicant has included \$178,482 in renewable energy tax credit equity based upon the development's inclusion of solar water heaters within each unit pursuant to IRC Section 48. The Applicant anticipates the development being awarded renewable energy tax credits in the amount of \$210,000, to be purchased at a rate of approximately \$0.85. Hudson Housing Capital will purchase the housing and renewable energy tax credits. Finally, the Applicant has indicated that any remaining gap in permanent financing will be filled through deferred developer fees; currently underwritten at \$576,354.

## CONCLUSIONS

Recommended Financing Structure:

The Developer's total development cost estimate less the permanent loan of \$3,310,000 and renewable energy equity of \$178,479 indicates the need for \$15,874,632 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,960,073 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,888,910
Allocation determined by gap in financing:	\$1,960,073
Allocation requested by the Applicant:	\$1,890,742

The allocation amount determined by the Underwriter's calculation of the eligible basis is recommended. A tax credit allocation of \$1,888,910 per year for 10 years results in total equity proceeds of \$15,298,278 at a syndication rate of \$0.81 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$576,354 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	<u>Blake Hopkins</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX / RENT SCHEDULE**  
**Tidwell Lakes Ranch, Houston, 9% HTC #11087**

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
PROGRAM REGION:	6
RURAL RENT USED:	No
IREM REGION:	Houston

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1		
2		
3		
4	95	100.0%
<b>TOTAL</b>	<b>95</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	98.95%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																					
UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS					TDHCA PROFORMA RENTS				MARKET RENTS				
HTC Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market			
TC30%	3	4	2.0	1,408	\$567	\$105	\$462	\$0	\$0.33	\$462	\$1,386	\$1,386	\$462	\$0.33	\$0	\$1,455	1.03	\$993			
TC50%	7	4	2.0	1,408	\$945	\$105	\$840	\$0	\$0.60	\$840	\$5,880	\$5,880	\$840	\$0.60	\$0	\$1,455	1.03	\$615			
TC60%	5	4	2.0	1,408	\$1,134	\$105	\$1,029	\$0	\$0.73	\$1,029	\$5,145	\$5,145	\$1,029	\$0.73	\$0	\$1,455	1.03	\$426			
TC30%	5	4	2.5	1,429	\$567	\$105	\$462	\$0	\$0.32	\$462	\$2,310	\$2,310	\$462	\$0.32	\$0	\$1,435	1.00	\$973			
TC50%	20	4	2.5	1,429	\$945	\$105	\$840	\$0	\$0.59	\$840	\$16,800	\$16,800	\$840	\$0.59	\$0	\$1,435	1.00	\$595			
TC60%	38	4	2.5	1,429	\$1,134	\$105	\$1,029	\$0	\$0.72	\$1,029	\$39,102	\$39,102	\$1,029	\$0.72	\$0	\$1,435	1.00	\$406			
MR	1	4	2.5	1,429	\$1,200	\$0	\$1,200	\$0	\$0.84	\$1,200	\$1,200	\$1,435	\$1,435	\$1.00	\$0	\$1,435	1.00	\$0			
TC30%	2	4	2.0	1,445	\$567	\$105	\$462	\$0	\$0.32	\$462	\$924	\$924	\$462	\$0.32	\$0	\$1,455	1.01	\$993			
TC50%	7	4	2.0	1,445	\$945	\$105	\$840	\$0	\$0.58	\$840	\$5,880	\$5,880	\$840	\$0.58	\$0	\$1,455	1.01	\$615			
TC60%	7	4	2.0	1,445	\$1,134	\$105	\$1,029	\$0	\$0.71	\$1,029	\$7,203	\$7,203	\$1,029	\$0.71	\$0	\$1,455	1.01	\$426			
<b>TOTALS/</b>	<b>95</b>			<b>135,696</b>				<b>\$0</b>	<b>\$0.63</b>	<b>\$903</b>	<b>\$85,830</b>	<b>\$86,065</b>	<b>\$906</b>	<b>\$0.63</b>	<b>\$0</b>	<b>\$1,442</b>	<b>\$1.01</b>	<b>\$536</b>			
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$1,029,960</b>	<b>\$1,032,780</b>								

**STABILIZED PROFORMA**

**Tidwell Lakes Ranch, Houston, 9% HTC #11087**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT			TDHCA			VARIANCE			
	Database	SF Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.63	\$903	\$1,029,960	\$1,032,780	\$906	\$0.63		0.3%	\$2,820
App fees, late charges, telephone					\$10.00	\$11,400					0.0%	(11,400)
Underwriter's Total Secondary Income							\$11,400	\$10.00			100.0%	11,400
<b>POTENTIAL GROSS INCOME</b>						\$1,041,360	\$1,044,180				0.3%	\$2,820
Vacancy & Collection Loss					7.5% PGI	(78,102)	(78,314)	7.5% PGI			0.3%	(212)
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$963,258	\$965,867				0.3%	\$2,609

General & Administrative	\$43,067	\$453/Unit	\$358/Unit	3.92%	\$0.28	\$398	\$37,800	\$33,970	\$358	\$0.25	3.52%	11.3%	3,830
Management	\$38,217	4.9% EGI	-	5.00%	\$0.35	\$507	\$48,162	\$48,292	\$508	\$0.36	5.00%	-0.3%	(130)
Payroll & Payroll Tax	\$97,046	\$1,022/Unit	\$1,475/Unit	14.25%	\$1.01	\$1,445	\$137,232	\$140,096	\$1,475	\$1.03	14.50%	-2.0%	(2,864)
Repairs & Maintenance	\$52,816	\$556/Unit	\$835/Unit	9.24%	\$0.66	\$937	\$89,028	\$79,328	\$835	\$0.58	8.21%	12.2%	9,700
Utilities	\$37,333	\$393/Unit	\$347/Unit	3.17%	\$0.22	\$321	\$30,516	\$33,002	\$347	\$0.24	3.42%	-7.5%	(2,486)
Water, Sewer, & Trash	\$50,437	\$531/Unit	\$727/Unit	7.56%	\$0.54	\$767	\$72,840	\$69,051	\$727	\$0.51	7.15%	5.5%	3,789
Property Insurance	\$40,241	\$0.30 SF	\$416/Unit	4.14%	\$0.29	\$420	\$39,900	\$39,520	\$416	\$0.29	4.09%	1.0%	380
Property Tax 3.3828	\$70,985	\$747/Unit		10.84%	\$0.77	\$1,099	\$104,448	\$120,465	\$1,268	\$0.89	12.47%	-13.3%	(16,017)
Reserve for Replacements	\$31,137	\$328/Unit		2.47%	\$0.18	\$250	\$23,750	\$23,750	\$250	\$0.18	2.46%	0.0%	-
TDHCA Compliance Fees				0.39%	\$0.03	\$40	\$3,792	\$3,760	\$40	\$0.03	0.39%	0.9%	32
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees				1.30%	\$0.09	\$132	\$12,540	\$12,540	\$132	\$0.09	1.30%	0.0%	-
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Association fees				0.39%	\$0.03	\$40	3,804.00	\$3,804	\$40	\$0.03	0.39%	0.0%	-
<b>TOTAL EXPENSES</b>				62.68%	\$4.45	\$6,356	\$603,812	\$607,577	\$6,396	\$4.48	62.90%	-0.6%	\$(3,765)
<b>NET OPERATING INCOME ("NOI")</b>				37.32%	\$2.65	\$3,784	\$359,446	\$358,289	\$3,771	\$2.64	37.10%	0.3%	\$1,157

<b>CONTROLLABLE EXPENSES</b>	\$2,955/Unit	\$3,742/Unit		\$3,868/Unit		\$3,742/Unit
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**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$963,258	\$982,523	\$1,002,174	\$1,022,217	\$1,042,661	\$1,151,182	\$1,270,998	\$1,403,285	\$1,549,340	\$1,710,597	\$1,898,637	\$2,085,208
LESS: TOTAL EXPENSES	603,812	621,445	639,597	658,284	677,521	782,555	904,019	1,044,499	1,206,988	1,394,954	1,612,413	1,864,017
<b>NET OPERATING INCOME</b>	\$359,446	\$361,078	\$362,577	\$363,933	\$365,140	\$368,627	\$366,979	\$358,786	\$342,352	\$315,643	\$276,224	\$221,191
LESS: DEBT SERVICE	295,615	295,615	295,615	295,615	295,615	295,615	295,615	295,615	295,615	295,615	295,615	295,615
<b>NET CASH FLOW</b>	\$63,831	\$65,463	\$66,961	\$68,318	\$69,525	\$73,012	\$71,364	\$63,171	\$46,737	\$20,027	(\$19,392)	(\$74,425)
<b>CUMULATIVE NET CASH FLOW</b>	\$63,831	\$129,294	\$196,255	\$264,573	\$334,098	\$693,988	\$1,056,420	\$1,391,595	\$1,661,825	\$1,819,946	\$1,807,453	\$1,552,289
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$576,354	\$510,890	\$443,929	\$375,611	\$306,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.22	1.22	1.23	1.23	1.24	1.25	1.24	1.21	1.16	1.07	0.93	0.75
<b>EXPENSE/EGI RATIO</b>	62.68%	63.25%	63.82%	64.40%	64.98%	67.98%	71.13%	74.43%	77.90%	81.55%	85.37%	89.39%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Tidwell Lakes Ranch, Houston, 9% HTC #11087

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE														AS UNDERWRITTEN DEBT/GRANT STRUCTURE					
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative							
	As UW	App											DCR	LTC						
Capital One, NA	1.21	1.22	\$295,615	8.15%	30	15	\$3,310,000	\$3,310,000	15	30	8.15%	\$295,615	1.22	17.1%						
<b>TOTAL DEBT / GRANT SOURCES</b>			\$295,615				\$3,310,000	\$3,310,000				\$295,615		17.1%						
<b>NET CASH FLOW</b>			\$63,831									\$62,674								

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE										AS UNDERWRITTEN EQUITY STRUCTURE			
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary				
										Total Developer Fee	15-Year Cash Flow			
Hudson Housing	LIHTC Equity	79.1%	\$1,890,742	0.8099	\$15,313,479	\$15,298,278	0.8099	\$1,888,910	79.0%	Annual Credit per Unit:	\$161,035			
Hudson Housing	Solar Tax Credit Equity	0.9%	\$210,000	0.8500	\$178,482	\$178,479	0.8499	\$210,000	0.9%					
HK/Tidwell Lakes Development, LLC	Deferred Developer Fees	2.9%	(26% Deferred)		\$561,150	\$576,354	(27% Deferred)		3.0%	Total Developer Fee:	\$2,128,220			
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,056,420			
<b>TOTAL EQUITY SOURCES</b>		82.9%			\$16,053,111	\$16,053,111			82.9%	15-Yr Cash Flow after Fee:	\$480,066			
<b>TOTAL CAPITALIZATION</b>					\$19,363,111	\$19,363,111								

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$								
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition										
Land Acquisition			\$20,806 / Unit	\$1,976,535	\$1,976,535	\$20,806 / Unit		0.0%	\$0							
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0							
Off-Sites		\$207,200	\$2,181 / Unit	\$207,200	\$207,200	\$2,181 / Unit	\$207,200	0.0%	\$0							
Sitework		\$2,533,600	\$26,669 / Unit	\$2,533,600	\$2,533,600	\$26,669 / Unit	\$2,533,600	0.0%	\$0							
Direct Construction		\$7,912,300	\$58.31 /sf	\$83,287/Unit	\$7,912,300	\$8,475,632	\$89,217/Unit	\$62.46 /sf	\$8,475,632	6.6%	\$563,332					
Contingency		\$612,000	5.86%	\$612,000	\$612,000	5.56%	\$612,000	0.0%	\$0							
Contractor's Fees		\$1,506,134	13.37%	\$1,506,134	\$1,506,134	12.73%	\$1,506,134	0.0%	\$0							
Indirect Construction		\$711,048	\$7,485 / Unit	\$711,048	\$711,048	\$7,485 / Unit	\$711,048	0.0%	\$0							
Ineligible Costs			\$5,994 / Unit	\$569,475	\$569,475	\$5,994 / Unit		0.0%	\$0							
Developer's Fees	\$0	\$2,143,969	15.11%	\$2,143,969	\$2,143,969	14.74%	\$2,143,969	\$0	0.0%	\$0						
Interim Financing		\$705,850	\$7,430 / Unit	\$705,850	\$705,850	\$7,430 / Unit	\$705,850	0.0%	\$0							
Reserves			\$5,105 / Unit	\$485,000	\$405,523	\$4,269 / Unit		-19.8%	(\$79,477)							
<b>UNADJUSTED BASIS / COST</b>	\$0	\$16,332,101	\$203,822 / Unit	\$19,363,111	\$19,846,966	\$208,915 / Unit	\$16,895,433	\$0	2.4%	\$483,855						
Acquisition Cost for Identity of Interest Seller				\$0												
Developer's Fee	\$0	(\$15,749)														
Contractor's Fee		\$0														
Contingency		\$0														
<b>ADJUSTED BASIS / COST</b>	\$0	\$16,316,352	\$203,822 / Unit	\$19,363,111	\$19,846,966	\$208,915 / Unit	\$16,895,433	\$0								
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				\$19,363,111												

**CAPITALIZATION DEVELOPMENT COST BUDGET (ADJUSTED BASIS) ITEMS**

**Tidwell Lakes Ranch, Houston, 9% HTC #11087**

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$16,316,352	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$16,316,352</b>	<b>\$0</b>	<b>\$16,895,433</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$21,211,257</b>	<b>\$0</b>	<b>\$21,964,063</b>
Applicable Fraction	98.95%	98.95%	98.95%	98.95%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$20,987,884</b>	<b>\$0</b>	<b>\$21,732,762</b>
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$1,888,910</b>	<b>\$0</b>	<b>\$1,955,949</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,888,910</b>		<b>\$1,955,949</b>	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,888,910	\$15,298,278
Gap	\$1,960,073	\$15,874,632
Request	\$1,890,742	\$15,313,479

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Eligible Basis
Credits	\$1,888,910
Underwritten Proceeds	\$15,298,278

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$83.02	\$118,580	\$11,265,100	\$11,828,432	\$124,510	\$87.17
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$92.59	\$132,253	\$12,564,034	\$13,127,366	\$138,183	\$96.74

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Single Family Residence Basis	135,696	\$ 70.36	9,548,177
<b>Adjustments</b>				
Exterior Wall Finish	0.80%		0.56	\$76,385
	0.00%		0.00	0
9-Ft. Ceilings	3.10%		2.18	295,993
Roofing	Base	91,168	0.00	0
Subfloor	(\$2.50)	65,648	(1.21)	(184,120)
Floor Cover	\$11.19	135,696	11.19	1,518,642
Covered Porches	\$21.84	14,309	2.28	309,647
Uncovered Patios	\$0.00	0	0.00	0
Plumbing Fixtures	\$1.160	128	1.09	148,480
Rough-ins	\$465	95	0.33	44,175
Built-In Appliances	\$2,700	95	1.89	256,500
Exterior Stairs	\$0	0	0.00	0
Interior Stairs	\$0	0	0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$0	0	0.00	0
Heating/Cooling	0	0	1.86	252,395
Garages	\$20.52	35,549	5.38	729,495
Comm &/or Aux Bldgs	\$75.14	2,787	1.54	209,426
Other:	\$0.00	0	0.00	0
<b>SUBTOTAL</b>			<b>97.46</b>	<b>13,225,194</b>
Current Cost Multiplier	1.03		2.92	396,756
Local Multiplier	0.88		-11.70	(1,587,023)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>88.69</b>	<b>\$12,034,927</b>
Plans, specs, survey, bldg permits	3.90%		-3.46	(\$469,362)
Interim Construction Interest	3.38%		-2.99	(406,179)
Contractor's OH & Profit	11.50%		-10.20	(1,384,017)
<b>SUBTOTAL</b>			<b>72.04</b>	<b>\$9,775,369</b>
Substitution Discount	3.30%		-2.58	(1,295,747)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>62.46</b>	<b>\$8,475,632</b>



**BOARD ACTION ITEM**  
**July 28, 2011**

**Recommended Action**

Staff requests Board approval to amend the Land Use Restriction Agreement (LURA) for Saint John's Village Apartments in Austin, Texas to remove the requirement for a Historically Underutilized Business (HUB) to have an ownership interest and participate in the development.

**WHEREAS**, Saint John's Village was awarded Housing Tax Credits in 1998 for the new construction of 156 units in Austin and

**WHEREAS**, as part of the application, the owner agreed that a HUB would have an ownership interest and participate in the development throughout the Compliance Period, and

**WHEREAS**, there is good cause to remove the HUB requirement,

**Now, therefore, be it**

**RESOLVED**, that the Executive Director and his designees are hereby, authorized, directed, and empowered, for and on behalf of the Department, to amend the LURA for Saint John's Village Apartments to remove the requirement for a HUB to have an ownership interest and materially participate in the Development.

**Background**

The LURA for Saint John's Village requires the regular, continuous and substantial participation of a HUB throughout the Compliance Period. The Compliance Period for this property is 25 years, ending in 2024. The HUB identified in the LURA is Saint John's Management, Inc. DBA The Mitchell Company, 51% owned by Eric Mitchell. Mr. Mitchell has passed away giving rise to the good cause for this amendment.

The request to amend the LURA addresses the possible transfer of the property to a nonprofit affiliate of the Austin Housing Authority. The request specifically asks for the HUB requirement to be substituted with a nonprofit requirement. Doing so would require that a nonprofit own and participate until 2024. Staff does not recommend this change. The current LURA requires a Right of First Refusal after the 15<sup>th</sup> year (the property is year 14). Therefore, nonprofits would have the opportunity to purchase the property if it becomes available for sale after year 15. Although the proposed purchaser happens to be a nonprofit, staff does not see good reason to require a nonprofit owner for the remainder of the Compliance Period.

In addition, the request asks that the LURA be amended to reflect a new owner name. That is not necessary and staff does not recommend that change. The ownership transfer will need to go through the routine process for transfers. If the Board approves this action item, the new owner will not need to be a HUB.



11089

Parkstone Senior Village Phase  
II

Urban, Region 2



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Parkstone Senior Village Phase II, TDHCA Number 11089**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Approximately 1401 W Rathgeber Rd. Development #: 11089  
 City: Wichita Falls Region: 2 Population Served: Elderly  
 County: Wichita Zip Code: 76310 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: UAH Parkstone II, LP  
 Owner Contact and Phone: Randy Stevenson, (817) 261-5088  
 Developer: United Affordable Housing, LP  
 Housing General Contractor: TBD  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Boston Financial Investment Management, LP  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	64
	10 0 29 25	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 44 20 0 0 0	Total Development Units:	64
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	8
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$721,737	\$721,737			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Parkstone Senior Village Phase II, TDHCA Number 11089

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Estes, District 30, NC

US Representative: Thornberry, District 13,

TX Representative: Lyne, District 69, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Southside Neighborhood Association, Kelli Lindsay

Letter Score: 24 S or O: S

[Support] Because it will provide affordable, safe quality housing for senior citizens.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Parkstone Senior Village Phase II, TDHCA Number 11089**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **197**  Meeting a Required Set-Aside Credit Amount\*: \$721,737

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

11090

Sutton Oaks II

Urban, Region 9



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Sutton Oaks II, TDHCA Number 11090**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. 750 Runnels Ave. Development #: 11090  
 City: San Antonio Region: 9 Population Served: General  
 County: Bexar Zip Code: 78208 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: ARDC Sutton II, Ltd.  
 Owner Contact and Phone: Lourdes Castro Ramirez, (210) 477-6002  
 Developer: Franklin Development Properties, Ltd.  
 Housing General Contractor: Franklin Construction, Ltd.  
 Architect: RPGA Design Group, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Franklin Apartment Management, Ltd.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	162
	49 0 25 88	Market Rate Units:	46
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 48 100 52 8 0	Total Development Units:	208
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	14
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Sutton Oaks II, TDHCA Number 11090

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Van De Putte, District 26, S

US Representative: González, District 20,

TX Representative: Jones McClendon, District 120, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

Government Hill Alliance Neighborhood Association, Joe Ashcraft

Letter Score: 24 S or O: S

To support our growth & revitalization of Government Hill & east side San Antonio.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Sutton Oaks II, TDHCA Number 11090

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **206**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



11094

Mariposa at Highway 6

Urban, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Mariposa at Highway 6, TDHCA Number 11094**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. 0.15 miles S of Boonville Rd. and Wildflower Dr. (W sid) Development #: 11094  
 City: Bryan Region: 8 Population Served: Elderly  
 County: Brazos Zip Code: 77802 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Mariposa Highway 6 LP  
 Owner Contact and Phone: Stuart Shaw, (512) 220-8000  
 Developer: SSFP Mariposa Highway 6 LLC  
 Housing General Contractor: Bonner Carrington Construction LLC  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156
	16	0	57	83	Market Rate Units:	4
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	90	70	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	160
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,888,178	\$1,888,178			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Mariposa at Highway 6, TDHCA Number 11094

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: Flores, District 17,

TX Representative: Brown, District 14, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Mariposa at Highway 6, TDHCA Number 11094**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **183**  Meeting a Required Set-Aside Credit Amount\*: \$1,888,178

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11096

Mariposa at Calder Drive

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Mariposa at Calder Drive, TDHCA Number 11096**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. the 1100 block of M 517 W Development #: 11096  
 City: League City Region: 6 Population Served: Elderly  
 County: Galveston Zip Code: 77539 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Mariposa Calder Drive LP  
 Owner Contact and Phone: Stuart Shaw, (512) 220-8000  
 Developer: SSFP Mariposa Calder Drive LLC  
 Housing General Contractor: Bonner Carrington Construction LLC  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	176
	18 0 64 94	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 97 83 0 0 0	Total Development Units:	180
Type of Building:		Total Development Cost*:	\$21,553,692
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	4
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	14
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	22
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$1,950,000	\$1,950,000	40	18	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Mariposa at Calder Drive, TDHCA Number 11096

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Jackson, District 11, NC

US Representative: Paul, District 14, S

TX Representative: Taylor, District 24, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Julie M. Johnston, Dickinson City Administrator

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 5 In Opposition: 0

Quantifiable Community Participation Input:

Bay Colony West Homeowners Association, Keith Schoonover

Letter Score: 24 S or O: S

The proposed project will be a great addition to the community and will be a great service for ours and the surrounding cities.

Community Input Other than Quantifiable Community Participation Input:

CARES by Apartment Life, S, Aubrey Byfield, Area Director

The Dickinson Economic Environmental Development Satellite, S, C.W. Sims, President

Bay Area Turning Point, Inc., S, Diane Savage, President and CEO

General Summary of Comment:

Support - Bay Area Turning Point (non-profit) supports the development. So does the Dickinson Economic Environmental Development Satellite. Apartment Life non-profit supports the development as well.

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of a loan commitment signed by CAHFC including terms of financing, including interest rate, term, and amortization period.
2. Receipt and acceptance by 10% test: A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: That all noise assessment recommendations were implemented.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Mariposa at Calder Drive, TDHCA Number 11096**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **13**
- Total # Monitored: **10**

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

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds: Loan Amount: \$1,950,000

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

Recommendation:

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





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11096 Program(s): 9% HTC/HOME

**Mariposa at Calder Drive**

Address/Location: Approximately the 1100 block of FM 517 West

City: League City County: Galveston Zip: 77539

Population: Senior Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Wrap (3 or 4 story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$1,950,000	2.00%	40	40	\$1,950,000	2.00%	40	18	2nd
LIHTC (Annual)	\$2,000,000				\$2,000,000				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - of a loan commitment signed by CAHFC including terms of financing, including interest rate, term, and amortization period.
- 2 Receipt and acceptance by 10% test:
  - A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - That all noise assessment recommendations were implemented.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	18
50% of AMI	50% of AMI	64
60% of AMI	60% of AMI	94

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	13
50% of AMFI	Low HOME	9
60% of AMFI	High HOME	14

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

### RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>Strong lease-up velocity on several recently completed senior deals</li> </ul>	<ul style="list-style-type: none"> <li>478 unstabilized comparable units in market</li> </ul>
<ul style="list-style-type: none"> <li>Closest comp deal has reached 50% occupancy since PIS on July 1, 2011</li> </ul>	<ul style="list-style-type: none"> <li>33% and 26% capture rates for 1 and 2 bedroom 60% units</li> </ul>
<ul style="list-style-type: none"> <li>Visibility is good due to frontage on FM 517</li> </ul>	
<ul style="list-style-type: none"> <li>The principals of the Applicant have experience developing and owning 1,875 Housing Tax Credit units</li> </ul>	

### DEVELOPMENT TEAM

#### PRIMARY CONTACTS

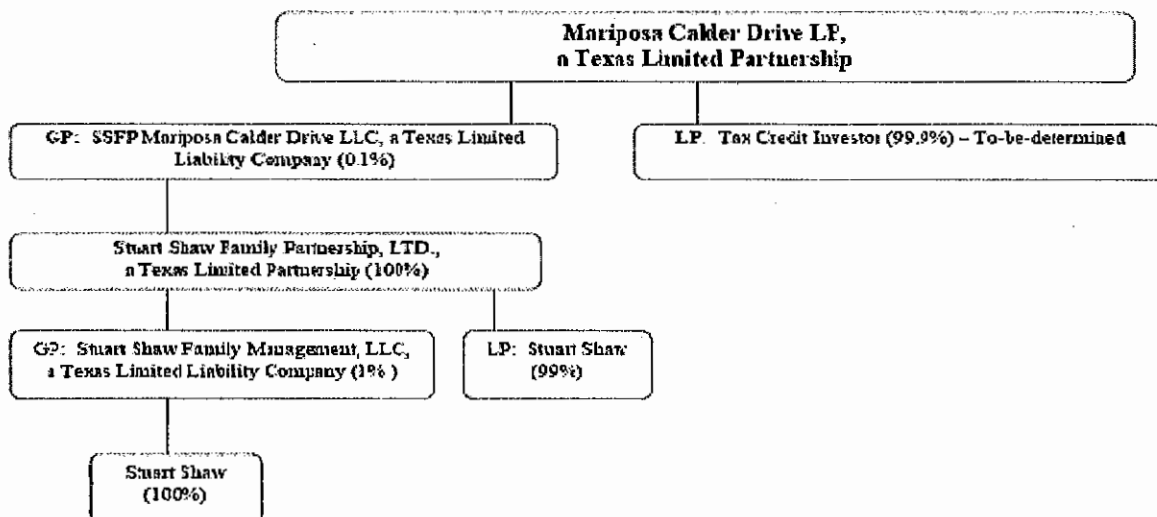
Name: Stuart B. Shaw Relationship: Developer, GP  
 Email: stuart@bonnercarrington.com Phone: (512) 220-8000 Fax: (512) 329-9002

Name: Jeffrey Spicer Relationship: Consultant  
 Email: jspicer@statestreethousing.com Phone: 214-346-0707 Fax: 214-346-0713

Related-Party Seller/Identity of Interest: No

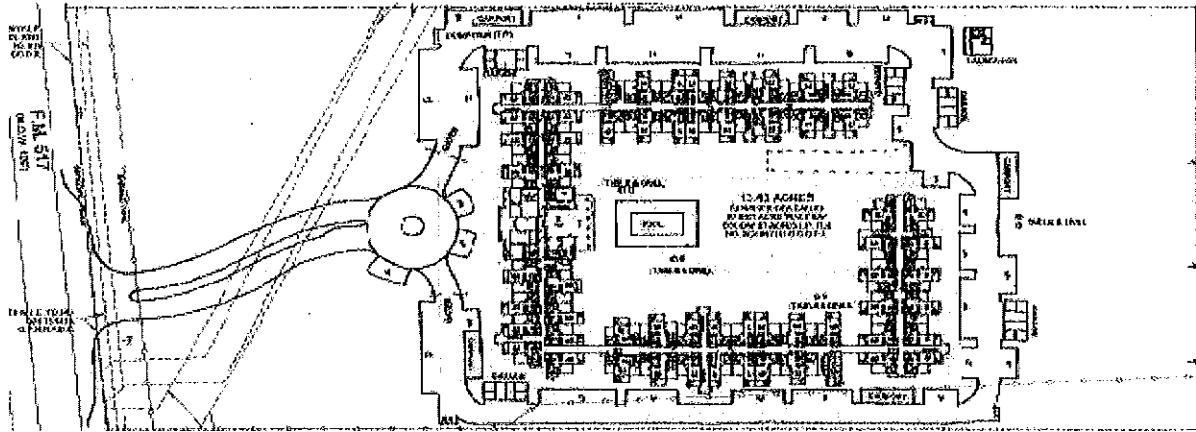
- The Applicant, Developer, and General Contractor are related entities.

#### OWNERSHIP STRUCTURE



## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	I	II	III	IV		Total Buildings	
Floors/Stories	3	3	3	3			4
Number of Bldgs	1	1	1	1			
Units per Bldg	52	46	36	46			
<b>Total Units</b>	<b>52</b>	<b>46</b>	<b>36</b>	<b>46</b>		<b>180</b>	

### GENERAL INFORMATION

Total Size:	<u>13.43</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>RMF</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>13.40283</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

The site is located in an area that recently underwent new single family subdivision development. A relatively new market rate family development is located just to the east. The site has easy access to IH 45 and retail/commercial development located approximately 2 miles east. The buildings are situated toward the back of the site with a natural gas line and easement transecting the front portion of the site.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc Date: 2/18/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- Based on the proximity of a major roadway to the site, per HUD guidelines, Terracon recommends that a noise study be conducted.

### MARKET ANALYSIS

Provider: Affordable Market Analysts Date: 2/28/2011  
 Contact: Bob Coe Phone: 281-387-7552  
 Number of Revisions: 1 Date of Last Applicant Revision: 6/17/2011

Primary Market Area (PMA): 161 sq. miles 7 mile equivalent radius

The Primary Market Area is defined by 9 census tracts in League City, Galveston County. The Underwriter's Extended Market Area encompasses the census tracts on Galveston Island, Texas City, and up 145 to Houston.

ELIGIBLE HOUSEHOLDS BY INCOME								
Galveston County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,784	\$13,680	---	---	\$14,640	\$22,800	\$17,568	\$27,360
2	\$8,784	\$15,630	---	---	\$14,640	\$26,050	\$17,568	\$31,260
3	\$10,536	\$17,580	---	---	\$17,568	\$29,300	\$21,096	\$35,160
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09267	Heritage Crossing	New	Senior	68	72
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		2	Total Units		148

COMPARABLE SUPPLY in EXTENDED MARKET					
11256	Gardens at Friendswood Lakes II	New	Senior	36	36
08198	Highland Manor	New	Senior	134	141
08402	Mansions at Moses Lake	New	Senior	240	240

Proposed, Under Construction, and Unstabilized Comparable Supply:

09267 Heritage Crossing is an unstabilized senior development within the PMA. The Underwriter identified three other comparable developments located just outside of the PMA and all three have overlapping PMA with the subject development. 11256 Gardens at Friendswood Lakes II is a proposed senior development located just outside of the market area. 08198 Highland Manor, and 08402 Mansions at Moses Lake are two unstabilized developments located southeast of the subject site in Texas City.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
			PMA	Extended Market
Total Households in the Primary Market Area	28,069		28,069	68,444
Senior Households in the Primary Market Area	9,986		9,986	25,221
Potential Demand from the Primary Market Area	2,697		2,881	8,255
Potential Demand from Other Sources	890		960	0
<b>GROSS DEMAND</b>	3,587		3,842	8,255
Subject Affordable Units	176		176	176
Unstabilized Comparable Units	80		478	478
<b>RELEVANT SUPPLY</b>	256		654	654
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	7.1%		17.0%	7.9%

**Demand Analysis:**

The Market Analyst's calculations only identify properties within the PMA as comparable, resulting in a Gross Capture Rate of 7.1% for the Relevant Supply of 256 units. The Underwriter has taken into account 3 other developments as stated above that will be pulling from the same market area, resulting in a Gross Capture Rate of 17.0% for the Relevant Supply of 654 units.

This result exceeds the maximum Gross Capture Rate of 10%. However, this calculation is overstated because it assumes the unstabilized properties outside the PMA are limited to the demand within the subject PMA. The Underwriter has therefore considered an Extended Market to incorporate the Primary Market Areas that were defined for each of the comparable properties. The Underwriter identifies 8,255 income eligible households in the Extended Market Area and calculates a Gross Capture Rate of 7.9% for the Relevant Supply of 654 units.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	311	13	6	6%	1,037	13	13	3%
1 BR/50%	158	35	19	34%	1,718	35	59	5%
1 BR/60%	629	49	28	12%	819	49	224	33%
2 BR/30%	331	5	5	3%	553	5	2	1%
2 BR/50%	178	29	18	26%	1,242	29	34	5%
2 BR/60%	841	45	28	9%	734	45	146	26%

**Primary Market Occupancy Rates:**

"There are four existing HTC properties within the subject PMA: Maplewood Crossing, a 100- unit (80 units rent restricted) Seniors with a current occupancy of 100%; Jordan Cove, a 248-unit Family HTC (located adjacent to the proposed subject) with a current occupancy of 89% and pre-leased to 95%; and Heritage Crossing, a 72-unit (70 units rent restricted) Seniors HTC which is under construction, and Santa Fe Plaza, a 48-unit Family HTC which is 100% occupied." (p 21) The overall occupancy rate for the 3 operating HTC properties is 93%.

**Absorption Projections:**

"Gardens at Friendswood Lakes is a 114-unit Seniors HTC which was completed in November 2009, and is currently 80% occupied, which equates to an average absorption of approximately 23 units per month. Baybrook Bay Retirement Center was reportedly completed in January 2007, and attained stabilized occupancy in September 2007... average absorption of approximately 14 units per month. Oak Tree Village was completed in June 2009, and was 100% occupied at completion. Cedar Drive Village was reportedly 100% occupied within one month of completion. Village at Morningstar II was 100% pre-leased prior to completion. Villas at Shaver was reported completed in October 2009, and attained stabilized occupancy in November 2009, which equates to an average absorption of approximately 110 units per month. We estimate absorption at 10 to 20 units a month and the property should stabilize within 8 to 15 months of opening." (p 12)

**Market Impact:**

"Based on the high occupancy levels of the existing properties in the market, and the lack of good quality affordable housing, along with the recent strong absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration." (p 12)

Comments:

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

There are three large (100+ units) senior developments located just outside of the extended market area that will also draw from the same market area demand, though two of developments have stabilized at over 90% for the last 12 months.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$461,048	Avg. Rent:	\$607	Expense Ratio:	63.2%
Debt Service:	\$375,575	B/E Rent:	\$570	Controllable Expenses:	\$2,451
Net Cash Flow:	\$85,473	Occupancy:	92.50%	Property Taxes/Unit:	\$852
Aggregate DCR:	1.23:1	B/E Occupancy:	86.19%	Program Rent Year:	2010

Income:      Number of Revisions:      1      Date of Last Applicant Revision:      4/27/2011

The Applicant used rents \$25 less than maximum HTC rents, and \$330 less than the market rents for market rate units. The market study identified, and the Underwriter compared, the rents from another senior property built in 2006 in League City, Maplewood Crossing. The 2 bedroom units at Maplewood are currently collecting rents of \$900 for the 956 s.f. units (or \$0.94 per s.f.) and \$975 for the 1,068 s.f. units (or \$0.91 per s.f.). The Market Analyst concluded estimated market rents for the Subject's 1,175 s.f 2/1 bedroom units of \$1,180 (or \$1.00 per s.f.).

The Underwriter also contacted the owner and property manager of Heritage Crossing, a 76 unit Exchange transaction (located 5 miles from the subject) that began leasing in June or July 2011. The owner indicated a very strong leasing velocity with 30 move-ins the first weekend. The property is currently 50% occupied and the property is achieving the maximum program rents. This property is a good gauge of the market's ability to support the additional proposed units.

Based on the market data, the Underwriter used the maximum program rents for the restricted units. The market analyst's rents were used for the market units. While the market rents may be higher than actually achievable based on rents for market units at other HTC deals, there are only 4 such units and the impact is marginal. The collective difference in effective gross income is \$21K, which does not have an impact on the viability of the transaction.

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

The Applicant's total annual operating expense projection at \$4,397 per unit is within 5% of the Underwriter's estimate of \$4,424, derived from the TDHCA database, and third-party data sources. The Underwriter pulled data on one other existing senior deal in League County and confirmed that controllable expenses were at similar levels. Additionally, the controllable figure is in line with expectations. The Underwriter's property tax estimate is based on NOI at a 10% cap rate.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.23, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

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

**ACQUISITION INFORMATION**

## SITE CONTROL

Type: Purchase & Sale Agreement Acreage: 13.43  
 Acquisition Cost: \$1,755,032 Contract Expiration: 9/15/2011  
 Cost Per Unit: \$9,750  
 Seller: Bay Colony 27, LP Related to Development Team?  Yes  No

**DEVELOPMENT COST EVALUATION**

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

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

## Comments:

The Applicant claimed sitework costs over the Department's maximum guideline of \$9,000 per unit largely due to on-site paving & utility extension across the site. The Applicant provided sufficient third-party certification through a detailed certified cost estimate by an Engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that all of the total \$2,520,000 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

## Direct Construction Cost:

The Applicant's direct construction cost estimate is \$16K or less than 1% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Of note, garages and carports are being provided for a fee, and as a result both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

## Ineligible Costs:

Of note, the Underwriter's ineligible cost is adjusted for carport and garages. Specifically, the Underwriter determined carports & garages to be \$108K based on Marshall & Swift; however, the Applicant has included \$140K for these costs.

## Conclusion:

Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,888,043 supports annual tax credits of \$2,029,679. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Chase Bank	\$9,900,000	6.00%	24 Months	46%
Stonewall Ventures LLC	\$450,000	7.00%	15 Months	2%
Capital Area HFC	\$1,950,000	AFR	12 Months	9%
RBC Capital Markets	\$9,253,692	HTC Equity		43%
<b>Total</b>	<b>\$21,553,692</b>			

**Comments:**

The Interim Rate Index on the \$9.9M Chase Bank loan is LIBOR+ 350 bps, underwritten at 6%.

A commitment for the \$450K in private funds has been received. The loan will accrue interest at the greater of 7% or prime plus 2% and mature on the earlier of placed in service or 15 months.

The Applicant has applied for the \$1.95M in CAHFC funds; however, no award has been made. Interim interest from this source was not used to support the Applicant's eligible interim interest. Receipt, review, and acceptance of an interim loan commitment signed by CAHFC including terms of financing - interest rate, term, and amortization period is a condition of this report.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Chase Bank	\$3,380,000	8.25%	30	18	16%
TDHCA - HOME	\$1,950,000	2.00%	40	18	9%
<b>Total</b>	<b>\$5,330,000</b>				

**Comments:**

Current indicative rate on the Chase loan is 7.75%, underwritten at 50 basis points over the indicative rate, or 8.25%.

The Applicant has requested \$1.95M in HOME funds to be loaned at 2% interest with a 40 year term and amortization that will be in a second lien position. The Underwriter recommends the loan to have an 18 year term, consistent with the first lien.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
RBC Capital Markets	\$15,398,460	\$0.77	71%	
Developer	\$825,232		4%	35%
<b>Total</b>	<b>\$16,223,692</b>			
<b>Total Sources</b>	<b>\$21,553,692</b>			

**Comments:**

Deferred developer fee is anticipated to be repayable from development cashflow within ten years of stabilized operation. Should the final credit price increase to more than \$0.81, an adjustment to the credit amount may be warranted.



## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,380,000 and requested \$1.95M in HOME funds indicates the need for \$16,223,692 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,107,184 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,029,679
Allocation determined by gap in financing:	\$2,107,184
<b>Allocation requested by the Applicant:</b>	<b>\$2,000,000</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$15,398,692 at a syndication rate of \$0.77 per tax credit dollar.

The Underwriter also recommends a HOME loan not to exceed \$1,950,000 structured as a fully repayable mortgage with an interest rate of 2% and with a 40 year amortization and term to mirror the Chase Bank mortgage (currently 18 year term). If the HOME award is ultimately not received the substantial resulting gap in financing would render this transaction infeasible.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

**Mariposa at Calder Drive, League City, 9% HTC/HOME #11096**

LOCATION DATA	
CITY:	League City
COUNTY:	Galveston
PROGRAM REGION:	6
RURAL RENT USED:	No
IREM REGION:	NA

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	97	53.9%
2	83	46.1%
3		
4		
<b>TOTAL</b>	<b>180</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	96.96%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$366	30%/30%	\$366	13	1	1	740	\$366	\$95	\$271	\$0	\$0.37	\$271	\$3,523	\$3,523	\$271	\$0.37	\$0	\$870	1.18	\$599
TC50%	\$610	0		35	1	1	740	\$610	\$95	\$515	\$0	\$0.70	\$515	\$18,025	\$18,025	\$515	\$0.70	\$0	\$870	1.18	\$355
TC60%	\$732	0		49	1	1	740	\$732	\$95	\$637	\$0	\$0.86	\$637	\$31,213	\$31,213	\$637	\$0.86	\$0	\$870	1.18	\$233
TC30%	\$439	0		1	2	1	890	\$439	\$118	\$321	\$0	\$0.36	\$321	\$321	\$321	\$321	\$0.36	\$0	\$1,025	1.15	\$704
TC50%	\$732	LH/50%	\$732	9	2	1	890	\$732	\$118	\$614	(\$25)	\$0.68	\$589	\$5,301	\$5,526	\$614	\$0.69	\$0	\$1,025	1.15	\$411
TC60%	\$879	HH/60%	\$892	14	2	1	890	\$879	\$118	\$761	(\$25)	\$0.83	\$736	\$10,304	\$10,654	\$761	\$0.86	\$0	\$1,025	1.15	\$264
TC30%	\$439	0		4	2	2	1,050	\$439	\$118	\$321	\$0	\$0.31	\$321	\$1,284	\$1,284	\$321	\$0.31	\$0	\$1,125	1.07	\$804
TC50%	\$732	0		20	2	2	1,050	\$732	\$118	\$614	\$0	\$0.58	\$614	\$12,280	\$12,280	\$614	\$0.58	\$0	\$1,125	1.07	\$511
TC60%	\$879	0		31	2	2	1,050	\$879	\$118	\$761	\$0	\$0.72	\$761	\$23,591	\$23,591	\$761	\$0.72	\$0	\$1,125	1.07	\$364
MR		0		4	2	2	1,175	\$0	\$118		NA	\$0.72	\$850	\$3,400	\$4,720	\$1,180	\$1.00	NA	\$1,180	1.00	\$0
<b>TOTALS/AVERAGES:</b>				<b>180</b>				<b>155,690</b>			<b>(\$3)</b>	<b>\$0.70</b>	<b>\$607</b>	<b>\$109,242</b>	<b>\$111,137</b>	<b>\$617</b>	<b>\$0.71</b>	<b>\$0</b>	<b>\$975</b>	<b>\$1.13</b>	<b>\$358</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>														<b>\$1,310,904</b>	<b>\$1,333,644</b>						

**STABILIZED PROFORMA**

**Mariposa at Calder Drive, League City, 9% HTC/HOME #11096**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Maplewood Crossing	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$0.70	\$807	\$1,310,904	\$1,333,644	\$617	\$0.71		1.7%	\$22,740
Storage, Carports, Cable & Garages					\$20.00	\$43,200					0.0%	(43,200)
0					\$0.00	\$0					0.0%	-
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$43,200	\$20.00			100.0%	43,200
<b>POTENTIAL GROSS INCOME</b>						<b>\$1,354,104</b>	<b>\$1,376,844</b>				<b>1.7%</b>	<b>\$22,740</b>
Vacancy & Collection Loss					7.5% PGI	(101,558)	(103,263)	7.5% PGI			1.7%	(1,706)
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						<b>\$1,252,546</b>	<b>\$1,273,581</b>				<b>1.7%</b>	<b>\$21,035</b>

General & Administrative	\$62,087	\$345/Unit	\$422/Unit	2.40%	\$0.19	\$167	\$30,050	\$62,087	\$345	\$0.40	4.88%	-5.6%	(32,037)
Management	\$55,148	4.9% EGI	\$431/Unit	5.00%	\$0.40	\$348	\$62,627	\$63,679	\$354	\$0.41	5.00%	-1.7%	(1,052)
Payroll & Payroll Tax	\$183,876	\$1,022/Unit	\$1,196/Unit	17.99%	\$1.44	\$1,249	\$224,801	\$183,876	\$1,022	\$1.18	14.44%	22.3%	40,925
Repairs & Maintenance	\$100,073	\$559/Unit	\$329/Unit	6.95%	\$0.56	\$483	\$67,000	\$100,073	\$556	\$0.64	7.86%	-13.1%	(13,073)
Utilities	\$53,325	\$299/Unit	\$174/Unit	3.45%	\$0.28	\$240	\$43,200	\$53,325	\$296	\$0.34	4.19%	-19.0%	(10,125)
Water, Sewer, & Trash	\$72,714	\$404/Unit	\$451/Unit	4.49%	\$0.36	\$312	\$56,200	\$72,714	\$404	\$0.47	5.71%	-22.7%	(16,514)
Property Insurance	\$58,050	\$0.37/sf	\$548/Unit	5.75%	\$0.46	\$400	\$72,000	\$54,457	\$303	\$0.35	4.28%	32.2%	17,544
Property Tax 3.0186	\$102,533	\$570/Unit	\$582/Unit	12.25%	\$0.99	\$852	\$153,420	\$143,989	\$800	\$0.93	11.31%	6.5%	9,431
Reserve for Replacements	\$44,921	\$250/Unit	\$200/Unit	3.59%	\$0.29	\$250	\$45,000	\$45,000	\$250	\$0.29	3.53%	0.0%	-
TDHCA Compliance Fees				0.57%	\$0.05	\$40	\$7,200	\$7,040	\$39	\$0.05	0.55%	2.3%	160
Cable TV				0.19%	\$0.02	\$13	\$2,400	\$2,400	\$13	\$0.02	0.19%	0.0%	-
Supportive service contract fees				0.29%	\$0.02	\$20	\$3,600	\$3,600	\$20	\$0.02	0.28%	0.0%	-
Security				0.32%	\$0.03	\$22	\$4,000	\$4,000	\$22	\$0.03	0.31%	0.0%	-
<b>TOTAL EXPENSES</b>				<b>63.19%</b>	<b>\$5.09</b>	<b>\$4,397</b>	<b>\$ 791,498</b>	<b>\$ 796,239</b>	<b>\$4,424</b>	<b>\$5.12</b>	<b>62.52%</b>	<b>-0.6%</b>	<b>\$ (4,741)</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>36.81%</b>	<b>\$2.96</b>	<b>\$2,561</b>	<b>\$461,048</b>	<b>\$477,341</b>	<b>\$2,652</b>	<b>\$3.07</b>	<b>37.48%</b>	<b>-3.4%</b>	<b>(\$16,293)</b>
<b>CONTROLLABLE EXPENSES</b>		\$2,623/Unit	\$2,572/Unit			\$2,451/Unit			\$2,623/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$1,252,546	\$1,277,597	\$1,303,149	\$1,329,212	\$1,355,796	\$1,496,909	\$1,652,708	\$1,824,723	\$2,014,642	\$2,224,328	\$2,455,837	\$2,711,443
LESS: TOTAL EXPENSES	791,498	814,617	838,417	862,918	888,140	1,025,857	1,185,118	1,369,316	1,582,377	1,828,849	2,113,998	2,443,926
NET OPERATING INCOME	\$461,048	\$462,980	\$464,732	\$466,295	\$467,656	\$471,052	\$467,590	\$455,408	\$432,265	\$395,479	\$341,839	\$267,517
LESS: DEBT SERVICE	375,575	375,575	375,575	375,575	375,575	375,575	375,575	375,575	375,575	375,575	375,575	375,575
NET CASH FLOW	\$85,473	\$87,405	\$89,158	\$90,720	\$92,081	\$95,477	\$92,015	\$79,833	\$56,690	\$19,904	(\$33,736)	(\$108,058)
CUMULATIVE NET CASH FLOW	\$85,473	\$172,878	\$262,036	\$352,756	\$444,836	\$917,842	\$1,387,932	\$1,815,366	\$2,149,988	\$2,329,138	\$2,275,196	\$1,892,675
DEFERRED DEVELOPER FEE BALANCE	\$825,232	\$739,759	\$652,353	\$563,196	\$472,476	\$2,866	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.23	1.23	1.24	1.24	1.25	1.25	1.24	1.21	1.15	1.05	0.91	0.71
EXPENSE/EGI RATIO	63.19%	63.76%	64.34%	64.92%	65.51%	68.53%	71.71%	75.04%	78.54%	82.22%	86.08%	90.13%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Mariposa at Calder Drive, League City, 9% HTC/HOME #11096

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Chase Bank	1.57	1.51	\$304,714	8.25%	30	18	\$3,380,000	\$3,380,000	18	30	8.25%	\$304,714	1.51	15.7%
TDHCA - HOME	1.27	1.23	\$70,861	2.00%	40	40	\$1,950,000	\$1,950,000	18	40	2.00%	\$70,861	1.23	9.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$375,575</b>				<b>\$5,330,000</b>	<b>\$5,330,000</b>				<b>\$375,575</b>		<b>24.7%</b>
<b>NET CASH FLOW</b>			<b>\$85,473</b>									<b>\$101,767</b>		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit:	Developer Fee Summary
RBC Capital Markets	LHTC Equity	71.4%	\$2,000,000	0.77	\$15,398,460	\$15,398,460	0.77	\$2,000,000	71.4%	Annual Credit per Unit:	\$85,547
Developer	Deferred Developer Fees	3.8%	(35% Deferred)		\$825,232	\$825,232	(35% Deferred)		3.8%	Total Developer Fee:	\$2,333,223
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,387,932
<b>TOTAL EQUITY SOURCES</b>		<b>75.3%</b>			<b>\$16,223,692</b>	<b>\$16,223,692</b>			<b>75.3%</b>	<b>15-Yr Cash Flow after Fee:</b>	<b>\$562,700</b>
<b>TOTAL CAPITALIZATION</b>					<b>\$21,553,692</b>	<b>\$21,553,692</b>					

DEVELOPMENT COST / ITEMIZED BASIS											
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
Acquisition	New Const. Rehab	Total Costs	Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	Total Costs	%	\$
					New Const. Rehab	Acquisition					
Land Acquisition		\$9,750 / Unit	\$1,755,032	\$1,755,032	\$9,750 / Unit					0.0%	\$0
Building Acquisition	\$0	\$597 / Unit	\$107,500	\$107,500	\$597 / Unit				\$0	0.0%	\$0
Off-Sites		\$ / Unit	\$0	\$0	\$ / Unit					0.0%	\$0
Sitework	\$2,520,000	\$14,000 / Unit	\$2,520,000	\$2,520,000	\$14,000 / Unit		\$2,520,000			0.0%	\$0
Direct Construction	\$9,206,130	\$59.17 /sf	\$51,145/Unit	\$9,206,130	\$9,221,919	\$51,233/Unit	\$59.27 /sf	\$9,221,919		0.2%	\$15,789
Contingency	\$586,307	5.00%	\$586,307	\$586,307	4.99%		\$586,307			0.0%	\$0
Contractor's Fees	\$1,641,658	13.33%	\$1,641,658	\$1,641,658	13.32%		\$1,641,658			0.0%	\$0
Indirect Construction	\$1,229,800	\$6,832 / Unit	\$1,229,800	\$1,229,800	\$6,832 / Unit		\$1,229,800			0.0%	\$0
Ineligible Costs		\$6,528 / Unit	\$1,175,011	\$1,143,316	\$6,352 / Unit					-2.8%	(\$31,695)
Developer's Fees	\$0	\$2,333,223	15.00%	\$2,333,223	\$2,333,223	14.98%	\$2,333,223	\$0		0.0%	\$0
Interim Financing	\$370,925	\$2,061 / Unit	\$370,925	\$370,925	\$2,061 / Unit		\$370,925			0.0%	\$0
Reserves		\$3,489 / Unit	\$628,106	\$523,048	\$2,906 / Unit					-20.1%	(\$105,058)
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$17,888,043</b>	<b>\$119,743 / Unit</b>	<b>\$21,553,692</b>	<b>\$21,432,728</b>	<b>\$119,071 / Unit</b>	<b>\$17,903,832</b>	<b>\$0</b>		<b>-0.6%</b>	<b>(\$120,964)</b>
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	\$0	(\$0)									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$17,888,043</b>	<b>\$119,743 / Unit</b>	<b>\$21,553,692</b>	<b>\$21,432,728</b>		<b>\$17,903,832</b>	<b>\$0</b>			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				<b>\$21,553,692</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

**Mariposa at Calder Drive, League City, 9% HTC/HOME #11096**

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$17,888,043	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$17,888,043	\$0	\$17,903,832
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$23,254,455	\$0	\$23,274,981
Applicable Fraction	96.98%	96.98%	96.98%	96.98%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$22,551,994	\$0	\$22,571,900
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,029,679	\$0	\$2,031,471
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,029,679		\$2,031,471	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$2,029,679	\$15,626,969
Gap	\$2,107,184	\$16,223,692
Request	\$2,000,000	\$16,398,460

**FINAL ANNUAL LIHTC ALLOCATION**

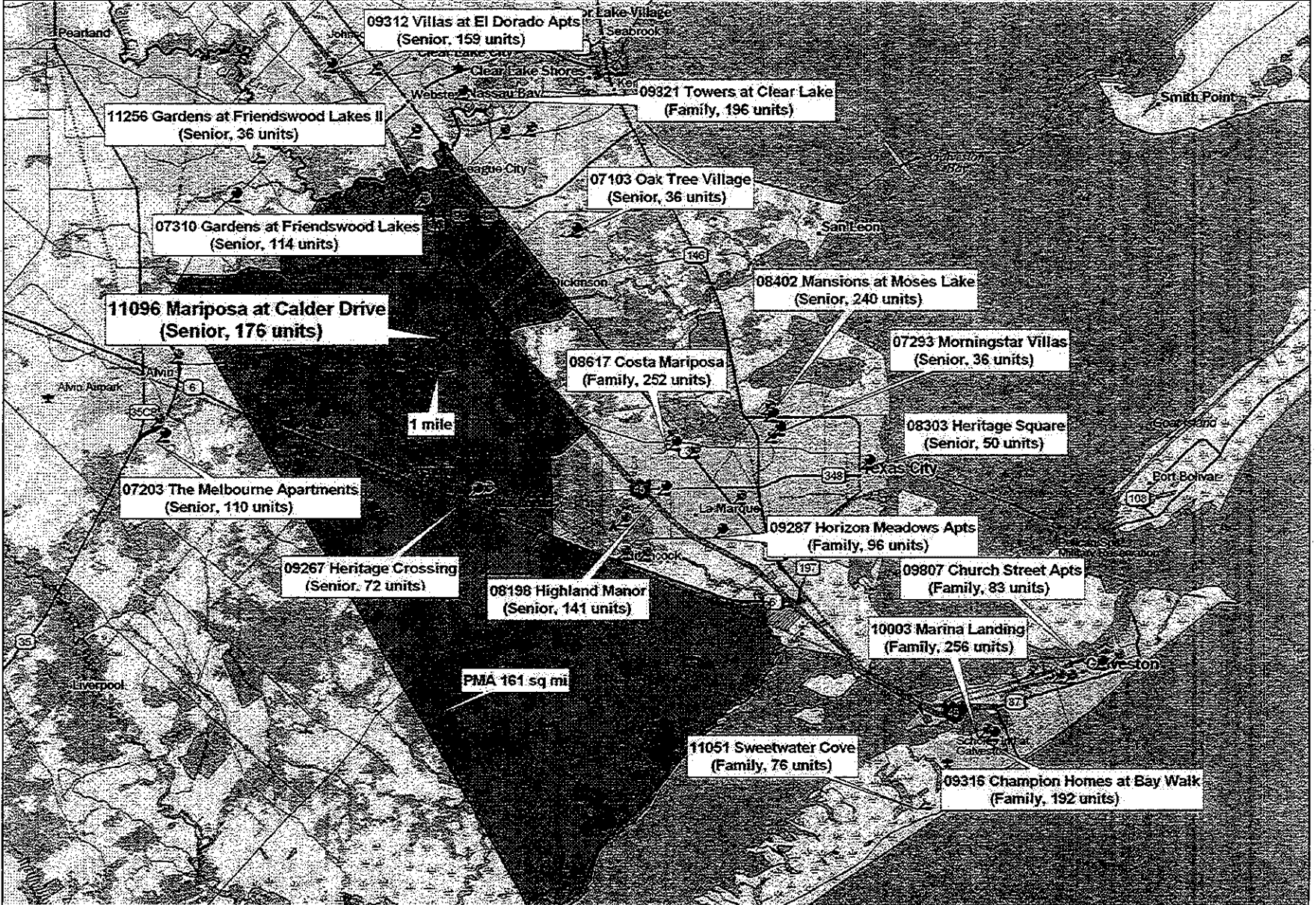
Method	Request
Credits	\$2,000,000
Underwritten Proceeds	\$15,398,460

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$79.13	\$68,402	\$12,312,437	\$12,328,226	\$68,490	\$79.24
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$89.69	\$77,523	\$13,954,095	\$13,969,884	\$77,610	\$89.79

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$54.97	8,552,312
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	3.00%		1.65	256,569
9-Ft. Ceilings	3.00%		1.65	258,569
Roofing			0.00	0
Subfloor			(0.11)	(16,596)
Floor Cover			2.41	374,972
Breezeways	\$23.05	36,561	5.42	842,609
Balconies	\$23.41	14,338	2.16	335,626
Plumbing Fixtures	\$845	177	0.96	149,565
Rough-ins	\$420	360	0.97	151,200
Built-In Appliances	\$1,850	180	2.14	333,000
Exterior Stairs	\$1,900	24	0.29	45,600
Heating/Cooling			1.83	284,730
Enclosed Corridors	\$42.10		0.00	0
Carports	\$9.70	8,000	0.50	77,600
Garages	\$17.80	4,000	0.46	71,200
Comm &/or Aux Bldgs	\$68.06	6,503	2.84	442,568
Elevators	\$80,325	3	1.55	240,975
Other:			0.00	0
Other: fire sprinkler	\$2.25	162,093	2.34	364,709
<b>SUBTOTAL</b>			<b>\$2.03</b>	<b>12,763,208</b>
Current Cost Multiplier	1.03		2.46	382,896
Local Multiplier	0.87		-10.66	(1,659,217)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>73.83</b>	<b>\$11,486,887</b>
Plans, specs, survey, bldg permits	3.90%		-2.88	(\$447,989)
Interim Construction Interest	3.38%		-2.49	(367,582)
Contractor's OH & Profit	11.50%		-8.49	(1,529,992)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>59.97</b>	<b>\$9,330,224</b>



# 11096 Mariposa at Calder Drive

11097

RoseHill Ridge

Urban, Region 4







MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

RoseHill Ridge, TDHCA Number 11097

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Eltife, District 1, S

US Representative: Hall, District 4,

TX Representative: Lavender, District 1, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

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

- 1. Project will replace public housing units built in 1954 that are dilapidated and have been a location of criminal activity and drug dealing for several years. Project will provide new housing and complement The Oaks (Covington Townhomes) and Pecan Ridge.
2. The City invested millions in redevelopment of the surrounding area through the Owner Occupied Housing Reconstruction Program, Home Ownership Assistance Program, demolition of vacant and substandard properties and by making transportation and utility improvements.
3. The new housing will assist development of commercial enterprises to support the residents. Recent growth in area businesses is attributable to City and ISD investments in housing and education. Service industries and added residential development will be attracted to the neighborhood.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: Updated financing commitments or executed loan documents and partnership agreement.
2. Receipt and acceptance of Carryover: Evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
3. Receipt and acceptance by Cost Certification:
a: Documentation clearing environmental issues contained in the ESA report, specifically:
i: A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
ii: If the on-site hand-dug water well is not intended for future use, documentation that the water well be plugged and abandoned in accordance with 16 Texas Administrative Code (TAC) Chapter 76.
b: An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
c: Should the number of units receiving HUD subsidies be revised for any reason, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
d: An attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered a valid debt with the reasonable expectation that they will be repaid in full. Additionally, the calculations and assumptions used to form this opinion are to be included.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and an adjustment to the credit allocation may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

RoseHill Ridge, TDHCA Number 11097

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 23

Total # Monitored: 21

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

Competitive Housing Tax Credits:  Score: 207  Meeting a Required Set-Aside Credit Amount\*: \$1,964,020

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11097 Program(s): 9% HTC

**RoseHill Ridge**

Address/Location: 1125 Stuckey Street

City: Texarkana County: Bowie Zip: 75501

Population: Family Program Set-Aside: General Area: Urban

Activity: Reconstruction Construction Type: Garden (Up to 3 story) Region: 4

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$2,000,000				\$1,964,020				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - \* Updated financing commitments or executed loan documents and partnership agreement.
- 2 Receipt and acceptance of Carryover:
  - \* Evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
- 3 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
    - ii: If the on-site hand-dug water well is not intended for future use, documentation that the water well be plugged and abandoned in accordance with 16 Texas Administrative Code (TAC) Chapter 76.
  - b: An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
  - c: Should the number of units receiving HUD subsidies be revised for any reason, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

d: An attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered a valid debt with the reasonable expectation that they will be repaid in full. Additionally, the calculations and assumptions used to form this opinion are to be included.

4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and an adjustment to the credit allocation may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	10
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	62
60% of AMI	60% of AMI	50

**DEAL SUMMARY**

RoseHill Ridge is a proposed 122 unit reconstruction development for households at or below 60% of the Area Median Income featuring 32 Public Housing Units. The cost to operate the PHUs will be subsidized by the U.S. Department of Housing and Urban Development (HUD); as such, these units will not generate any NOI. In addition to tax credit equity and a traditional permanent loan, the Applicant will rely upon two HOPE VI construction loans from the Texarkana Public Facility Corporation (TPFC) which are expected to be converted into permanent financing sources. These loans are not listed as part of the deal's debt service in the application and are not repayable from Net Operating Income as the deal is currently underwritten. Federal funds that are considered "true debt" must be excluded from eligible basis. Therefore, as a condition of this report, TDHCA will require an attorney or CPA opinion clearly establishing that the proposed TPFC HOPE VI loans can be considered a valid source of debt with the reasonable expectation that they will be repaid in full.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ Third deal with the same financing structure, building type and ownership team</li> <li>▫ 95% occupancy in market</li> <li>▫ 1.52 DCR on first lien</li> <li>▫ Partial operating subsidy will directly offset rises in expenses</li> </ul>	<ul style="list-style-type: none"> <li>▫ Federally sourced cashflow loans only repayable upon sale.</li> <li>▫ 63% expense to income ratio</li> </ul>

**DEVELOPMENT TEAM**

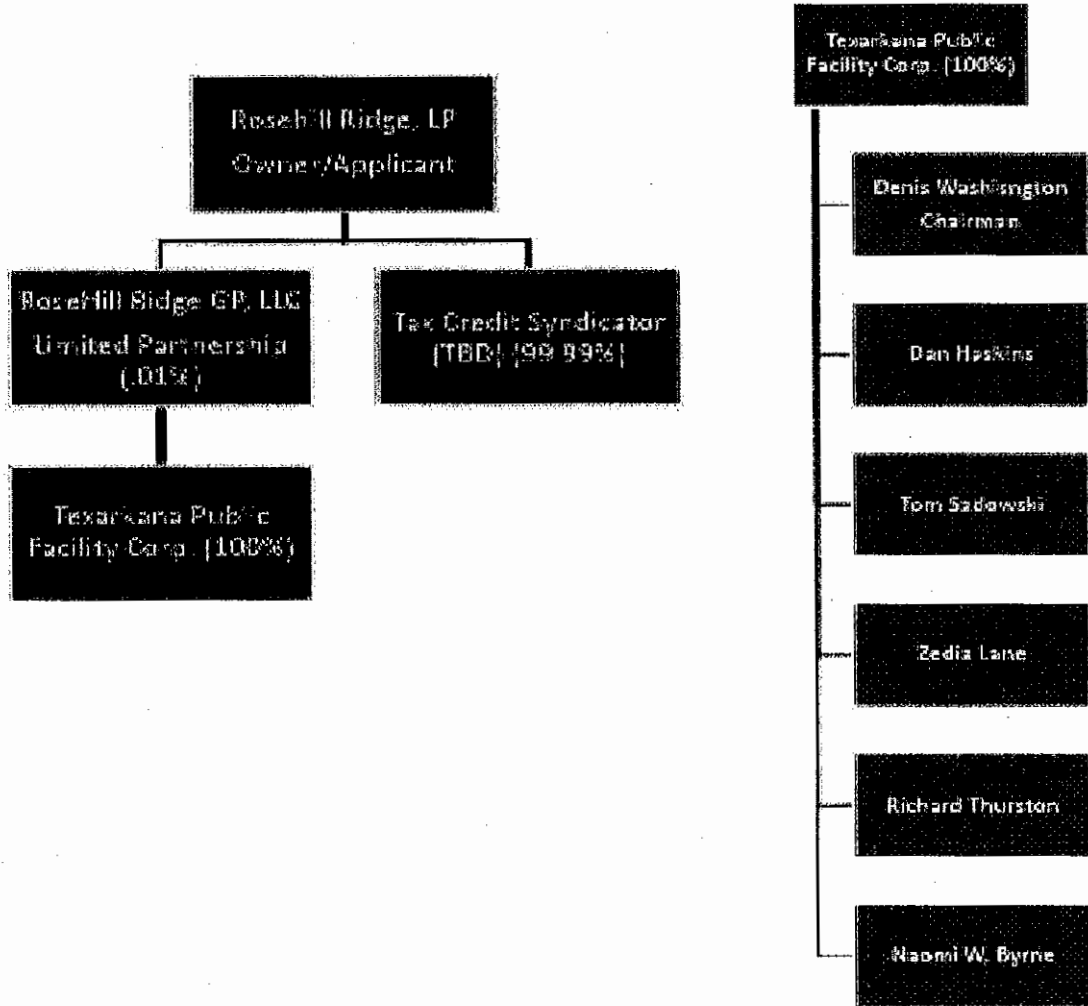
**PRIMARY CONTACTS**

Name: <u>Naomi W. Byrne</u>	Relationship: <u>Co-General Partner</u>
Email: <u>nbyrne@texarkanaha.org</u>	Phone: <u>903-838-8548</u> Fax: <u>903-832-2899</u>
Name: <u>Will Henderson</u>	Consultant: <u>Developer, General Contractor</u>
Email: <u>whenderson@carleton.com</u>	Phone: <u>214-377-6558</u> Fax: <u>972-980-1559</u>

Related-Party Seller/Identity of Interest: Yes

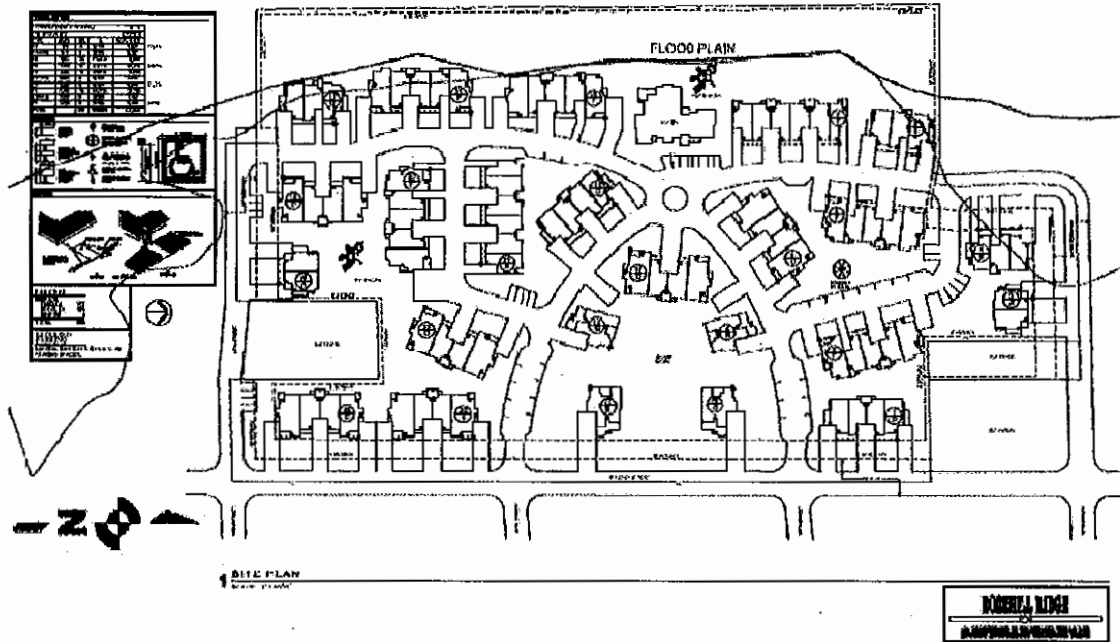
- The Developer and General Contractor are related entities.
- The seller (Housing Authority of the City of Texarkana, Texas) of the subject site is regarded as a related party due to the proposed 99-year Ground Lease between RoseHill Ridge, LP and Housing Authority. The GP's board is made up entirely of board members or employees of the Housing Authority and is an affiliate of the Housing Authority.

OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



## BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G							Total Buildings
Floors/Stories	2	2	2	2	2	2	2							24
Number of Bldgs	2	3	2	6	2	5	4							24
Units per Bldg	4	5	6	6	6	7	1							
<b>Total Units</b>	<b>8</b>	<b>15</b>	<b>12</b>	<b>36</b>	<b>12</b>	<b>35</b>	<b>4</b>							<b>122</b>

## GENERAL INFORMATION

Total Size:	<u>9.725</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>X &amp; AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>MF-1 &amp; SF-2</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>12.54499</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is located within a residential neighborhood. A creek runs north-south along the western edge of the property. Additionally, the western edge of the site lies within a 100 year floodplain. The Applicant has indicated that the development of the site will meet the standards set forth in §49.5(a) of the QAP and all local planning requirements will be met.

**Other Observations:**

The site is irregularly shaped and an outparcel intrudes into the southern border. This parcel is not controlled by the Applicant. Additionally, the parcel located on the southwest corner of West 13th Street and Stuckey Street in the northeast portion of the site is not controlled by the Applicant.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Alpha Testing Date: 4/11/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- "A comprehensive asbestos survey must be performed by a State of Texas licensed and EPA accredited asbestos inspector in accordance with Texas Asbestos Health Protection Rules and the EPA's NESHAP regulation (40 CFR Part 61) prior to the initiation of ... demolition in activities." (pg 34)
- "If the on-site hand-dug water well is not intended for future use, ALPHA recommends the water well be plugged and abandoned in accordance with 16 Texas Administrative Code (TAC) Chapter 76." (pg 3)

**MARKET ANALYSIS**

Provider: Integra Realty Resources Date: 4/7/2011

Contact: Charles Bissell Phone: 972-960-1222

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

Primary Market Area (PMA): 156 sq. miles 7 mile equivalent radius

The Primary Market Area is defined by 18 census tracts encompassing Texarkana, Texas and Texarkana, Arkansas.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bowie County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$10,650	---	---	\$0	\$17,750	\$0	\$21,300
2	\$0	\$12,180	---	---	\$0	\$20,300	\$0	\$24,360
3	\$0	\$13,710	---	---	\$0	\$22,850	\$0	\$27,420
4	\$0	\$15,210	---	---	\$0	\$25,350	\$0	\$30,420
5	\$0	\$16,440	---	---	\$0	\$27,400	\$0	\$32,880
6	\$0	\$17,670	---	---	---	---	\$0	\$35,340

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10028	Pecan Ridge	Recon	Family	124	124
Other Affordable Developments in PMA since 2007					
07164	Covington Townhomes (The Oaks)	New	Family	n/o	126
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		5	Total Units		672

Proposed, Under Construction, and Unstabilized Comparable Supply:

Pecan Ridge is a reconstruction development that was awarded during the 2010 Tax Credit Cycle. It is less than 1 mile away from the subject site. Covington Townhomes has attained stabilized occupancy of 90% for 12 months.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	33,207		33,207	
Potential Demand from the Primary Market Area	6,298		9,723	
<b>GROSS DEMAND</b>	6,298		9,723	
Subject Affordable Units	122		122	
Unstabilized Comparable Units	124		124	
<b>RELEVANT SUPPLY</b>	246		246	
<b>Relevant Supply + Gross Demand = GROSS CAPTURE RATE</b>	<b>3.9%</b>		<b>2.5%</b>	

**Demand Analysis:**

The Market Analyst calculates Gross Demand for 6,298 based on a minimum qualifying income of \$1,714; and a Gross Capture Rate of 3.8% for a total Relevant Supply of 246 units. The Market Analyst identifies a Gross Capture rate of 3.9%.

The underwriting analysis assumes no minimum income because all households below the maximum are eligible for the Public Housing Units. The Underwriter determines Gross Demand for 9,723 units, and a Gross Capture Rate of 2.5%

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

It should also be noted that the proposed development is a reconstruction of an existing Public Housing Development. As Replacement Units for existing Affordable Housing, the Gross Capture rate limit is not a feasibility requirement.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	1684	2	2	0%	1,685	2	2	0%
1 BR/50%	3404	14	14	1%	1,258	14	14	2%
1 BR/60%	1455	12	16	2%	531	12	16	5%
2 BR/30%	1132	3	3	1%	1,113	3	3	1%
2 BR/50%	2888	34	21	2%	918	34	21	6%
2 BR/60%	660	25	30	8%	408	25	30	13%
3 BR/30%	576	2	2	1%	549	2	2	1%
3 BR/50%	1740	15	19	2%	490	15	19	7%
3 BR/60%	414	11	15	6%	261	11	15	10%
4 BR/30%	115	2	0	2%	206	2	0	1%
4 BR/60%	29	2	0	7%	202	2	0	1%

**Primary Market Occupancy Rates:**

A survey of 34 Multifamily Properties in the Primary Market Area shows an overall occupancy rate of 95%. (pg 45) The average occupancy rate for 7 LIHTC properties with 822 units within the PMA is 96%. (pg 47)



**Absorption Projections:**

"Chapel Ridge – Phase II, which consists of 72 units... opened in November 2004 and reached stabilized occupancy five months later. This equates to an absorption pace of approximately 13 units per month. Lakeridge Apartments, which consists of 112 units... opened in November 2004 and reached stabilized occupancy ten months later. This equates to an absorption pace of approximately 11 units per month... the subject as proposed with 122 units, is likely to be absorbed within 12 months of opening, equating to an absorption pace of approximately 10 units per month." (pg 50)

Covington Townhomes, which consists of 124 units, opened in September 2009, and reach stabilized occupancy by April 2010.

**Market Impact:**

"Including the subject's 122 units, there are a total of 318 LIHTC units forecast to come online. Demand for LIHTC units is 6,298 units, indicating a Gross Capture Rate of 3.9% ... we conclude there to be sufficient unmet demand to support the development of the subject." (Summary Page)

**Comments:**

The Market Analysis provides sufficient information from which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$253,263	Avg. Rent:	\$471	Expense Ratio:	63.4%
Debt Service:	\$166,781	B/E Rent:	\$434	Controllable Expenses:	\$2,684
Net Cash Flow:	\$86,482	Occupancy:	94.47%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.52:1	B/E Occupancy:	83.66%	Program Rent Year:	2010

Income:      Number of Revisions:      4      Date of Last Applicant Revision:      5/4/2011

HTC-Only Units: The Applicant's current rent schedule reflects that 90 units are tax credit-only (no public housing subsidy) units with projected rents collected per unit calculated by subtracting tenant-paid utility allowances as maintained by the Housing Authority of Texarkana, Texas from the housing tax credit program rent limits. Tenants will be required to pay for electric utility expenses while the development will cover water, sewer, and trash related expenses.

Public Housing Units: The remaining 32 units will be considered public housing units (PHUs). According to the Applicant, for the 32 PHUs, the Housing Authority will be executing an operating subsidy agreement which covers the 32 PHUs to be reconstructed. Under the agreement, tenants are required to pay 30% of their income toward rent. HUD pays an annual operating subsidy equal to the difference between prorata operating expenses for the PHUs and the amount of rent collected from the tenants. In no event shall the rent charged to tenants exceed the operating expenses on a per unit basis.

In calculating the income, the subsidy will be equal to the public housing units' prorated share of expenses less the tenant contribution, and no debt can be serviced by the PHUs. The underwritten rents are based on the estimates provided by the Applicant. The Underwriter included additional income in the secondary income section to account for the difference between the underwritten rent levels and the expenses attributed to these units.

Other secondary income is estimated by the Applicant to be \$2.50 per unit per month, which is below the \$5 to \$20 per unit per month range utilized by REA for underwriting. The Applicant stated that the secondary income is lower than typical deals due to the inclusion of washers and dryers in the units and the omission of vending machines on the site. Taking this statement into consideration, the Underwriter set the secondary income at the bottom of the typical range at \$5 per unit per month.

The Applicant included a vacancy rate of 7.5%, which is typical of a tax credit deal; however, due to the inclusion of PHUs, which operate at or close to 100% occupancy, the Underwriter adjusted the vacancy rate to reflect a 7.5% vacancy exclusively on the HTC-only units and a 0% vacancy rate for the PHUs. The resulting weighed-average vacancy for the entire deal is estimated by the Underwriter to be 5.5%.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/4/2011

Actual 2010 expenses from The Oaks Apartments were heavily considered in building the proforma. The Oaks is a comparable development located within Texarkana that is effectively an existing phase of the subject. The Oaks has a relatively short operating history since stabilization, so the Underwriter also relied on the TDHCA database for certain line items.

The general and administrative expense reported by The Oaks was considered to be abnormally high and per discussions with the Applicant, it is expected to normalize. As a result, the Region 4 average was relied upon by the Underwriter for this category. Additionally, the Underwriter used the TDHCA database figure for repairs and maintenance. The Oaks is a new property and it may not be reasonable to expect the property to maintain the year one repairs and maintenance costs over the long term.

The Applicant and the Underwriter set the management fee at 5% of EGI; however, due to differing EGIs, the management fee also varied between the two.

Additionally, the site will be ground leased from the Housing Authority to the development and the owner of the GP is an affiliate of the Housing Authority. This is a common ownership structure utilized to achieve a 100% property tax exemption.

**Conclusion:**

The Underwriter's proforma was used to evaluate the debt and credit sizing. The DCR on the first lien is 1.52, above the 1.35 threshold. If the second and third lien HOPE VI cashflow loans are assumed to be fully amortizing with regular payments, the DCR falls to well below 1.15. This has become a relatively common issue for tax credit transactions structure with a large amount of HOPE VI funding. The treatment of this debt is discussed in more detail below.

**Feasibility:**

The DCR remains above 1.15 for 15 years if the HOPE VI cashflow loans are excluded from the calculation. If included, the deal has a 0.89 DCR in year 1. While of little risk from a foreclosure standpoint (payments are contingent on cashflow and lender is an affiliate of the GP), if the loans are considered a grant to the partnership, then the amount of the loans must be removed from eligible basis which has a significant detrimental impact on the viability of the deal. The repayment of these loans can only be projected using assumptions that would be highly unusual for any lender expecting full repayment to make. The report has been conditioned upon a legal opinion to confirm the funding is not considered a grant. While these opinions have become commonplace for transactions involving HOPE VI, the Underwriter is not aware of the IRS or Treasury confirming the validity of such an opinion based on such unique assumptions.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Appraiser: Integra Realty Resources Date: 2/18/2011  
Land Only: 9.725 acres \$510,000 Per Unit: 4,180

**SITE CONTROL**

Type: Contract for Lease Acreage: 9.725  
Acquisition Cost: \$500,000 Contract Expiration: 3/31/2012  
Cost Per Unit: \$4,098  
Seller: Housing Authority of Texarkana, TX Related to Development Team?  Yes  No

Comments:

The General Partner's board is made up entirely of the Seller's board members or employees. The Housing Authority has owned the subject site since 1955 and was previously operating an affordable housing development on the property. An appraisal conducted by Integra Realty Resources found that as of February 18, 2011, the hypothetical market value "as if vacant" for the site was \$510,000. The controlling Housing Authority is the current owner of the property, therefore the transaction represents an identity of interest.

As the acquisition and improvement costs took place in 1955, the Applicant was not able to locate an original settlement statement for the original land purchase; however, the Applicant did submit original property ledgers used in the audited financials for the property, indicating an original acquisition cost of \$54,633.59 and utilized a return on equity calculation for the land at a rate of 4.25% of the original purchase price to substantiate the claimed acquisition cost.

The submitted documentation was insufficient to allow the Underwriter to establish the original acquisition cost for the purpose of calculating an identity of interest acquisition cost pursuant to REA rules. However, REA rules allow a 10% return on original acquisition costs and holding costs. Applying a 10% rate of return to a transaction completed in 1955, an original purchase price of approximately \$1,805 would be enough to substantiate an acquisition cost of \$500K. The Underwriter considers it reasonable to assume that since 1955, the Housing Authority has made investments in the property of sufficient size to, with a 10% return, substantiate a current acquisition cost of \$500K.

The submitted Contract for Lease executed January 7, 2011 indicates the owner (Housing Authority of the City of Texarkana) grants an option to lease the subject site to the Applicant at an upfront payment of \$500,000 for a term of 99 years; there is no annual lease payment.

The Applicant's proposed value of \$500K for the 9.725-acre site is below the appraised value (\$510K) and a return of 5% per year; therefore the Applicant's acquisition value of \$500,000 has been used for this analysis. This value represents \$51,414/acre or \$4,098/unit.

**DEVELOPMENT COST EVALUATION**

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

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

The proposed site work cost of \$2,421,761 (\$19,851 per unit) has been verified by a certified third party engineer. Furthermore, a CPA has provided an opinion that all site work costs except for the \$500,000 in demolition can be included in the eligible basis. The site plan is designed to provide a neighborhood feel despite most of the buildings being fourplex style. Each unit has a driveway located directly in front of the unit. The result is a substantial amount of paving which drives the site work cost much higher than a more conventional multifamily design.

Direct Construction Cost:

The Applicant has proposed a direct construction cost of \$7,994,239 compared to \$8,195,966 estimated by the Underwriter; a difference of \$201,727 or 2.5%. The Developer is currently constructing a similar building product within Texarkana in the form of Pecan Ridge, a tax credit deal awarded in 2010. As such, the Underwriter is confident that the Developer has a firm basis for the costs associated with completing this deal.

**Interim Interest Expense:**

The Applicant proposed a total of \$1,091,555 in Year 1 construction interest payments for the development. This total is comprised of four interim financing sources: an \$11,500,000 construction loan provided by Wells Fargo at 5.5%, a \$600,000 construction loan provided by the City of Texarkana at the Applicable Federal Rate (4.21%), \$1,950,000 provided by the Texarkana Public Facility Corporation at AFR (4.21%) and \$400,000 provided by the Texarkana Public Facility Corporation at AFR (4.21%).

Given the terms provided, the Underwriter estimated construction interest totaling \$756,695; a difference of \$334,860. As a result, the deal's interim interest expense was reduced by this amount. Subsequently, the deal's eligible basis was also reduced by the same amount.

**Contingency & Fees:**

As a result of the overstated construction interest, it was necessary to reduce the developer fee proportionately. The maximum developer fee is set at 15% of the eligible basis less the developer fee. The adjustment to the eligible basis caused by the reduction of interim financing resulted in a decrease in the developer fee of \$48,796 from \$2,250,000 to \$2,201,204.

**Reserves:**

NEF's commitment reflects a lease up reserve of \$200,000 and an operating reserve of \$642,000. This operating reserve is effectively one year of rental income and much higher than would generally be expected. The Applicant indicated that they do not believe that the reserve requirements at closing will be this robust. The Underwriter has adjusted the reserves as underwritten to \$200,000 for lease up and \$321,000 (half that of NEF) for operating reserve. The Applicant indicated that they believed this would be a reasonable expectation. While still higher than typical, public housing transactions often have higher than typical reserve requirements, despite the high senior lien DCR.

**Conclusion:**

The eligible basis utilized by the Underwriter to determine the tax credit allocation for the development, accounting for the 130% boost, is \$21,938,669. This adjusted eligible basis is \$498,753 less than the Applicant's proposed eligible basis of \$22,437,421. The adjusted eligible basis of \$21,938,669 would support a tax credit allocation of \$1,974,480.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 0 Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Wells Fargo - Construction Loan	\$11,500,000	5.50%	24 Months	60%
City of Texarkana - Construction Loan	\$600,000	AFR	12 Months	3%
National Equity Fund - Syndicator	\$4,560,000	N/A		24%
Texarkana Public Facility Corporation	\$1,950,000	AFR	N/A	10%
Texarkana Public Facility Corporation	\$400,000	AFR	N/A	2%
Deferred Developer Fee	\$448,555	N/A		2%
<b>Total</b>	<b>\$19,458,555</b>			

**Comments:**

In addition to a loan from Wells Fargo for \$11,500,000 and \$4,560,000 in tax credit equity, the Applicant will rely upon a combination of local funding and deferred developer fees to fill the feasibility gap. The two loans from the Texarkana Public Facility Corporation originating from a federal HOPE VI grant made from HUD to the TPFC are expected to be converted into permanent debt. Additionally, the City of Texarkana will provide a 12 month construction loan from its general fund for \$600,000.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Wells Fargo - Conventional Loan	\$1,850,000	8.25%	30	18	10%
Texarkana Public Facility Corporation	\$1,950,000	AFR	45	45	10%
Texarkana Public Facility Corporation	\$400,000	AFR	45	45	2%
<b>Total</b>	<b>\$4,200,000</b>				

Comments:

As previously stated in this report, the deal's Net Operating Income as underwritten does not support the \$2,350,000 in cumulative debt supplied by the Texarkana Public Facility Corporation at the given terms. Utilizing a 4.21% interest rate (AFR) and 45 year amortization term, the cumulative debt service required for these two sources exceeds the amount of income remaining after debt service is made on the first lien. The result is negative cash flow in year 1. For TDHCA underwriting purposes, if these sources are to be considered permanent debt, an attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered to be a valid debt with the reasonable expectation that they will be repaid in full will be required. Additionally, this opinion will need to include the calculations and assumptions used to form the opinion.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
National Equity Fund - Syndicator	\$14,926,555	\$0.76	78%	
Deferred Developer Fee	\$0		0%	0%
<b>Total</b>	<b>\$14,926,555</b>			
<b>Total Sources</b>	<b>\$19,126,555</b>			

Comments:

National Equity Fund has indicated in their letter of intent a willingness to purchase the available tax credits at a rate of \$0.76. Taking the adjustments to eligible basis into consideration and assuming the same rate of \$0.76 results in an equity investment of \$14,926,555, a reduction of \$273,445 from the \$15,200,000 included in the application. Additionally, due to the costs, no deferred fee is required as underwritten. If the higher operating reserve is ultimately required, \$321,000 in fees could be deferred.

## CONCLUSIONS

Recommended Financing Structure:

The underwritten total development cost less the permanent loan of \$1,850,000, the TPFC loan of \$1,950,000 and the TPFC loan of \$400,000 indicates the need for \$14,926,555 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,964,020 annually would be required to fill this gap in financing. Due to the large amount of related party debt in the transaction, the Applicant effectively controls the gap in financing and thus has some control over the allocation amount. The HOPE VI funding is part of a much larger HUD grant to the Housing Authority and it is not clear if the Housing Authority has additional HOPE VI funds that could be contributed to the transaction, reducing the necessary tax credit award. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,974,480
<b>Allocation determined by gap in financing:</b>	<b>\$1,964,020</b>
Allocation requested by the Applicant:	\$2,000,000

The allocation amount determined by the Underwriter's calculation of the gap in financing is recommended. A tax credit allocation of \$1,964,020 per year for 10 years results in total equity proceeds of \$14,926,555 at a syndication rate of \$0.76 per tax credit dollar.

The Applicant did not account for the debt service that will be required to repay either of the Texarkana Public Facility Corporation HOPE VI loans. Each of these loans, one for \$1,950,000 and one for \$400,000, are listed as both construction and permanent sources within the application. The Applicant has stated that these loans will be repaid out of excess revenue after debt service is made on the conventional loan and will be restructured at the end of their 45 year term should they not be paid in full at that time.

For TDHCA underwriting purposes, if the TPFC sources are to be considered permanent loans, an attorney or CPA opinion clearly establishing that these loans can be considered to be a valid debt with the reasonable expectation that they will be repaid in full will be required. Additionally, this opinion will need to include the calculations and assumptions used to form the opinion.

Underwriter: Blake Hopkins

Reviewing Underwriter: Thomas Cavanagh

Manager of Real Estate Analysis: Cameron Dorsey

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX RENT SCHEDULE**

RoseHill Ridge, Texarkana, 9% HTC #11097

LOCATION DATA	
CITY:	Texarkana
COUNTY:	Bowe
PROGRAM REGION:	4
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
1	28	23.0%
2	62	50.8%
3	28	23.0%
4	4	3.3%
<b>TOTAL</b>	<b>122</b>	<b>100.0%</b>

Applicable Programs
LIHTC
PHU

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH-COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.46%
APP % - CONSTRUCTION:	9.00%

UNIT MIX MONTHLY RENT SCHEDULE																				
UNIT DESCRIPTION							PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Other Designation/Subsidy	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market	
TC30%	\$285	PHU	1	1	1	787	\$285	\$67	\$218	\$29	\$0.31	\$247	\$247	\$247	\$247	\$0.31	\$29	\$565	0.72	\$318
TC50%	\$475	PHU	2	1	1	787	\$475	\$67	\$408	(\$181)	\$0.31	\$247	\$494	\$494	\$247	\$0.31	(\$181)	\$565	0.72	\$318
TC50%	\$475		5	1	1	787	\$475	\$67	\$408	\$0	\$0.52	\$408	\$2,040	\$2,040	\$408	\$0.52	\$0	\$565	0.72	\$157
TC60%	\$570		3	1	1	787	\$570	\$67	\$503	\$0	\$0.64	\$503	\$1,509	\$1,509	\$503	\$0.64	\$0	\$565	0.72	\$62
TC60%	\$570		3	1	1	807	\$570	\$67	\$503	\$0	\$0.62	\$503	\$1,509	\$1,509	\$503	\$0.62	\$0	\$575	0.71	\$72
TC30%	\$285	PHU	2	1	1	925	\$285	\$67	\$218	\$29	\$0.27	\$247	\$494	\$494	\$247	\$0.27	\$29	\$620	0.67	\$373
TC50%	\$475	PHU	2	1	1	925	\$475	\$67	\$408	(\$181)	\$0.27	\$247	\$494	\$494	\$247	\$0.27	(\$181)	\$620	0.67	\$373
TC50%	\$475		4	1	1	925	\$475	\$67	\$408	\$0	\$0.44	\$408	\$1,632	\$1,632	\$408	\$0.44	\$0	\$620	0.67	\$212
TC60%	\$570		6	1	1	925	\$570	\$67	\$503	\$0	\$0.54	\$503	\$3,018	\$3,018	\$503	\$0.54	\$0	\$620	0.67	\$117
TC60%	\$685		5	2	2	1,128	\$685	\$82	\$603	\$0	\$0.53	\$603	\$3,015	\$3,015	\$603	\$0.53	\$0	\$700	0.62	\$97
TC30%	\$342	PHU	2	2	2	1,228	\$342	\$82	\$260	(\$13)	\$0.20	\$247	\$494	\$494	\$247	\$0.20	(\$13)	\$740	0.60	\$493
TC50%	\$571	PHU	8	2	2	1,228	\$571	\$82	\$489	(\$242)	\$0.20	\$247	\$1,976	\$1,976	\$247	\$0.20	(\$242)	\$740	0.60	\$493
TC50%	\$571		15	2	2	1,228	\$571	\$82	\$489	\$0	\$0.40	\$489	\$7,335	\$7,335	\$489	\$0.40	\$0	\$740	0.60	\$251
TC60%	\$685		17	2	2	1,228	\$685	\$82	\$603	\$0	\$0.49	\$603	\$10,251	\$10,251	\$603	\$0.49	\$0	\$740	0.60	\$137
TC30%	\$342	PHU	1	2	2	1,242	\$342	\$82	\$260	(\$13)	\$0.20	\$247	\$247	\$247	\$247	\$0.20	(\$13)	\$750	0.60	\$503
TC50%	\$571	PHU	4	2	2	1,242	\$571	\$82	\$489	(\$242)	\$0.20	\$247	\$988	\$988	\$247	\$0.20	(\$242)	\$750	0.60	\$503
TC50%	\$571		7	2	2	1,242	\$571	\$82	\$489	\$0	\$0.39	\$489	\$3,423	\$3,423	\$489	\$0.39	\$0	\$750	0.60	\$261
TC60%	\$685		3	2	2	1,242	\$685	\$82	\$603	\$0	\$0.49	\$603	\$1,809	\$1,809	\$603	\$0.49	\$0	\$750	0.60	\$147
TC60%	\$791		6	3	2	1,267	\$791	\$104	\$687	\$0	\$0.53	\$687	\$4,122	\$4,122	\$687	\$0.53	\$0	\$815	0.63	\$128
TC50%	\$659	PHU	1	3	2	1,391	\$659	\$104	\$555	(\$308)	\$0.18	\$247	\$247	\$247	\$247	\$0.18	(\$308)	\$855	0.61	\$608
TC50%	\$659	PHU	1	3	2	1,391	\$659	\$104	\$555	(\$308)	\$0.18	\$247	\$247	\$247	\$247	\$0.18	(\$308)	\$855	0.61	\$608
TC50%	\$659		1	3	2	1,391	\$659	\$104	\$555	\$0	\$0.40	\$555	\$555	\$555	\$555	\$0.40	\$0	\$855	0.61	\$300
TC60%	\$791		1	3	2	1,391	\$791	\$104	\$687	\$0	\$0.49	\$687	\$687	\$687	\$687	\$0.49	\$0	\$855	0.61	\$168
TC30%	\$395	PHU	2	3	2	1,402	\$395	\$104	\$291	(\$44)	\$0.18	\$247	\$494	\$494	\$247	\$0.18	(\$44)	\$860	0.61	\$613
TC50%	\$659	PHU	4	3	2	1,402	\$659	\$104	\$555	(\$308)	\$0.18	\$247	\$988	\$988	\$247	\$0.18	(\$308)	\$860	0.61	\$613
TC50%	\$659		8	3	2	1,402	\$659	\$104	\$555	\$0	\$0.40	\$555	\$4,440	\$4,440	\$555	\$0.40	\$0	\$860	0.61	\$305
TC60%	\$791		4	3	2	1,402	\$791	\$104	\$687	\$0	\$0.49	\$687	\$2,748	\$2,748	\$687	\$0.49	\$0	\$860	0.61	\$173
TC30%	\$441	PHU	2	4	3	1,551	\$441	\$127	\$314	(\$67)	\$0.16	\$247	\$494	\$494	\$247	\$0.16	(\$67)	\$920	0.59	\$673
TC60%	\$883		2	4	3	1,551	\$883	\$127	\$756	\$0	\$0.49	\$756	\$1,512	\$1,512	\$756	\$0.49	\$0	\$920	0.59	\$164
<b>TOTALS/AVERAGES:</b>			<b>122</b>			<b>144,600</b>				<b>(\$45)</b>	<b>\$0.40</b>	<b>\$471</b>	<b>\$57,509</b>	<b>\$57,509</b>	<b>\$471</b>	<b>\$0.40</b>	<b>(\$45)</b>	<b>\$737</b>	<b>\$0.62</b>	<b>\$266</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>													<b>\$590,108</b>	<b>\$690,108</b>						

**STABILIZED PROFORMA**

**RoseHill Ridge, Texarkana, 9% HTC #11097**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.40	\$471	\$690,108	\$690,108	\$471	\$0.40		0.0%	\$0	
Laundry					\$2.50	\$3,660					0.0%	(3,660)	
PHU Subsidy to Breakeven					\$0.00	\$0	\$35,034	\$23.93			100.0%	35,034	
Underwriter's Total Secondary Income							\$7,320	\$5.00			100.0%	7,320	
<b>POTENTIAL GROSS INCOME</b>						\$693,768	\$732,462				5.3%	\$38,694	
Vacancy & Collection Loss					7.5% PGI	(52,033)	(40,526)	5.5% PGI			-28.4%	11,507	
Non-Rental Units/Concessions											0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$641,735	\$691,936				7.3%	\$50,201	
General & Administrative	\$47,885	\$392/Unit	\$643/Unit	8.45%	\$0.38	\$445	\$54,255	\$47,885	\$392	\$0.33	6.92%	13.3%	6,370
Management	\$42,787	5.7% EGI	\$207/Unit	5.00%	\$0.22	\$263	\$32,087	\$34,597	\$284	\$0.24	5.00%	-7.3%	(2,510)
Payroll & Payroll Tax	\$122,581	\$1,005/Unit	\$1,027/Unit	19.51%	\$0.87	\$1,026	\$125,172	\$125,261	\$1,027	\$0.87	18.10%	-0.1%	(89)
Repairs & Maintenance	\$71,760	\$588/Unit	\$382/Unit	7.25%	\$0.32	\$382	\$46,604	\$71,760	\$588	\$0.50	10.37%	-35.1%	(25,156)
Utilities	\$30,711	\$252/Unit	\$206/Unit	3.90%	\$0.17	\$205	\$25,010	\$25,117	\$206	\$0.17	3.63%	-0.4%	(107)
Water, Sewer, & Trash	\$57,427	\$471/Unit	\$655/Unit	8.94%	\$0.40	\$470	\$57,340	\$57,427	\$471	\$0.40	8.30%	-0.2%	(87)
Property Insurance	\$30,342	\$0.21 SF	\$392/Unit	4.00%	\$0.18	\$210	\$25,647	\$25,647	\$210	\$0.18	3.71%	0.0%	-
Property Tax 2.3458	\$47,044	\$386/Unit		0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$29,573	\$242/Unit		4.75%	\$0.21	\$250	\$30,500	\$30,500	\$250	\$0.21	4.41%	0.0%	-
TDHCA Compliance Fees				0.76%	\$0.03	\$40	\$4,880	\$4,880	\$40	\$0.03	0.71%	0.0%	-
Cable TV				0.09%	\$0.00	\$5	\$600	\$600	\$5	\$0.00	0.09%	0.0%	-
Supportive service contract fees				0.47%	\$0.02	\$25	\$3,000	\$3,000	\$25	\$0.02	0.43%	0.0%	-
Security				1.87%	\$0.08	\$98	\$12,000	\$12,000	\$98	\$0.08	1.73%	0.0%	-
<b>TOTAL EXPENSES</b>				64.99%	\$2.88	\$3,419	\$ 417,095	\$ 438,673	\$3,596	\$3.03	63.40%	-4.9%	\$ (21,579)
<b>NET OPERATING INCOME ("NOI")</b>				35.01%	\$1.55	\$1,841	\$224,641	\$253,263	\$2,076	\$1.75	36.60%	-11.3%	(\$28,622)
<b>CONTROLLABLE EXPENSES</b>		\$2,708/Unit	\$2,913/Unit			\$2,528/Unit			\$2,684/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$691,936	\$706,789	\$721,969	\$737,484	\$753,342	\$838,047	\$932,573	\$1,038,099	\$1,155,957	\$1,287,645	\$1,434,850	\$1,599,476
LESS: TOTAL EXPENSES	438,673	451,538	464,783	478,420	492,459	569,131	657,831	760,456	879,202	1,016,615	1,175,641	1,359,695
NET OPERATING INCOME	\$253,263	\$255,251	\$257,185	\$259,064	\$260,883	\$268,916	\$274,743	\$277,644	\$276,755	\$271,030	\$259,208	\$239,781
LESS: DEBT SERVICE	166,781	166,781	166,781	166,781	166,781	166,781	166,781	166,781	166,781	166,781	166,781	166,781
NET CASH FLOW	\$86,482	\$88,470	\$90,404	\$92,283	\$94,102	\$102,135	\$107,961	\$110,862	\$109,973	\$104,248	\$92,427	\$73,000
CUMULATIVE NET CASH FLOW	\$86,482	\$174,952	\$265,356	\$357,639	\$451,741	\$935,716	\$1,451,679	\$1,986,210	\$2,521,818	\$3,036,103	\$3,500,749	\$3,880,331
DEFERRED DEVELOPER FEE BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.52	1.53	1.54	1.55	1.56	1.61	1.65	1.66	1.66	1.63	1.55	1.44
EXPENSE/EGI RATIO	63.40%	63.89%	64.38%	64.87%	65.37%	67.91%	70.54%	73.25%	76.06%	78.95%	81.93%	85.01%



**CAPITALIZATION/TOTAL DEVELOPMENT BUDGET/ITEMIZED BASIS**

Rosehill Ridge, Texarkana, 9% HTC #11097

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Wells Fargo Bank, NA	1.52	1.35	\$166,226	8.25%	30	18	\$1,850,000	\$1,850,000	18	30	8.25%	\$166,781	1.52	9.7%
<b>CASH FLOW DEBT / GRANTS</b>														
Texarkana Public Facility Corporation	1.52	1.35		4.21%	45	45	\$1,950,000	\$1,950,000	45	45	4.21%	\$0	1.52	10.2%
Texarkana Public Facility Corporation	1.52	1.35		4.21%	45	45	\$400,000	\$400,000	45	45	4.21%	\$0	1.52	2.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$166,226				\$4,200,000	\$4,200,000				\$166,781		22.0%
<b>NET CASH FLOW</b>			\$58,415									\$86,482		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	Total Developer Fee
National Equity Fund, Inc	LIHTC Equity	79.5%	\$2,000,000	0.76	\$15,200,000	\$14,926,595	0.76	\$1,964,020	78.0%	Annual Credit per Unit	\$122,349
Co-Developers	Deferred Developer Fees	0.3%	(3% Deferred)		\$58,555	\$0	(0% Deferred)		0.0%	Total Developer Fee	\$2,201,204
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow	\$1,451,679
<b>TOTAL EQUITY SOURCES</b>		79.8%			\$15,258,555	\$14,926,595			78.0%	15-Yr Cash Flow after Fee	\$1,451,679
<b>TOTAL CAPITALIZATION</b>					\$19,458,555	\$19,126,555					

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs			Total Costs			Eligible Basis		%	\$	
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			
Land Acquisition			\$4,098 / Unit	\$500,000	\$500,000	\$4,098 / Unit	\$500,000				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0			\$0	0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		\$0		0.0%	\$0	
Sitework		\$1,921,761	\$15,752 / Unit	\$1,921,761	\$1,921,761	\$15,752 / Unit	\$1,921,761		\$1,921,761		0.0%	\$0	
Direct Construction		\$7,994,239	\$55.29 SF	\$68,527/Unit	\$7,994,239	\$8,195,906	\$87,180/Unit	\$56.68 SF	\$8,195,966		2.5%	\$201,727	
Contingency		\$490,000	4.94%	\$490,000	\$490,000	4.84%	\$490,000		\$490,000		0.0%	\$0	
Contractor's Fees		\$1,385,000	13.31%	\$1,385,000	\$1,385,000	13.06%	\$1,385,000		\$1,385,000		0.0%	\$0	
Indirect Construction		\$1,745,000	\$14,303 / Unit	\$1,745,000	\$1,745,000	\$14,303 / Unit	\$1,745,000		\$1,745,000		0.0%	\$0	
Ineligible Costs		\$9,589 / Unit		\$1,169,860	\$1,169,860	\$9,589 / Unit					0.0%	\$0	
Developer's Fees	\$0	\$2,250,000	15.33%	\$2,250,000	\$2,231,463	15.00%	\$2,231,463		\$2,231,463	\$0	-0.8%	(\$18,537)	
Interim Financing		\$1,138,695	\$9,334 / Unit	\$1,138,695	\$1,138,695	\$9,334 / Unit	\$1,138,695		\$1,138,695		0.0%	\$0	
Reserves			\$7,082 / Unit	\$864,000	\$532,000	\$4,381 / Unit					-62.4%	(\$332,000)	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$16,924,695	\$159,496 / Unit	\$19,458,555	\$19,309,745	\$156,277 / Unit	\$17,107,885	\$0	\$17,107,885	\$0	-0.8%	(\$148,810)	
Adjustment to the Operating Reserve Amount												(\$332,000)	
Developer's Fee	\$0	(\$48,796)											
Contractor's Fee		\$0											
Contingency		\$0											
<b>ADJUSTED BASIS / COST</b>	\$0	\$16,875,899	\$156,775 / Unit	\$19,126,555	\$19,309,745		\$17,107,885	\$0	\$17,107,885	\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$19,126,555								

**CAPITALIZATION/DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

RoseHill Ridge, Texarkana, 9% HTC #11097

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$16,875,899	\$0	\$17,107,885
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$16,875,899	\$0	\$17,107,885
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$21,938,669	\$0	\$22,240,250
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$21,938,669	\$0	\$22,240,250
Applicable Percentage	3.46%	9.00%	3.46%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,974,480	\$0	\$2,001,623
CREDITS ON QUALIFIED BASIS	\$1,974,480		\$2,001,623	

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,974,480	\$15,006,049
Gap	\$1,964,020	\$14,926,555
Request	\$2,000,000	\$15,200,000

**FINAL ANNUAL LHTC ALLOCATION**

Method	Gap
Credits	\$1,964,020
Underwritten Proceeds	\$14,926,555

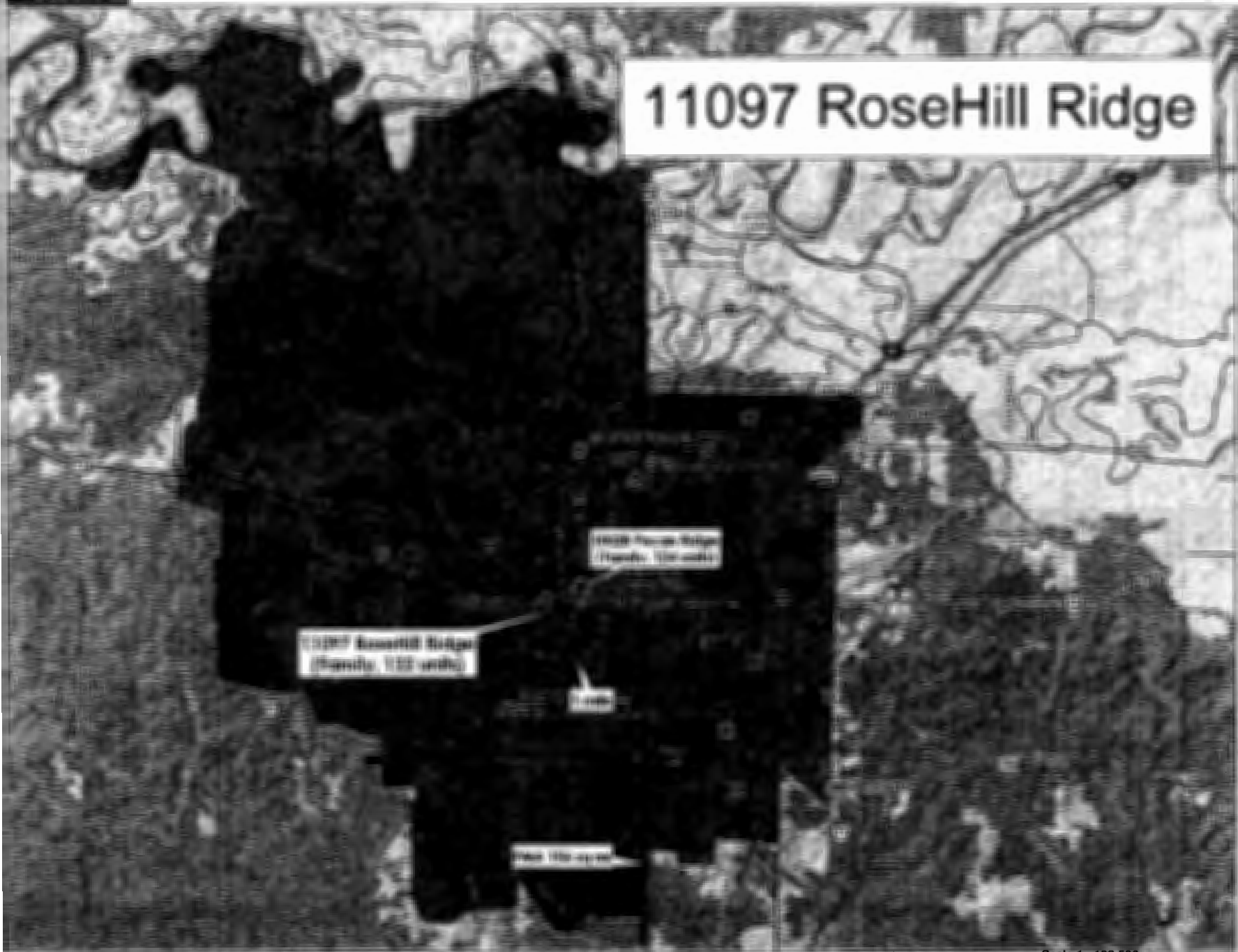
**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$71.96	\$85,295	\$10,406,000	\$10,607,726	\$86,949	\$73.36
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$81.54	\$96,648	\$11,791,000	\$11,992,726	\$98,301	\$82.94

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER-SF	AMOUNT
Base Cost: Townhome			\$58.81	8,504,414
<b>Adjustments</b>				
Exterior Wall Finish	0.40%		0.24	\$34,018
	0.00%		0.00	0
9-Ft. Ceilings	3.05%		1.79	259,385
Roofing	Base		0.00	0
Subfloor		72,300	-0.435	(62,901)
Floor Cover	\$3.20	144,600	3.20	462,720
Breezeways	N/A	0	0.00	0
Balconies	\$18.05	21,336	2.66	385,021
Plumbing Fixtures	\$1,015	50	0.35	50,750
Rough-ins	\$445	122	0.38	54,290
Built-In Appliances	\$2,525	122	2.13	308,050
Exterior Stairs	N/A	0	0.00	0
Enclosed Corridors	N/A		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	N/A	0	0.00	0
Heating/Cooling			1.86	268,956
Garages	N/A	0	0.00	0
Comm &/or Aux Bldgs	\$70.82	4,498	2.20	318,539
Other: fire sprinkler	\$2.25	144,600	2.25	325,350
SUBTOTAL			75.44	10,908,552
Current Cost Multiplier	1.03		2.26	327,258
Local Multiplier	0.90		-7.92	(1,145,402)
TOTAL DIRECT CONSTRUCTION COSTS			69.78	\$10,090,447
Plans, specs, survey, bldg permit	3.90%		-2.72	(5393,527)
Interim Construction Interest	3.38%		-2.36	(340,553)
Contractor's OH & Profit	11.50%		-8.02	(1,160,401)
			56.68	\$8,195,966

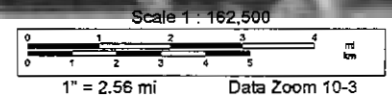
# 11097 RoseHill Ridge



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11098

Hatcher Square

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Hatcher Square, TDHCA Number 11098**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC of Scyene Rd. at Hatcher Blvd. Development #: 11098  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75210 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Frazier HS, LP  
 Owner Contact and Phone: Jon Edmonds, (469) 221-0704  
 Developer: Frazier Revitalization, Inc./Carleton Residential LP  
 Housing General Contractor: Carleton Construction, Ltd.  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Integra Realty Resources  
 Syndicator: National Equity Fund, Inc.  
 Supportive Services: Frazier Revitalization, Inc.  
 Consultant and Contact: Carleton Development, Ltd., Jeff Fulenchek

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	136	
	14	0	48	74	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	73	31	0	0	
Type of Building:						Total Development Units:	136
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Hatcher Square, TDHCA Number 11098

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

US Representative: Johnson, District 30, S

TX Representative: Johnson, District 100, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

S, Carolyn R. Davis, City of Dallas Councilmember District 7

S, John Wiley Price, Commissioner, District 3

Individuals and Businesses: In Support: 4 In Opposition 0

Quantifiable Community Participation Input:

Bertrand Neighborhood Association, Willie Mae Coleman

Letter Score: 24 S or O: S

Frazier Revitalization Incorporated, the nonprofit partner, has been active in redeveloping the neighborhood by providing leadership and resources to help us work together to fight crime, improve schools, build affordable housing and relocate businesses to the Frazier community.

Community Input Other than Quantifiable Community Participation Input:

Bertrand Neighborhood Association, S, William Mae Coleman, President

Mill City Renaissance NA, S, Jim Slaughter, Acting President

Dolphin Heights Neighborhood Association, S, Anna Hill, President

Mill City Renaissance Fund, Inc., S, Roma D. Lewis, Executive Director

General Summary of Comment:

Support - Mill City Renaissance Fund Inc. supports the development. Mill City Neighborhood Association supports the development. Dolphin Heights neighborhood association supports. The non-profit developer has provided successful developments in the past.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Hatcher Square, TDHCA Number 11098**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11102

Christie's Cove

Urban, Region 11





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Christie's Cove, TDHCA Number 11102**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Ramsey Rd. and Lafayette Ave. Development #: 11102  
 City: Harlingen Region: 11 Population Served: General  
 County: Cameron Zip Code: 78550 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Christie's Cove Ltd.  
 Owner Contact and Phone: Ana Silveria Sierra, (954) 370-1368  
 Developer: GDI, LLC  
 Housing General Contractor: Siltek Group LLC  
 Architect: LK Travis and Associates  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	125
	20	0	45	60	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	8	58	59	

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	125
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	125
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,961,722	\$1,961,722			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Christie's Cove, TDHCA Number 11102

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

US Representative: Hinojosa, District 15,

TX Representative: Lozano, District 43, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Eddie Lucio III, State Representative
District 38

Resolution of Support from Local Government [ ]

S, Joey Trevino, City Commissioner District 5

S, Gustavo Ruiz, City Commissioner District 1

Individuals and Businesses: In Support: 2 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Su Clinica Familiar, S, Elena Marin, M.D., Chief Executive Officer

Northern Cameron County Community Development Funding, LLC, S, Kenneth J. Benton,
President

General Summary of Comment:

Support - Supports the single family design. Su Clinica Familiar stated development will benefit community.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Christie's Cove, TDHCA Number 11102**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **191**  Meeting a Required Set-Aside Credit Amount\*: \$1,961,722

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11105

Aster Villas

Rural, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Aster Villas, TDHCA Number 11105**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2800 block of Veterans Blvd. Development #: 11105  
 City: Del Rio Region: 11 Population Served: General  
 County: Val Verde Zip Code: 78840 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: RST Aster Villas, LP  
 Owner Contact and Phone: Clifton Phillips, (972) 243-4205  
 Developer: Roundstone Development, LLC  
 Housing General Contractor: N.E. Construction, LLP  
 Architect: Cross Architects, PLLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	80
	8 0 28 44	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 0 44 32 4 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	1
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,034,797	\$1,034,797			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Aster Villas, TDHCA Number 11105

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Uresti, District 19, NC

US Representative: Canseco, District 23,

TX Representative: Gallegos, District 74, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 6 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- The Border Organization, S, Elvira Castro, Co-Chair, TBO
- The Border Organization, S, Katie Gonzalez, Co-Chair, TBO
- The Border Organization, S, Sandra C. Fuentes, Co-Chair, TBO
- The Border Organization, S, Luz Licerio, Co-Chair TBO
- First Baptist Church, Del Rio, S, Jeff Johnson, Senior Pastor
- Del Rio Chamber of Commerce, S, Al Arreola Jr. Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Aster Villas, TDHCA Number 11105

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **198**  Meeting a Required Set-Aside Credit Amount\*: \$1,034,797

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

11107

Kinwest Manor  
Urban, Region 3







MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Kinwest Manor, TDHCA Number 11107**

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Shapiro, District 8, NC

US Representative: Marchant, District 24,

TX Representative: Harper-Brown, District 105, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: **3** In Opposition **0**

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

The Greater Irving Las Colinas Chamber of Commerce, S, Chris E. Wallace, President/CEO

Irving Cares, S, Teddie Story, Executive Director

Senior Adult Services, S, Greg Gerendas, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Kinwest Manor, TDHCA Number 11107**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 183  Meeting a Required Set-Aside Credit Amount\*: \$1,913,438

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11112

Artisan at Dilley

Rural, Region 9



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Artisan at Dilley, TDHCA Number 11112**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 400 Anne St. Development #: 11112  
 City: Dilley Region: 9 Population Served: General  
 County: Frio Zip Code: 78017 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: ARDC Dilley, Ltd.  
 Owner Contact and Phone: Sandra McGowan, (210) 694-2223  
 Developer: Franklin Development Properties, Ltd.  
 Housing General Contractor: Franklin Construction, Ltd.  
 Architect: Gonzalez Newell Bender, Inc. Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Franklin Apartment Management, Ltd.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	46	
	7	0	15	24	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	10	20	10	6	0	
Type of Building:						Total Development Units:	46
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	10
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	13

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$957,690	\$957,690			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Artisan at Dilley, TDHCA Number 11112

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

US Representative: Cuellar, District 28,

TX Representative: King, District 80, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 1 In Opposition 0

Quantifiable Community Participation Input:

Dilley Housing Authority Resident Council, Natalie Hernandez

Letter Score: 24 S or O: S

The units are more than 30 years old. The buildings are corroding. They are outdated units. The ground is eroding.

Community Input Other than Quantifiable Community Participation Input:

Housing Authority of City of Dilley, S, Arnold J. Garcia, Executive Director

General Summary of Comment:

Dilley Housing Authority Residents Council supports the development.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Artisan at Dilley, TDHCA Number 11112

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 13
- Total # Monitored: 11

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

Competitive Housing Tax Credits:  Score: **207**    Meeting a Required Set-Aside   Credit Amount\*: \$957,690

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

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
<b>Recommendation:</b>		

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

11114

Green Haus on the Santa Fe  
Trail

Urban, Region 3





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Green Haus on the Santa Fe Trail, TDHCA Number 11114**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4611 East Side Ave. Development #: 11114  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75226 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: SH Community, LLP  
 Owner Contact and Phone: Maria Machado, (214) 821-8510  
 Developer: StoneLeaf Development, LLC  
 Housing General Contractor: TBD  
 Architect: Good Fulton Farrell, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: NA  
 Supportive Services: Shared Housing Center, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	24
	3	0	7	14	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	24	0	0	0	0

Type of Building:

Duplex  5 units or more per building  
 Triplex  Detached Residence  
 Fourplex  Single Room Occupancy  
 Townhome  Transitional

Total Development Units:	24
Total Development Cost*:	\$0
Number of Residential Buildings:	4
HOME High Total Units:	0
HOME Low Total Units:	3

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$191,228	\$191,228			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Green Haus on the Santa Fe Trail, TDHCA Number 11114

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, S

US Representative: Johnson, District 30,

TX Representative: Branch, District 108, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

S, Steve Salazar, Councilman District 6

S, Clay Jenkins, Dallas County Judge

S, Vincent Golbeck, Assistant Chief of Police

S, Pauline Medrano, Deputy Mayor Pro Tem District 2

Individuals and Businesses: In Support: 10 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

- Interfaith Housing, S, Sherri Ansley, Interim CEO
Parkland Hospital, S, Lisa Binz Mongoven, Psy.D., Clinical Psychologist
West Dallas Community Centers, Inc., S, Sophia Cordova, Prevention Coordinator
Rainbow Days, Inc., S, Kelly Wierzbinski, Director of Family Connection
Dallas ISD, S, Mark J. Pierce, Program Manager Homeless Liaison
Community Council of Greater Dallas, S, Jacqueline P. West, M.A., Director of Community Youth Dev.
East Dallas Coalition for Affordable Housing, S, Craig McDaniel, Vice Chairman
East Dallas Coalition for Affordable Housing, S, Chris Luna, Chairman
Dallas Social Venture Partners, S, Stacy Caldwell, President
Vogel Alcove, Helping homeless children succeed, S, Karen R. Hughes, President/CEO

General Summary of Comment:

Support - Dallas Social Venture Partners supports the development. Rainbow Days writes the development will be a benefit to Dallas.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Green Haus on the Santa Fe Trail, TDHCA Number 11114**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **199**  Meeting a Required Set-Aside Credit Amount\*: \$191,228

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11115

Castle Manor Apts

Urban, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Castle Manor Apts, TDHCA Number 11115**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 655 Castle Park Dr. Development #: 11115  
 City: Corpus Christi Region: 10 Population Served: General  
 County: Nueces Zip Code: 78418 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: HPD Castle Manor, LP  
 Owner Contact and Phone: Paul Patierno, (626) 698-6357  
 Developer: Highland Property Development LLC  
 Housing General Contractor: Highland Property Construction, Inc.  
 Architect: Architettura Inc.  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Boston Capital Corporation  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	62
	10	0	22	30	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	40	10	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	62
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$655,519	\$655,519			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Castle Manor Apts, TDHCA Number 11115

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, S

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

Flour Bluff Business Association, Mrs. Flo East

Letter Score: 24 S or O: S

Highland Property Development's proposal to renovate Castle Manor Apartments should enhance the lives of the property's residents through improved living conditions and the free resident services that they have proposed. We believe the proposed renovation work will provide needed improvements to Castle Manor Apartments that will benefit the overall community.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

Support rehab to fix the units, and make the air quality better.

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Castle Manor Apts, TDHCA Number 11115**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **80**

Total # Monitored: **64**

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

Competitive Housing Tax Credits:  Score: **215**  Meeting a Required Set-Aside Credit Amount\*: **\$655,519**

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

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

**Recommendation:**

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

11120

La Promesa Apts

Urban, Region 12





**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**La Promesa Apts, TDHCA Number 11120**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4590 N Texas St. Development #: 11120  
 City: Odessa Region: 12 Population Served: General  
 County: Ector Zip Code: 79762 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Odessa Leased Housing Associates I, Limited Partnership  
 Owner Contact and Phone: Chris Barnes, (763) 354-5500  
 Developer: Odessa Leased Housing Development I, LLC  
 Housing General Contractor: Odessa Leased Housing Development I, LLC  
 Architect: BKV Group  
 Market Analyst: Integra Realty Resources  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: Housing Services Inc.  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	136
	21	0	48	67	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	64	72	0	0

Type of Building:

<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	136
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	40
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,558,301	\$1,558,301			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Promesa Apts, TDHCA Number 11120

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S

US Representative: Conaway, District 11,

TX Representative: Lewis, District 81, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

La Promesa Resident Council, Mary L. Russell

Letter Score: 24 S or O: S

To improve our living conditions and provide amenities for children to them busy and out of trouble.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

La Promesa Apts, TDHCA Number 11120

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 6

Total # Monitored: 5

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

Competitive Housing Tax Credits:  Score: 208  Meeting a Required Set-Aside Credit Amount\*: \$1,558,301

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11122**

**Silver Spring Grand Heritage**

**Rural, Region 3**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Silver Spring Grand Heritage, TDHCA Number 11122

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Estes, District 30, NC

US Representative: Hall, District 4,

TX Representative: Laubenberg, District 89, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Lavon Grand Heritage Homeowners Association, Inc., Christine Frankum Letter Score: 24 S or O: S

We believe that the development will benefit our elderly residents and will help promote our economy.

**Community Input Other than Quantifiable Community Participation Input:**

First Assembly Lavon, S, Rev. W. Kyle Miller, Senior Pastor

First Baptist Church of Lavon, S, Clint R. Bratcher, Pastor

Collin County Committee on Aging, S, Tom Hauser, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring Grand Heritage, TDHCA Number 11122

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$986,853

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11123**

**Allegre Point  
Urban, Region 7**





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Allegre Point, TDHCA Number 11123**

**BASIC DEVELOPMENT INFORMATION**

Site Address: IH-35 and Fleischer Rd. Development #: 11123  
 City: Austin Region: 7 Population Served: General  
 County: Travis Zip Code: 78728 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Allegre Point Partners, Ltd.  
 Owner Contact and Phone: Kenneth Lewis, (713) 403-2000  
 Developer: Mgroup, LLC  
 Housing General Contractor: TBD  
 Architect: Mgroup + Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: NA  
 Supportive Services: TBD  
 Consultant and Contact: Mgroup, LLC, Mark Musemeche

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	180
	18 0 63 99	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 56 104 24 0 0	Total Development Units:	184
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	14
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Allegre Point, TDHCA Number 11123

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Watson, District 14, S

US Representative: McCaul, District 10,

TX Representative: Strama, District 50, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

East Wells Branch Neighborhood, Dr. Ed Humphrey

Letter Score: 24 S or O: S

Development of the vacant tract will initiate water-line improvements and bring a long-awaited sewer line to the neighborhood, prevent unauthorized use of the now vacant tract, including dumping, illegal parking, illegal car sales and crime. Apartments are preferred over industrial use that would bring additional heavy traffic to the area.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Oppose - Development would add to traffic issues, and site has no access to public transportation. Development would place added burden on emergency and first responders, including police. The development would reduce property values. House District 150 already has numerous affordable housing projects. The development owner did not make the community aware of the proposed development. The development may not be able to ensure only elderly tenants live in the development. There are no provisions for pedestrian traffic. The QCP letter provided as support only has five members which do not represent the majority of local residents. Additionally, the members of the Resident's Council appear to have financial stake in the development being approved for tax credits. Development does not appear to have enough amenities for elderly, and it is unclear why a playground would be provided on site. The development financing does not seem feasible. The application has inconsistencies, which make it difficult to decipher what is being proposed and brings into question the ability of the developer. The market study does not agree with the developer's claim of the proximity to businesses and medical support. The application indicates that only 10% of the units will be for special needs tenants, but elderly developments should contain more special needs units. The sign on the development site was not placed in a practical spot for local residents to see.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Allegre Point, TDHCA Number 11123**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **208**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11124

Peoples El Shaddai

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Peoples EI Shaddai, TDHCA Number 11124**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2836 E Overton Rd. Development #: 11124  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75216 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Dallas Leased Housing Associates II, Limited Partnership  
 Owner Contact and Phone: Jeff Huggett, 7633545605  
 Developer: Dallas Leased Housing Development II, LLC  
 Housing General Contractor: Dallas Leased Housing Development II, LLC  
 Architect: BKV Group  
 Market Analyst: CA Partners, Inc.  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: Housing Services Inc.  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	100
	10 0 35 55	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 20 20 30 30 0	Total Development Units:	100
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	22
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,168,597	\$1,168,597			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Peoples El Shaddai, TDHCA Number 11124

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: West, District 23, NC

US Representative: Johnson, District 30,

TX Representative: Mallory Caraway, District 110, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Peoples El Shaddai Village Resident Council, Erin D. Sims

Letter Score: 24 S or O: S

We need renovations.

**Community Input Other than Quantifiable Community Participation Input:**

Mission Metodista Nueva Vida, S, Susan Hanchey, Chair, Mission Metodista Nueva Vida Board

Housing Services Incorporated, S, Lee Anderson, Executive Director-Secretary

New Mount Corinth Baptist Church, S, Linda Antwine

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

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

**Peoples EI Shaddai, TDHCA Number 11124**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **199**  Meeting a Required Set-Aside Credit Amount\*: \$1,168,597

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

**11127**

**1400 Belleview**

**Urban, Region 3**





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**1400 Belleview, TDHCA Number 11127**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1401 Browder St. Development #: 11127  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75215 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: 1400 Belleview, LP  
 Owner Contact and Phone: Kristian Teleki, (972) 221-1199  
 Developer: 1400 Belleview Developers, LLC  
 Housing General Contractor: KWA Construction, LP  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Boston Financial Investment Management, LP  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	164
	18	0	58	88	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	46	83	35	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	164
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

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

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

1400 Belleview, TDHCA Number 11127

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: West, District 23, S

US Representative: Johnson, District 30,

TX Representative: Johnson, District 100, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Pauline Medrano, Deputy Mayor Pro  
Tem District 2

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 30 In Opposition 0

**Quantifiable Community Participation Input:**

Cedars Neighborhood Association, Zad Roumaya

Letter Score: 24 S or O: S

No reason given other than a majority of the voting members of the association were in favor of supporting the development.

**Community Input Other than Quantifiable Community Participation Input:**

Dallas County Community College District, S, Wright L. Lassiter, Jr., Chancellor  
Dallas Area Rapid Transit, S, Jack Wierzenski, Director, Economic Development

**General Summary of Comment:**

Support - Developer stated that the development is in Cedars TIP and will be receiving funding from the TIP as well. Developer states that the development is close to jobs in the downtown Dallas area. Development is near the DART light rail system, police headquarters, and arts district.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

1400 Bellevue, TDHCA Number 11127

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11134

Grand Manor Apts

Urban, Region 4



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Grand Manor Apts, TDHCA Number 11134**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2700 N Grand Ave. Development #: 11134  
 City: Tyler Region: 4 Population Served: General  
 County: Smith Zip Code: 75702 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Tyler Leased Housing Associates I, Limited Partnership  
 Owner Contact and Phone: Ross Stiteley, (763) 354-5655  
 Developer: Tyler Leased Housing Development I, LLC  
 Housing General Contractor: Tyler Leased Housing Development I, LLC  
 Architect: BKV Group  
 Market Analyst: CA Partners, Inc.  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: Housing Services Inc.  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120
	12	0	42	66	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	40	32	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	120
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	19
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,267,523	\$1,267,523			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Grand Manor Apts, TDHCA Number 11134

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Deuell, District 2, S

US Representative: Gohmert, District 1,

TX Representative: Berman, District 6, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Barabar R. Bass, Mayor City of Tyler Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Workforce Center System Director, S, Sandra W. Taylor

The Tyler Economic Development Council, Inc., S, Thomas G. Mullins, CEcD, President/ CEO

The Tyler Area Chamber of Commerce, S, Thomas G. Mullins, CEcD, President/ CEO

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Grand Manor Apts, TDHCA Number 11134

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **205**  Meeting a Required Set-Aside Credit Amount\*: \$1,267,523

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11135

Jourdanton Square Apts

Rural, Region 9





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Jourdanton Square Apts, TDHCA Number 11135**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2701 Zanderson Development #: 11135  
 City: Jourdanton Region: 9 Population Served: General  
 County: Atascosa Zip Code: 78026 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: HVM Jourdanton, Ltd.  
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809  
 Developer: HVM Jourdanton, Ltd.  
 Housing General Contractor: F & H Construction Co., LLC  
 Architect: Cross Architects, PLLC  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	52
	6 0 18 28	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 20 28 4 0 0	Total Development Units:	52
Type of Building:		Total Development Cost*:	\$4,881,851
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$394,010	\$383,024			
HOME Activity Fund Amount:	\$1,042,229	\$1,042,299	40	40	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Jourdanton Square Apts, TDHCA Number 11135

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Zaffirini, District 21, S

US Representative: Cuellar, District 28,

TX Representative: Aliseda, District 35, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 2 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Atascosa County Crime Stoppers, S, John Staha, President  
Jourdanton Chamber of Commerce, S, Rhonda Lem, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance by Commitment of:  
A management agreement supporting the Applicant's estimated management fee.
2. Receipt and acceptance by Carryover of:  
USDA/RD approval of the transfer and re-amortization of the existing USDA/RD loans, as underwritten with a 50 year amortization, 40 year term, and approval of the proposed financing structure with the TDHCA HOME loan in a parity first lien position.  
Documentation of USDA's approval of Contract rents that provide for at least \$283,000 in potential gross income.
3. The QAP specifies that "Developments whose funds have been obligated by TRDO-USDA (are) not required to supply (an environmental assessment); however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements."
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.
5. Request for final inspection on La Estancia II Apartments must be submitted in order to receive a valid commitment of housing tax credits for Jourdanton Square and all deficiencies identified cleared prior to carryover (should an award be approved by the Board).



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary  
Jourdanton Square Apts, TDHCA Number 11135**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **79**

Total # Monitored: **63**

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

Competitive Housing Tax Credits:  Score: **166**  Meeting a Required Set-Aside Credit Amount\*: **\$383,024**

Recommendation: **Competitive in USDA Allocation**

HOME Activity Funds:

Loan Amount: **\$1,042,299**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11135 Program(s): 9% HTC / HOME

**Jourdanton Square Apartments**

Address/Location: 2701 Zanderson Street

City: Jourdanton County: Atascosa Zip: 78026

Population: Family Program Set-Aside: At-Risk Area: Rural

Activity: Acq/Rehab Construction Type: Duplex & Fourplex Region: 9

Analysis Purpose: New Application - Initial Underwriting

PRIOR REPORT(S)	PROGRAM	FILE #	PURPOSE
06/27/08	9% HTC / HOME	08130	New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest Rate	Amort/ Term	Amount	Interest Rate	Amort/ Term	Lien
HOME Activity Funds	\$1,042,299	0.00%	40/40	\$1,042,299	0.00%	40/40	Parity 1st
LIHTC (Annual)	\$394,010			\$383,024			

\* Lien position offer conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment of:  
 A management agreement supporting the Applicant's estimated management fee.
- 2 Receipt and acceptance by Carryover of:  
 USDA/RD approval of the transfer and re-amortization of the existing USDA/RD loans, as underwritten with a 50 year amortization, 40 year term, and approval of the proposed financing structure with the TDHCA HOME loan in a parity first lien position.  
  
 Documentation of USDA's approval of Contract rents that provide for at least \$283,000 in potential gross income.
- 3 The QAP specifies that "Developments whose funds have been obligated by TRDO-USDA (are) not required to supply (an environmental assessment); however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements."
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	18
60% of AMI	60% of AMI	28

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	3
50% of AMFI	Low HOME	9

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

**DEAL SUMMARY**

The subject development received an award of Housing Tax Credits (#08130) of \$222,957 and a 40 year HOME loan of \$437,274 in the 2008 HTC/HOME loan award cycles; however, the Applicant was unable to close the transaction and returned the awards.

**RISK PROFILE****STRENGTHS/MITIGATING FACTORS**

- Development team has substantial experience constructing, rehabilitating and managing USDA-RD properties
- 90% current occupancy (as-is) and comparables reported at 100%
- Good access to SH16, SH97, SH162, and SH173

**WEAKNESSES/RISKS**

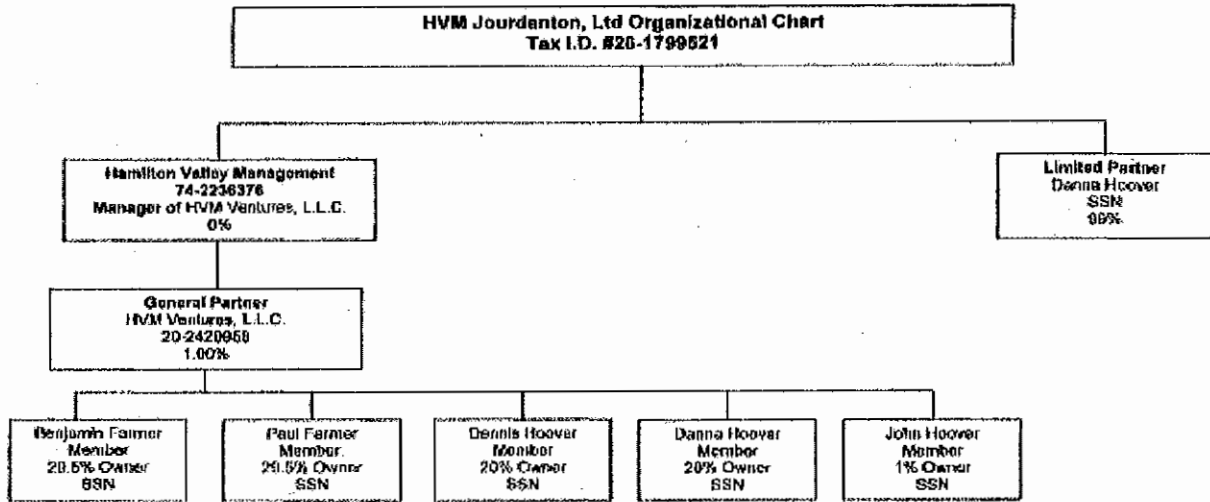
- 75% Expense to income ratio
- Current occupancy equivalent to break-even assuming rent increase approval by USDA

**DEVELOPMENT TEAM****PRIMARY CONTACTS**

Name: Dennis Hoover Relationship: Owner  
 Email: dennishoover@hamiltonvalley.com Phone: (512) 756-6809 Fax: (512) 756-9885  
 Related-Party Seller/Identity of Interest: Yes

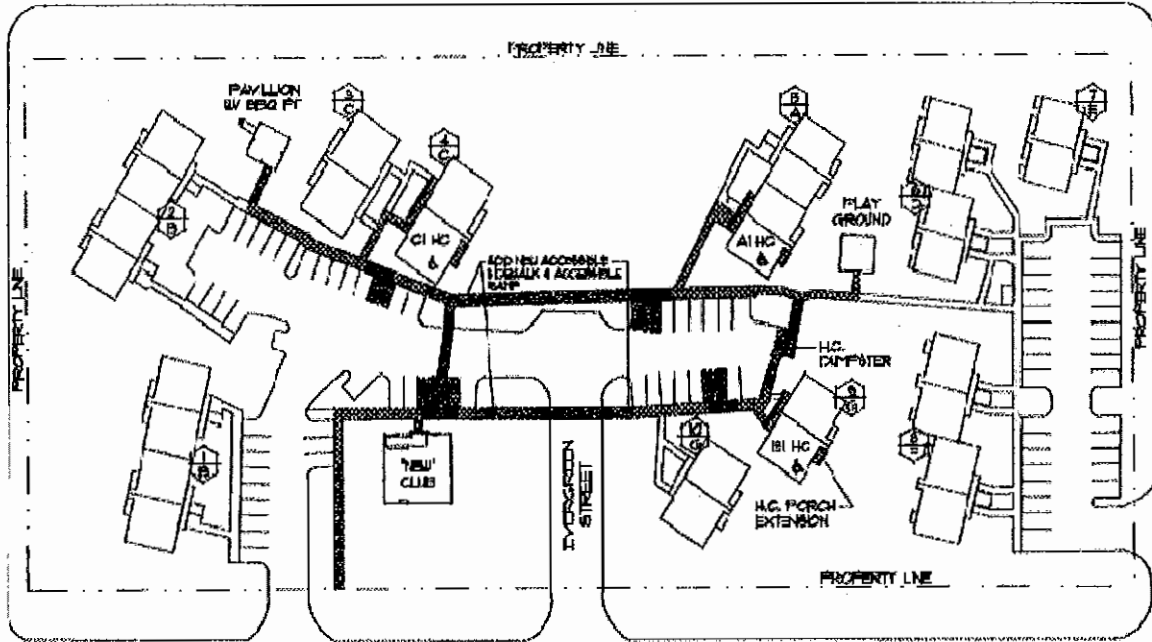
- The Applicant, Developer, General Contractor and property manager are related entities.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



**BUILDING CONFIGURATION**

Building Type	A	B	B2	C	D		Total Buildings	
Floors/Stories	2	2	2	2	2			8
Number of Bldgs	1	2	1	2	2			
Units per Bldg	16	2	12	2	8			
<b>Total Units</b>	<b>16</b>	<b>4</b>	<b>12</b>	<b>4</b>	<b>16</b>		<b>52</b>	

**Relocation Plan:**

The Applicant does not anticipate the need to relocate any tenants during the rehabilitation process; however, \$1,000 per unit has been budgeted in case temporary moving is required or if storage of residents personal items are needed during the renovations.

**GENERAL INFORMATION**

Total Size:	<u>4.221</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>C</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>Commercial</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>12.3</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Comments:**

The zoning for the tract is classified as commercial; however, according to a letter from the Mayor of the City of Jourdanton dated 2/25/2008, the apartment buildings existed prior to the enactment of their zoning ordinance and therefore, no special use permit or re-zoning is required.

**Surrounding Uses:**

Scattered residential and undeveloped land.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

No environmental site assessment was provided. The QAP specifies that " Developments whose funds have been obligated by TRDO-USDA will not be required to supply this information; however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements."

**MARKET ANALYSIS**

Provider:	<u>Rafael C Luebbert</u>	Date:	<u>1/10/2011</u>
Contact:	<u>Rafael C Luebbert</u>	Phone:	<u>(210) 408-6041</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>

**Primary Market Area (PMA):**

"The market area is that geographical region enveloped by the communities of Jourdanton, Pleasanton, Dilley, and Pearsall. There were insufficient numbers of conventional project samples within this immediate market area to enable the appraiser to deduce economic rentals. This is the area which would influence the economics of the property within the described market area. The selected complexes are considered to reflect trends in rental rates for conventional projects in that region." (p 26)

ELIGIBLE HOUSEHOLDS BY INCOME								
Atascosa County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$10,830	---	---	\$0	\$18,050	\$0	\$21,660
2	\$0	\$12,390	---	---	\$0	\$20,650	\$0	\$24,780
3	\$0	\$13,920	---	---	\$0	\$23,200	\$0	\$27,840
4	\$0	\$15,480	---	---	\$0	\$25,800	\$0	\$30,960
5	\$0	\$16,710	---	---	\$0	\$27,850	\$0	\$33,420
6	---	---	---	---	---	---	---	---

**Primary Market Occupancy Rates:**

The Applicant's rent roll indicates 5 vacant units out of 52 total units, or 90% occupancy. The three comparable properties cited in the appraisal as rent comparables have reported occupancies of 100%, 100%, and 98%.

**Comments:**

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 90% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$65,548	Avg. Rent:	\$448	Expense Ratio:	75.0%
Debt Service:	\$56,726	B/E Rent:	\$422	Controllable Expenses:	\$2,332
Net Cash Flow:	\$8,822	Occupancy:	92.50%	Property Taxes/Unit:	\$268
Aggregate DCR:	1.16:1	B/E Occupancy:	90.89%	Program Rent Year:	2011

Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/10/2011

The Applicant's rents are based on a proposed contract rent increase and are subject to USDA-RD approval under the existing financing agreement. The property currently operates with two sets of "basic" rents which are determined based upon the net operating needs of the property. Increases are generally limited based on a maximum potential return to owner of 8% of the original equity contributed (and that equity is generally very small). The rents provided are a forecast estimate for the year following the rehabilitation. The Applicant's rent projections are based on a complicated combination of housing tax credit, HOME and USDA Basic and Rental Assistance rents.

Twelve (12) of the units are proposed to be Low HOME units and 12 of the units (23%) now have Rental Assistance (RA) which is expected to continue. The 12 Low HOME units will also be RA units and will be restricted to tenants earning 30% or 50% of the area median income (3 and 9 units respectively). The rents for the 12 units with RA will be set at the USDA approved basic rent which may be higher than the 50% rent because with rental assistance they can collect above the allowable Housing Tax Credit and Low HOME rents. The tenants will not, however, pay above the maximum net 50% or Low HOME rent amount. It should be noted that although the development is to have 12 RA units, only 9 was indicated in the application rent schedule; accordingly, the Department assigned the remaining three units to the rent schedule since RA units are floating units within a development.

The balance of the units, 40, are tax credit and USDA basic rent only units, of which an additional 12 units are restricted at the 50% income level and 28 units are restricted at the 60% income level.

The Applicant's estimates of secondary income are within the Department's guidelines. Tenants will be required to pay electrical costs.



Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/10/2011

The Applicant's total annual operating expense projection of \$3,565 per unit is 5.86% lower than the Underwriter's estimate of \$3,787 derived primarily from historical operations at the property and the TDHCA database. The Applicant's estimates of two line items differs significantly from the Underwriter's, specifically, repairs and maintenance \$15K lower and property insurance which is \$4K higher. The Applicant has stated that their estimate of repairs and maintenance of \$9,200 is based on their experience with the reduction of this expense at another property managed by them in Floresville which had a 20% drop in this expense after renovations. The Underwriter however used the IREM average expense (updated) database as used in the last underwriting report.

Bath the Applicant's and the Underwriter's expense to income percentages of 70.98% and 75.03% respectively, are well above normal maximum Department guidelines of 65%. However, high debt-to-income ratios are mitigated in this case because rental assistance will allow rents to float upward on 12 of the units concurrent with expenses.

The Applicant indicates a management fee of 13.13%, which is significantly higher than the 5% underwriting standard; however, higher management fees are typical for USDA transactions, but adequate support was not provided for the higher fee. Accordingly, receipt and acceptance, by Commitment, of a management agreement supporting the Applicant's estimated management fee is a condition of this report.

#### Conclusion:

The Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate; however, expenses and net operating income are not; therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's proposed increase in basic rents and proposed permanent financing structure results in an initial year's debt coverage ratio of 1.16%.

Lien position is a critical element in considering the financing of additional HOME funds for the transaction. There is no new money coming into the development from USDA and thus the additional lending risk associated with the development is primarily vested in the additional HOME funding. In fact the USDA loan default risk decreases substantially with the infusion of capital from HOME and the HTC syndication. Accordingly, receipt and acceptance of documentation that USDA-RD has approved rents that provide for at least \$283,000 in potential gross income along with the approval of the transfer and parity of the HOME debt by carryover are conditions of this report.

#### Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 3% annual growth factor for expenses. The revenue growth has been set at 3% because USDA controls the rents for least 50% of the units and can allow rents to increase based upon expenses during the affordability period of the development. Additionally, USDA controls the cash flow of the development through interest credit subsidies and possible loan payment deferrals if it is deemed necessary. The year one DCR under the *recommended financing structure* of 1.16 is within the Department's guidelines of 1.15 to 1.35. However, the Underwriter's expense to income ratio exceed the Department's maximum at 75.03%. The development receives Rental Assistance from USDA, and because rents for at least 50% of the units are at least 10% lower than both Net Program Rent and Restricted Market Rent, the development qualifies for an exception to the maximum expense to income ratio pursuant to §1.32(i)(6)(B)(v) of the 2010 REA Rules. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION****APPRAISED VALUE**

Appraiser: Rafael C. Luebbert, MAI, SRA Date: 1/10/2011

Land Only: 4.221 acres	<u>\$119,500</u>	Per Unit:	<u>\$2,298</u>
Existing Buildings: (as-is)	<u>\$706,500</u>	Per Unit:	<u>\$13,587</u>
Favorable Financing:	<u>\$713,200</u>	Per Unit:	<u>\$13,715</u>
Total Development: (as-is)	<u>\$1,539,200</u>	Per Unit:	<u>\$29,600</u>

## Comments:

The appraiser provided on "as is and as restricted" market value of the development of \$826,000 and interest credit subsidy values of \$713,200 for the USDA/RD mortgages being assumed. This results in a "Sum of Market Value and Value of Financing Subsidy" value of the property of \$1,539,200.

**SITE CONTROL**

Type: Option to Purchase Real Property Acreage: 4.221

Acquisition Cost: \$1,730,066 Contract Expiration: 7/6/2012

Cost Per Unit: \$33,271

Seller: Jourdanton Square, Ltd. Related to Development Team?  Yes  No

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/9/2011

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

## Direct Construction Cost:

The Underwriter used the direct construction cost that was provided by the third party Capital Needs Assessment (CNA) provider plus the construction cost of a new community building of \$200,000 and a residential building previously damaged by fire of \$130,000. Adding \$330,000 for the cost of construction of the buildings to direct construction cost and simultaneously deducting the same amount from the CNA provider's sitework cost results in a net direct construction cost for the Underwriter that is \$104K (7.2%) lower than the Applicant's estimate. The Underwriter's sitework cost is simultaneously offset by the adjustments and is higher than the Applicant's sitework costs by the same \$104K.

## Rehabilitation Summary:

Jourdanton Square was originally financed as two properties built in 1983 and 1987 under the USDA Section 515 program. The Applicant provided a Capital Needs Assessment performed by E & A Services, Inc. The CNA submitted contemplated a scope of rehabilitation work that is generally consistent with the work proposed by the Applicant. The most recently revised CNA is dated June 22, 2011 identifying \$1.88M in immediate work and an additional \$541K in work to be done over the next 20 years. The TDHCA site inspection and acquisition/rehabilitation inspection completed in May 2011 indicate that the site is acceptable, but the buildings are in poor condition and are in need of renovations.

The majority of the immediate cost is associated with the unit remodeling and/or modifications to meet handicapped accessibility regulation as well as for the replacement and repair of the many components that have a typical effective useful life ("EUL") of equal to or less than 20-25 years, e.g. roofs, siding, kitchen cabinets, bathroom fixtures, flooring, etc. Immediate costs also include a new community building with office, kitchen and restroom facilities, and construction costs to reconstruct residential building #500. Additional features and equipment included in the scope of work are a 20 ft. x 20 ft. gazebo, playground with equipment for tots and older children, chain link fencing and extensive landscaping. There are also some components such as appliances, doors, floor coverings, etc., that would have an EUL of a few more years but since a major renovation is contemplated it is reasonable to replace all of these components as well in year one.

**Reserves:**

Both the Applicant and the Underwriter estimated development cost reserves of \$200,000. This is because the equity provider, Raymond James is requiring operating reserves of \$100,000 and lease-up reserves of \$100,000 in their commitment to provide equity funding for the tax credits.

**Conclusion:**

The Underwriter's cost schedule was primarily derived from the third party Capital Needs Assessment (CNA) provided by the Applicant and information provided in the application. The Capital Needs Assessment covers the scope of work provided by the Applicant and thus the Underwriter's development cost schedule, as derived from the CNA will be used to determine the development's need for permanent funds and to calculate eligible basis.

This is an acquisition/rehabilitation development; therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The total development cost for the project after appropriate adjustments is \$4,967,838. A total eligible basis of \$5,179,858 (which contains the 30% boost) supports annual tax credits of \$395,261. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: None Last Update: N/A

<b>Interim Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>	<b>LTC</b>
The BHHH Companies, Inc.	\$1,561,472	6.00%	18 mos.	31%
USDA/RD 515 Loan	\$1,206,343	1.00%	18 mos.	24%
TDHCA HOME Loan	\$801,429	0.00%	18 mos.	16%
Raymond James Tax Credit Funds	\$1,398,594	tax credit equity		28%
Deferred Developer Fees	\$0			0%
<b>Total</b>	<b>\$4,967,838</b>			

**Comments:**

The Hoover Companies (BHHH, Inc) is a related entity of the Applicant. Therefore, the Department requested and was provided documentation from third party sources which confirms the Applicant's capacity to provide the proposed construction financing.

Permanent Sources	Amount	Rate	Amort	Term	LTC
USDA/RD 515 Loan	\$1,206,343	1.00%	50	40	
TDHCA HOME Loan	\$1,042,299	0.00%	40	40	
<b>Total</b>	<b>\$2,248,642</b>				

Comments:

The Applicant is proposing to assume the two existing USDA/RD loans that will have total combined outstanding balances of approximately \$1,206,343 at the time of closing; however, they are proposing that the recast loans be restructured under new amortization and loan terms, with an amortization of 50 years and a term of 27 years; however, the Underwriter recommends that the USDA loans be recast with an amortization of 50 years and a term of 40 years. Accordingly, receipt and approval, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loans with an amortization of 50 years, a term of 40 years and approval of the proposed financing structure with the TDHCA HOME loan in a parity first lien position is a condition of this report.

The two USDA loans being assumed consist of one originally dated 12/16/1983 in the amount of \$816,000 with a current balance of approximately \$716,883, and a second loan originally dated 12/29/1987 in the amount of \$530,000 with a current balance of approximately \$495,570. It is anticipated that the combined loan balances at the time of closing will be approximately \$1,206,343. The original interest rates of the two loans were 11 7/8% and 10.0%, respectively; however, USDA granted interest credit subsidies on both that reduced the effective interest rates to 1%.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Raymond James Tax Credit Funds	\$2,719,196	\$0.71	55%	
<b>Total</b>	<b>\$2,719,196</b>			
<b>Total Sources</b>	<b>\$4,967,838</b>			

## CONCLUSIONS

Recommended Financing Structure:

The development demonstrates a need for the requested HOME funds of \$1,042,299; however, as discussed above, the HOME loan should be in a parity lien position with the USDA loans. It is recommended that the TDHCA HOME loan be at a rate of zero percent (0%) interest with an amortization based on 40 years, and a term of 40 years.

The Underwriter's total development cost estimate less permanent loans of \$2,248,642 indicates the need for \$2,719,196 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$383,024 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$395,261
<b>Allocation determined by gap in financing:</b>	<b>\$383,024</b>
Allocation requested by the Applicant:	\$394,010

The allocation amount determined by the Underwriter's gap method calculation is recommended. A tax credit allocation of \$383,024 per year for 10 years results in total equity proceeds of \$2,719,196 at a syndication rate of \$0.71 per tax credit dollar.

The Underwriter's recommended financing structure does not indicate the need for any additional permanent funds; however, deferred developer fees should be available for providing permanent funding in the event that there any cost overruns, etc., during the renovation of the development.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

**Return on Equity:**

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>July 15, 2011</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>	Date:	<u>July 15, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>July 15, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 15, 2011</u>

**UNIT RENT SCHEDULE**

**Jourdanton Square Apartments, Jourdanton, 9% HTC / HOME #11135**

**LOCATION DATA**

CITY:	Jourdanton
COUNTY:	Atascosa
PROGRAM REGION:	9
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION			Applicable Programs
# Beds	# Units	% Total	
Eff			LIHTC
1	20	38.5%	HOME
2	28	53.8%	USDA
3	4	7.7%	
4			
<b>TOTAL</b>	<b>52</b>	<b>100.0%</b>	

**PROFORMA ASSUMPTIONS**

REVENUE GROWTH:	3.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION										PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS		TDHCA PROFORMA RENTS				MARKET RENTS								
Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market						
TC30%	\$290	30%/30%	\$446	I-RA	\$495	1	1	1	680	\$495	\$85	\$410	\$410	\$410	\$410	\$410	\$0.60	\$0	\$449	0.66	\$39						
TC30%	\$290	LH/50%	\$446	II-RA	\$495	1	1	1	636	\$495	\$85	\$410	\$410	\$410	\$410	\$410	\$0.64	\$0	\$428	0.67	\$18						
TC50%	\$483	LH/50%	\$646	I-RA	\$495	3	1	1	680	\$495	\$85	\$410	\$410	\$1,230	\$1,230	\$410	\$0.60	\$0	\$449	0.66	\$39						
TC50%	\$483			II	\$495	4	1	1	636	\$483	\$85	\$398	\$385	\$1,540	\$1,592	\$398	\$0.63	\$0	\$428	0.67	\$30						
TC60%	\$580			I	\$495	4	1	1	680	\$495	\$85	\$410	\$404	\$1,616	\$1,640	\$410	\$0.60	\$0	\$449	0.66	\$39						
TC60%	\$580			II	\$495	7	1	1	636	\$495	\$85	\$410	\$404	\$2,828	\$2,870	\$410	\$0.64	\$0	\$428	0.67	\$18						
TC30%	\$348	LH/50%	\$563	I-RA	\$563	2	2	1	807	\$563	\$102	\$461	\$461	\$922	\$922	\$461	\$0.57	\$0	\$512	0.63	\$51						
TC30%	\$348	30%/30%	\$563	II-RA	\$563	1	2	1	796	\$563	\$102	\$461	\$461	\$461	\$461	\$461	\$0.58	\$0	\$500	0.63	\$39						
TC50%	\$579			I	\$563	7	2	1	807	\$563	\$102	\$461	\$461	\$3,227	\$3,227	\$461	\$0.57	\$0	\$512	0.63	\$51						
TC50%	\$579	LH/50%	\$563	II-RA	\$563	3	2	1	796	\$563	\$102	\$461	\$461	\$1,383	\$1,383	\$461	\$0.58	\$0	\$500	0.63	\$39						
TC60%	\$696			I	\$563	11	2	1	807	\$563	\$102	\$461	\$461	\$5,071	\$5,071	\$461	\$0.57	\$0	\$512	0.63	\$51						
TC60%	\$696			II	\$563	4	2	1	796	\$563	\$102	\$461	\$461	\$1,844	\$1,844	\$461	\$0.58	\$0	\$500	0.63	\$39						
TC30%	\$402	30%/30%	\$651	I-RA	\$708	1	3	1	1,006	\$708	\$141	\$567	\$567	\$567	\$567	\$567	\$0.56	\$0	\$630	0.63	\$63						
TC50%	\$670			I	\$708	1	3	1	1,006	\$670	\$141	\$529	\$529	\$529	\$529	\$529	\$0.53	\$0	\$630	0.63	\$101						
TC60%	\$804			I	\$708	2	3	1	1,006	\$708	\$141	\$567	\$567	\$1,134	\$1,134	\$567	\$0.56	\$0	\$630	0.63	\$63						
<b>TOTALS/AVERAGES:</b>						52			39,604				\$446	\$23,172	\$23,290	\$448	\$0.59	\$0	\$490	\$0.64	\$42						
<b>ANNUAL POTENTIAL GROSS RENT:</b>														\$278,064	\$279,480												

**STABILIZED PROFORMA**

**Jourdanton Square Apartments, Jourdanton, 9% HTC / HOME #11135**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Actual 2009	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT		\$276,660		\$0.59	\$446	\$278,064	\$279,480	\$448	\$0.59		0.5%	\$1,416
Laundry Income		\$3,562			\$3.56	\$2,220					0.0%	(2,220)
0		\$5,890			\$0.00	\$0					0.0%	-
Tenant Tracker		\$0			\$3.27	\$2,040					0.0%	(2,040)
Underwriter's Total Secondary Income		\$9,452					\$4,260	\$6.83			100.0%	4,260
<b>POTENTIAL GROSS INCOME</b>		<b>\$286,112</b>				<b>\$282,324</b>	<b>\$283,740</b>				<b>0.5%</b>	<b>\$1,416</b>
Vacancy & Collection Loss		(\$20,834)			7.5% PG	(21,174)	(21,281)	7.5% PG			0.5%	(108)
Non-Rental Units/Concessions		(\$9,337)				-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		<b>\$255,941</b>				<b>\$261,150</b>	<b>\$262,460</b>				<b>0.5%</b>	<b>\$1,310</b>

General & Administrative	\$24,546	\$472/Unit	17,041	6.62%	\$0.44	\$333	\$17,300	\$17,041	\$328	\$0.43	6.49%	1.5%	259
Management	\$21,785	5.1% EGI	29,574	13.13%	\$0.87	\$659	\$34,288	\$34,277	\$659	\$0.87	13.06%	0.0%	11
Payroll & Payroll Tax	\$49,982	\$961/Unit	50,978	18.73%	\$1.23	\$940	\$48,904	48,904	\$940	\$1.23	18.63%	0.0%	-
Repairs & Maintenance	\$36,497	\$702/Unit	36,066	3.52%	\$0.23	\$177	\$9,200	\$24,449	\$470	\$0.62	9.32%	-62.4%	(15,249)
Utilities	\$20,731	\$399/Unit	6,386	2.34%	\$0.15	\$117	\$6,100	\$6,386	\$123	\$0.16	2.43%	-4.5%	(286)
Water, Sewer, & Trash	\$22,156	\$428/Unit	25,620	9.38%	\$0.62	\$471	\$24,500	\$24,500	\$471	\$0.62	9.33%	0.0%	-
Property Insurance	\$16,208	\$0.41 SF	9,084	5.09%	\$0.34	\$256	\$13,288	\$9,084	\$175	\$0.23	3.46%	46.3%	4,204
Property Tax 2.3321	\$20,889	\$402/Unit	13,914	5.40%	\$0.38	\$271	\$14,112	\$13,914	\$268	\$0.35	5.30%	1.4%	198
Reserve for Replacements	\$22,168	\$428/Unit	13,460	5.97%	\$0.39	\$300	\$15,600	\$16,276	\$313	\$0.41	6.20%	-4.2%	(676)
TDHCA Compliance Fees			-	0.60%	\$0.05	\$40	\$2,080	\$2,080	\$40	\$0.05	0.79%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Security			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
0			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	-	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>		<b>\$ 202,123</b>		<b>70.98%</b>	<b>\$4.68</b>	<b>\$3,565</b>	<b>\$ 185,372</b>	<b>\$ 196,911</b>	<b>\$3,787</b>	<b>\$4.97</b>	<b>75.03%</b>	<b>-5.86%</b>	<b>\$ (11,539)</b>
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$ 53,818</b>		<b>29.02%</b>	<b>\$1.91</b>	<b>\$1,457</b>	<b>\$75,778</b>	<b>\$65,548</b>	<b>\$1,261</b>	<b>\$1.66</b>	<b>24.97%</b>	<b>15.6%</b>	<b>\$10,229</b>

<b>CONTROLLABLE EXPENSES</b>	\$2,960/Unit	\$2,617/Unit			\$2,039/Unit			\$2,332/Unit				
------------------------------	--------------	--------------	--	--	--------------	--	--	--------------	--	--	--	--

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$262,460	\$270,333	\$278,443	\$286,797	\$295,400	\$342,450	\$396,994	\$460,224	\$533,526	\$618,503	\$717,014	\$831,216
LESS: TOTAL EXPENSES	196,911	202,819	208,903	215,170	221,625	256,924	297,846	345,285	400,280	464,034	537,943	623,623
<b>NET OPERATING INCOME</b>	<b>\$65,548</b>	<b>\$67,515</b>	<b>\$69,540</b>	<b>\$71,626</b>	<b>\$73,775</b>	<b>\$85,526</b>	<b>\$99,148</b>	<b>\$114,939</b>	<b>\$133,246</b>	<b>\$154,469</b>	<b>\$179,072</b>	<b>\$207,593</b>
LESS: DEBT SERVICE	56,726	56,726	56,726	56,726	56,726	56,726	56,726	56,726	56,726	56,726	56,726	56,726
<b>NET CASH FLOW</b>	<b>\$8,822</b>	<b>\$10,788</b>	<b>\$12,814</b>	<b>\$14,900</b>	<b>\$17,049</b>	<b>\$28,799</b>	<b>\$42,421</b>	<b>\$58,213</b>	<b>\$76,520</b>	<b>\$97,742</b>	<b>\$122,345</b>	<b>\$150,867</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$8,822</b>	<b>\$19,610</b>	<b>\$32,424</b>	<b>\$47,324</b>	<b>\$64,373</b>	<b>\$184,174</b>	<b>\$368,231</b>	<b>\$626,779</b>	<b>\$971,682</b>	<b>\$1,416,695</b>	<b>\$1,977,762</b>	<b>\$2,673,368</b>
DEFERRED DEVELOPER FEE BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.16	1.19	1.23	1.26	1.30	1.51	1.75	2.03	2.35	2.72	3.16	3.66
EXPENSE/EGI RATIO	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%	75.03%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Jourdanton Square Apartments, Jourdanton, 9% HTC / HOME #11135*

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
USDA/RD 515 Loan	2.14	2.47	\$30,669	1.00%	50	40	\$1,206,343	\$1,206,343	40	50	1.00%	\$30,669	2.14	24.3%
TDHCA HOME Loan	1.16	1.34	\$26,057	0.00%	40	40	\$1,042,299	\$1,042,299	40	40	0.00%	\$26,057	1.16	21.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$56,726</b>				<b>\$2,248,642</b>	<b>\$2,248,642</b>				<b>\$56,726</b>		<b>45.3%</b>
<b>NET CASH FLOW</b>							<b>\$19,051</b>							<b>\$8,822</b>

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Total Developer Fee	15-Year Cash Flow
Raymond James Tax Credit Funds	LIHTC Equity	56.3%	\$394,010	0.71	\$2,797,188	\$2,719,196	0.7099	\$383,024	54.7%	Annual Credit per Unit:	\$52,292
Deferred Developer Fees	Deferred Developer Fees	0.0%	(0% Deferred)		\$30	\$0	(0% Deferred)		0.0%	Total Developer Fee:	\$390,798
Additional (Excess) Funds Req'd		0.0%			(\$70)	\$0			0.0%	15-Year Cash Flow:	\$368,231
<b>TOTAL EQUITY SOURCES</b>		<b>56.3%</b>			<b>\$2,797,148</b>	<b>\$2,719,196</b>			<b>54.7%</b>	<b>15-Yr Cash Flow after Fee:</b>	<b>\$368,231</b>
<b>TOTAL CAPITALIZATION</b>					<b>\$5,045,790</b>	<b>\$4,967,838</b>					

DEVELOPMENT COST / ITEMIZED BASIS											
APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE			
	Eligible Basis		Total Costs	Eligible Basis		Total Costs	Eligible Basis		%	\$	
	Acquisition	New Const. Rehab		New Const. Rehab	Acquisition						
Land Acquisition			\$5,619 / Unit	\$292,205	\$272,993	\$5,250 / Unit			-7.0%	(\$19,212)	
Building Acquisition	\$1,284,904		\$27,651 / Unit	\$1,437,861	\$1,379,374	\$26,526 / Unit		\$1,284,904	-4.2%	(\$58,487)	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0	0.0%	\$0	
Sitework		\$329,645	\$6,339 / Unit	\$329,645	\$434,203	\$8,350 / Unit	\$434,203		24.1%	\$104,558	
Direct Construction		\$1,550,385	\$39.15 /sf	\$29,815/Unit	\$1,550,385	\$1,445,622	\$27,800/Unit	\$36.50 /sf	\$1,445,622	-7.2%	(\$104,763)
Contingency		\$188,030	10.00%	\$188,030	\$187,983	10.00%	\$187,983		0.0%	(\$48)	
Contractor's Fees		\$300,805	14.55%	\$300,805	\$300,805	14.55%	\$300,805		0.0%	\$0	
Indirect Construction		\$142,825	\$2,747 / Unit	\$142,825	\$142,825	\$2,747 / Unit	\$142,825		0.0%	\$0	
Ineligible Costs			\$2,295 / Unit	\$119,315	\$119,315	\$2,295 / Unit			0.0%	\$0	
Developer's Fees	\$0	\$390,836	10.05%	\$390,836	\$390,836	10.05%	\$390,798	\$0	0.0%	\$0	
Interim Financing		\$93,883	\$1,805 / Unit	\$93,883	\$93,883	\$1,805 / Unit	\$93,883		0.0%	\$0	
Reserves			\$3,846 / Unit	\$200,000	\$200,000	\$3,846 / Unit			0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	<b>\$1,284,904</b>	<b>\$2,996,409</b>	<b>\$97,034 / Unit</b>	<b>\$5,045,790</b>	<b>\$4,967,838</b>	<b>\$95,535 / Unit</b>	<b>\$2,996,119</b>	<b>\$1,284,904</b>	<b>-1.6%</b>	<b>(\$77,952)</b>	
Acquisition Cost for Identity of Interest Seller										(\$19,212)	
Developer's Fee	\$0	(\$4)									
Contractor's Fee		\$0									
Contingency		(\$27)									
<b>ADJUSTED BASIS / COST</b>	<b>\$1,284,904</b>	<b>\$2,996,378</b>	<b>\$97,034 / Unit</b>	<b>\$5,026,578</b>	<b>\$4,967,838</b>		<b>\$2,996,119</b>	<b>\$1,284,904</b>			
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$4,967,838</b>						



**CAPITALIZATION/DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

Jourdanton Square Apartments, Jourdanton, 9% HTC / HOME #08130

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$1,284,904	\$2,996,378	\$1,284,904
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$1,284,904	\$2,996,378	\$1,284,904	\$2,996,119
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$1,284,904	\$3,895,291	\$1,284,904	\$3,894,954
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$1,284,904	\$3,895,291	\$1,284,904	\$3,894,954
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$44,715	\$350,576	\$44,715	\$350,546
CREDITS ON QUALIFIED BASIS	\$395,291		\$395,261	

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$395,261	\$2,806,066
Gap	\$383,024	\$2,719,196
Request	\$394,010	\$2,797,185

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Gap
Credits	\$383,024
Underwritten Proceeds	\$2,719,196

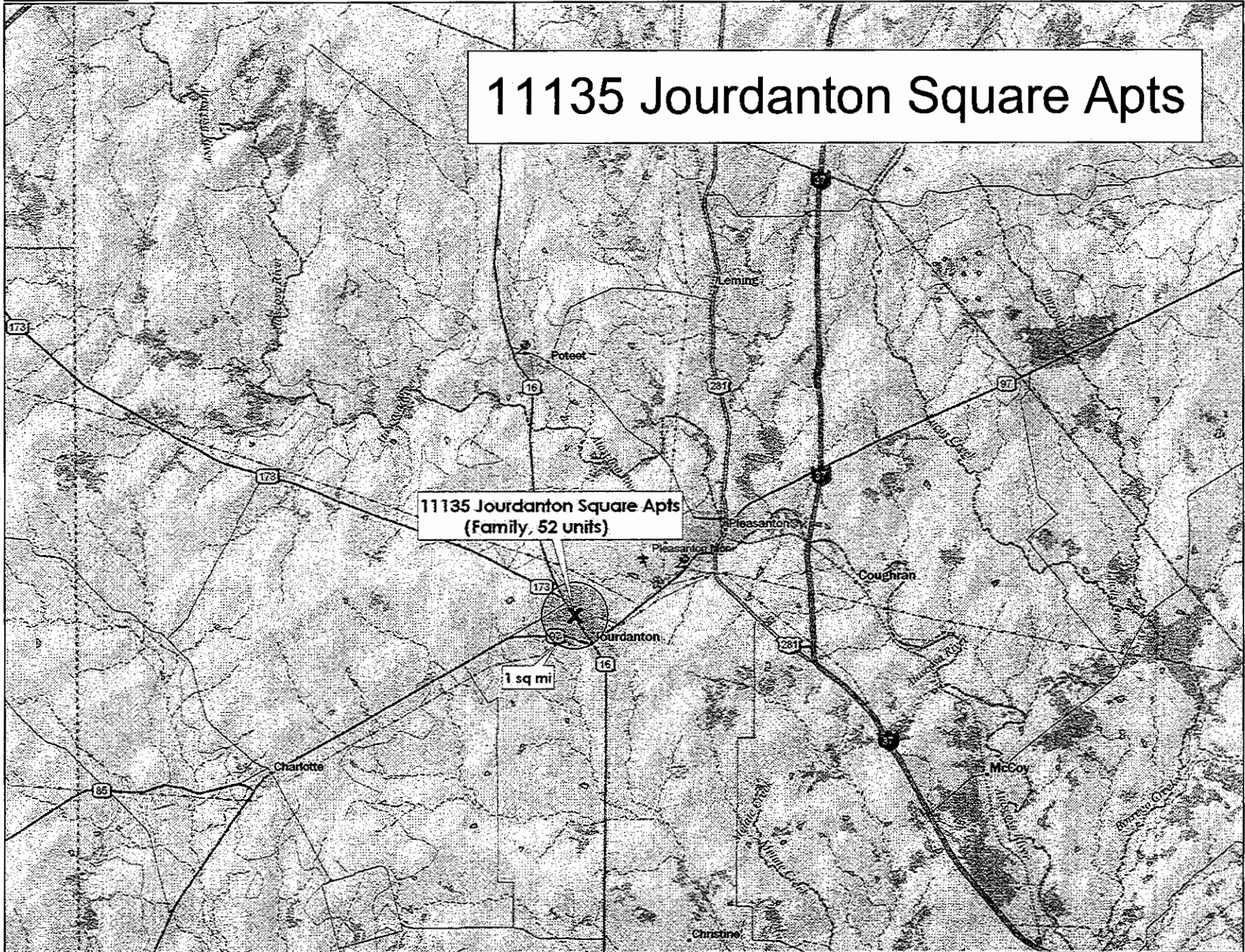
**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$52.22	\$39,770	\$2,068,080	\$2,067,808	\$39,766	\$52.21
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$59.81	\$45,555	\$2,368,865	\$2,368,613	\$45,550	\$59.81

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		#DIV/0!	#DIV/0!
Adjustments				
Exterior Wall Finish	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
Roofing			0.00	0
Subfloor			(0.70)	(27,723)
Floor Cover			2.41	95,446
Breezeways	#DIV/0!	0	#DIV/0!	#DIV/0!
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures	\$845	0	0.00	0
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	52	2.43	96,200
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	#DIV/0!		#DIV/0!	#DIV/0!
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	72,475
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.25	39,604	2.25	89,109
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	1.03		#DIV/0!	#DIV/0!
Local Multiplier			#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				#DIV/0!
Plans, specs, survey, bldg permits	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS				#DIV/0!

# 11135 Jourdanton Square Apts



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11137

Genoa Ranch  
Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Genoa Ranch, TDHCA Number 11137**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 16.97 acre tract E of MLK Jr., S of East Orem, and N of the app      Development #: 11137  
 City: Houston      Region: 6      Population Served: General  
 County: Harris      Zip Code: 77048      Allocation: Urban  
 HTC Set Asides:  At-Risk     Nonprofit     USDA     Rural Rescue    HTC Housing Activity\*: NC  
 HOME Set Asides:     CHDO     Preservation     General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Genoa Ranch, Ltd.  
 Owner Contact and Phone: John E. Hettig, (713) 871-0063  
 Developer: HK/Genoa Development, LLC  
 Housing General Contractor: Hettig Construction Corp.  
 Architect: JRM Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	78
	8	6	22	42	Market Rate Units:	1
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	0	0	79	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	79
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	79
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,583,573	\$1,583,573			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Genoa Ranch, TDHCA Number 11137

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC

US Representative: Green, District 9,

TX Representative: Miles, District 146, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Southeast Coalition of Civic Clubs, Bessie Swindle

Letter Score: 24 S or O: S

Our primary support purpose for this new development is to improve the general welfare of our community with new growth and development. Our community residents are basically comprised of senior citizens. We need to revitalize our community with younger residents, newer homes and to allow our community schools to remain open.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Genoa Ranch, TDHCA Number 11137

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: 206  Meeting a Required Set-Aside Credit Amount\*: \$1,583,573

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11138

SilverLeaf at Gun Barrel City

Rural, Region 4



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**SilverLeaf at Gun Barrel City, TDHCA Number 11138**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 400 Block Church St. Development #: 11138  
 City: Gun Barrel City Region: 4 Population Served: Elderly  
 County: Henderson Zip Code: 75156 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: SilverLeaf at Gun Barrel City, LP  
 Owner Contact and Phone: J Michael Sugrue, (903) 887-4344  
 Developer: StoneLeaf Development, LLC  
 Housing General Contractor: StoneLeaf, Inc.  
 Architect: Cross Architects, PLLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Boston Capital Corporation  
 Supportive Services: Alpha Barnes Real Estate Services  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	34	46	0	0	0

Type of Building:

<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$8,917,447
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	40
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	4
		HOME Low Total Units:	12

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$941,119	\$941,119			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	30	30	4.5%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

SilverLeaf at Gun Barrel City, TDHCA Number 11138

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, S

US Representative: Hensarling, District 5,

TX Representative: Gooden, District 4, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 4 In Opposition 0

Quantifiable Community Participation Input:

Loon Bay Property Owners Association, Richard Smith

Letter Score: 24 S or O: S

Gun Barrel City at present has no affordable housing for seniors. Considering that the median annual income in our city is about \$30,000, there is a tremendous need for affordable housing for our seniors.

Community Input Other than Quantifiable Community Participation Input:

The American Legion Cedar Creek Post 310, S, Billie Waldrup, Commander
Cedar Creek Lake Area Chamber of Commerce, S, Jo Ann Hanstrom, President
St. Jude Catholic Church, S, Rev. Bernard Boteju, Pastor
Beautification Committee of Gun Barrel City, S, Barbara R. Webster, President

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment and prior to HOME loan closing: Of a timeline for completion of all offsite improvements necessary to provide site access (roads and utilities); letter from City confirming timeframe; and any design plans for improvements. Upon receipt, additional conditions may be required in order to ensure HOME funds are not expended prior to completion of necessary offsite improvements. Documentation confirming zoning change to allow multifamily use. Documentation that sprinkler systems will be included in all units.
2. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**SilverLeaf at Gun Barrel City, TDHCA Number 11138**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **4**

Total # Monitored: **0**

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

Competitive Housing Tax Credits:  Score: **199**  Meeting a Required Set-Aside Credit Amount\*: **\$941,119**

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

HOME Activity Funds:

Loan Amount: **\$2,000,000**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11138 Program(s): 9% HTC / HOME

**SilverLeaf at Gun Barrel City**

Address/Location: 400 Block of Church Street

City: Gun Barrel City County: Henderson Zip: 75146

Population: Senior Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Fourplex Region: 4

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$2,000,000	3.50%	30	30	\$2,000,000	4.50%	30	30	1st
LIHTC (Annual)	\$941,119				\$941,119				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment and prior to HOME loan closing:
  - Of a timeline for completion of all offsite improvements necessary to provide site access (roads and utilities); letter from City confirming timeframe; and any design plans for improvements. Upon receipt, additional conditions may be required in order to ensure HOME funds are not expended prior to completion of necessary offsite improvements.
  - Documentation confirming zoning change to allow multifamily use.
  - Documentation that sprinkler systems will be included in all units.
- 2 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

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### SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	8
50% of AMFI	Low HOME	4
60% of AMFI	High HOME	8
80% of AMFI*	High HOME	0

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.

### RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	84% break-even occupancy
▫	1.34 DCR shows strong ability to repay debt
▫	Capacity for rent growth if AMI increases
▫	Low gross capture rate of 2.4%; no unstabilized deals in market area

WEAKNESSES/RISKS	
▫	Closest comp HTC deal recently foreclosed due to failure to convert
▫	High expense to income ratio of 64.6%
▫	Rent limits have not increased since 2007-2008, which was result of legislation
▫	Site work at \$9K threshold; Underwriter concerned about lack of due diligence
▫	Dependent upon City construction of roads for site access

### DEVELOPMENT TEAM

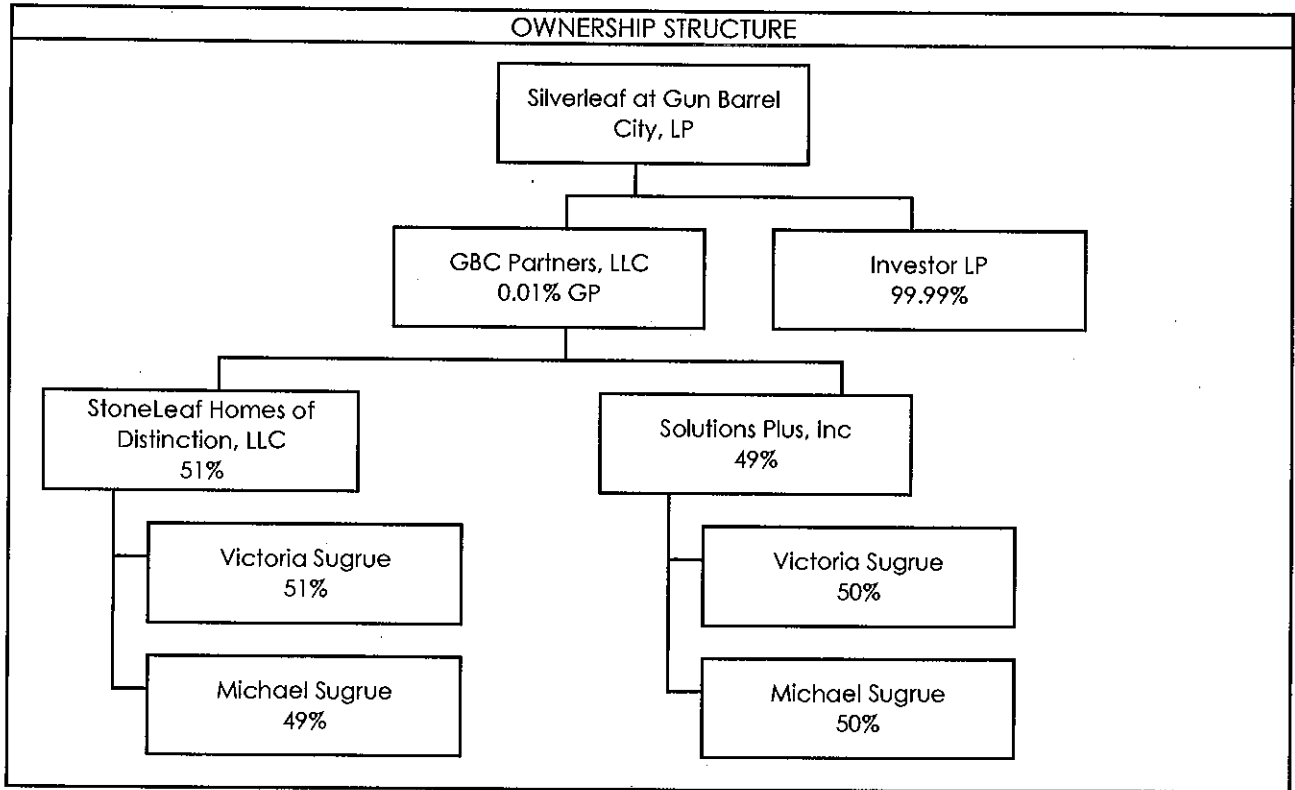
#### PRIMARY CONTACTS

Name: J. Michael Sugrue Relationship: General Partner, Developer  
 Email: msugrue@hotmail.com Phone: (903) 887-4344 Fax: (903) 713-4366

Related-Party Seller/Identity of Interest:     No    

The Applicant, Developer, and General Contractor are related entities.

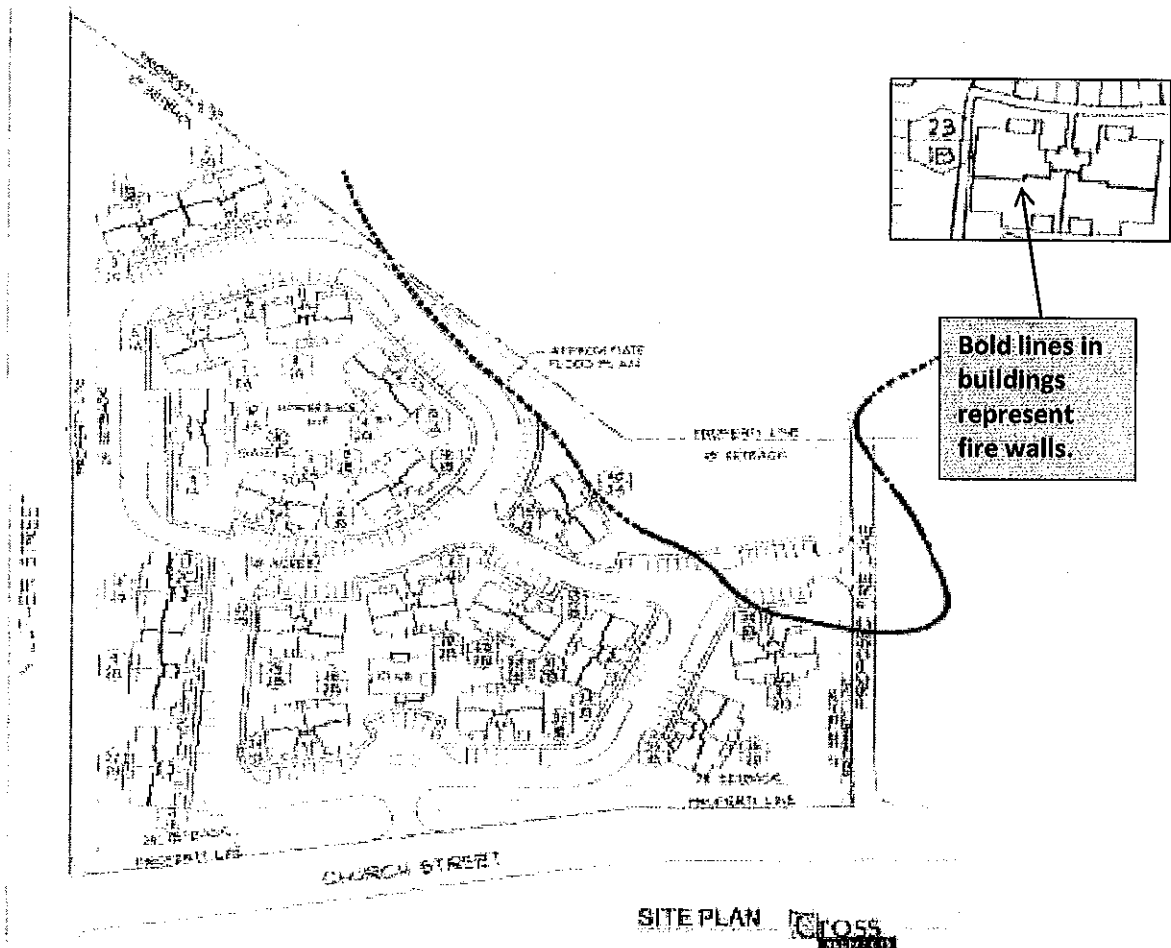
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# DEVELOPMENT SUMMARY

## SITE PLAN



### BUILDING CONFIGURATION

Building Type	1A	1B	2A	2B	2C	3A	3B							Total Buildings
Floors/Stories	1	1	1	1	1	1	1							40
Number of Bldgs	4	12	4	14	4	1	1							40
Units per Bldg	2	2	2	2	2	2	2							
<b>Total Units</b>	<b>8</b>	<b>24</b>	<b>8</b>	<b>28</b>	<b>8</b>	<b>2</b>	<b>2</b>							<b>80</b>

### GENERAL INFORMATION

Total Size: 10 acres  
 Flood Zone: Flood Zone X  
 Zoning: AG  
 Density: 8 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

The site is surrounded primarily by low density residential and commercial uses as well as undeveloped agricultural space.

**Other Observations:**

The site is currently being rezoned to a zoning designation that allows for the proposed use. Confirmation of rezoning is a condition of this report.

Several roads will need to be constructed to provide access to the site including an extension of Luther Lane on the western edge of the site, the new construction of Church Street along the southern border of the site, and a fire access road bordering the eastern edge of the site. Currently, the site has no access.

These roads will be in part financing through an in-kind contribution from the City of \$103,500 for Church Street. The Economic Development Corporation will provide an in-kind contribution of \$51,949 for the right-of-ways. These contributions are shown as sources of funds and are included in the underwritten offsite costs. The Applicant has included \$268,697 in total off-site costs (certified by a third party engineer) associated with the development of the dedicated roads providing access to the site.

The timeline for completion of the infrastructure is not currently well defined. Additionally, it is not clear how far utilities will need to be extended in order to serve the site. It is a condition of this report that additional detail regarding the offsite development is provided by commitment and prior to any closing on the HOME loan.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: TBK Environmental, LLC Date: 2/24/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

**MARKET ANALYSIS**

Provider: Apartment MarketData, LLC Date: 1/10/2011

Contact: Darrell Jack Phone: 210-530-0040

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

Primary Market Area (PMA): 467 sq. miles 12 mile equivalent radius

The Primary Market Area is defined by 8 census tracts in Gun Barrel City, Henderson County. The PMA follows and encompasses Cedar Creek Reservoir.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$6,576	\$10,830	---	---	\$10,944	\$18,050	\$13,920	\$21,660
2	\$6,576	\$12,390	---	---	\$10,944	\$20,650	\$13,920	\$24,780
3	\$7,872	\$13,920	---	---	\$13,896	\$23,200	\$15,840	\$27,840
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
11179	Meadowlake Village Apts	Rehab	Family	n/a	40
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		5	Total Units		190

Proposed, Under Construction, and Unstabilized Comparable Supply:

None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	18,915		18,915	
Senior Households in the Primary Market Area	9,163		9,163	
Potential Demand from the Primary Market Area	3,196		3,274	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>3,196</b>		<b>3,274</b>	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>80</b>		<b>80</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.5%</b>		<b>2.4%</b>	

Demand Analysis:

The Market Analyst assumes the subject will place in service in 2012, and calculates Gross Demand for 3,196 units, and a Gross Capture Rate of 2.5%. The Underwriter assumes a place-in-service date of 2013, resulting in Gross Demand for 3,225 and a Gross Capture Rate of 2.5%.

The maximum Gross Capture Rate for a rural development targeting senior households is 10%. The Underwriter has confirmed the Market Analyst's determination of an 2.5% Gross Capture Rate for the 80 proposed units. This indicates sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	202	3	0	1%	447	5	0	1%
1 BR/50%	247	12	0	5%	803	14	0	2%
1 BR/60%	275	17	0	6%	359	15	0	4%
2 BR/50%	254	16	0	6%	476	14	0	3%
2 BR/60%	251	31	0	12%	256	29	0	11%

Primary Market Occupancy Rates:

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 36 affordable units within the PMA, and 302 conventional units... The overall average occupancy for income restricted units is 94.4%." (p 99) There are 7 LIHTC developments in the market area with a total of 334 units with an average occupancy of 97.9%

Absorption Projections:

"Gardens of Mabank's 36 units were built in 2008 and are currently 94.4% occupied." (p 49) "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." (p 47)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable units are 98% occupied." (p 53)



Comments:

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

The Market Analyst indicates a high occupancy rate at the closest HTC senior development, Gardens of Mabank. This transaction is a 2006 9% tax credit transaction with 36 units. The construction lender recently foreclosed after a long period of failing to convert the deal to permanent. Based on correspondence with the construction lender and current owner, this has more to do with poor management and an inexperienced owner rather than unfavorable market conditions. The latest Department data indicates the deal is 96% occupied and achieving max or close to max rents; the construction lender indicated that operations are positive. Still, the very close proximity and lack of clarity around this transaction's issues do present some risk for the subject transaction.

**OPERATING PROFORMA**

**SUMMARY - AS UNDERWRITTEN**

NOI:	\$163,515	Avg. Rent:	\$510	Expense Ratio:	64.6%
Debt Service:	\$121,604	B/E Rent:	\$462	Controllable Expenses:	\$2,429
Net Cash Flow:	\$41,911	Occupancy:	92.50%	Property Taxes/Unit:	\$413
Aggregate DCR:	1.34:1	B/E Occupancy:	84.11%	Program Rent Year:	2010

Income:    Number of Revisions:    4    Date of Last Applicant Revision:    6/27/2011

Based on the Market Study, market rents are achievable for all unit types; however, due to the inclusion of two 60% AMI two-bedroom units types (one 910 S.F. and one 950 S.F.), the Applicant discounted the 910 square foot unit by \$16 per month below the maximum limit. On average, the restricted rents are \$116/unit lower than market, which indicates that rent growth may be possible with future increases in the AMI.

The average underwritten rents are \$49 higher than the break even rent levels and the break even occupancy rate of 83.96% provides some cushion against a higher than expected vacancy rate. Additionally, rent remains above the breakeven rent when factoring in a one month concession on the 60% AMI units.

Expense:    Number of Revisions:    3    Date of Last Applicant Revision:    6/27/2011

The Applicant's operating expenses are very similar to the TDHCA database figures. The Underwriter relied heavily on the database numbers, which result in controllable and total expense figures that are in line with other similar new construction deals. Additionally, the Underwriter identified 9 deals located close to Gun Barrel City with unit counts ranging between 76 and 84. On a per unit basis, the Applicant's total operating expense estimate is within 5% of the average per unit total operating expenses reported by these 9 developments.

The Applicant's proposed total operating expenses differed by \$3,730, or 1.5% from the total operating expenses estimated by the Underwriter. Underwritten controllable expenses are \$2,429 per unit.

Conclusion:

The Applicant's proforma was used to determine the development's DCR and debt capacity. At the requested HOME loan terms, the DCR is higher than the 1.35 threshold. Therefore, the interest rate was adjusted to bring the DCR within the underwriting range.

Feasibility:

The Applicant's assumptions were utilized to determine the deal's long term feasibility. While below the maximum, the income to expense ratio for the deal is 64.6% indicating that a slight increase in the amount of operating expenses or a slight decrease in the actual income realized could push the deal over the 65% threshold.

**ACQUISITION INFORMATION****APPRAISED VALUE**

Appraiser: APEX Appraisals Date: 1/14/2011

Land Only: 10 acres	<u>\$290,000</u>	Per Unit:	<u>3,625</u>
Existing Buildings: (as-is)	<u>\$0</u>		
Total Development: (as-is)	<u>\$290,000</u>	Per Unit:	<u>3,625</u>

**SITE CONTROL**

Type: Unimproved Property Contract Acreage: 10

Acquisition Cost: \$160,000 Contract Expiration: 12/31/2011

Cost Per Unit: \$2,000

Seller: Gun Barrel Economic Dev. Corp. Related to Development Team?  Yes  No

## Comments:

The subject property will be purchased by the Applicant from the Gun Barrel Economic Development Corporation. The site is being transferred to the Applicant for \$130K under the appraised value. The Applicant has reflected this \$130K as a grant source of funding. Therefore, the cost schedule reflects the appraised value of \$290,000.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 3 Date of Last Applicant Revision: 6/27/2011

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Comments:

The Applicant has included \$268,697 in offsite costs for the development of dedicated roads bordering the site. The Applicant has leveraged in-kind contributions from Gun Barrel City and the Gun Barrel City Economic Development Corporation to complete the roadways to the site. The Applicant's portion of the offsite costs have been certified by a third party engineer. They have not been included in eligible basis.

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

## Comments:

The Applicant has estimated total site work costs to be \$719,000 or \$8,987.50 per unit. The Applicant stated that this estimate is based upon the actual costs incurred to develop the first and second phases of SilverLeaf at Chandler. A review of actual site work costs from the first phase of SilverLeaf at Chandler revealed a total construction cost for the 6.5612 acre site of \$572,546 or \$87,262 per acre. Applying this same figure to the 10 acre subject site results in total site work costs of \$872,620. On a per unit basis, this figure equates to an estimated site work cost of \$10,907.75.

Despite economies of scale achieved through a larger site, the Underwriter is concerned that site work costs set at the REA threshold of \$9,000 per unit and that proper due diligence on the site has not been completed.

## Direct Construction Cost:

The direct construction cost proposed by the Applicant of \$4,555,000 (\$67.30 PSF) is \$160,891 or 3.7% higher than the Underwriter's estimate of \$4,394,109 (64.92 PSF).

The proposed architectural plans call for each fourplex building to include firewalls. This is relatively atypical for fourplex structures. The inclusion of the fire resistant load bearing walls increases costs. The Underwriter's costs have been adjusted accordingly.

The same costing methodology was utilized during the underwriting of the Applicant's previous development, SilverLeaf at Chandler II, which also included fire walls to separate the units into duplexes.

**Conclusion:**

Though the difference between the Applicant's proposed direct construction cost and the Underwriter's estimated direct construction cost is higher than 5%, the Applicant's total development cost is within 5% of the Underwriter's total estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$6,398,969 and 9% applicable percentage support an annual allocation of \$941,119.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 6/27/2011

<b>Interim Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>	<b>LTC</b>
JP Morgan Chase Bank	\$3,500,000	6.00%	24 Months	39%
TDHCA HOME Loan	\$1,400,000	0.00%	18 Months	16%
Vaastu Design Engineering	\$180,000	6.00%	12 Months	2%
City of Gun Barrel	\$80,000	4.21%	N/A	1%
Boston Capital	\$3,000,000	Syndicator		34%
Gun Barrel City Econ. Dev. Corp.	\$130,000	In-Kind Land		1%
City of Gun Barrel	\$103,500	In-Kind Road Constr.		1%
Gun Barrel City Econ. Dev. Corp.	\$51,949	In-Kind ROW		1%
StoneLeaf Development, LLC	\$471,998	Deferred Dev. Fee		5%
<b>Total</b>	<b>\$8,917,447</b>			

**Comments:**

The Applicant has requested a HOME Loan in the amount of \$2,000,000, of which \$1,400,000 will be dispersed during the construction phase. The Applicant's proposed 3.5% interest rate has been adjusted by the Underwriter to 4.45% to ensure that the debt service on the permanent HOME loan does not exceed a 1.35 DCR (see below).

The in-kind contributions from the City of Gun Barrel primarily take the form of roadway construction and the Gun Barrel Economic Development Corporation's in-kind contributions consist of a land write down of \$130,000 and additional right-of-way costs.

<b>Permanent Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>LTC</b>
TDHCA HOME Loan	\$2,000,000	4.50%	30	30	22%
Gun Barrel City Econ. Dev. Corp.	\$130,000	In-Kind Contribution - Land			1%
City of Gun Barrel	\$103,500	In-Kind Contribution			1%
Gun Barrel City Econ. Dev. Corp.	\$51,949	In-Kind Contribution			1%
<b>Total</b>	<b>\$2,285,449</b>				

**Comments:**

The Applicant has proposed a 3.5% interest rate; however, at the given amortization term of 30 years, the DCR for the deal is 1.52. As such, the Underwriter adjusted the HOME interest rate to 4.45%. Assuming all other given terms remain equal, an interest rate of 4.45% for the permanent loan of \$2,000,000 results in a DCR of 1.35.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Boston Capital -Syndicator	\$6,398,969	\$0.68	72%	
StoneLeaf Development, LLC	\$233,029		3%	22%
<b>Total</b>	<b>\$6,631,998</b>			
<b>Total Sources</b>	<b>\$8,917,447</b>			

Comments:

The credit pricing is on the very low end of other transactions in the 2011 cycle and on the low end of deals recently closed. An increase in the syndication rate from \$0.68 to \$0.71 would eliminate the need for any deferred fees and may necessitate an adjustment to the HTC award. The financing structure will be revisited prior to closing on the HOME loan and if the credit amount is impacted an adjustment will be made at that time.

## CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma proposed by the Applicant results in a debt coverage ratio above the Department's maximum guideline of 1.35. The underwriting analysis does not assume an increase in the permanent loan amount, but rather an increase in the interest rate from 3.5% to 4.45%. All other terms remaining constant, this increase in interest rate will result in a decrease in the DCR to 1.35.

The Applicant's total development cost estimate less the HOME loan of \$2,000,000 and in kind contributions indicates the need for \$6,631,998 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$975,391 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$941,119
Allocation determined by gap in financing:	\$975,391
<b>Allocation requested by the Applicant:</b>	<b>\$941,119</b>

The Applicant's request is recommended. A tax credit allocation of \$941,119 per year for 10 years results in total equity proceeds of \$6,398,969 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$233,029 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cash flow within 7 years of stabilized operation.

Underwriter:	<u>Blake Hopkins</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**

*SilverLeaf at Gun Barrel City, Gun Barrel City, 9% HTC / HOME #11138*

LOCATION DATA	
CITY:	Gun Barrel City
COUNTY:	Henderson
PROGRAM REGION:	4
RURAL RENT USED:	Yes
IREM REGION:	NA

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	34	42.5%
2	46	57.5%
3		
4		
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.46%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								MOST RESTRICTIVE RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
HTC Unit Type	Gross Rent	HOME Unit Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	30%/30%	\$274	5	1	1	750	\$274	\$54	\$220	\$0	\$0.29	\$220	\$1,100	\$1,100	\$220	\$0.29	\$0	\$596	0.79	\$376
TC50%	\$483	LH/50%	\$456	4	1	1	750	\$456	\$54	\$402	\$0	\$0.54	\$402	\$1,608	\$1,608	\$402	\$0.54	\$0	\$596	0.79	\$194
TC50%	\$483			10	1	1	750	\$483	\$54	\$429	\$0	\$0.57	\$429	\$4,290	\$4,290	\$429	\$0.57	\$0	\$596	0.79	\$167
TC60%	\$580			15	1	1	750	\$580	\$54	\$526	\$0	\$0.70	\$526	\$7,890	\$7,890	\$526	\$0.70	\$0	\$596	0.79	\$70
TC30%	\$348	30%/30%	\$328	3	2	1	910	\$328	\$62	\$266	\$0	\$0.29	\$266	\$798	\$798	\$266	\$0.29	\$0	\$648	0.71	\$382
TC50%	\$579			14	2	1	910	\$579	\$62	\$517	\$0	\$0.57	\$517	\$7,238	\$7,238	\$517	\$0.57	\$0	\$648	0.71	\$131
TC60%	\$696	HH/60%	\$660	8	2	1	910	\$660	\$62	\$598	\$0	\$0.66	\$598	\$4,784	\$4,784	\$598	\$0.66	\$0	\$648	0.71	\$50
TC60%	\$696			13	2	1	910	\$696	\$62	\$634	(\$16)	\$0.68	\$618	\$8,034	\$8,242	\$634	\$0.70	\$0	\$648	0.71	\$14
TC60%	\$696			8	2	2	950	\$696	\$62	\$634	\$0	\$0.67	\$634	\$5,072	\$5,072	\$634	\$0.67	\$0	\$668	0.70	\$34
<b>TOTALS/AVERAGES:</b>				<b>80</b>			<b>67,680</b>				<b>(\$3)</b>	<b>\$0.60</b>	<b>\$510</b>	<b>\$40,814</b>	<b>\$41,022</b>	<b>\$513</b>	<b>\$0.61</b>	<b>\$0</b>	<b>\$628</b>	<b>\$0.74</b>	<b>\$115</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>															<b>\$489,768</b>	<b>\$492,264</b>					

**STABILIZED PROFORMA**

**SilverLeaf at Gun Barrel City, Gun Barrel City, 9% HTC / HOME #11138**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA			VARIANCE		
	Database		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.60	\$510	\$489,768	\$492,264	\$513	\$0.61		0.5%	\$2,496
Laundry, Vending and Community					\$10.00	\$9,600					0.0%	(9,600)
0					\$0.00	\$0					0.0%	-
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$9,600	\$10.00			100.0%	9,600
<b>POTENTIAL GROSS INCOME</b>						\$499,368	\$501,864				0.5%	\$2,496
Vacancy & Collection Loss					7.5% PGI	(37,453)	(37,640)	7.5% PGI			0.5%	(187)
Non-Rental Units/Concessions						-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$461,915	\$464,224				0.5%	\$2,309
General & Administrative	\$26,426	\$330/Unit	4.81%	\$0.33	\$278	\$22,200	\$26,426	\$330	\$0.39	5.69%	-16.0%	(4,226)
Management	\$23,622	5.7% EGI	5.00%	\$0.34	\$289	\$23,100	\$23,215	\$290	\$0.34	5.00%	-0.5%	(115)
Payroll & Payroll Tax	\$73,013	\$913/Unit	17.32%	\$1.18	\$1,000	\$80,000	\$73,013	\$913	\$1.08	15.73%	9.6%	6,987
Repairs & Maintenance	\$47,056	\$588/Unit	10.41%	\$0.71	\$601	\$48,100	\$47,056	\$588	\$0.70	10.14%	2.2%	1,044
Utilities	\$16,955	\$212/Unit	3.03%	\$0.21	\$175	\$14,000	\$14,064	\$176	\$0.21	3.03%	-0.5%	(64)
Water, Sewer, & Trash	\$31,747	\$397/Unit	6.49%	\$0.44	\$375	\$30,000	\$30,000	\$375	\$0.44	6.46%	0.0%	-
Property Insurance	\$16,781	\$0.25/sf	3.64%	\$0.25	\$210	\$16,800	\$16,781	\$210	\$0.25	3.61%	0.1%	19
Property Tax 1.923516	\$26,034	\$325/Unit	7.14%	\$0.49	\$413	\$33,000	\$32,315	\$404	\$0.48	6.96%	2.1%	685
Reserve for Replacements	\$16,360	\$204/Unit	4.33%	\$0.30	\$250	\$20,000	\$20,000	\$250	\$0.30	4.31%	0.0%	-
TDHCA Compliance Fees			0.65%	\$0.05	\$40	\$3,200	\$3,200	\$40	\$0.05	0.69%	0.0%	-
Cable TV			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			1.73%	\$0.12	\$100	\$8,000	\$8,000	\$100	\$0.12	1.72%	0.0%	-
Security			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>64.60%</b>	<b>\$4.41</b>	<b>\$3,730</b>	<b>\$298,400</b>	<b>\$ 294,071</b>	<b>\$3,676</b>	<b>\$4.35</b>	<b>63.35%</b>	<b>1.5%</b>	<b>\$ 4,329</b>
<b>NET OPERATING INCOME ("NOI")</b>			<b>35.40%</b>	<b>\$2.42</b>	<b>\$2,044</b>	<b>\$163,515</b>	<b>\$170,154</b>	<b>\$2,127</b>	<b>\$2.51</b>	<b>36.65%</b>	<b>-3.9%</b>	<b>(\$6,638)</b>

<b>CONTROLLABLE EXPENSES</b>	\$2,440/Unit			\$2,429/Unit		\$2,382/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$461,915	\$471,154	\$480,577	\$490,188	\$499,992	\$552,032	\$609,488	\$672,924	\$742,962	\$820,290	\$905,666	\$999,929
LESS: TOTAL EXPENSES	298,400	307,121	316,099	325,342	334,857	386,811	446,896	516,393	596,783	689,784	797,385	921,888
<b>NET OPERATING INCOME</b>	<b>\$163,515</b>	<b>\$164,033</b>	<b>\$164,478</b>	<b>\$164,847</b>	<b>\$165,135</b>	<b>\$165,221</b>	<b>\$162,592</b>	<b>\$156,531</b>	<b>\$146,179</b>	<b>\$130,506</b>	<b>\$108,281</b>	<b>\$78,041</b>
LESS: DEBT SERVICE	121,604	121,604	121,604	121,604	121,604	121,604	121,604	121,604	121,604	121,604	121,604	121,604
<b>NET CASH FLOW</b>	<b>\$41,911</b>	<b>\$42,428</b>	<b>\$42,873</b>	<b>\$43,242</b>	<b>\$43,531</b>	<b>\$43,616</b>	<b>\$40,987</b>	<b>\$34,926</b>	<b>\$24,574</b>	<b>\$8,901</b>	<b>(\$13,323)</b>	<b>(\$43,564)</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$41,911</b>	<b>\$84,339</b>	<b>\$127,212</b>	<b>\$170,455</b>	<b>\$213,986</b>	<b>\$432,855</b>	<b>\$644,270</b>	<b>\$832,556</b>	<b>\$978,041</b>	<b>\$1,056,252</b>	<b>\$1,036,979</b>	<b>\$883,175</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$233,029</b>	<b>\$190,601</b>	<b>\$147,727</b>	<b>\$104,485</b>	<b>\$60,954</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.34</b>	<b>1.35</b>	<b>1.35</b>	<b>1.36</b>	<b>1.36</b>	<b>1.36</b>	<b>1.34</b>	<b>1.29</b>	<b>1.20</b>	<b>1.07</b>	<b>0.89</b>	<b>0.64</b>
<b>EXPENSE/EGI RATIO</b>	<b>64.60%</b>	<b>65.18%</b>	<b>65.77%</b>	<b>66.37%</b>	<b>66.97%</b>	<b>70.07%</b>	<b>73.32%</b>	<b>76.74%</b>	<b>80.32%</b>	<b>84.09%</b>	<b>88.04%</b>	<b>92.20%</b>

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*SilverLeaf at Gun Barrel City, Gun Barrel City, 9% HTC / HOME #11138*

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
TDHCA	1.58	1.52	\$107,771	3.50%	30	30	\$2,009,000	\$2,000,000	30	30	4.50%	\$121,604	1.34	22.4%
<b>CASH FLOW DEBT / GRANTS</b>														
Gun Barrel City EDC (Land)	1.58	1.52					\$130,000	\$130,000					1.34	1.5%
City of Gun Barrel	1.58	1.52					\$103,500	\$103,500					1.34	1.2%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$107,771				\$2,285,449	\$2,285,449				\$121,604		25.6%
<b>NET CASH FLOW</b>			\$55,745									\$48,549		

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
Boston Capital	LIHTC Equity	71.8%	\$941,119	0.68	\$6,398,969	\$6,398,969	\$0.6799	\$941,119	71.8%	Annual Credit per Unit:	\$79,987	
StoneLeaf Development, LLC	Deferred Developer Fees	2.6%		(22% Deferred)	\$233,029	\$233,029		(23% Deferred)	2.6%	Total Developer Fee:	\$1,047,000	
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$644,270	
<b>TOTAL EQUITY SOURCES</b>		74.4%			\$6,631,998	\$6,631,998			74.4%	15-Yr Cash Flow after Fee:	\$411,241	
<b>TOTAL CAPITALIZATION</b>					\$8,917,447	\$8,917,447						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$	
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition					
Land Acquisition			\$3,625 / Unit	\$290,000	\$290,000	\$3,625 / Unit	\$290,000		0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0	\$0	0.0%	\$0	
Off-Sites			\$3,359 / Unit	\$268,697	\$268,697	\$3,359 / Unit	\$268,697		0.0%	\$0	
Sitework		\$719,000	\$8,988 / Unit	\$719,000	\$719,000	\$8,988 / Unit	\$719,000		0.0%	\$0	
Direct Construction		\$4,555,000	\$67.30 /sf	\$56,938/Unit	\$4,555,000	\$4,394,109	\$54,928/Unit	\$64.92 /sf	\$4,394,109	-3.7%	(\$160,891)
Contingency		\$263,750		5.00%	\$263,750	\$263,750	5.16%	\$263,750		0.0%	\$0
Contractor's Fees		\$738,500		12.72%	\$738,500	\$738,500	13.08%	\$738,500		0.0%	\$0
Indirect Construction		\$390,500		\$4,881 / Unit	\$390,500	\$390,500	\$4,881 / Unit	\$390,500		0.0%	\$0
Ineligible Costs				\$1,775 / Unit	\$142,000	\$142,000	\$1,775 / Unit	\$142,000		0.0%	\$0
Developer's Fees	\$0	\$1,047,000		14.96%	\$1,047,000	\$1,025,379	15.00%	\$1,025,379	\$0	-2.1%	(\$21,621)
Interim Financing		\$330,000		\$4,125 / Unit	\$330,000	\$330,000	\$4,125 / Unit	\$330,000		0.0%	\$0
Reserves				\$2,163 / Unit	\$173,000	\$173,000	\$2,163 / Unit	\$173,000		0.0%	\$0
<b>UNADJUSTED BASIS / COST</b>	\$0	\$8,043,750		\$111,468 / Unit	\$8,917,447	\$8,734,935	\$109,187 / Unit	\$7,861,238	\$0	-2.1%	(\$182,512)
Acquisition Cost for Identity of Interest Seller					\$0						
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$8,043,750		\$111,468 / Unit	\$8,917,447	\$8,734,935		\$7,861,238	\$0		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$8,917,447						

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*SilverLeaf at Gun Barrel City, Gun Barrel City, 9% HTC / HOME #11138*

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$8,043,750	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$8,043,750	\$0	\$7,861,238
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$10,456,875	\$0	\$10,219,609
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$10,456,875	\$0	\$10,219,609
Applicable Percentage	3.46%	9.00%	3.46%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$941,119	\$0	\$919,765
<b>CREDITS ON QUALIFIED BASIS</b>	\$941,119		\$919,765	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$941,119	\$6,398,969
Gap	\$975,391	\$6,631,998
Request	\$941,119	\$6,398,969

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Request
Credits Underwritten	\$941,119
Proceeds	\$6,398,969

**TOTAL HARD COST COMPARISON**

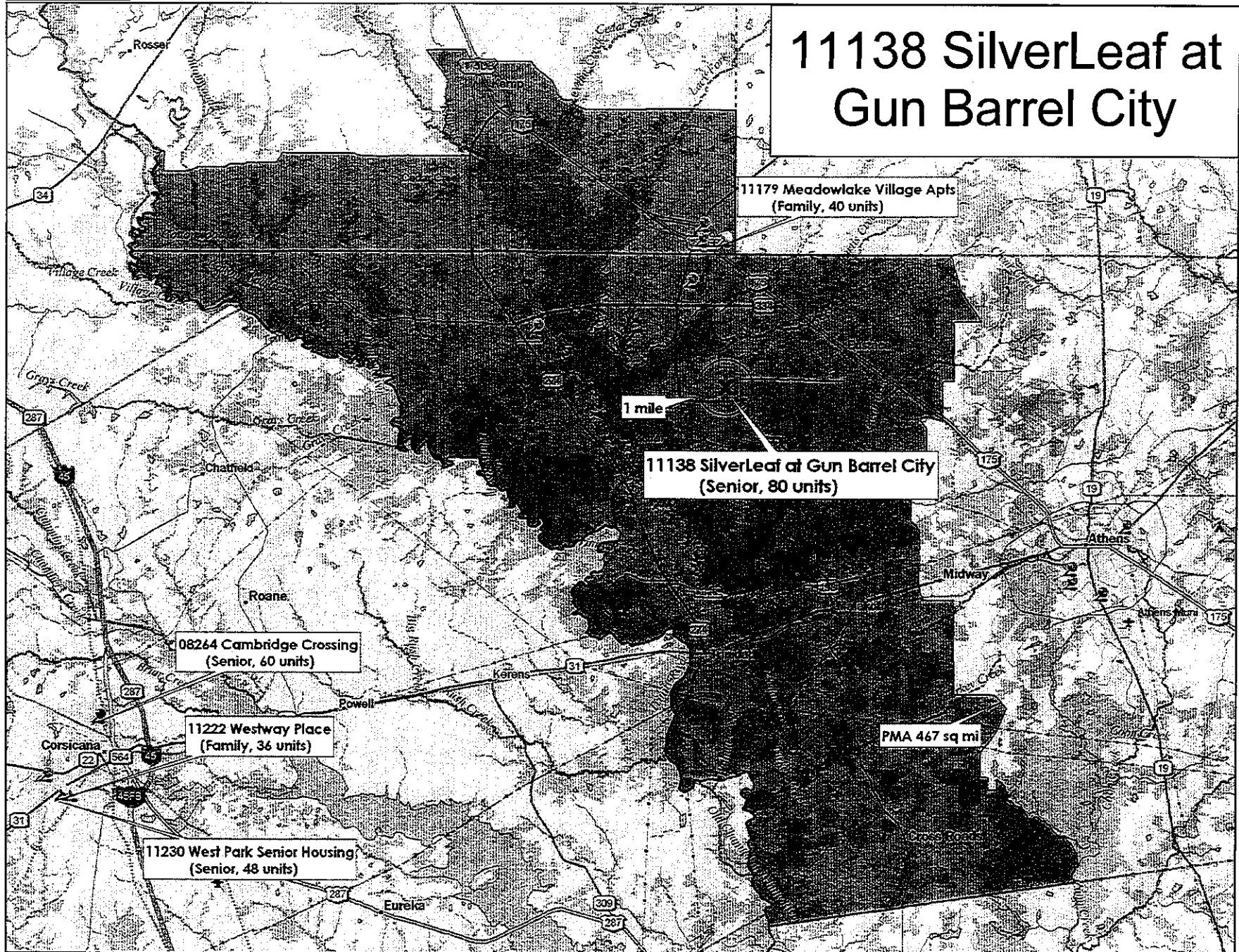
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$85.79	\$72,581	\$5,806,447	\$5,645,556	\$70,569	\$83.42
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$92.73	\$78,453	\$6,276,250	\$6,115,359	\$76,442	\$90.36

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Townhomes		67,680	\$69.02	4,671,189
<b>Adjustments</b>				
Exterior Wall Finish	3.20%		2.21	\$149,478
Elderly	3.00%		2.07	140,136
9-Ft. Ceilings	3.40%		2.35	158,820
Roofing			0.00	0
Subfloor			(2.48)	(167,849)
Floor Cover			3.17	214,546
Patios	\$5.68	4,100	0.34	23,288
Balconies	\$22.21	8,088	2.65	179,622
Plumbing Fixtures	\$845	-106	-1.32	(89,570)
Rough-ins	\$420	80	0.50	33,600
Built-In Appliances	\$1,850	80	2.19	148,000
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			2.39	161,755
Enclosed Corridors	\$56.15		0.00	0
Carports	\$9.70	12,960	1.86	125,712
Garages	\$30.00	0	0.00	0
Comm & for Aux Bldgs	\$77.14	2,300	2.62	177,416
Other:			0.00	0
Other:			0.00	0
Other: fire sprinkler	\$2.25	67,680	2.25	152,280
<b>SUBTOTAL</b>			<b>89.81</b>	<b>6,078,426</b>
Current Cost Multiplier	1.03		2.69	182,353
Local Multiplier	0.86		-12.57	(890,980)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>79.93</b>	<b>\$5,409,799</b>
Plans, specs, survey, bid permits	3.90%		-3.12	(\$210,962)
Interim Construction Interest	3.38%		-2.70	(182,581)
Contractor's OH & Profit	11.50%		-9.19	(622,127)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>64.92</b>	<b>\$4,394,109</b>



# 11138 SilverLeaf at Gun Barrel City



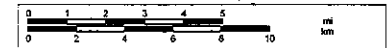
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Scale 1 : 300,000



1" = 4.73 mi

Data Zoom 9-4

11139

Champion Homes at  
Copperidge  
Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Champion Homes at Copperidge, TDHCA Number 11139**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 5522 Maple Ave. Development #: 11139  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75235-7418 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Chicory Court IX, LP  
 Owner Contact and Phone: Saleem Jafar, (972) 701-5551  
 Developer: Odyssey Residential Holdings, LP  
 Housing General Contractor: Odyssey Residential Construction LLC  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Butler Brugher Group, LLC  
 Syndicator: 42 Equity Partners, LLC  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	126
	9	0	54	90	Market Rate Units:	126
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	117	110	25	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	252
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	2
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$2,309,382	\$2,309,382			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Copperidge, TDHCA Number 11139

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Carona, District 16, S

US Representative: Johnson, District 30,

TX Representative: Johnson, District 100, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Dallas Area Rapid Transit, S, Gary C. Thomas, President / Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Champion Homes at Copperidge, TDHCA Number 11139**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **196**  Meeting a Required Set-Aside Credit Amount\*: \$2,309,382

Recommendation: **Not Recommended: Not Competitive/\$2 million cap violation.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11140**

**Villas of Giddings**

**Rural, Region 7**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Villas of Giddings, TDHCA Number 11140**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 40 lots in Rolling Oaks Subdivision Development #: 11140  
 City: Giddings Region: 7 Population Served: General  
 County: Lee Zip Code: 78942 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: GS Old Denton Housing, LP  
 Owner Contact and Phone: Kelly Garrett, (903) 450-1520  
 Developer: Stonewall Ventures, LLC  
 Housing General Contractor: GS Housing Construction, LP  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	35	
	4	0	13	18	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	0	28	8	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	36
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	13
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	5

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$733,728	\$733,728			
HOME Activity Fund Amount:	\$1,800,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Villas of Giddings, TDHCA Number 11140

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: McCaul, District 10,

TX Representative: Kleinschmidt, District 17, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Charlie Brown, Mayor of Giddings

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Rolling Oaks Neighborhood Organization, Michael Oller

Letter Score: 24 S or O: S

We support the proposed new housing in our neighborhood and look forward to welcoming the new families that will consider Rolling Oaks their home. It will be great to see that these long time vacant lots will be built on and provide much needed housing in our community and improve the quality of our neighborhood.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Villas of Giddings, TDHCA Number 11140

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **205**  Meeting a Required Set-Aside Credit Amount\*: \$733,728

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11142

Veterans Place  
Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Veterans Place, TDHCA Number 11142**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4623 S Lancaster Rd. Development #: 11142  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75216-7109 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General  
 \*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Sapphire Road Development - Patriot Crossing South, LLC  
 Owner Contact and Phone: Yigal Lelah, (214) 232-7700  
 Developer: Sapphire Road PCD, LLC  
 Housing General Contractor: GS Housing Construction, LP  
 Architect: 5G Studio Collaborative, LLC  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	150
	16	0	53	80	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	26	18	81	24	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	150
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,703,127	\$1,703,127			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Veterans Place, TDHCA Number 11142

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

US Representative: Johnson, District 30, S

TX Representative: Giddings, District 109, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Pete Sessions, Member of Congress, 32nd District

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 54 In Opposition 0

Quantifiable Community Participation Input:

Bellevue Lancaster Neighborhood Association, Vickey Johnson

Letter Score: 24 S or O: S

This project represents the type of new development that will improve the neighborhood and bring new investment to the neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Dallas Downtown Library, S, Vickey Johnson, President

City of Dallas Housing Community Service Dept., S, Bernadette Mitchell, Assistant Director

Troops First Foundation, S, Pam Tekusty, Executive Board

EcoLogical Community Builders, S, Zac Lytle, Project Development Director

General Summary of Comment:

Support - Development fits the neighborhood, is needed, and will create jobs, and will help with the VA. Development will provide additional parking for the neighborhood. Development would provide good economic development. Development would provide close amenities for veterans. Developer has worked with Federal VA and DART and will provide a skybridge for disabled veterans. Development has extra units for disabled veterans.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Veterans Place, TDHCA Number 11142

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **192**  Meeting a Required Set-Aside Credit Amount\*: \$1,703,127

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11145

Evergreen at Marsh Lane

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Evergreen at Marsh Lane, TDHCA Number 11145**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Approx 2800 Block of Running Duke Dr. Development #: 11145  
 City: Carrollton Region: 3 Population Served: Elderly  
 County: Dallas Zip Code: 75006 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Evergreen Marsh Lane Senior Community, LP  
 Owner Contact and Phone: Don Maison, (214) 941-0526  
 Developer: Churchill Senior Communities, LP  
 Housing General Contractor: ICI Construction, Inc.  
 Architect: GTF Designs  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: PWA Coalition of Dallas, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	140
	14	0	49	77	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	74	66	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	140
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	22
		HOME Low Total Units:	6

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,680,698	\$1,680,698			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen at Marsh Lane, TDHCA Number 11145

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Shapiro, District 8, NC

US Representative: Marchant, District 24,

TX Representative: Jackson, District 115, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 4 In Opposition 0

**Quantifiable Community Participation Input:**

The Estates of Wellington Run, Lisa Smith

Letter Score: 24 S or O: S

The quality of the development will be an asset to the community. The fencing will enhance our safety. There will be little or no impact on traffic and virtually no negative impact on our school district. It is important to us to have little or no noise factor and this project meets this standard. Lastly, the project location fits our demographics and addresses the need for senior living.

**Community Input Other than Quantifiable Community Participation Input:**

AIDS Services of Dallas, S, Don Maison, President and CEO

ViSiting Nurse Association, S, Robert P. Carpenter, President and Chief Executive Officer

United Way Senior Adult Services, S, Sylvia Kava, Director of Client Services

American Heart Association, S, Midge LaPorte Epstein, Executive Vice President

**General Summary of Comment:**

Oppose - The QCP from The Estates of Wellington Run Home Owners Association incorrectly identified the land in question as part of Wellington Run. The residents of Wellington Run did not have an opportunity to meet with the developer to discuss the proposed tax credit application. Residents have expressed concern with the lack of notice given prior to rezoning meetings. The residents of Wellington Run feel they were misled about the population being served at Evergreen at Marsh, and state that an assisted living development was proposed and not a senior facility.

Support from Rep. Jackson

Support from State Senator Carona

Support from Rep. Jim Jackson

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen at Marsh Lane, TDHCA Number 11145

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score:210  Meeting a Required Set-Aside Credit Amount\*: \$1,680,698

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11148

Ivy Terrace

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Ivy Terrace, TDHCA Number 11148**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2801 W Maple Ave. Development #: 11148  
 City: McAllen Region: 11 Population Served: General  
 County: Hidalgo Zip Code: 78501 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: McAllen Ivy Terrace Limited Partnership  
 Owner Contact and Phone: Bryon Gongaware, (206) 628-8010  
 Developer: Sound Preservation Development LLC  
 Housing General Contractor: Whiting Turner Contracting Company  
 Architect: ATA-Beilharz Architects  
 Market Analyst: The Gill Group  
 Syndicator: Boston Financial Investment Management, LP  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	14	46	20	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$750,502	\$750,502			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Ivy Terrace, TDHCA Number 11148

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, NC

US Representative: Cuellar, District 28,

TX Representative: Munoz, District 36, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Richard F. Cortez, Mayor City of  
McAllen

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Ivy Terrace, TDHCA Number 11148

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **164**  Meeting a Required Set-Aside Credit Amount\*: \$750,502

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11149

Branch Village Apts

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Branch Village Apts, TDHCA Number 11149**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7601 Curry St. Development #: 11149  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77093 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Houston Leased Housing Associates III, Limited Partnership  
 Owner Contact and Phone: Mark Moorhouse, (763) 354-5613  
 Developer: Houston Leased Housing Development III, LLC  
 Housing General Contractor: Houston Leased Housing Development III, LLC  
 Architect: BKV Group  
 Market Analyst: Integra Realty Resources  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: Housing Services Inc.  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	160	
	16	0	56	88	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	36	60	60	4	0	
Type of Building:						Total Development Units:	160
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	16
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,674,049	\$1,674,049			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Branch Village Apts, TDHCA Number 11149

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, S

US Representative: Jackson Lee, District 18,

TX Representative: Dutton, District 142, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Resident Committee (of Branch Village), Ora Wise

Letter Score: 24 S or O: S

I support it because it would be great for the apartments.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Branch Village Apts, TDHCA Number 11149**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **6**

Total # Monitored: **5**

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

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: **\$1,674,049**

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

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

**Recommendation:**

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

11150

New Hope Housing at  
Rittenhouse

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**New Hope Housing at Rittenhouse, TDHCA Number 11150**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7020 Stuebner Airline Rd. Development #: 11150  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77091 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Rittenhouse SRO, Ltd.  
 Owner Contact and Phone: Joy Horak-Brown, (713) 222-0290  
 Developer: New Hope Housing, Inc.  
 Housing General Contractor: Camden Builders, Inc.  
 Architect: Glassman Shoemaker Maldonado Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: National Equity Fund, Inc.  
 Supportive Services: New Hope Housing, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	160	
	8	0	104	48	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	160	0	0	0	0	0	
Type of Building:						Total Development Units:	160
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$989,141	\$989,141			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

New Hope Housing at Rittenhouse, TDHCA Number 11150

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Gallegos, District 6, S

US Representative: Green, District 29,

TX Representative: Walle, District 140, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

NC, Ed Gonzalez, Council Member District H

Individuals and Businesses: In Support: 5 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Parkway Civic Club, S, Carol Kleiber, President

Eliminating racism empowering women YWCA, S, Diana Morales Taylor, CPA MBA, Chief Executive Officer

YMCA of Greater Houston, S, Gloria M. Jackson, Group Executive Director

SEARCH Homeless Service, S, Thao Costis, President and CEO

Interfaith Ministries, S, Elliot Gershenson, President and CEO

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**New Hope Housing at Rittenhouse, TDHCA Number 11150**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **195**  Meeting a Required Set-Aside Credit Amount\*: \$989,141

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

**11151**

**Sage Brush Apts  
Urban, Region 12**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Sage Brush Apts, TDHCA Number 11151**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Tradewinds Blvd. N of IH-20 Business      Development #: 11151  
 City: Midland      Region: 12      Population Served: Elderly  
 County: Midland      Zip Code: 79706      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Midland Sage Bursh Apartments, LP  
 Owner Contact and Phone: Vaughn C. Zimmerman, (512) 312-4427  
 Developer: O'Brien-Wilhoit Development, LLC  
 Housing General Contractor: Zimmerman Properties Construction, LLC  
 Architect: Parker & Associates  
 Market Analyst: Integra Realty Resources  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	77
	8	0	28	41	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	39	39	0	0	0

Type of Building:	Total Development Units:	78
<input type="checkbox"/> Duplex <input checked="" type="checkbox"/> 5 units or more per building	Total Development Cost*:	\$0
<input type="checkbox"/> Triplex <input type="checkbox"/> Detached Residence	Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex <input type="checkbox"/> Single Room Occupancy	HOME High Total Units:	0
<input type="checkbox"/> Townhome <input type="checkbox"/> Transitional	HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$942,786	\$942,786			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Sage Brush Apts, TDHCA Number 11151

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Seliger, District 31, S

US Representative: Conaway, District 11,

TX Representative: Craddick, District 82, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Property Owners Association City of La Feria, S, Lance F. Elliott, Zone Administrator

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

**Sage Brush Apts, TDHCA Number 11151**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **202**  Meeting a Required Set-Aside Credit Amount\*: \$942,786

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

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

11156

Montabella Senior

Urban, Region 9



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Montabella Senior, TDHCA Number 11156**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC of Lakeview Dr. & Foster Rd. Development #: 11156  
 City: San Antonio Region: 9 Population Served: Elderly  
 County: Bexar Zip Code: 78244 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Montabella Senior, Ltd  
 Owner Contact and Phone: Susan R. Sheeran, (210) 281-0234  
 Developer: Merced Housing Texas  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: Merced Housing Texas  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	90
	10	0	31	49	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	44	46	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	90
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,145,528	\$1,145,528			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Montabella Senior, TDHCA Number 11156

**PUBLIC COMMENT SUMMARY**

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

**State and Federal Officials with Jurisdiction:**

TX Senator: Zaffirini, District 21, NC

US Representative: Smith, District 21,

TX Representative: Jones McClendon, District 120, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

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

**Quantifiable Community Participation Input:**

Highland Farms Neighborhood Association, Marvin Corothers

Letter Score: 24 S or O: S

I feel this is a help for the community.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Montabella Senior, TDHCA Number 11156

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **203**  Meeting a Required Set-Aside Credit Amount\*: \$1,145,528

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

HOME Activity Funds: Loan Amount: \$0

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

Recommendation:

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

11157

Andalusia Pointe  
Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Andalusia Pointe, TDHCA Number 11157**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. 2200 SE of Hwy 77 & County Rd. 508      Development #: 11157  
 City: Combes      Region: 11      Population Served: General  
 County: Cameron      Zip Code: 78550      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Andalusia Pointe Ltd.  
 Owner Contact and Phone: Jared Hockema, (956) 465-0902  
 Developer: Combes Housing Authority  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	104	
	12	0	36	56	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	56	32	8	0	
Type of Building:						Total Development Units:	104
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	10
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,455,633	\$1,455,633			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Andalusia Pointe, TDHCA Number 11157

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

US Representative: Hinojosa, District 15,

TX Representative: Lozano, District 43, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 5 In Opposition 0

Quantifiable Community Participation Input:

East Combes Neighborhood Association, Ms. Veronica de Lafuente Letter Score: 24 S or O: S

We are supportive of this application because this would provide safe and affordable housing opportunities and create jobs in our community.

Community Input Other than Quantifiable Community Participation Input:

Knights of Columbus Council 2785, S, Sir Knight, Neto Rodriguez, Deputy Grand Knight

Down By The Border, S, Sergio Zarate, President

Valley initiative for Development and Advancement (VIDA), S, Myra Garcia, Executive Director

The Trauma Regional Advisory Council V (Tract V), S, Tom Hushen, Executive Director

Neighborhoods in Need of Services, Inc. (NINOS), S, Manuela Rendon, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Andalusia Pointe, TDHCA Number 11157

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **204**  Meeting a Required Set-Aside Credit Amount\*: \$1,455,633

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11163

The Grove at Elm Park

Urban, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**The Grove at Elm Park, TDHCA Number 11163**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. .18 miles W of 34th St. and Milwaukee Ave. Development #: 11163  
 City: Lubbock Region: 1 Population Served: General  
 County: Lubbock Zip Code: 79407 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Grove at Elm Park Ltd.  
 Owner Contact and Phone: Shari Flynn, (806) 745-9559  
 Developer: Lubbock County Finance Corp.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: Sandi Williams Housing and Community Development, Sandra Williams

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	128
	14	0	45	69	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	56	48	8	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	128
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	11
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,768,281	\$1,768,281			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

The Grove at Elm Park, TDHCA Number 11163

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Frullo, District 84, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Karen Gibson, Councilwoman, District 5

Individuals and Businesses: In Support: 10 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

- Lubbock Housing Finance Corporation, S, Shari Flynn, Executive Director
The Parenting Cottage, S, Bridget Lemons, Program Manager
Community Health Center of Lubbock, S, Michael Sullivan, MBA, CPA, Chief Executive Officer
Family Guidance & Outreach Center, S, Lynnette Wilson, Executive Director
Family Promise of Lubbock, S, Jill Trent, Family Promise Case Manager
United Way Lubbock Area, S, Janis Putteet, Community Impact Director
Catholic Family Service, Inc., S, Sabrina Robbins, Case Mgr/Program Coordinator

General Summary of Comment:

Support - Lubbock needs more affordable housing, and the development will benefit additional commercial development and retail development. Site is already properly zoned. The development will provide safe place for families and children.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**The Grove at Elm Park, TDHCA Number 11163**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

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

Competitive Housing Tax Credits:  Score: **206**  Meeting a Required Set-Aside Credit Amount\*: \$1,768,281

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

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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

11164

Oasis Cove

Rural, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Oasis Cove, TDHCA Number 11164**

**BASIC DEVELOPMENT INFORMATION**

Site Address: N corner of N 7th St. and 9th Ave. Development #: 11164  
 City: Canadian Region: 1 Population Served: General  
 County: Hemphill Zip Code: 79014 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Oasis Cove Ltd.  
 Owner Contact and Phone: Mark Mayfield, (830) 693-4521  
 Developer: Texas Housing Foundation  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	56
	6	0	20	30	Market Rate Units:	8
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	24	24	0	0

Type of Building:	Total Development Units:	64
<input type="checkbox"/> Duplex	Total Development Cost*:	\$8,180,733
<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	5
<input type="checkbox"/> Triplex	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	HOME Low Total Units:	13
<input type="checkbox"/> Townhome		

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$760,840	\$760,840			
HOME Activity Fund Amount:	\$900,000	\$900,000	30	15	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Oasis Cove, TDHCA Number 11164

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S

US Representative: Thornberry, District 13,

TX Representative: Chisum, District 88, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

S, Jimmie Don Aycock, State Representative District 54

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Old Town Canadian Neighborhood Association, Tamera Julian

Letter Score: 24 S or O: S

OTC Neighborhood Association strongly supports the application because it could finally provide the safe affordable housing that we so desperately need. The proposed site is a beautiful location near community amenities and local schools. It would be a compliment to the neighborhood and that it would finally allow members of the community to move into safe, affordable housing that they can be proud of.

Community Input Other than Quantifiable Community Participation Input:

Canadian-Hemphill County Chamber of Commerce, S, Tamera Julian, Executive Director

Lonestar Angel Project, S, Julia Schaefer, President

First United Methodist Church, S, Rev. Danny Sanders

Canadian Lions Club, S, Sherry L. Timmons, Secretary/Treasurer

Kids Club Canadian, S, Shirley Jones, President

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt and acceptance by 10% test:

Documentation that a comprehensive noise assessment was completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

2. Receipt and acceptance by Cost Certification:

Documentation clearing environmental issues contained in the ESA report, specifically: Documentation that all noise assessment recommendations were implemented.

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Oasis Cove, TDHCA Number 11164

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 19

Total # Monitored: 13

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

Competitive Housing Tax Credits:  Score: 204  Meeting a Required Set-Aside Credit Amount\*: \$760,840

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

HOME Activity Funds:

Loan Amount: \$900,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

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



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11164 Program(s): 9% HTC, HOME

**Oasis Cove**

Address/Location: North Corner of North 7th Street and 9th Avenue

City: Canadian County: Hemphill Zip: 79014

Population: Family Program Set-Aside: Rural Area: Rural

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 1

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Term	Amort	Amount	Interest Rate	Term	Amort	Lien*
HOME Activity Funds	\$900,000	2.00%	30	30	\$900,000	2.00%	15	30	2nd
LIHTC (Annual)	\$760,840				\$760,840				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by 10% test:  
 Documentation that a comprehensive noise assessment was completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt and acceptance by Cost Certification:  
 Documentation clearing environmental issues contained in the ESA report, specifically:
  - Documentation that all noise assessment recommendations were implemented.
- 3 Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	20
60% of AMI	60% of AMI	30

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	5
50% of AMFI	Low HOME	8

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
◦	Texas Housing Foundation has developed and successfully operates 14 tax credit deals
◦	Occupancy is approximately 99% in the PMA; only other HTC deal in PMA is 100% occupied
◦	Appealing to families as it is across the street from the city's park.

WEAKNESSES/RISKS	
◦	Depth of market / leasing velocity is difficult to gauge due to lack of immediate comps
◦	Market area is 85 miles across, encompasses 3 counties and majority of population located 30 to 40 miles away
◦	Limited to no visibility from major roadways

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

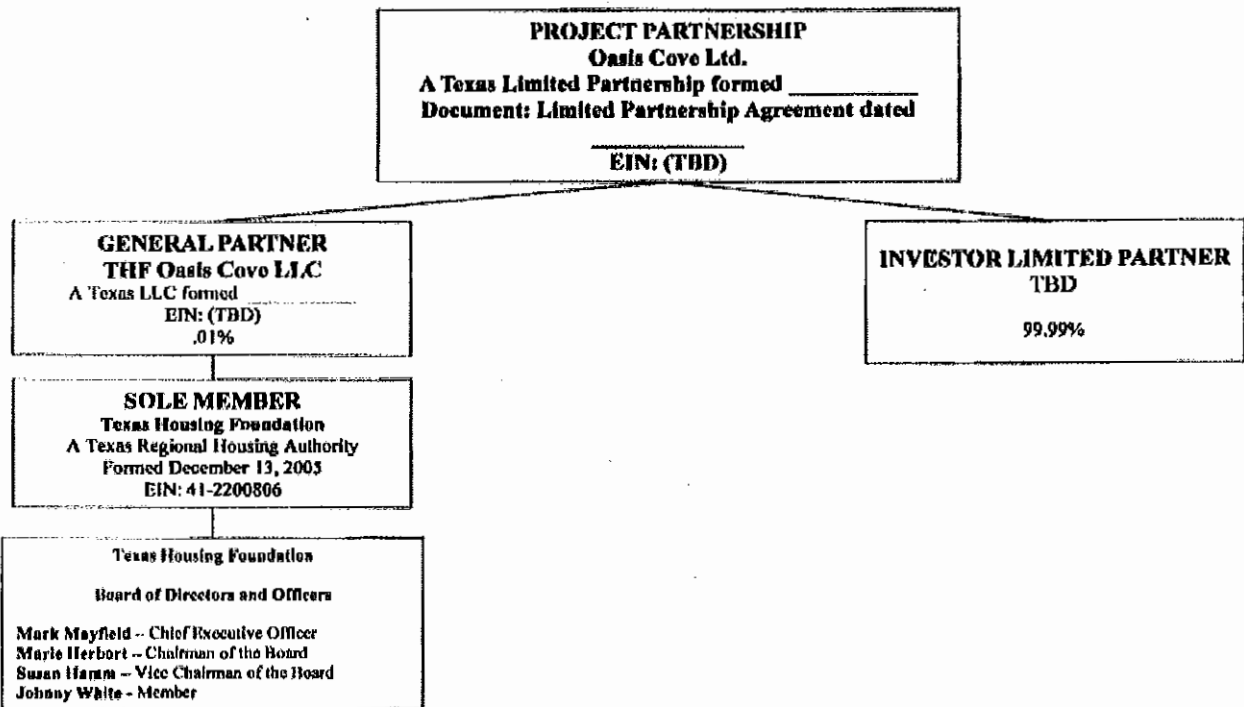
Name: <u>Mark Mayfield</u>	Relationship: <u>Chief Executive Officer</u>
Email: <u>mmayfield@txhf.org</u>	Phone: <u>830-693-4521</u> Fax: <u>830-693-5128</u>
Name: <u>Debra Guerrero</u>	Relationship: <u>Consultant Contact</u>
Email: <u>dguerrero@nrpgroup.com</u>	Phone: <u>210-487-7878</u> Fax: <u>210-487-7880</u>

### IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest: No

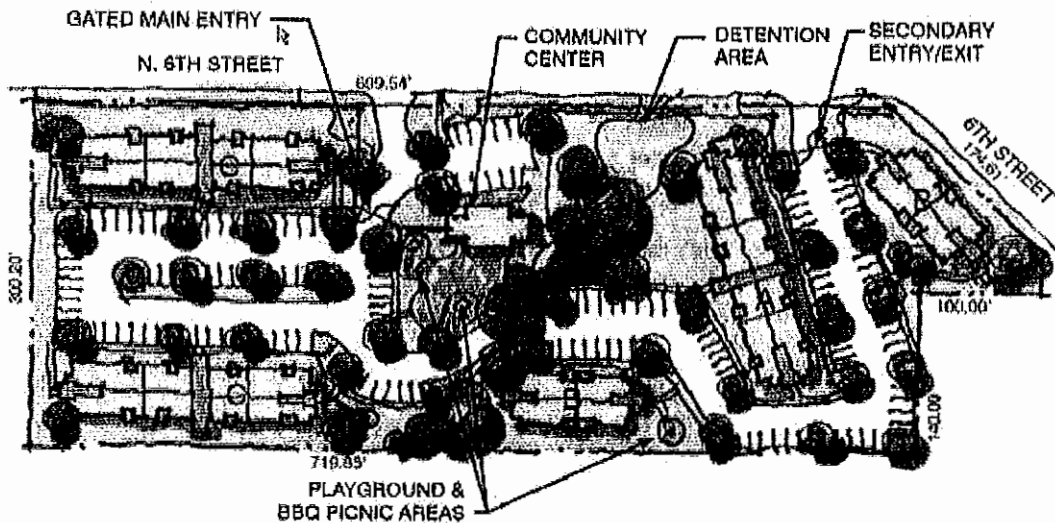
- The Developer, Property Manager, Guarantor, and the Sole Member of the General Partner are related and controlled by the same board members.

### OWNERSHIP STRUCTURE



## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	A	B	C		<b>Total Buildings</b>
Floors/Stories	2	2	2		5
Number of Bldgs	1	2	2		
Units per Bldg	16	8	16		
<b>Total Units</b>	<b>16</b>	<b>16</b>	<b>32</b>		<b>64</b>

### GENERAL INFORMATION

Total Size: 5.4 acres  
 Flood Zone: X  
 Zoning: General Residential  
 Density: 11.8519 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

The property is located at the north end of town with developed single family residential to the immediate south and primary vacant land to the north and east. The major thoroughfare, State Highway 60, is located just a quarter mile to the west.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc Date: 2/21/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Terracon identified the BNSF railroad approximately 2,000 feet northwest of the site and the Hemphill County Airport approximately 2 miles southwest of the site, on the 1972 topographic map. TDHCA 1.3 Environmental and the HUD guidelines require a noise study be conducted based on the proximity of the railroad and airport to the site." (p ii)

**Comments:**

The REA recommendation is conditioned upon completion of a noise study by 10% Test and implementation of any noise mitigation recommendations by Cost Certification.

## MARKET ANALYSIS

Provider: Apartment MarketData Date: 4/14/2011  
 Contact: Darrell Jack Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 1,887 sq. miles 25 mile equivalent radius  
 The Primary Market Area is defined by 3 zip codes within Hemphill, Lipscomb, and Ochiltree Counties.

ELIGIBLE HOUSEHOLDS BY INCOME								
Hemphill County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,389	\$11,310	---	---	\$17,314	\$18,850	\$20,777	\$22,620
2	\$10,389	\$12,930	---	---	\$17,314	\$21,550	\$20,777	\$25,860
3	\$12,446	\$14,550	---	---	\$20,777	\$24,250	\$24,926	\$29,100
4	\$14,400	\$16,140	---	---	\$24,000	\$26,900	\$28,800	\$32,280
5	\$14,400	\$17,460	---	---	\$24,000	\$29,100	\$28,800	\$34,920
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
None				n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		1		Total Units	48

Proposed, Under Construction, and Unstabilized Comparable Supply:  
None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	5,272		5,230	
Potential Demand from the Primary Market Area	482		560	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>482</b>		<b>560</b>	
Subject Affordable Units	56		56	
Unstabilized Comporable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>56</b>		<b>56</b>	
<b>Relevant Supply + Gross Demand = GROSS CAPTURE RATE</b>	<b>11.6%</b>		<b>10.0%</b>	

**Demand Analysis:**

The Market Analyst's Potential Demand is for 482 units assuming a place-in-service date of 2012. This results in a Gross Capture rate of 11.6% for the subject 150 units.

The Underwriter calculated Gross Demand for 560 units assuming a place-in-service date of 2013. The Underwriter calculated a Gross Capture Rate of 10.0% for the total Relevant Supply of 56 units.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	21	1	0	5%	11	1	0	9%
1 BR/50%	35	5	0	14%	18	5	0	28%
1 BR/60%	41	8	0	20%	19	8	0	41%
2 BR/30%	13	3	0	23%	11	3	0	27%
2 BR/50%	32	7	0	22%	31	7	0	22%
2 BR/60%	38	11	0	29%	37	11	0	30%
3 BR/30%	10	2	0	20%	9	2	0	22%
3 BR/50%	25	8	0	32%	21	8	0	38%
3 BR/60%	32	11	0	34%	30	11	0	37%

**Primary Market Occupancy Rates:**

The Market Analyst surveyed 127 units within the Primary Market Area and reported an overall occupancy rate of 99.2%. (p 10) La Mirage, the only income restricted development within the Primary Market Area, is currently 100% occupied. (p 12)

**Absorption Projections:**

Currently, there are a total of 1,467 units in the Market Area, with 12 units vacant. With this information, the Market Analyst assesses that "the submarket could immediately absorb 91 units without falling below a stabilized occupancy of 93%." (p 12)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable housing is in short supply. There is just one affordable project, La Mirage, which is 100% occupied and 40 miles from the subject." (p 12)

**Comments:**

The Market Area is over 85 miles across and it spans 3 counties. The Market Study meets the letter of rule and concludes with a capture rate of 11.6%. However, it is an unusually large market area and it is not clear that qualified prospective residents will travel these distances for housing. If demand were based on the two most immediate zip codes that encompass most of Hemphill County, Gross Demand would be 154 units assuming a place-in-service date of 2013 and the Gross Capture Rate of 36.4% for the total Relevant Supply of 56 units. This exceeds the 30% threshold.

The Market Analyst also conducted a survey of 296 conventional (Market Rate) units in the nearby city of Pampa and found an overall average occupancy rate of 98.6%. A review of the two areas nearest to the subject site with comparable rental properties shows one having a 99.2% and one at 98.6%.

The Market Analysis provides sufficient information on which to base a funding recommendation.

## OPERATING PROFORMA

### SUMMARY - AS UNDERWRITTEN

NOI:	\$182,938	Avg. Rent:	\$591	Expense Ratio:	57.1%
Debt Service:	\$156,587	B/E Rent:	\$546	Controllable Expenses:	\$2,750
Net Cash Flow:	\$26,350	Occupancy:	92.50%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.17:1	B/E Occupancy:	86.79%	Program Rent Year:	2010

Income:      Number of Revisions:          2          Date of Last Applicant Revision:          4/28/2011    

The Applicant's and Underwriter's rents are based on the maximum HTC and HOME program rents for the restricted units. The market rents were used for the market rate units, which are well above the program rent levels. The difference between the Applicant's and Underwriter's effective gross income estimates is nominal.

Expense:      Number of Revisions:          2          Date of Last Applicant Revision:          4/28/2011    

The Applicant's total annual operating expense projection at \$3,810 per unit is within 5% of the Underwriter's estimate of \$3,682. Based on discussions with Texas Housing Foundation (GP, Developer, and property manager), the subject will be operated very similarly to deals in their existing portfolio. While the majority of THF's deals are located in the central Texas area, THF indicated they did not expect any significant deviations in staffing, admin, or maintenance costs.

The Applicant's consultant revised expenses to reflect historicals and then revised several line items again in response to questions about utility and water, sewer, and trash costs. It's not clear why the staffing plan and other figures provided previously changed when the utilities figures were revised.

The Underwriter estimated general and admin, payroll, and repairs and maintenance based on the staffing plan and 2010 actual expenses for other THF properties. The Underwriter's electric and water, sewer and trash costs are based on the regional database figure for deals of a similar size and the insurance estimate is based on a quote provided. A full property tax exemption is expected. THF is a public housing authority and plans to ground lease the land to the LP, which is a common structure accepted by many counties to satisfy the Property Tax Code requirements for a 100% exemption.

**Conclusion:**

The Applicant's effective gross income, total expenses, and NOI are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. Based on the underwritten debt structure, the debt coverage ratio is 1.17 which is within the normal acceptable range of the Department's guidelines. Therefore, the development can be characterized as feasible for the long-term.

**Feasibility:**

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

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## ACQUISITION INFORMATION

### SITE CONTROL

Type: Purchase Agreement Acreage: 5.4  
 Acquisition Cost: \$108,000 Contract Expiration: 3/31/2012  
 Cost Per Unit: \$1,688  
 Seller: City of Canadian Related to Development Team?  Yes  No  
 Comments:

The development cost schedule reflects the contract price of \$108,000. Given the City's support for the transaction, risk of losing site control is less than in deals with a disinterested seller.

## DEVELOPMENT COST EVALUATION

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

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The third party engineer's cost breakdown is very detailed and reflects a relatively high cost for soil excavation. The site has a moderate slope toward N. 6th Street, which will impact the site work cost.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$110K or 3.3% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$9,661,462 and 9% applicable percentage support an annual allocation of \$760,840. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Sterling Bank	\$5,400,000	6.25%	30 Months	66%
Lifestyle Neighborhoods Corporation	\$175,000	7.00%	15 Months	2%
TDHCA HOME	\$900,000	0.00%	18 Months	11%
Red Stone Equity Partners	\$1,163,969	HTC Equity		14%
<b>Total</b>	<b>\$7,638,969</b>			

**Comments:**

The Applicant applied for \$900,000 in HOME funds, which, if awarded, would be available for an 18 month construction term at 0%.



Permanent Sources	Amount	Rate	Amort	Term	LTC
Sterling Bank	\$1,325,000	8.00%	30 Years	15 Years	16%
TDHCA HOME	\$900,000	2.00%	30 Years	15 Years	11%
<b>Total</b>	<b>\$2,225,000</b>				

Comments:

The HOME loan has been underwritten with an 15 year term (parity with Sterling). Changes in the HOME loan term may be necessary subsequent to underwriting to remain parity with the final first lien loan terms.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Red Stone Equity Partners	\$5,819,845	\$0.765	71%	
Deferred Developer Fee	\$135,888		2%	14%
<b>Total</b>	<b>\$5,955,733</b>			
<b>Total Sources</b>	<b>\$8,180,733</b>			

Comments:

The gross HTC capital contribution of \$5,819,845 assumes an annual allocation of \$760,840 at \$0.765. Several recently closed transactions secured pricing in the high 70s and low 80s. If the subject were ultimately able to close with pricing above \$0.78, the gap in financing would decrease to level that supported a lower tax credit allocation.

## CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the Sterling loan of \$1,325,000 and the TDHCA HOME Loan of \$900,000 indicates the need for \$5,955,733 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$778,605 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$760,840
Allocation determined by gap in financing:	\$778,605
Allocation requested by the Applicant:	\$760,840

The Underwriter's recommended financing structure indicates the need for \$135,888 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 6 years of stabilized operation.

If the transaction doesn't ultimately receive the award of HOME funds, the development could support \$482K in additional conventional debt at 8%, but the amount of deferred developer fee required would exceed the projected 15 year cashflow. As a result, the deal would no longer meet the REA rules unless other favorable financing terms or an equivalent replacement source were secured. Therefore, the transaction should be re-evaluated if the HOME award is not received.

Underwriter:	<u>Duc Nguyen</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**

*Oasis Cove, Canadian, 9% HTC, HOME #11164*

LOCATION DATA	
CITY:	Canadian
COUNTY:	Hemphill
PROGRAM REGION:	1
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	16	25.0%
2	24	37.5%
3	24	37.5%
4		
<b>TOTAL</b>	<b>64</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	87.50%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
HTC Type	HTC Gross Rent	HOME Unit Designation (Rent/Inc)	HOME Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$303	30%/30%	\$303	1	1	1	712	\$303	\$87	\$216	\$0	\$0.30	\$216	\$216	\$216	\$216	\$0.30	\$0	\$700	0.98	\$484
TC50%	\$505			5	1	1	712	\$505	\$87	\$418	\$0	\$0.59	\$418	\$2,090	\$2,090	\$418	\$0.59	\$0	\$700	0.98	\$282
TC60%	\$606			8	1	1	712	\$606	\$87	\$519	\$0	\$0.73	\$519	\$4,152	\$4,152	\$519	\$0.73	\$0	\$700	0.98	\$181
MR				2	1	1	712	\$0	\$87		NA	\$0.98	\$700	\$1,400	\$1,400	\$700	\$0.98	NA	\$700	0.98	\$0
TC30%	\$363	30%/30%	\$363	1	2	2	959	\$363	\$108	\$255	\$0	\$0.27	\$255	\$255	\$255	\$255	\$0.27	\$0	\$900	0.94	\$645
TC50%	\$606			2	2	2	959	\$606	\$108	\$498	(\$1)	\$0.52	\$497	\$994	\$996	\$498	\$0.52	\$0	\$900	0.94	\$402
TC60%	\$727			4	2	2	959	\$727	\$108	\$619	(\$1)	\$0.64	\$618	\$2,472	\$2,476	\$619	\$0.65	\$0	\$900	0.94	\$281
MR				1	2	2	959	\$0	\$108		NA	\$0.94	\$900	\$900	\$900	\$900	\$0.94	NA	\$900	0.94	\$0
TC30%	\$363	30%/30%	\$363	1	2	2	963	\$363	\$108	\$255	\$0	\$0.26	\$255	\$255	\$255	\$255	\$0.26	\$0	\$900	0.93	\$645
TC30%	\$363			1	2	2	963	\$363	\$108	\$255	\$0	\$0.26	\$255	\$255	\$255	\$255	\$0.26	\$0	\$900	0.93	\$645
TC50%	\$606			5	2	2	963	\$606	\$108	\$498	(\$1)	\$0.52	\$497	\$2,485	\$2,490	\$498	\$0.52	\$0	\$900	0.93	\$402
TC60%	\$727			7	2	2	963	\$727	\$108	\$619	(\$1)	\$0.64	\$618	\$4,326	\$4,333	\$619	\$0.64	\$0	\$900	0.93	\$281
MR				2	2	2	963	\$0	\$108		NA	\$0.93	\$900	\$1,800	\$1,800	\$900	\$0.93	NA	\$900	0.93	\$0
TC30%	\$420	30%/30%	\$420	2	3	2	1,142	\$420	\$132	\$288	\$0	\$0.25	\$288	\$576	\$576	\$288	\$0.25	\$0	\$1,100	0.96	\$812
TC50%	\$700	LH/50%	\$700	8	3	2	1,142	\$700	\$132	\$568	\$0	\$0.50	\$568	\$4,544	\$4,544	\$568	\$0.50	\$0	\$1,100	0.96	\$532
TC80%	\$840			11	3	2	1,142	\$840	\$132	\$708	\$0	\$0.62	\$708	\$7,788	\$7,788	\$708	\$0.62	\$0	\$1,100	0.96	\$392
MR				3	3	2	1,142	\$0	\$132		NA	\$0.96	\$1,100	\$3,300	\$3,300	\$1,100	\$0.96	NA	\$1,100	0.96	\$0
<b>TOTALS/AVERAGES:</b>				64			61,880				(\$0)	\$0.61	\$591	\$37,808	\$37,826	\$591	\$0.61	\$0	\$925	\$0.96	\$334
<b>ANNUAL POTENTIAL GROSS RENT:</b>														\$453,696	\$453,912						

**STABILIZED PROFORMA**

**Oasis Cove, Canadian, 9% HTC, HOME #11164**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	2010 average for 4 THF deals	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT				\$0.61	\$591	\$453,696	\$453,912	\$591	\$0.61		0.0%	\$216	
late fees, laundry fees, pet fees					\$10.00	\$7,680					0.0%	(7,680)	
0					\$0.00	\$0					0.0%	-	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income						\$7,680		\$10.00			100.0%	7,680	
POTENTIAL GROSS INCOME						\$461,376	\$461,592				0.0%	\$216	
Vacancy & Collection Loss					7.5% PGI	(34,603)	(34,619)	7.5% PGI			0.0%	(16)	
Non-Rental Units/Concessions						-					0.0%	-	
EFFECTIVE GROSS INCOME						\$426,773	\$426,973				0.0%	\$200	
General & Administrative	\$24,895	\$389/Unit	\$286/Unit	9.00%	\$0.62	\$600	\$38,400	\$18,326	\$286	\$0.30	4.29%	109.5%	20,074
Management	\$32,212	8.6% EGI	\$298/Unit	5.00%	\$0.34	\$333	\$21,339	\$21,349	\$334	\$0.35	5.00%	0.0%	(10)
Payroll & Payroll Tax	\$37,534	\$586/Unit	\$961/Unit	18.00%	\$1.24	\$1,200	\$76,800	\$64,000	\$1,000	\$1.03	14.99%	20.0%	12,800
Repairs & Maintenance	\$45,345	\$708/Unit	\$663/Unit	9.75%	\$0.67	\$650	\$41,600	\$42,407	\$663	\$0.68	9.93%	-1.9%	(807)
Utilities	\$18,218	\$285/Unit	\$197/Unit	1.12%	\$0.08	\$75	\$4,800	\$17,908	\$280	\$0.29	4.19%	-73.2%	(13,108)
Water, Sewer, & Trash	\$29,694	\$464/Unit	\$529/Unit	3.37%	\$0.23	\$225	\$14,400	\$25,148	\$393	\$0.41	5.89%	-42.7%	(10,748)
Property Insurance	\$18,610	\$0.30 SF	\$189/Unit	1.93%	\$0.13	\$129	\$8,256	\$8,249	\$129	\$0.13	1.93%	0.1%	7
Property Tax 2.4696	\$27,626	\$432/Unit		0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$19,688	\$308/Unit		3.75%	\$0.26	\$250	\$16,000	\$16,000	\$250	\$0.26	3.75%	0.0%	-
TDHCA Compliance Fees				0.52%	\$0.04	\$35	\$2,240	\$2,240	\$35	\$0.04	0.52%	0.0%	-
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees				4.68%	\$0.32	\$313	\$20,000	\$20,000	\$313	\$0.32	4.68%	0.0%	-
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TOTAL EXPENSES			N/A	57.13%	\$3.34	\$3,810	\$ 243,835	\$ 235,627	\$3,682	\$3.81	55.19%	3.5%	\$ 8,208
NET OPERATING INCOME ("NOI")			N/A	42.87%	\$2.96	\$2,858	\$182,938	\$191,346	\$2,990	\$3.09	44.81%	-4.4%	(8,408)
CONTROLLABLE EXPENSES	\$2,433/Unit	\$2,627/Unit				\$2,750/Unit			\$2,622/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$426,773	\$435,308	\$444,014	\$452,895	\$461,953	\$510,033	\$563,118	\$621,727	\$686,437	\$757,882	\$836,763	\$923,854
LESS: TOTAL EXPENSES	243,835	250,937	258,247	265,773	273,519	315,809	364,702	421,235	486,611	562,221	649,677	750,844
NET OPERATING INCOME	\$182,938	\$184,372	\$185,767	\$187,122	\$188,433	\$194,224	\$198,416	\$200,492	\$199,826	\$195,661	\$187,086	\$173,010
LESS: DEBT SERVICE	156,587	156,587	156,587	156,587	156,587	156,587	156,587	156,587	156,587	156,587	156,587	156,587
NET CASH FLOW	\$26,350	\$27,784	\$29,180	\$30,535	\$31,846	\$37,637	\$41,829	\$43,905	\$43,239	\$39,074	\$30,499	\$16,422
CUMMULATIVE NET CASH FLOW	\$26,350	\$54,134	\$83,314	\$113,849	\$145,695	\$322,845	\$524,340	\$740,675	\$959,439	\$1,164,707	\$1,336,318	\$1,449,028
DEFERRED DEVELOPER FEE BALANCE	\$135,888	\$108,104	\$78,924	\$48,389	\$16,543	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.17	1.18	1.19	1.20	1.20	1.24	1.27	1.28	1.28	1.25	1.19	1.10
EXPENSE/EGI RATIO	57.13%	57.65%	58.16%	58.68%	59.21%	61.92%	64.76%	67.75%	70.89%	74.18%	77.64%	81.27%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Oasis Cove, Canadian, 9% HTC, HOME #11164

DEBT / GRANT SOURCES														
DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Sterling Bank	1.64	1.57	\$116,669	8.00%	30	15	\$1,325,000	\$1,325,000	15	30	8.00%	\$116,669	1.57	16.2%
TDHCA HOME	1.22	1.17	\$39,919	2.00%	30	30	\$900,000	\$900,000	15	30	2.00%	\$39,919	1.17	11.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$156,587				\$2,225,000	\$2,225,000				\$156,587		27.2%
<b>NET CASH FLOW</b>			\$26,350									\$34,759		

EQUITY SOURCES												
EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Annual Credit per Unit:	Total Developer Fee:	
Red Stone Equity Partners	LIHTC Equity	71.1%	\$760,840	0.765	\$5,819,845	\$5,819,845	0.765	\$760,840	71.1%	Annual Credit per Unit:	\$90,935	
Deferred Developer Fee	Deferred Developer Fees	1.7%	(14% Deferred)		\$135,888	\$135,888	(14% Deferred)		1.7%	Total Developer Fee:	\$969,000	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$524,340	
<b>TOTAL EQUITY SOURCES</b>		72.8%			\$5,955,733	\$5,955,733			72.8%	15-Yr Cash Flow after Fee:	\$388,452	
<b>TOTAL CAPITALIZATION</b>					\$8,180,733	\$8,180,733						

DEVELOPMENT COST / ITEMIZED BASIS												
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	Total Costs	%	\$
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition					
Land Acquisition			\$1,688 / Unit	\$108,000	\$108,000	\$1,688 / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Sitework		\$900,217	\$14,066 / Unit	\$900,217	\$900,217	\$14,066 / Unit		\$900,217		0.0%	\$0	
Direct Construction		\$3,487,772	\$56.36 SF	\$54,496/Unit	\$3,487,772	\$3,378,775	\$52,762/Unit	\$54.57 SF	\$3,376,775	-3.3%	(\$110,997)	
Contingency		\$219,399	5.00%	\$219,399	\$219,399	5.13%	\$219,399		\$219,399	0.0%	\$0	
Contractor's Fees		\$614,318	13.33%	\$614,318	\$614,318	13.66%	\$614,318		\$614,318	0.0%	\$0	
Indirect Construction		\$851,138	\$13,299 / Unit	\$851,138	\$851,138	\$13,299 / Unit		\$851,138		0.0%	\$0	
Ineligible Costs			\$6,121 / Unit	\$391,768	\$391,768	\$6,121 / Unit				0.0%	\$0	
Developer's Fees	\$0	\$965,000	14.99%	\$969,000	\$962,785	15.00%	\$952,785	\$0	\$952,785	-1.7%	(\$16,215)	
Interim Financing		\$390,050	\$6,095 / Unit	\$390,050	\$390,050	\$6,095 / Unit		\$390,050		0.0%	\$0	
Reserves			\$3,882 / Unit	\$249,071	\$166,313	\$2,599 / Unit				-49.8%	(\$82,758)	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$7,431,894</b>		\$127,824 / Unit	<b>\$8,180,733</b>	<b>\$7,970,762</b>	\$124,543 / Unit		<b>\$7,304,681</b>	<b>\$0</b>	<b>-2.6%</b>	<b>(\$209,971)</b>
Acquisition Cost for Identity of Interest Seller					\$0							
Developer's Fee	\$0	\$0										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$7,431,894</b>		\$127,824 / Unit	<b>\$8,180,733</b>	<b>\$7,970,762</b>			<b>\$7,304,681</b>	<b>\$0</b>		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$8,180,733</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

Oasis Cove, Canadian, 9% HTC, HOME #11164

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$7,431,894	\$0	\$7,304,681
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$7,431,894	\$0	\$7,304,681
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$9,661,462	\$0	\$9,496,086
Applicable Fraction	87.50%	87.50%	87.50%	87.50%
TOTAL QUALIFIED BASIS	\$0	\$8,453,779	\$0	\$8,309,075
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$780,840	\$0	\$747,817
CREDITS ON QUALIFIED BASIS		\$780,840		\$747,817

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$54.96	3,401,041
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.65	102,031
Roofing				0
Subfloor			(0.70)	(43,316)
Floor Cover			2.15	132,963
Breezeways	\$16.21	5912	1.55	95,838
Balconies	\$25.63	3256	1.35	83,476
Plumbing Fixtures	\$845	144	1.97	121,680
Rough-ins	\$420	128	0.87	53,760
Built-In Appliances	\$1,850	64	1.91	118,400
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	(\$8.92)		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$8.70	0	0.00	0
Heating/Cooling			1.83	113,240
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$76.35	1,991	2.46	151,982
Other: fire sprinkler	\$2.25	61,880	2.25	139,230
SUBTOTAL			72.24	4,470,226
Current Cost Multiplier	1.03		2.17	134,107
Local Multiplier	0.90		-7.22	(447,023)
TOTAL DIRECT CONSTRUCTION COSTS			67.18	\$4,157,310
Plans, specs, survey, bid prmts	3.80%		-2.62	(\$162,135)
Interim Construction Interest	3.38%		-2.27	(140,309)
Contractor's OH & Profit	11.50%		-7.73	(478,091)
NET DIRECT CONSTRUCTION COSTS			54.57	\$3,376,775

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

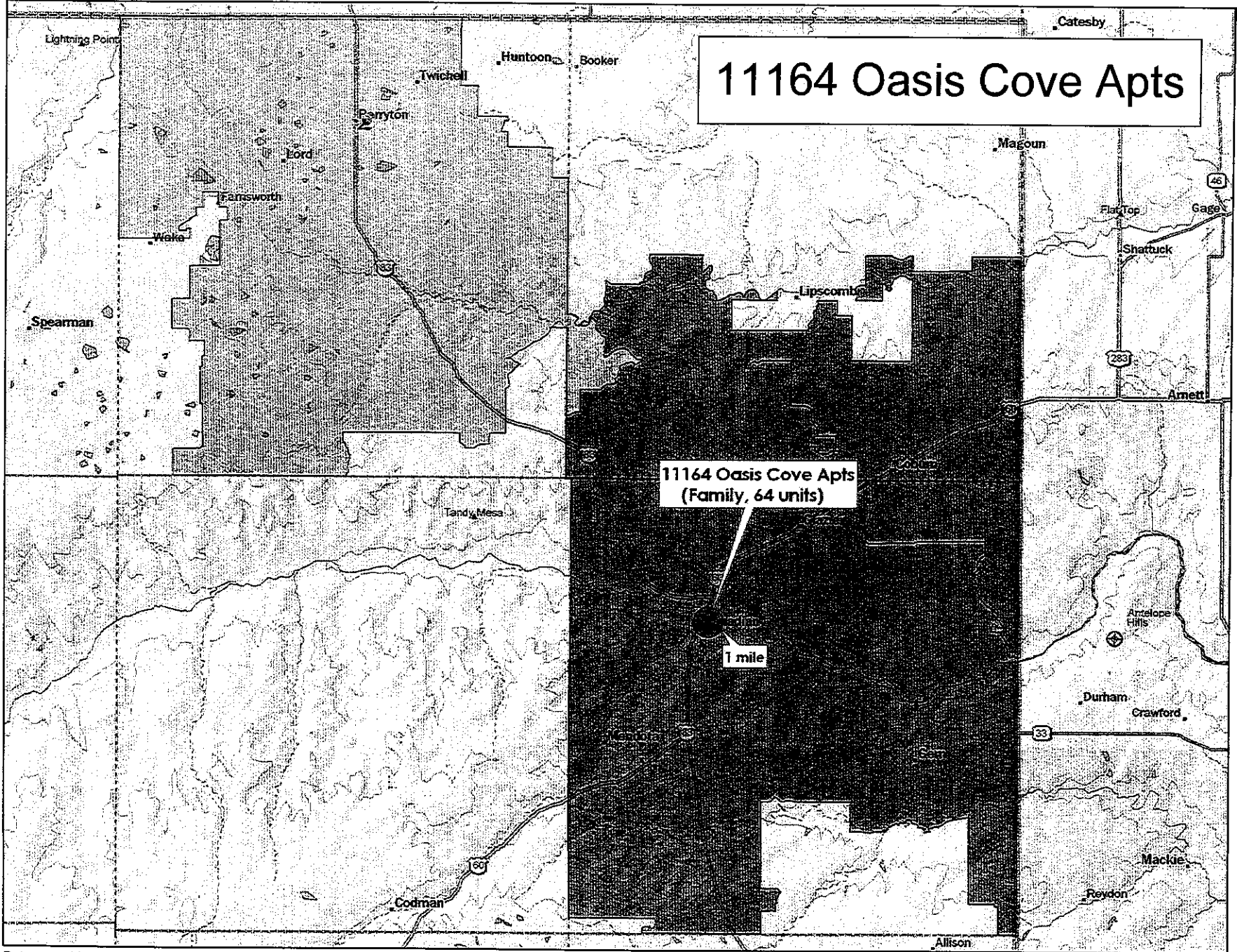
Method	Annual Credits	Proceeds
Eligible Basis	\$760,840	\$5,819,845
Gap	\$778,605	\$5,955,733
Request	\$760,840	\$5,819,845

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Request
Credits	\$760,840
Underwritten Proceeds	\$5,819,845

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$74.46	\$71,990	\$4,607,388	\$4,496,391	\$70,256	\$72.66
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$84.38	\$81,589	\$5,221,706	\$5,110,709	\$79,855	\$82.59



# 11164 Oasis Cove Apts

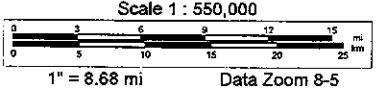
11164 Oasis Cove Apts  
(Family, 64 units)

1 mile

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11165

Playa Del Pueblo

Urban, Region 12



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

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

**Playa Del Pueblo, TDHCA Number 11165**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Approx 400 linear feet East of S Terrell St. & IH-20      Development #: 11165  
 City: Midland      Region: 12      Population Served: General  
 County: Midland      Zip Code: 79701      Allocation: Urban  
 HTC Set Asides:  At-Risk     Nonprofit     USDA     Rural Rescue    HTC Housing Activity\*: NC  
 HOME Set Asides:     CHDO     Preservation     General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Playa Del Pueblo, Ltd.  
 Owner Contact and Phone: David Diaz, (432) 682-2520  
 Developer: Midland Community Development Corp.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96	
	10	0	34	52	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	48	36	0	0	
Type of Building:						Total Development Units:	96
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$13,030,967
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

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

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,315,954	\$1,315,954			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

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





MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Playa Del Pueblo, TDHCA Number 11165

PUBLIC COMMENT SUMMARY

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

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S

US Representative: Conaway, District 11,

TX Representative: Craddick, District 82, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Comunidad in Action, Vicky Hailey

Letter Score: 24 S or O: S

Comunidad in Action enthusiastically supports this project as it will provide much needed housing in this neighborhood, as well as provide additional development in an area that has been targeted by the City of Midland for revitalization.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by 10% test of: A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt and acceptance by Cost Certification of: Documentation clearing environmental issues contained in the ESA report, specifically: All noise assessment recommendations were implemented.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

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

Playa Del Pueblo, TDHCA Number 11165

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 62

Total # Monitored: 35

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

Competitive Housing Tax Credits:  Score: 203  Meeting a Required Set-Aside Credit Amount\*: \$1,315,954

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11165 Program(s): 9% HTC

**Playa Del Pueblo**

Address/Location: 440 feet East of Interstate 20 and South Terrell Street

City: Midland County: Midland Zip: 79701

Population: Family Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 12

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Len
LIHTC (Annual)	\$1,315,954				\$1,315,954				

**CONDITIONS**

- 1 Receipt and acceptance by 10% test of:
  - A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt and acceptance by Cost Certification of:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - All noise assessment recommendations were implemented.
- 3 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	10
50% of AMI	50% of AMI	34
60% of AMI	60% of AMI	52

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS
◦ Experienced Developer, General Contractor, and property manager
◦ Good location with visibility along I-20 access road
◦ Overall average occupancy of income restricted units in the PMA is 98.1%
◦ 50% tax exemption not necessary for feasibility
◦ Expense to income ratio is 50.7%; break-even occupancy 82.15%

WEAKNESSES/RISKS
◦ The nonprofit GP has no experience with the tax credit program

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: <u>David Diaz</u>	Relationship: <u>Executive Director of GP Owner</u>
Email: <u>davidd@midlandhcc.com</u>	Phone: <u>(432) 682-2520</u> Fax: <u>(432) 687-3972</u>
Name: <u>NRP Group - Debra Guerrero</u>	Co-Developer <u>LRJ Consulting, LLC - Lucille Jones</u>
Email: <u>dguerrero@nrpgroup.com</u>	Phone: <u>(830) 254-5323</u> Fax: <u>(830) 257-3168</u>

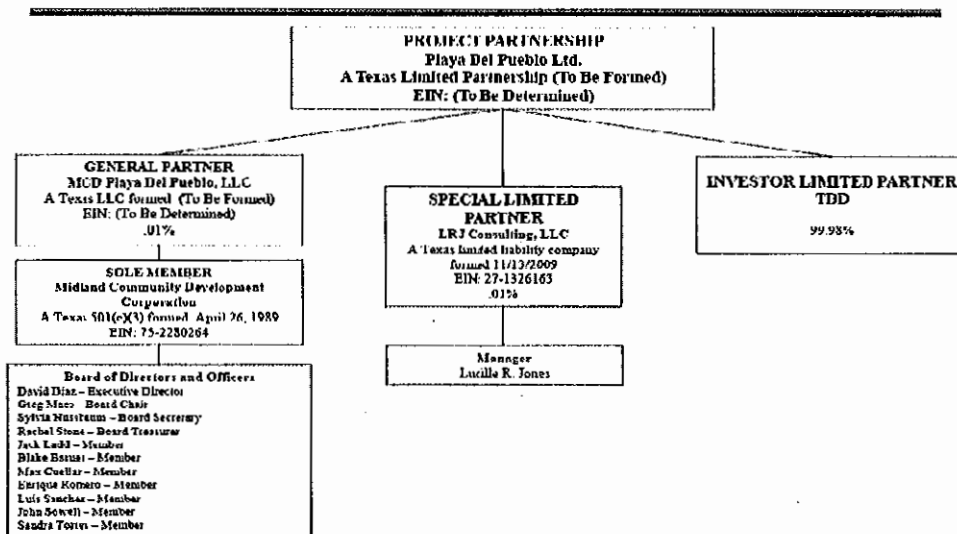
### KEY PRINCIPALS

Related-Party Seller/Identity of Interest: No

- Affiliates of NRP Group are the General Contractor, property manager and application consultant.
- LRJ Consulting is the Special Limited Partner of the Applicant and the Developer.

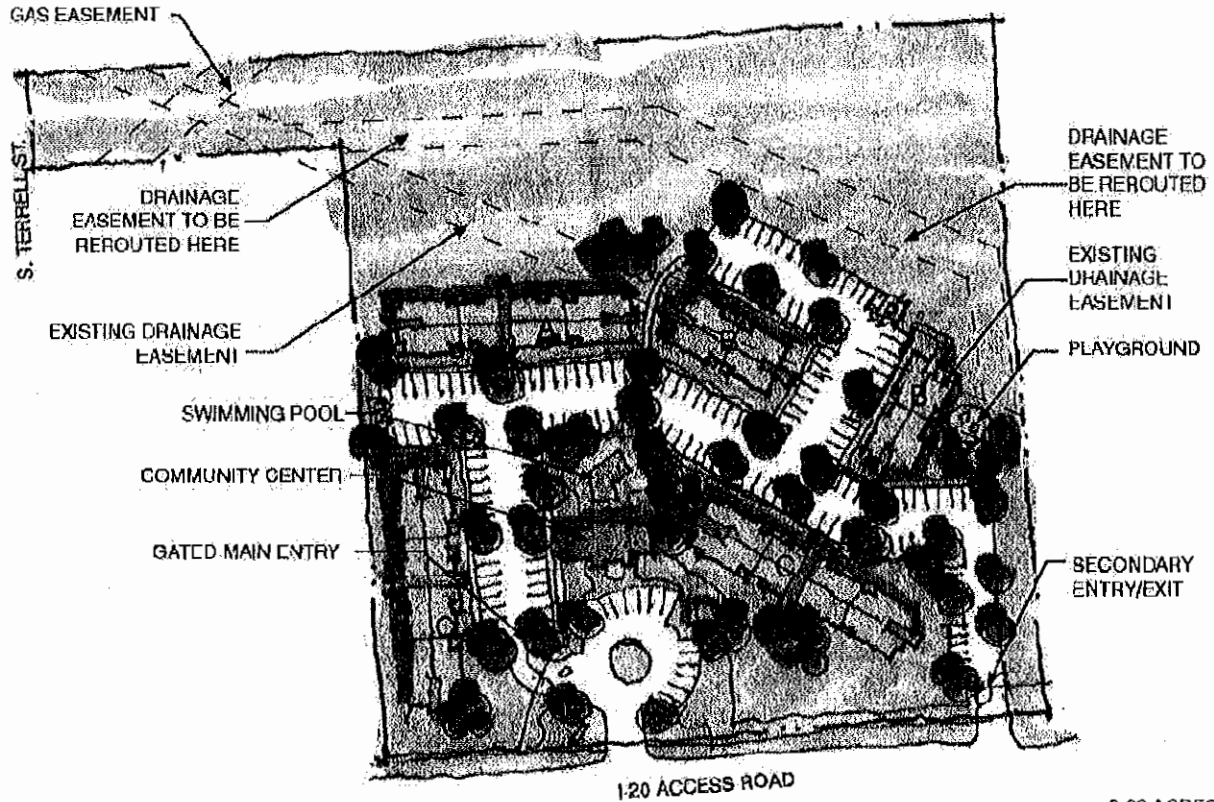
## OWNERSHIP STRUCTURE

### Playa Del Pueblo Ltd.



# DEVELOPMENT SUMMARY

## SITE PLAN



8.00 ACRES  
NOT IN 100 YEAR FLOOD PLAIN  
0 50 100 200

**SITE PLAN**

## BUILDING CONFIGURATION

Building Type	A	B	C		<b>Total Buildings</b>
Floors/Stories	3	3	3		5
Number of Bldgs	1	2	2		5
Units per Bldg	24	12	24		96
<b>Total Units</b>	<b>24</b>	<b>24</b>	<b>48</b>		<b>96</b>

## GENERAL INFORMATION

Total Size:	8 _____ acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	X _____	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	BP-Business Park District	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	12 _____ units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Comments:**

The property is zoned BP, Business Park District; however, apartments are a permitted use under this zoning designation according to a letter dated 2/10/2011 from the City of Midland Development Services Division.

**Surrounding Uses:**

The properties immediately north, east and south of the subject property are vacant tracts. The property to the west is a hotel that is being constructed. IH 20 is just south of the subject tract. Beyond the immediate area there is residential development to the north, retail and light industrial to the east and west, and light industrial and farmland to the south. Access to the subject site is via the two-way traffic frontage road of IH 20 which run along its south boundary. The nearest off-ramp from IH 20 onto the frontage road is approximately 4000 feet west; however there are several interior city streets that connect to the frontage road to provide easy access to the site. The nearest on-ramp to IH 20 is immediately south of the site.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Terracon Consultants, Inc Date: 2/21/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Terracon identified the Midland Airpark 4.47 miles northwest of the site, on the 1974 topographic map. Based on the proximity of the airport to the site, Terracon recommends that a noise study be conducted." (p ii)

**MARKET ANALYSIS**

Provider: Apartment MarketData, LLC Date: 2/23/2011  
 Contact: Darrell Jack Phone: (210) 530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 33 sq. miles 3 mile equivalent radius  
 The Primary Market Area is defined by 23 census tracts in Midland and encompasses all but 3 tracts in Midland County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Midland County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,137	\$13,230	---	---	\$20,229	\$22,050	\$24,274	\$26,460
2	\$12,137	\$15,120	---	---	\$20,229	\$25,200	\$24,274	\$30,240
3	\$14,571	\$17,010	---	---	\$24,274	\$28,350	\$29,143	\$34,020
4	\$16,834	\$18,900	---	---	\$28,080	\$31,500	\$33,703	\$37,800
5	\$16,834	\$20,430	---	---	\$28,080	\$34,050	\$33,703	\$40,860
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10103	Gateway Plaza Apts	New	Family	95	96
Other Affordable Developments in PMA since 2007					
07282	Constellation Ronch	New	Family	n/a	136
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		4	Total Units		540

**Proposed, Under Construction, and Unstabilized Comparable Supply:**

The Gateway Plaza Apartments (#10103) is currently under construction and is located just outside the PMA, but is still within 5 miles of the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	38,601		38,601	
Potential Demand from the Primary Market Area	5,843		5,576	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>5,843</b>		<b>5,576</b>	
Subject Affordable Units	96		96	
Unstabilized Comparable Units	95		95	
<b>RELEVANT SUPPLY</b>	<b>191</b>		<b>191</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>3.3%</b>		<b>3.4%</b>	

**Demand Analysis:**

The Market Analyst identified Gross Demand for 5,843 units based on all income-eligible households in the PMA; and a Gross Capture Rate of 3.3% for a total Relevant Supply of 191 units. The underwriting analysis is limited to households of five or less. The Underwriter calculated Gross Demand for 5,576 units, and a Gross Capture Rate of 3.4%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	350	2	1	1%	147	2	1	2%
1 BR/50%	546	4	5	2%	244	4	5	4%
1 BR/60%	651	6	6	2%	278	6	6	4%
2 BR/30%	165	5	2	4%	134	5	2	5%
2 BR/50%	289	17	22	13%	231	17	22	17%
2 BR/60%	339	26	23	14%	279	26	23	18%
3 BR/30%	106	3	2	5%	59	3	2	9%
3 BR/50%	205	13	16	14%	126	13	16	23%
3 BR/60%	232	20	18	16%	140	20	18	27%

**Primary Market Occupancy Rates:**

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 416 affordable units within the PMA, and 1,705 conventional units...and the overall average occupancy for income restricted units is 98.1%." (p 12)

**Absorption Projections:**

"Constellation Ranch Apartments are the most recently constructed "affordable" units in the market. This project began leasing in September 2009 and stabilized by March 2010. Constellation Ranch is currently 98.5% occupied." (p 12) "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." (p 51)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. New affordable family units have been easily absorbed. Today, stabilized affordable projects are 99% occupied." (p 12)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation.

## OPERATING PROFORMA

### SUMMARY - AS UNDERWRITTEN

NOI:	\$354,064	Avg. Rent:	\$663	Expense Ratio:	50.7%
Debt Service:	\$262,277	B/E Rent:	\$632	Controllable Expenses:	\$2,296
Net Cash Flow:	\$91,788	Occupancy:	92.50%	Property Taxes/Unit:	\$399
Aggregate DCR:	1.35:1	B/E Occupancy:	82.15%	Program Rent Year:	2010

Income:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's and Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances from the maximum program rents. Tenants will be required to pay electric, water, and sewer costs and the development will pay for trash pickup. Estimates for electricity allowances were prepared by Diamond Property Consultants, Inc. The Midland Public Housing Authority Utility Allowance Schedule was used for water and sewer allowances. The Applicant's secondary income and vacancy and collection loss assumptions are in line with TDHCA underwriting guidelines.

The market rents reflected by the market analyst (above \$1/ft) are much higher than would generally be expected for a comparable transaction. Therefore, the Underwriter reviewed the rents for several other tax credit deals in Midland. Older tax credit deals have rents that are slightly below maximum tax credit limits; however, the most recently constructed Constellation Ranch development (placed in service in 2009) is achieving maximum rents and is stabilized. Constellation Ranch is located less than one mile from the subject and is the most direct comp to the subject development.

Expense:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's total annual operating expense projection at \$4,243 per unit is not within 5% of the Underwriter's estimate of \$3,786, derived from the TDHCA database and third-party data sources. The Applicant's water, sewer and trash estimate is in line with the database, but does not account for the tenant paid water and sewer which will lower the owner's ongoing expense. The underwritten water, sewer and trash estimate accounts for the utility structure. The underwritten controllable expense of \$2,296/unit is in line with expectations. If adjusted for the unique utility structure, this figure increases to approximately \$2,600/unit, still within expectations.

The Applicant has projected a 50% tax exemption due to Midland CDC's 100% general partner interest. While Midland CDC has not been certified as a CHDO for the subject application TDHCA has certified the organization recently for other purposes. Property Tax Code allows for a 50% exemption in such cases. If the exemption is ultimately not achieved, the transaction will continue to be feasible.

#### Conclusion:

The Applicant's income is within 5% of the Underwriter's estimates; however, expenses and net operating income are not; therefore, the Underwriter's year one pro forma was used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter increased the permanent loan slightly to bring the DCR to 1.35; the Department's maximum for sizing the credit recommendation.

#### Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's year 1 pro forma was utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

## ACQUISITION INFORMATION

### SITE CONTROL

Type: Agreement To Purchase Unimproved Real Estate      Acreage: 8

Acquisition Cost: \$785,000      Contract Expiration: 12/17/2011

Cost Per Unit: \$8,177

Seller: Barefoot 6/91, Ltd.      Related to Development Team?       Yes       No



## DEVELOPMENT COST EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 6/15/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Comments:**

The Applicant has offsite cost estimated to be \$100,000. The Applicant provided certification of this estimated cost from an independent Third Party Architect. This cost is to provide access to sewer and water utilities from a manhole off of IH-20. The IH-20 connection is estimated to be 300 to 330 feet from where it will be connected for the subject site.

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The Applicant's sitework costs are \$15,829/unit. A third-party certification from an architect supports this estimate. Currently, a drainage depression crosses the middle of the site and will require re-routing. This drainage depression, which is shown on the site plan above, runs to a drainage culvert that crosses underneath Interstate 20 to the south of the site.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$192K or 3.8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

**Reserves:**

The Applicant's development reserves total \$403,355 which consists of \$72,000 in rent-up reserves and \$331,335 in operating reserves. The Underwriter's total reserve estimate is slightly lower (\$40,856) than the Applicant's estimate. The Department's calculation of operating reserves are based on six months of stabilized operating expenses less management fees and reserve for replacement plus debt service which total \$290,499. The Underwriter then added \$72,000 in rent-up reserves for total development cost reserves of \$362,499.

The Applicant's calculation of Rent-Up Reserves is based on the assumption that the Rent-Up Reserve/Interest After Completion will be used to cover any interest after construction completion and prior to conversion that the property income cannot cover. They will also use this reserve for operational deficits during the construction phase. During leasing and before the project attains break-even occupancy, the project will have expenses that exceed the revenues; this reserve will be used to cover those shortfalls.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis, adjusted for the 30% boost, of \$14,621,716 and the 9% applicable percentage support annual tax credits of \$1,315,954. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 1 Last Update: 4/19/2011

Interim Sources	Amount	Rate	Term	LTC
Sterling Bank	\$9,800,000	6.25%	30 Months	78%
Capital Area Housing Finance Corp.	\$725,000	4.21%	12 Months	6%
Red Stone Equity Partners - HTC Equity	\$1,999,850	0.00%	30 Months	16%
<b>Total</b>	<b>\$12,524,850</b>			

**Comments:**

The Sterling Bank construction loan is to be priced at a variable rate of Prime floating plus 1.0% subject to a minimum all-in rate of 6.25%. Payments are to be interest only during the construction period.

The Capital Area Housing Finance Corp. loan is to be for a term of one (1) year or the placed in service date, whichever is longer at a rate of AFR. The Underwriter used an AFR rate of 4.21% for the purpose of underwriting this Housing Tax Credit application request.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Sterling Bank	\$2,978,663	8.00%	30	15	23%

Comments:

The permanent loan rate is to be locked no later than construction loan closing of the 30-month construction loan. The lender, Sterling Bank, used an interest rate of 8.0% for the purpose of underwriting. Sterling Bank has provided a commitment of a permanent loan in the amount of \$2,900,000; however, the underwritten permanent loan is \$2,978,663, which brings the DCR to 1.35.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Red Stone Equity Partners - HTC Equity	\$9,999,255	\$0.76	77%	
Midland CDC - Deferred Developer Fees	\$53,048		0%	4%
<b>Total</b>	<b>\$10,052,303</b>			
<b>Total Sources</b>	<b>\$13,030,967</b>			

Comments:

The credit pricing is relatively low compared to other recently closed transactions and other 2011 applications. If the price increased even nominally the deferred developer fee would be eliminated and an adjustment to the credit recommendation would be necessary. Therefore, receipt and acceptance, by Carryover, of an updated syndication commitment or executed limited partnership agreement is a condition of this report.

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,978,663 indicates the need for \$10,052,304 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,322,936 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,315,954
Allocation determined by gap in financing:	\$1,322,936
<b>Allocation requested by the Applicant:</b>	<b>\$1,315,954</b>

The allocation amount determined by the Underwriter's calculation of the Applicant's request is recommended. A tax credit allocation of \$1,315,954 per year for 10 years results in total equity proceeds of \$9,999,255 at a syndication rate of \$0.76 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$53,048 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 1 year of stabilized operation.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>June 27, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>June 27, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 27, 2011</u>

**UNIT MIX / RENT SCHEDULE**

**Playa Del Pueblo, Midland, 9% HTC #11165**

LOCATION DATA	
CITY:	Midland
COUNTY:	Midland
PROGRAM REGION:	12
RURAL RENT USED:	No
IREM REGION:	NA

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	12	12.5%
2	48	50.0%
3	36	37.5%
4		
<b>TOTAL</b>	<b>96</b>	<b>100.0%</b>

Applicable Programs

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS			MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$354	2	1	1	712	\$354	\$100	\$254	\$0	\$0.36	\$254	\$508	\$508	\$254	\$0.36	\$0	\$880	1.24	\$626
TC50%	\$590	4	1	1	712	\$590	\$100	\$490	\$1	\$0.69	\$491	\$1,964	\$1,960	\$490	\$0.69	\$0	\$880	1.24	\$390
TC60%	\$708	6	1	1	712	\$708	\$100	\$608	\$1	\$0.86	\$609	\$3,654	\$3,648	\$608	\$0.85	\$0	\$880	1.24	\$272
TC30%	\$425	3	2	2	959	\$425	\$117	\$308	\$0	\$0.32	\$308	\$924	\$924	\$308	\$0.32	\$0	\$1,095	1.14	\$787
TC50%	\$708	8	2	2	959	\$708	\$117	\$591	\$0	\$0.62	\$591	\$4,728	\$4,728	\$591	\$0.62	\$0	\$1,095	1.14	\$504
TC60%	\$850	13	2	2	959	\$850	\$117	\$733	\$0	\$0.76	\$733	\$9,529	\$9,529	\$733	\$0.76	\$0	\$1,095	1.14	\$362
TC30%	\$425	2	2	2	963	\$425	\$117	\$308	\$0	\$0.32	\$308	\$616	\$616	\$308	\$0.32	\$0	\$1,095	1.14	\$787
TC50%	\$708	9	2	2	963	\$708	\$117	\$591	\$0	\$0.61	\$591	\$5,319	\$5,319	\$591	\$0.61	\$0	\$1,095	1.14	\$504
TC60%	\$850	13	2	2	963	\$850	\$117	\$733	\$0	\$0.76	\$733	\$9,529	\$9,529	\$733	\$0.76	\$0	\$1,095	1.14	\$362
TC30%	\$491	3	3	2	1,142	\$491	\$135	\$356	\$0	\$0.31	\$356	\$1,068	\$1,068	\$356	\$0.31	\$0	\$1,250	1.09	\$894
TC50%	\$819	13	3	2	1,142	\$819	\$135	\$684	(\$1)	\$0.60	\$683	\$8,879	\$8,892	\$684	\$0.60	\$0	\$1,250	1.09	\$566
TC60%	\$983	20	3	2	1,142	\$983	\$135	\$848	(\$1)	\$0.74	\$847	\$16,940	\$16,960	\$848	\$0.74	\$0	\$1,250	1.09	\$402
<b>TOTALS/AVERAGE</b>		<b>96</b>			<b>95,784</b>				<b>(\$0)</b>	<b>\$0.66</b>	<b>\$663</b>	<b>\$63,658</b>	<b>\$63,681</b>	<b>\$663</b>	<b>\$0.66</b>	<b>\$0</b>	<b>\$1,126</b>	<b>\$1.13</b>	<b>\$463</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$763,896</b>	<b>\$764,172</b>							
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**STABILIZED PROFORMA**

**Playa Del Pueblo, Midland, 9% HTC #11165**

STABILIZED FIRST YEAR PROFORMA												
COMPARABLES	APPLICANT					TDHCA				VARIANCE		
	Database	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>			\$0.66	\$663	\$763,896	\$764,172	\$663	\$0.66		0.0%	\$276	
late fees, laundry fees, pet fees				\$10.00	\$11,520					0.0%	(11,520)	
0				\$0.00	\$0					0.0%	-	
				\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income						\$11,520	\$10.00			100.0%	11,520	
<b>POTENTIAL GROSS INCOME</b>					\$775,416	\$775,692				0.0%	\$276	
Vacancy & Collection Loss				7.5% PGI	(58,156)	(58,177)	7.5% PGI			0.0%	(21)	
Non-Rental Units/Concessions					-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>					\$717,260	\$717,515				0.0%	\$255	
General & Administrative	\$41,247	\$430/Unit	4.68%	\$0.35	\$350	\$33,600	\$41,247	\$430	\$0.43	5.75%	-18.5%	(7,647)
Management	\$26,557	4.6% EGI	5.00%	\$0.37	\$374	\$35,863	\$35,876	\$374	\$0.37	5.00%	0.0%	(13)
Payroll & Payroll Tax	\$85,394	\$890/Unit	12.43%	\$0.93	\$929	\$89,184	\$85,394	\$890	\$0.89	11.90%	4.4%	3,790
Repairs & Maintenance	\$43,813	\$456/Unit	6.42%	\$0.48	\$480	\$46,060	\$43,813	\$456	\$0.46	6.11%	5.2%	2,267
Utilities	\$32,541	\$339/Unit	5.02%	\$0.38	\$375	\$36,000	\$21,384	\$223	\$0.22	2.98%	68.4%	14,616
Water, Sewer, & Trash	\$64,257	\$669/Unit	8.86%	\$0.66	\$662	\$63,552	\$28,620	\$298	\$0.30	3.99%	122.1%	34,932
Property Insurance	\$20,958	\$0.22 SF	2.01%	\$0.15	\$150	\$14,400	\$20,958	\$218	\$0.22	2.92%	-31.3%	(6,558)
Property Tax 2.1659	\$32,622	\$340/Unit	5.69%	\$0.43	\$425	\$40,800	\$38,318	\$399	\$0.40	5.34%	6.5%	2,482
Reserve for Replacements	\$22,744	\$237/Unit	3.35%	\$0.25	\$250	\$24,000	\$24,000	\$250	\$0.25	3.34%	0.0%	-
TDHCA Compliance Fees			0.54%	\$0.04	\$40	\$3,840	\$3,840	\$40	\$0.04	0.54%	0.0%	-
Cable TV			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			2.79%	\$0.21	\$208	\$20,000	\$20,000	\$208	\$0.21	2.79%	0.0%	-
Security			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			56.79%	\$4.25	\$4,243	\$ 407,319	\$ 363,451	\$3,786	\$3.79	50.65%	12.1%	\$ 43,868
<b>NET OPERATING INCOME ("NOI")</b>			43.21%	\$3.24	\$3,229	\$309,941	\$354,064	\$3,686	\$3.70	49.35%	-12.5%	(\$44,124)
<b>CONTROLLABLE EXPENSES</b>		\$2,784/Unit			\$2,776/Unit			\$2,296/Unit				
LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40	
<b>EFFECTIVE GROSS INCOME</b>	\$717,515	\$746,503	\$761,433	\$776,661	\$857,497	\$946,746	\$1,045,284	\$1,154,078	\$1,274,195	\$1,406,815	\$1,553,237	
LESS: TOTAL EXPENSES	383,451	384,849	396,022	407,522	470,296	542,824	626,689	723,596	835,662	965,244	1,115,100	
<b>NET OPERATING INCOME</b>	<b>\$354,064</b>	<b>\$361,653</b>	<b>\$365,411</b>	<b>\$369,140</b>	<b>\$387,211</b>	<b>\$403,922</b>	<b>\$418,615</b>	<b>\$430,482</b>	<b>\$438,534</b>	<b>\$441,570</b>	<b>\$438,137</b>	
LESS: DEBT SERVICE	262,277	262,277	262,277	262,277	262,277	262,277	262,277	262,277	262,277	262,277	262,277	
<b>NET CASH FLOW</b>	<b>\$91,788</b>	<b>\$99,377</b>	<b>\$103,135</b>	<b>\$106,863</b>	<b>\$124,935</b>	<b>\$141,646</b>	<b>\$156,339</b>	<b>\$168,205</b>	<b>\$176,257</b>	<b>\$179,294</b>	<b>\$175,860</b>	
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$91,788</b>	<b>\$286,758</b>	<b>\$389,893</b>	<b>\$496,756</b>	<b>\$1,085,716</b>	<b>\$1,761,188</b>	<b>\$2,514,452</b>	<b>\$3,333,059</b>	<b>\$4,199,990</b>	<b>\$5,092,663</b>	<b>\$5,981,745</b>	
DEFERRED DEVELOPER FEE BALANCE	\$53,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.35	1.38	1.39	1.41	1.48	1.54	1.60	1.64	1.67	1.68	1.67	
<b>EXPENSE/EGI RATIO</b>	<b>50.65%</b>	<b>51.55%</b>	<b>52.01%</b>	<b>52.47%</b>	<b>54.84%</b>	<b>57.34%</b>	<b>59.95%</b>	<b>62.70%</b>	<b>65.58%</b>	<b>68.61%</b>	<b>71.79%</b>	

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Playa Del Pueblo, Midland, 9% HTC #11165**

**DEBT / GRANT SOURCES**

	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
<b>DEBT (Must Pay)</b>														
Sterling Bank	1.39	1.21	\$255,350	8.00%	30	15	\$2,900,000	\$2,978,663	15	30	8.00%	\$262,277	1.35	22.9%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$255,350				\$2,900,000	\$2,978,663				\$262,277		22.9%
<b>NET CASH FLOW</b>			\$54,591									\$91,788		

**EQUITY SOURCES**

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost		
<b>EQUITY / DEFERRED FEES</b>											
Red Stone Equity Partners - HTC Equity	LIHTC Equity	76.7%	\$1,315,954	0.7598	\$9,999,252	\$9,999,255	\$0.7598	\$1,315,954	76.7%	Annual Credit per Unit	\$104,159
Midland CDC - Deferred Developer Fees	Deferred Developer Fees	1.0%	(9% Deferred)		\$131,715	\$53,048	(4% Deferred)		0.4%	Total Developer Fee:	\$1,467,000
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,781,188
<b>TOTAL EQUITY SOURCES</b>		77.7%			\$10,130,967	\$10,052,304			77.1%	15-Yr Cash Flow after Fee:	\$1,708,140

<b>TOTAL CAPITALIZATION</b>		\$13,030,967	\$13,030,967
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**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$		
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition				
Land Acquisition			\$8,177 / Unit	\$785,000	\$785,000	\$8,177 / Unit		0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0	
Off-Sites		\$0	\$1,042 / Unit	\$100,000	\$100,000	\$1,042 / Unit	\$0	0.0%	\$0	
Sitework		\$1,519,578	\$15,629 / Unit	\$1,519,578	\$1,519,578	\$15,629 / Unit	\$1,519,578	0.0%	\$0	
Direct Construction		\$5,297,103	\$55.30 /sf	\$5,178,000	\$5,297,103	\$53.29 /sf	\$5,104,362	-3.8%	(\$192,741)	
Contingency		\$359,584	5.28%	\$359,584	\$359,584	5.43%	\$359,584	0.0%	\$0	
Contractor's Fees		\$954,336	13.12%	\$954,336	\$954,336	13.47%	\$954,336	0.0%	\$0	
Indirect Construction		\$899,110	\$9,366 / Unit	\$899,110	\$899,110	\$9,366 / Unit	\$899,110	0.0%	\$0	
Ineligible Costs			\$5,158 / Unit	\$495,158	\$495,158	\$5,158 / Unit		0.0%	\$0	
Developer's Fees	\$0	\$1,467,000	15.00%	\$1,467,000	\$1,438,160	15.00%	\$1,438,160	-2.0%	(\$28,840)	
Interim Financing		\$750,763	\$7,820 / Unit	\$750,763	\$750,763	\$7,820 / Unit	\$750,763	0.0%	\$0	
Reserves			\$4,201 / Unit	\$403,335	\$343,006	\$3,573 / Unit		-17.6%	(\$60,329)	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$11,247,474	\$135,739 / Unit	\$13,030,967	\$12,749,057	\$132,803 / Unit	\$11,025,893	-2.2%	(\$281,910)	
Acquisition Cost for Identity of Interest Seller				\$0						
Developer's Fee	\$0	\$0								
Contractor's Fee		\$0								
Contingency		\$0								
<b>ADJUSTED BASIS / COST</b>	\$0	\$11,247,474	\$135,739 / Unit	\$13,030,967	\$12,749,057		\$11,025,893		\$0	
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				\$13,030,967						

**CAPITALIZATION DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

**Playa Del Pueblo, Midland, 9% HTC #11165**

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$11,247,474	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$11,247,474	\$0	\$11,025,893
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$14,621,716	\$0	\$14,333,661
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$14,621,716	\$0	\$14,333,661
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,315,954	\$0	\$1,290,030
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,315,954		\$1,290,030	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,315,954	\$9,999,255
Gap	\$1,322,936	\$10,052,304
Request	\$1,315,954	\$9,999,255

**FINAL ANNUAL THHC ALLOCATION**

Method	Request
Credits	\$1,315,954
Underwritten Proceeds	\$9,999,255

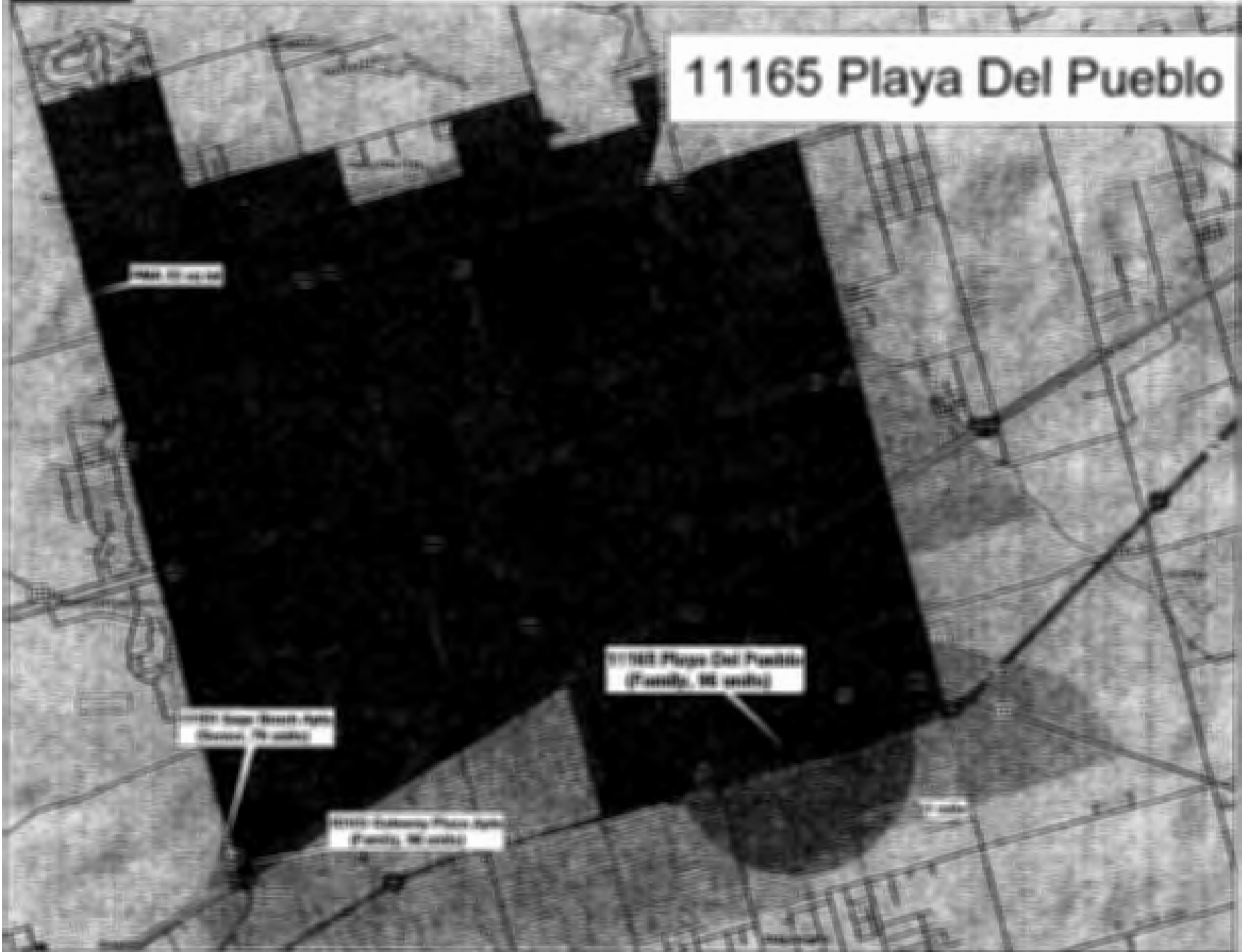
**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$75.97	\$75,794	\$7,275,265	\$7,083,524	\$73,787	\$73.95
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$84.88	\$84,694	\$8,130,601	\$7,937,860	\$82,686	\$82.87

**DIRECT CONSTRUCTION COST ESTIMATE**

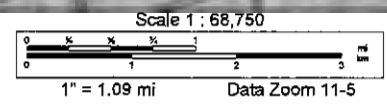
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost	Multiple Residence Basis		\$54.27	5,198,230
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.63	155,947
Roofing			0.00	0
Subfloor			(0.11)	(10,217)
Floor Cover			2.15	205,658
Breezeways	\$23.05	9900	2.38	228,162
Balconies	\$25.25	4800	1.27	121,222
Plumbing Fixtures	\$845	252	2.22	212,940
Rough-ins	\$420	192	0.84	80,640
Built-In Appliances	\$1,850	96	1.85	177,600
Exterior Stairs	\$1,900	32	0.63	60,800
Heating/Cooling			1.63	175,285
Enclosed Corridors	\$41.40		0.00	0
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.42	1,992	1.63	156,211
Other:			0.00	0
Other:			0.00	0
Other: fire sprinkler	\$2.25	97,776	2.30	219,996
<b>SUBTOTAL</b>			<b>72.30</b>	<b>6,982,473</b>
Current Cost Multiplier	1.03		2.19	209,474
Local Multiplier	0.87		-9.48	(907,721)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>65.61</b>	<b>\$6,284,226</b>
Plans, specs, survey, bldg permits	3.90%		-2.56	(\$245,085)
Interim Construction Interest	3.38%		-2.21	(212,093)
Contractor's OH & Profit	11.50%		-7.54	(722,586)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>53.29</b>	<b>\$5,104,362</b>

# 11165 Playa Del Pueblo



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11166

The Palms at Leopard  
Urban, Region 10





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Palms at Leopard, TDHCA Number 11166**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Palm Ave. b/t Lipan St. & Leopard St. Development #: 11166  
 City: Corpus Christi Region: 10 Population Served: General  
 County: Nueces Zip Code: 78408 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Palms at Leopard, LP  
 Owner Contact and Phone: M. Steven Henderson, (210) 821-4300  
 Developer: Housing and Community Services, Inc.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: Housing and Community Services, Inc.  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	120
	12 0 42 66	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 32 32 48 8 0	Total Development Units:	120
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	9
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,653,271	\$1,653,271			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Palms at Leopard, TDHCA Number 11166

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral; "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, NC

US Representative: Farenthold, District 27,

TX Representative: Scott, District 34, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

S, John Longoria, President, Corpus Christi ISD

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

Leopard Street Corridor Association, Leopard Street Corridor Association Letter Score: 24 S or O: S

The proposed development is an opportunity to build in an area that needs quality affordable housing. The Palms at Leopard Street - Corpus Christi, Texas will serve those needs and spur additional economic development.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Palms at Leopard, TDHCA Number 11166

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 211  Meeting a Required Set-Aside Credit Amount\*: \$1,653,271

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11167

The Monarch at Bay Prairie

Rural, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Monarch at Bay Prairie, TDHCA Number 11167**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 12th St., NW of Moore Ave. Intersection Development #: 11167  
 City: Bay City Region: 6 Population Served: Elderly  
 County: Matagorda Zip Code: 77414 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Bay City Monarch Housing, LP  
 Owner Contact and Phone: Ron Williams, (281) 484-4663  
 Developer: Senior Housing Resources, Inc.  
 Housing General Contractor: Rampart Builders, Ltd.  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Mark C. Temple & Associates, Inc.  
 Syndicator: RBC Capital Markets  
 Supportive Services: DMA Property Advisors, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	74
	8	0	27	39	Market Rate Units:	6
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	58	22	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$9,472,027
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	1
		HOME Low Total Units:	16

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$975,021	\$974,996			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	30	30	4.15%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Monarch at Bay Prairie, TDHCA Number 11167

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hegar, District 18, NC

US Representative: Paul, District 14, S

TX Representative: Weber, District 29, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

North End Neighborhood Association, Scott Evans

Letter Score: 24 S or O: S

There is a great demand for senior affordable housing in Bay City.

Community Input Other than Quantifiable Community Participation Input:

United Way of Matagorda County, S, Julia Gonzales, Executive Director

Bay City Chamber of Commerce and Agriculture, S, Mitch Thames IOM, President and CEO

Economic Action Committee of the Gulf Coast, S, Susan C. Wells, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Monarch at Bay Prairie, TDHCA Number 11167

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 30
- Total # Monitored: 26

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 206  Meeting a Required Set-Aside Credit Amount\*: \$974,996

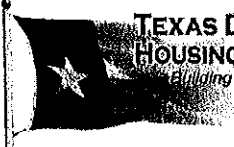
Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11167 Program(s): 9% HTC / HOME

**The Monarch at Bay Prairie**

Address/Location: 12th Street, northwest of Moore Avenue intersection

City: Bay City County: Matagorda Zip: 77414

Population: Senior Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$2,000,000	4.15%	30	30	\$2,000,000	4.15%	30	30	1st
LIHTC (Annual)	\$975,021				\$974,996				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	27
60% of AMI	60% of AMI	39

Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	8
50% of AMFI	Low HOME	9
60% of AMFI	High HOME	1
80% of AMFI*	High HOME	0

\* In accordance with 24 CFR §92.216, 90% of HOME units must be initially made available for Households at or below 60% of AMFI.



## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Development team has extensive multifamily HTC development experience
▫	Have built same building product within same Region
▫	Breakeven occupancy of 84.41%
▫	No comparable unstabilized deals in market
▫	3.7% gross capture rate
▫	Very close to central business district / downtown Bay City

WEAKNESSES/RISKS	
▫	Costs are at scoring thresholds; Underwriter concerned costs are not based on actual deal
▫	Expense to Income ratio of 64.7%
▫	One month concession on market/60% units yields effective rent only \$8 above breakeven rent
▫	Rent limits have not increased since 2007-2008
▫	Several blocks off main thoroughfares

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: Ron Williams  
 Email: rwilliams@sethfc.com

Relationship: Developer  
 Phone: (281) 484-4663 Fax: (281) 484-1971

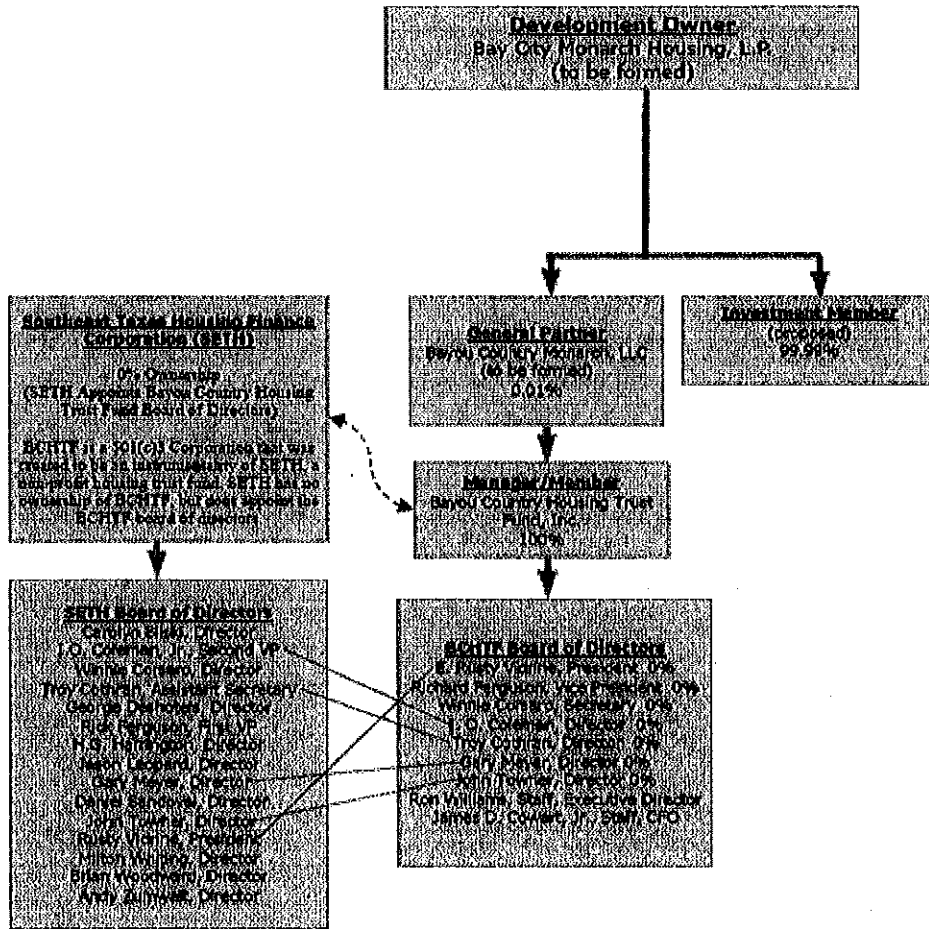
Name: Janine Sisak  
 Email: janines@dmacompanies.com

Consultant: Co-developer, Prop. MGMT, Supp. Services  
 Phone: (512) 328-3232 Fax: (512) 328-4584

Related-Party Seller/Identity of Interest: No

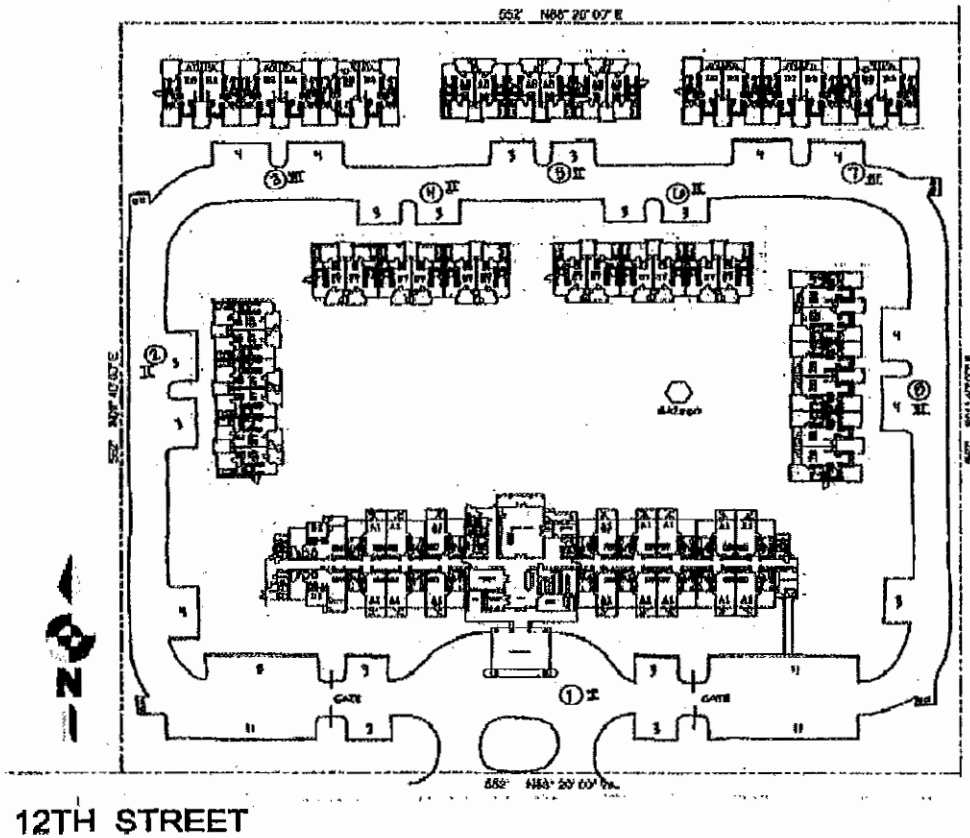
- The Applicant and Developer are related entities and will receive 80.01% of the developer fee; DMA Development Company, LLC will be co-developer and will receive 19.99% of developer fee.

OWNERSHIP STRUCTURE



## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	I	II	III							Total Buildings
Floors/Stories	2	1	1							8
Number of Bldgs	1	4	3							8
Units per Bldg	38	6	6							80
<b>Total Units</b>	<b>38</b>	<b>24</b>	<b>18</b>							<b>80</b>

### GENERAL INFORMATION

Total Size:	<u>7</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>Zone B</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>Not Zoned</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>11.4286 units/acre</u>	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is primarily surrounded by unoccupied agricultural uses and residential properties. A senior living facility is located directly across 12th Street from the site. SETH is purchasing a larger 49 acre tract of which the 7 acre site is a part. The Applicant indicated that the balance of the property will be held for foreseeable future and will ultimately probably be developed as a single family subdivision.

Other Observations:

The Environmental Site Assessment identifies an oil well on the property immediately adjoining the subject site to the east. The well was drilled in 1960 and was plugged in 1961. No evidence of oil or gas production from the well was noted in the ESA. Based on these conditions, the property located east of the site is likely to contain elevated levels of hazardous substances in the soil. The ESA also notes that land around oil wells may also contain elevated levels of chloride in groundwater; however, because the well was never used for production, the potential for elevated levels of chlorides is diminished. In addition, because the well was not used for production, the potential for the spillage or release of crude oil is also diminished.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: STC Environmental Services, Inc Date: 2/28/2011

Recognized Environmental Conditions (RECs) and Other Concerns:  
None.

**MARKET ANALYSIS**

Provider: Mark C Temple & Associates Date: 2/28/2011

Contact: Mark C Temple Phone: 210-496-9499

Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 1,616 sq. miles 23 mile equivalent radius

The Primary Market Area is defined by 7 census tracts that encompasses all of Hardin County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$6,960	\$10,830	---	---	\$11,592	\$18,050	\$13,920	\$21,660
2	\$6,960	\$12,390	---	---	\$11,592	\$20,650	\$13,920	\$24,780
3	---	---	---	---	\$13,896	\$23,200	\$16,704	\$27,840
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	5		Total Units	226

Proposed, Under Construction, and Unstabilized Comparable Supply:  
None.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	13,854		13,838	
Senior Households in the Primary Market Area	5,771		5,947	
Potential Demand from the Primary Market Area	2,012		1,995	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>2,012</b>		<b>1,995</b>	
Subject Affordable Units	80		74	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>80</b>		<b>74</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>4.0%</b>		<b>3.7%</b>	

**Demand Analysis:**

The Market Analyst's data is sourced from the US Census and ESRI, Inc while the Underwriter's data is sourced from the US Census and Ribbon Demographics HISTA data. The HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a lower concentration of income eligible senior households in the target income range. The Underwriter only calculates Gross Capture Rate for the 74 income restricted units as 6 will be Market Rate units. The Underwriter calculates Gross Demand for 1,995 units, resulting in a Gross Capture Rate of 3.7% for the subject's 74 income restricted units.

The maximum Gross Capture Rate for rural developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Camp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	629	8	0	1%	286	8	0	3%
1 BR/50%	909	23	0	3%	443	23	0	5%
1 BR/60%	965	24	0	2%	216	24	0	11%
2 BR/50%	969	5	0	1%	293	5	0	2%
2 BR/60%	1044	14	0	1%	138	14	0	10%

**Primary Market Occupancy Rates:**

"The Bay City Housing Authority has three public housing projects totaling 92 federally subsidized units. All three apartment projects maintain 100 percent occupancy levels with a 45 to 60 day waiting list for family and senior units." (p IX-6)

**Absorption Projections:**

"According to ESRI, Inc., present absorption trends of apartment projects located in the Bay City Market Area range from 5 to 10 units per month... it is estimated that a 95+ percent occupancy level can be achieved in a 8 to 16 month time frame." (p IX-4)

**Market Impact:**

"Positive employment, population, and household increases will continue to impact rental housing demand through the 2010's." (p IX-6) "The need for affordable housing within the prescribed market area is justified for the subject development. The subject development will not affect the trends of the other HTC apartment projects located in the market area." (pXI-1)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$155,136	Avg. Rent:	\$485	Expense Ratio:	64.7%
Debt Service:	\$116,665	B/E Rent:	\$451	Controllable Expenses:	\$2,318
Net Cash Flow:	\$38,472	Occupancy:	92.50%	Property Taxes/Unit:	\$0
Aggregate DGR:	1.33:1	B/E Occupancy:	84.41%	Program Rent Year:	2010

Income:      Number of Revisions:      2      Date of Last Applicant Revision:      6/27/2011

The maximum program rents are achievable based upon the Market Study. The average rent is \$34 higher than the breakeven rent and the deal's breakeven occupancy level is 84.41%.

Expense:      Number of Revisions:      2      Date of Last Applicant Revision:      6/29/2011

The Applicant's proposed operating expenses are within 5% of those estimated by the Underwriter. Additionally, the Applicant's proposed controllable expenses of \$2,318 per unit are only \$66 (or 2.9%) lower than the Underwriter's estimate of \$2,385.

Apart from the Payroll and Payroll Tax expenses and the utility expenses, the Underwriter utilized 2010 financial statements for three developments constructed, owned and operated by the DMA to establish estimated controllable operating expenses. Two developments, the Villages at Morningstar and Morningstar Villas, are essentially two phases of one project as they are constructed directly across the street from each other. The Morningstar properties are located within Region 6. The third development, Arbors at Rose Parks, is located outside of Region 6 but has the same number of units, 80, as the subject site.

The Applicant submitted a payroll plan detailing hourly wages and annual salaries for staff that will maintain and manage the site. The Underwriter utilized the \$74,360 per year payroll expense called for in the payroll plan. Additionally, as the site is located within Region 6, utility and Water, Sewer, and Trash expenses were derived from the Region 6 database and the Bay City Housing Authority utility schedule.

The Applicant anticipates a 100% property tax exemption. SETH will hold fee simple title to the property and ground lease the site to the partnership. An affiliate of SETH will hold 100% of the GP interest in the Applicant. This is a common ownership structure for HFCs and Housing Authorities to utilize in order to achieve a 100% exemption. The same development team achieved an exemption using the same structure on Heritage Crossing, a recently financed HTC deal.

Due to the site's proximity to the Gulf of Mexico, the insurance premium is higher than would be expected from other regions throughout the state. The Applicant included a quote from Galloway Insurance Agency for \$51,970 (\$650/unit). The Underwriter utilized this number for the property insurance line item.

**Conclusion:**

The Applicant's income, total expenses, and NOI are all within 5% of the Underwriter's estimates and were used to analyze the feasibility of the deal.

Feasibility:

As currently underwritten, the deal meets the minimum feasibility requirements with a 1.33 DCR and 64.7% income to expense ratio. The income to expense ratio is a potential risk as it indicates that a slight increase in the actual expenses or a slight decrease in the amount of revenue realized at the site could push the deal above the 65% REA threshold.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase and Sale Agreement Acreage: 7

Acquisition Cost: \$395,000 Contract Expiration: 10/3/2011

One Acre: \$7,997

Site Max Value: \$55,977

Applicant's Value: \$55,300

Seller: Carey Scott Evans and Pamela Rene Evans Related to Development Team?  Yes  No

Comments:

Subject 7 acre site is part of the larger 49.395 acre tract of land under contract. The purchase price is slightly less than the prorated value for the 7 acres. Therefore, the Underwriter has used the Applicant's acquisition value. The Applicant has also included \$5,000 in closing costs.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

The Applicant has proposed site work costs of \$718,000 or \$8,975 per unit. This figure is of concern as it is just below the REA threshold of \$9,000 per unit. The Underwriter reviewed actual construction costs for two developments recently completed by the Co-developer and found that on both occasions the proposed site work costs were underestimated and actual site work costs exceeded the \$9,000 per unit threshold.

The Underwriter reviewed the applications for Heritage Crossing and Cambridge Crossing and found that the site work costs for both deals were estimated to be below the \$9,000 per unit threshold. For Heritage Crossing, site work was projected to be \$645,064 or \$8,959 per unit compared to the actual site work cost of \$926,471 or \$12,867 per unit. Site work costs for Cambridge Crossing were originally estimated to be \$457,880 or \$7,631 per unit compared to actual site work costs of \$658,090 or \$10,968 per unit.

The Co-developer stated that the site work for the subject site was estimated by the same contractor who was the contractor for the Heritage Crossing and Cambridge Crossing deals. Additionally, the Co-developer stated that the site work costs for Heritage Square were higher due to a large amount of import fill and significant landscaping which are not anticipated for the subject site. A more modest budget for landscaping and fencing has been proposed for the subject site when compared to the two previous developments and as a result the total site work costs are expected by the Co-developer to be below the \$9,000 per unit threshold.

As the Co-developer has previously placed site work costs below the \$9,000 per unit threshold when actual costs exceeded the limit, the Underwriter is concerned that the same approach of targeting the threshold instead of basing site work cost on proper due diligence of the site is being practiced for the subject site.

**Direct Construction Cost:**

Though the Applicant's proposed total construction cost is within 5% of the total construction cost estimated by the Underwriter, the direct construction cost is 7.3% higher than the Underwriter's estimated direct construction cost. The actual direct construction cost for Heritage Crossing, which is located within the same region as the subject site and utilizes similar building products, was used by the Underwriter to provide a secondary source of data to supplement the cost estimate derived from the Marshall and Swift Residential Handbook. The 7.3% gap between direct construction cost estimates by the Applicant and Underwriter is similar to the 6.3% gap between the proposed direct construction costs for Heritage Crossing between the Applicant and Underwriter.

The Applicant's hard costs per SF (\$96.94) are just below the QAP scoring threshold of \$97/SF. The Underwriter is concerned that the Applicant's costs were derived to meet the QAP scoring criterion rather than deal specific characteristics.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost and multiplied by a 91.97% applicable fraction) of \$10,833,293 and 9% applicable percentage support an annual allocation of \$974,996. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. The Applicant rounded the applicable fraction which accounts for the slight difference in the Applicant's request and eligible basis derived credit amount.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions:     0     Last Update:     N/A    

<b>Interim Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>	<b>LTC</b>
TDHCA HOME Loan	\$2,000,000	4.15%	18 Months	21%
Wells Fargo Bank, N.A.	\$3,000,000	6.50%	24 Months	32%
RBC Capital Markets	\$3,655,963	Syndicator		39%
Senior Housing Resources	\$816,064	Deferred Developer Fee		9%
<b>Total</b>	<b>\$9,472,027</b>			

**Comments:**

The TDHCA HOME loan will be available during the construction phase of the deal; however, no payments will be required during the construction period.

<b>Permanent Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>LTC</b>
TDHCA HOME Loan	\$2,000,000	4.15%	30	30	21%
<b>Total</b>	<b>\$2,000,000</b>				

**Comments:**

The TDHCA HOME Loan will be the only permanent source of debt for the deal and will carry an interest rate of 4.15% over a 30 year amortization period.



Equity & Deferred Fees	Amount	Rate	% TC	% Def
RBC Capital Markets - Syndicator	\$7,311,741	\$0.75	77%	
Senior Housing Resources	\$160,286		2%	14%
<b>Total</b>	<b>\$7,472,027</b>			
<b>Total Sources</b>	<b>\$9,472,027</b>			

Comments:

The syndication letter provided by RBC Capital Markets indicates \$7,311,926 in equity assuming \$975,021 in credits and a syndication rate of \$0.75; however, due to a slight rounding error occurring in the calculation of the applicable fraction, the Underwriter has determined an annual tax credit reservation of \$974,996 at a \$0.75 syndication rate. This slight reduction results in an equity contribution of \$7,311,743 and a deferred developer fee of \$160,101. The adjustment has no impact on the feasibility of the deal.

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,000,000 indicates the need for \$7,472,027 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$996,370 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$974,996</b>
Allocation determined by gap in financing:	\$996,370
Allocation requested by the Applicant:	\$975,021

The allocation amount determined by the Underwriter's calculation of the eligible basis is recommended. A tax credit allocation of \$974,996 per year for 10 years results in total equity proceeds of \$7,311,741 at a syndication rate of \$0.75 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$160,286 in additional permanent funds. Deferred developer fees in this amount are repayable from development cashflow within 6 years of stabilized operation.

Underwriter:	<u>Blake Hopkins</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX / SCHEME**

**The Monarch at Bay Prairie, Bay City, 9% HTC / HOME #11167**

LOCATION DATA	
CITY:	Bay City
COUNTY:	Matagorda
PROGRAM REGION:	6
RURAL RENT USED:	Yes
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	58	72.5%
2	22	27.5%
3		
4		
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	91.97%
APP%-ACQUISITION:	3.46%
APP%-CONSTRUCTION:	9.00%
AVERAGE SF:	804.875

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	30%/30%	\$289	8	1	1	739	\$289	\$64	\$225	\$0	\$0.30	\$225	\$1,800	\$1,800	\$225	\$0.30	\$0	\$563	0.76	\$338
TC50%	\$483	LH/50%	\$481	5	1	1	739	\$481	\$64	\$417	\$0	\$0.56	\$417	\$2,085	\$2,085	\$417	\$0.56	\$0	\$563	0.76	\$146
TC50%	\$483			4	1	1	739	\$483	\$64	\$419	\$0	\$0.57	\$419	\$1,676	\$1,676	\$419	\$0.57	\$0	\$563	0.76	\$144
TC60%	\$580			17	1	1	739	\$580	\$64	\$516	\$0	\$0.70	\$516	\$8,772	\$8,772	\$516	\$0.70	\$0	\$563	0.76	\$47
TC50%	\$483			14	1	1	742	\$483	\$64	\$419	\$0	\$0.56	\$419	\$5,866	\$5,866	\$419	\$0.56	\$0	\$563	0.76	\$144
TC60%	\$580			7	1	1	742	\$580	\$64	\$516	\$0	\$0.70	\$516	\$3,612	\$3,612	\$516	\$0.70	\$0	\$563	0.76	\$47
MR				3	1	1	742	\$0	\$64		NA	\$0.76	\$563	\$1,689	\$1,689	\$563	\$0.76	NA	\$563	0.76	\$0
TC50%	\$573	LH/50%	\$577	4	2	1	945	\$577	\$78	\$499	\$0	\$0.53	\$499	\$1,996	\$1,996	\$499	\$0.53	\$0	\$724	0.77	\$225
TC60%	\$696	HH/60%	\$591	1	2	2	982	\$591	\$78	\$513	\$0	\$0.52	\$513	\$513	\$513	\$513	\$0.52	\$0	\$724	0.74	\$211
TC60%	\$696			14	2	2	982	\$696	\$78	\$618	\$0	\$0.63	\$618	\$8,652	\$8,652	\$618	\$0.63	\$0	\$724	0.74	\$106
MR				3	2	2	982	\$0	\$78		NA	\$0.74	\$724	\$2,172	\$2,172	\$724	\$0.74	NA	\$724	0.74	\$0
<b>TOTALS/AVERAGES:</b>				<b>80</b>			<b>64,390</b>				<b>\$0</b>	<b>\$0.60</b>	<b>\$485</b>	<b>\$38,833</b>	<b>\$38,833</b>	<b>\$485</b>	<b>\$0.60</b>	<b>\$0</b>	<b>\$607</b>	<b>\$0.75</b>	<b>\$122</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>														<b>\$465,996</b>	<b>\$465,996</b>						

**STABILIZED PROFORMA**

**The Monarch at Bay Prairie, Bay City, 9% HTC / HOME #11167**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	DMA Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$0.60	\$485	\$465,996	\$465,996	\$485	\$0.60		0.0%	\$0
Laundry					\$10.00	\$9,600					0.0%	(9,600)
0					\$0.00	\$0					0.0%	-
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$9,600	\$10.00			100.0%	9,600
<b>POTENTIAL GROSS INCOME</b>						\$475,596	\$475,596				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(35,670)	(35,670)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions						-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$439,926	\$439,926				0.0%	\$0

General & Administrative	\$26,679	\$339/Unit	\$288/Unit	6.11%	\$0.42	\$336	\$26,900	\$23,072	\$288	\$0.36	5.24%	16.6%	3,828
Management	\$23,701	4.9% EGI	\$425/Unit	5.00%	\$0.34	\$275	\$22,000	\$22,000	\$275	\$0.34	5.00%	0.0%	-
Payroll & Payroll Tax	\$81,723	\$1,022/Unit	\$703/Unit	16.90%	\$1.15	\$930	\$74,360	\$74,360	\$930	\$1.15	16.90%	0.0%	-
Repairs & Maintenance	\$44,477	\$556/Unit	\$573/Unit	9.14%	\$0.62	\$603	\$40,200	\$45,831	\$573	\$0.71	10.42%	-12.3%	(5,631)
Utilities	\$22,883	\$286/Unit	\$272/Unit	4.09%	\$0.28	\$225	\$18,000	\$16,284	\$204	\$0.25	3.70%	10.5%	1,716
Water, Sewer, & Trash	\$31,246	\$391/Unit	\$326/Unit	5.91%	\$0.40	\$325	\$26,000	\$31,246	\$391	\$0.49	7.10%	-16.8%	(5,246)
Property Insurance	\$24,947	\$0.39 /sf	\$571/Unit	11.81%	\$0.81	\$650	\$51,970	\$51,970	\$650	\$0.81	11.81%	0.0%	-
Property Tax 1.9200	\$44,071	\$551/Unit	\$362/Unit	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$19,305	\$241/Unit	\$250/Unit	4.56%	\$0.31	\$250	\$20,000	\$20,000	\$250	\$0.31	4.55%	0.0%	-
TDHCA Compliance Fees				0.67%	\$0.05	\$37	\$2,960	\$2,960	\$37	\$0.05	0.67%	0.0%	-
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees				0.55%	\$0.04	\$30	\$2,400	\$2,400	\$30	\$0.04	0.55%	0.0%	-
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>				64.74%	\$4.42	\$3,560	\$284,790	\$290,122	\$3,627	\$4.51	65.95%	-1.8%	\$ (5,332)
<b>NET OPERATING INCOME ("NOI")</b>				35.26%	\$2.41	\$1,939	\$155,136	\$149,804	\$1,873	\$2.33	34.05%	3.6%	\$5,332

<b>CONTROLLABLE EXPENSES</b>	\$2,588/Unit	\$2,162/Unit			\$2,318/Unit			\$2,385/Unit					
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$439,926	\$448,725	\$457,699	\$466,853	\$476,190	\$525,753	\$580,473	\$640,890	\$707,594	\$781,241	\$862,553	\$952,328
LESS: TOTAL EXPENSES	284,790	293,114	301,883	310,504	319,596	369,173	426,522	492,854	569,584	658,350	761,052	879,887
NET OPERATING INCOME	\$155,136	\$155,611	\$156,017	\$156,349	\$156,604	\$156,579	\$153,951	\$148,036	\$138,010	\$122,890	\$101,501	\$72,441
LESS: DEBT SERVICE	116,665	116,665	116,665	116,665	116,665	116,665	116,665	116,665	116,665	116,665	116,665	116,665
NET CASH FLOW	\$38,472	\$38,946	\$39,352	\$39,684	\$39,940	\$39,914	\$37,287	\$31,371	\$21,345	\$6,226	(\$15,164)	(\$44,224)
CUMULATIVE NET CASH FLOW	\$38,472	\$77,418	\$116,770	\$156,454	\$196,393	\$396,936	\$589,793	\$759,948	\$888,555	\$952,180	\$921,909	\$762,288
DEFERRED DEVELOPER FEE BALANCE	\$160,286	\$121,339	\$81,987	\$42,303	\$2,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.33	1.33	1.34	1.34	1.34	1.34	1.32	1.27	1.18	1.05	0.87	0.62
EXPENSE/EGI RATIO	64.74%	65.32%	65.91%	66.51%	67.11%	70.22%	73.48%	76.90%	80.50%	84.27%	88.23%	92.39%

**CAPITALIZATION/TOTAL DEVELOPMENT BUDGET/ITEMIZED BASIS**

*The Monarch at Bay Prairie, Bay City, 9% HTC / HOME #11167*

DEBT / GRANT SOURCES														
	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
DEBT (Must Pay)	UW	App											DCR	LTC
TDHCA	1.28	1.33	\$116,665	4.15%	30	30	\$2,000,000	\$2,000,000	30	30	4.15%	\$116,665	1.33	21.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$116,665				\$2,000,000	\$2,000,000				\$116,665		21.1%
<b>NET CASH FLOW</b>			\$38,472									\$33,139		

EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
RBC Capital Markets	LHTC Equity	77.2%	\$975,021	0.75	\$7,311,926	\$7,311,741	\$0.75	\$974,996	77.2%	Annual Credit per Unit:	\$91,997	
Senior Housing Resources	Deferred Developer Fees	1.7%	(14% Deferred)		\$160,101	\$160,286	(14% Deferred)		1.7%	Total Developer Fee:	\$1,180,000	
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$569,793	
<b>TOTAL EQUITY SOURCES</b>		78.9%			\$7,472,027	\$7,472,027			78.9%	15-Yr Cash Flow after Fee:	\$429,508	
<b>TOTAL CAPITALIZATION</b>					\$9,472,027	\$9,472,027						

DEVELOPMENT COST / ITEMIZED BASIS											
	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis		Total Costs		Eligible Basis		Total Costs		%	\$	
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition					
Land Acquisition			\$754 / Unit	\$60,300	\$60,300	\$754 / Unit			0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0	0.0%	\$0	
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit			0.0%	\$0	
Sitework		\$718,000	\$8,975 / Unit	\$718,000	\$718,000	\$8,975 / Unit	\$718,000		0.0%	\$0	
Direct Construction		\$5,110,984	\$79.38 /sf	\$63,887/Unit	\$5,110,984	\$4,762,322	\$59,529/Unit	\$73.96 /sf	\$4,762,322	-7.3%	(\$348,662)
Contingency		\$295,000		5.06%	\$295,000	\$295,000	5.38%	\$295,000	0.0%	\$0	
Contractor's Fees		\$785,000		12.82%	\$785,000	\$785,000	13.59%	\$785,000	0.0%	\$0	
Indirect Construction		\$605,135		\$7,564 / Unit	\$605,135	\$605,135	\$7,564 / Unit	\$605,135	0.0%	\$0	
Ineligible Costs				\$1,889 / Unit	\$151,151	\$151,151	\$1,889 / Unit		0.0%	\$0	
Developer's Fees	\$0	\$1,180,000		14.97%	\$1,180,000	\$1,129,869	15.00%	\$1,129,869	\$0	-4.4%	(\$50,131)
Interim Financing		\$367,000		\$4,588 / Unit	\$367,000	\$367,000	\$4,588 / Unit	\$367,000	0.0%	\$0	
Reserves				\$2,493 / Unit	\$199,457	\$179,713	\$2,246 / Unit			-11.0%	(\$19,744)
<b>UNADJUSTED BASIS / COST</b>	\$0	\$9,061,119		\$118,400 / Unit	\$9,472,027	\$9,053,490	\$113,169 / Unit	\$8,662,325	\$0	-4.6%	(\$418,537)
Acquisition Cost for Identity of Interest Seller					\$0						
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$9,061,119		\$118,400 / Unit	\$9,472,027	\$9,053,490		\$8,662,325	\$0		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$9,472,027						

**CAPITALIZATION/DEVELOPMENT COST BUDGET/INDEXED BASIS ITEMS**

*The Monarch at Bay Prairie, Bay City, 9% HTC / HOME #11167*

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$9,061,119	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$9,061,119	\$0	\$8,662,325
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$11,779,455	\$0	\$11,261,023
Applicable Fraction	91.97%	91.9677%	91.97%	91.97%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$10,833,293	\$0	\$10,356,503
Applicable Percentage	3.46%	9.00%	3.46%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$974,996	\$0	\$932,085
<b>CREDITS ON QUALIFIED BASIS</b>	\$974,996		\$932,085	

**ANNUAL CREDIT CALCULATION  
BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$974,996	\$7,311,741
Gap	\$996,370	\$7,472,027
Request	\$975,021	\$7,311,925

**FINAL ANNUAL LIHTC  
ALLOCATION**

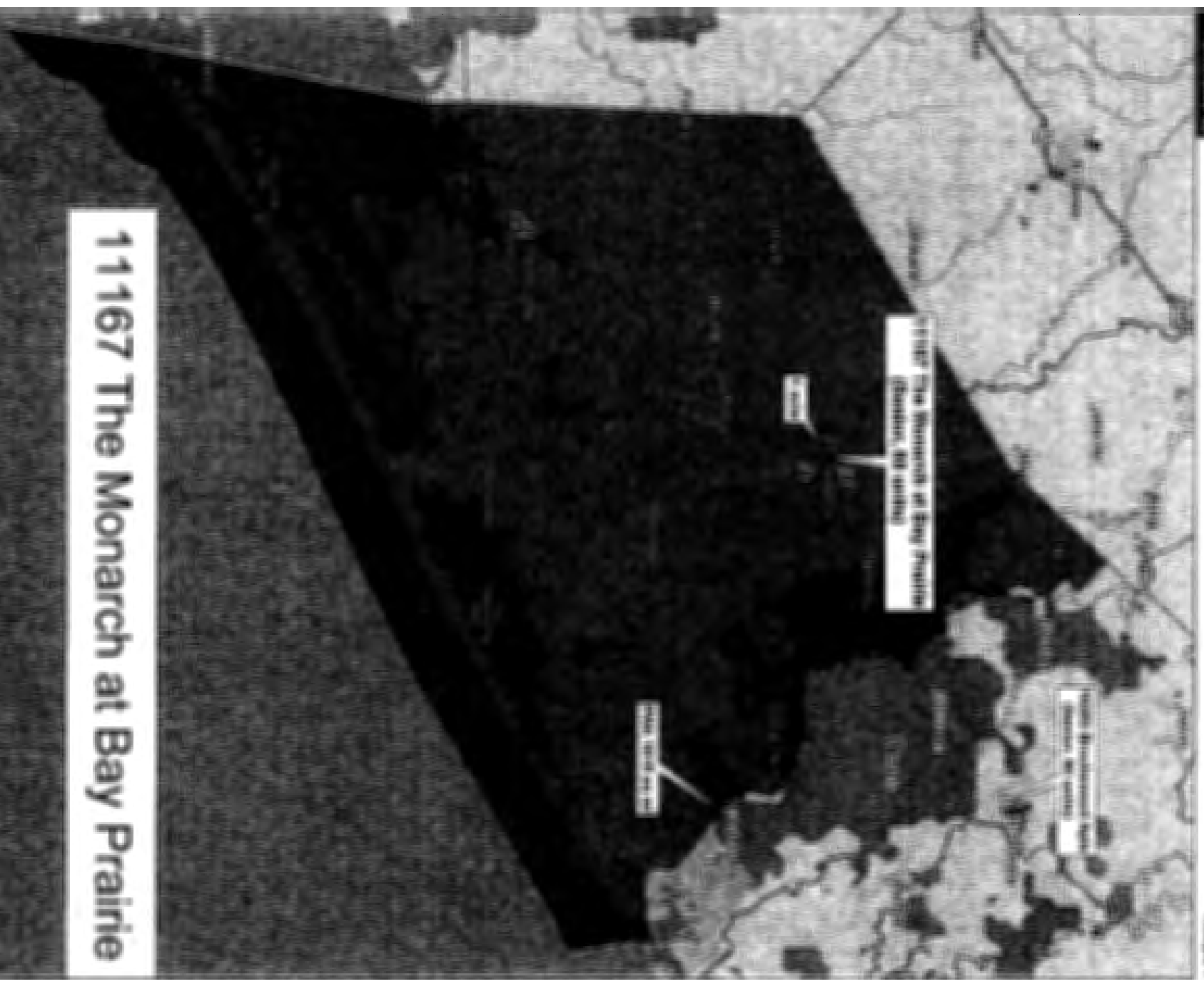
Method	Eligible Basis
Credits	\$974,996
Underwritten Proceeds	\$7,311,741

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$95.11	\$76,550	\$6,123,984	\$5,775,322	\$72,192	\$89.69
Applicant's Cost/SF Point Election	\$97.00					
Hard Costs plus Contractor Fees	\$96.94	\$86,362	\$6,908,984	\$6,560,322	\$82,004	\$101.88

**DIRECT CONSTRUCTION COST ESTIMATE**

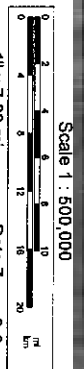
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis		71,728	\$61.94	3,988,532
<b>Adjustments</b>				
Exterior Wall Finish	1.20%		0.74	\$47,862
Elderly	3.00%		1.86	119,656
9-Ft. Ceilings	3.15%		1.95	125,639
Roofing			0.00	0
Subfloor			(1.61)	(126,824)
Floor Cover			3.83	300,880
Covered Patios	\$20.78	2,520	0.81	52,366
Balconies	\$23.20	9,878	3.56	229,152
Plumbing Fixtures	\$1,015	54	0.85	54,810
Rough-ins	\$445	160	1.11	71,200
Built-in Appliances	\$2,525	80	3.14	202,000
Exterior Stairs	\$1,900	3	0.09	5,700
Heating/Cooling			1.86	146,215
Enclosed Corridors	\$54.86	6,882	5.86	377,570
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$56.91	7,338	7.63	490,987
Other: Elevator	\$60,000	1	0.93	60,000
Other: Wind Adj. Frame	\$0.99	71,728	1.10	71,011
Other: Wind Adj. Masonry	\$0.13	71,728	0.14	9,036
Other: Fire Sprinkler	\$3.50	78,610	4.27	275,135
<b>SUBTOTAL</b>			<b>100.06</b>	<b>6,442,993</b>
Current Cost Multiplier	1.03		3.00	193,290
Local Multiplier	0.88		(12.01)	(773,159)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>				<b>\$1,06</b> <b>\$5,863,123</b>
Plans, specs, survey, bldg permits	3.90%		(3.55)	(\$228,662)
Interim Construction Interest	3.38%		(3.07)	(197,890)
Contractor's OH & Profit	11.50%		(10.47)	(674,259)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>73.96</b>	<b>\$4,762,322</b>



**111167 The Monarch at Bay Prairie**

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11168

The Trails at Nodding Pines

Urban, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Trails at Nodding Pines, TDHCA Number 11168**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SW corner of Holly Road and Nodding Pines      Development #: 11168  
 City: Corpus Christi      Region: 10      Population Served: General  
 County: Nueces      Zip Code: 78412      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Trails at Nodding Pines LLC  
 Owner Contact and Phone: Janine Sisak, (512) 328-3232  
 Developer: Janine Sisak  
 Housing General Contractor: Rampart Builders, Ltd.  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: DMA Property Advisors, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	84
	14   0   20   50	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0   12   44   32   0   0	Total Development Units:	88
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,100,000	\$1,100,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Trails at Nodding Pines, TDHCA Number 11168

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Hinojosa, District 20, NC

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Senior Community Service Employment Program, S, Juan C. Vela, Project Director

Goodwill Industries of South Texas, S, John W. Owen, President and CEO

First United Methodist Church, S, Rev. Greg Hackett, Senior Pastor

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Trails at Nodding Pines, TDHCA Number 11168

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 188  Meeting a Required Set-Aside Credit Amount\*: \$1,100,000

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11169**

**Merritt Bryan Station Senior  
Village**

**Urban, Region 8**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Merritt Bryan Station Senior Village, TDHCA Number 11169**

**BASIC DEVELOPMENT INFORMATION**

Site Address: N of Hwy 6 and W of Old Reliance Rd. Development #: 11169  
 City: Bryan Region: 8 Population Served: Elderly  
 County: Brazos Zip Code: 77808 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: DDC Bryan TC, Ltd  
 Owner Contact and Phone: Colby Denison, (512) 732-1226  
 Developer: DDC Investments, Ltd.  
 Housing General Contractor: TBD  
 Architect: Architettura, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: EPMI  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	144
	16 0 50 78	Market Rate Units:	
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 60 84 0 0 0	Total Development Units:	144
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,811,478	\$1,811,478			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Merritt Bryan Station Senior Village, TDHCA Number 11169

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: Flores, District 17,

TX Representative: Brown, District 14, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 1

**Quantifiable Community Participation Input:**

Old Reliance Neighborhood Association, Gary A. Welch

Letter Score: 24 S or O: S

Our area needs responsible development and I feel this project is worthy and provides that. City of Bryan has a significant need for senior affordable housing.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

Oppose multifamily developments in the N. Earl Rudder Freeway area.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Merritt Bryan Station Senior Village, TDHCA Number 11169

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: 196 Meeting a Required Set-Aside Credit Amount\*: \$1,811,478

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11171**

**South Fork Apts**

**Rural, Region 3**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**South Fork Apts, TDHCA Number 11171**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Lockhart Rd. at W Washington St. Development #: 11171  
 City: Stephenville Region: 3 Population Served: General  
 County: Erath Zip Code: 76401 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Stephenville South Fork Apartments LP  
 Owner Contact and Phone: Justin Zimmerman, (417) 890-3239  
 Developer: JMZ Land Company, LLC  
 Housing General Contractor: Zimmerman Properties Construction, LLC  
 Architect: Parker & Associates  
 Market Analyst: Integra Realty Resources  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	59
	6 0 21 32	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	1
	0 12 24 24 0 0	Total Development Units:	60
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$729,975	\$729,975			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

South Fork Apts, TDHCA Number 11171

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Fraser, District 24, NC

US Representative: Carter, District 31,

TX Representative: Miller, District 59, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: O, Nancy A. Hunter, Mayor of Stephenville Resolution of Support from Local Government

O, Darrell G. Floyd, Ed.D., Superintendent of Schools

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

South Fork Apts, TDHCA Number 11171

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 193  Meeting a Required Set-Aside Credit Amount\*: \$729,975

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11175

Three Forks Ranch

Rural, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Three Forks Ranch, TDHCA Number 11175**

**BASIC DEVELOPMENT INFORMATION**

Site Address: US Hwy 175 and State Hwy 34 Development #: 11175  
 City: Kaufman Region: 3 Population Served: Elderly  
 County: Kaufman Zip Code: 75142 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Three Forks Ranch, Ltd.  
 Owner Contact and Phone: Monique Allen, (214) 688-4044  
 Developer: UPCDC Texas, Inc.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: UPCDC, Texas Inc.  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	8	0	28	44	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	40	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$939,820	\$939,820			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Three Forks Ranch, TDHCA Number 11175

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Deuell, District 2, S

US Representative: Hensarling, District 5,

TX Representative: Gooden, District 4, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 5 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- The Greater Kaufman Rotary Club, S, Joyce Cummings, President
- The Kaufmans Lion's Club, S, Greg, Richards, Chairman of the Board
- The Kaufmans Lion's Club, S, Anne Glasscock, President
- The Greater Kaufman Rotary Club, S, Yvonne Floyd, President
- The Kaufman Economic Development Corporation, S, Lee E. Ayres, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Three Forks Ranch, TDHCA Number 11175

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **200**  Meeting a Required Set-Aside Credit Amount\*: \$939,820

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11177**

**Trinity East Village**

**Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Trinity East Village, TDHCA Number 11177**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 14 contiguous parcels bordered by St. Charles St., Tuam St., Li      Development #: 11177  
 City: Houston      Region: 6      Population Served: Elderly  
 County: Harris      Zip Code: 77004      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Trinity East Village, Ltd.  
 Owner Contact and Phone: Tina Council, (713) 256-4554  
 Developer: Trinity East Village Community Dev. Corp.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: Trinity East Village CDC  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	70
	8	0	24	38	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	35	35	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	70
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$977,500	\$977,500			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Trinity East Village, TDHCA Number 11177

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Ellis, District 13, S

US Representative: Jackson Lee, District 18,

TX Representative: Coleman, District 147, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

Greater Third Ward Super Neighborhood Council, Norma L. Bradley

Letter Score: 24 S or O: S

In this project you'll find a concept in upscale living, one that relieves the burdens of home ownership without sacrificing the finer things that one sometimes experiences when relocating to a Senior apartment.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Trinity East Village, TDHCA Number 11177**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **202**  Meeting a Required Set-Aside Credit Amount\*: \$977,500

**Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11178

Esperanza Cove Senior Apts

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Esperanza Cove Senior Apts, TDHCA Number 11178**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2819 E Belknap St. Development #: 11178  
 City: Fort Worth Region: 3 Population Served: Elderly  
 County: Tarrant Zip Code: 76111 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Esperanza Cove, Ltd.  
 Owner Contact and Phone: Jesus Chapa, (817) 392-5804  
 Developer: Fort Worth Housing Finance Corp.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: Alamo Architects, Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	61
	8	0	21	32	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	32	29	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	61
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$775,979	\$775,979			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Esperanza Cove Senior Apts, TDHCA Number 11178

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Davis, District 10, NC

US Representative: Granger, District 12,

TX Representative: Burnam, District 90, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

Scenic Bluff Neighborhood Association (SBNA), Belinda Norris

Letter Score: 24 S or O: S

We feel that this project will not only help to meet the existing senior housing need but will be designed and managed in a manner that will continue to be a benefit to our community for many years to come.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Esperanza Cove Senior Apts, TDHCA Number 11178

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **206**  Meeting a Required Set-Aside Credit Amount\*: \$775,979

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11179

Meadowlake Village Apts

Rural, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Meadowlake Village Apts, TDHCA Number 11179**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 209 S Grand Ave. Development #: 11179  
 City: Mabank Region: 3 Population Served: General  
 County: Kaufman Zip Code: 75147 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Mabank Residential Apartments, LP  
 Owner Contact and Phone: Warren L. Maupin, Jr., (254) 718-7347  
 Developer: Maupin Development Co., Inc.  
 Housing General Contractor: Maupin Development Co., Inc.  
 Architect: James M. Faulk, FARA  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: NA  
 Consultant and Contact: MKG Consulting, Inc., Mary Graves

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	40
	4	0	14	22	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	24	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	40
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$413,499	\$413,499			
HOME Activity Fund Amount:	\$300,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Meadowlake Village Apts, TDHCA Number 11179

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, S

US Representative: Hensarling, District 5,

TX Representative: Gooden, District 4, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 5 In Opposition 0

Quantifiable Community Participation Input:

Neighborhood Beautification of Mabank, Kasey Millinder Letter Score: 24 S or O: S

The apartments have deteriorated over the last few years, i.e., fencing is tattered and falling down, roof is in need of repair, play ground isn't in good condition. New areas are needed with new equipment for the children to have a safe environment to play. A rehabilitation of MeadowLake would help the property values of the neighborhood to increase.

Community Input Other than Quantifiable Community Participation Input:

- Mabank Police Department, S, Kyle McAffe, Police Chief
The Gospel Ministry, S, Rev. Sandra Wood, Reverend
Family Resource Center, S, Toni Muirhead, Owner
Central Baptist Church, S, Rev. Kenneth Hensley, Reverend
Mabank Volunteer Fire Dept., S, Ricky Myrick, Fire Chief

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Meadowlake Village Apts, TDHCA Number 11179**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 5

Total # Monitored: 3

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 190  Meeting a Required Set-Aside Credit Amount\*: \$413,499

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11180**

**Rainy Creek Apts**

**Urban, Region 2**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Rainy Creek Apts, TDHCA Number 11180**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Griffith Rd. at Scottish Rd. Development #: 11180  
 City: Abilene Region: 2 Population Served: General  
 County: Taylor Zip Code: 79601 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Abilene Rainy Creek Apartments, LP  
 Owner Contact and Phone: Justin Zimmerman, (417) 890-3239  
 Developer: JMZ Land Company, LLC  
 Housing General Contractor: Zimmerman Properties Construction, LLC  
 Architect: Parker & Associates  
 Market Analyst: Integra Realty Resources  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	84
	10	0	29	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	42	30	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	84
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$967,134	\$967,134			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Rainy Creek Apts, TDHCA Number 11180**

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Fraser, District 24, S

US Representative: Neugebauer, District 19,

TX Representative: King, District 71, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Norm Archibald, Mayor City of Abilene Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

Griffith Road Property Association, Ruth Elizabeth Griffith Letter Score: 24 S or O: S

This area of Abilene is in need of quality apartments. New development on the south side of IH-20 is needed.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Rainy Creek Apts, TDHCA Number 11180**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **203**  Meeting a Required Set-Aside Credit Amount\*: \$967,134

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11181

Dunes Apts

Rural, Region 12



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Dunes Apts, TDHCA Number 11181**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SE Ave. G at SE 3rd St. Development #: 11181  
 City: Seminole Region: 12 Population Served: General  
 County: Gaines Zip Code: 79360 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Seminole Plaza Apartments, LP  
 Owner Contact and Phone: Kelly Holden, (512) 312-4427  
 Developer: VCZ Development, LLC  
 Housing General Contractor: Zimmerman Properties Construction, LLC  
 Architect: Parker & Associates  
 Market Analyst: Integra Realty Resources  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	59	
	6	0	21	32	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	30	18	0	0	
Type of Building:						Total Development Units:	60
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$6,296,575
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$664,268	\$661,313			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Dunes Apts, TDHCA Number 11181

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S

US Representative: Neugebauer, District 19,

TX Representative: Perry, District 83, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Carryover of: approval of the re-zoning by the City of Seminole of the subject property for use as a multifamily residential development.
2. Receipt and acceptance by Cost Certification: That the entire 4.24 acre site be included in the HTC Land Use Restrictive Agreement (LURA) of this development. That the LURA include a requirement that the 1.6 acre green space be continuously maintained (i.e. mowed regularly and free of debris and trash) and be accessible for use by the tenants throughout the affordability period.
3. Should the terms and rates of proposed debt or syndication change, the transaction must be reevaluated and an adjustment to the credit allocation recommendation or terms and amounts of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Dunes Apts, TDHCA Number 11181

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 19

Total # Monitored: 13

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 165  Meeting a Required Set-Aside Credit Amount\*: \$661,313

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

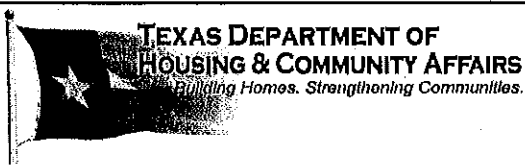
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11181 Program(s): 9 % HTC

**Dunes Apartments**

Address/Location: SE Avenue G at SE 3rd Street

City: Seminole County: Gaines Zip: 79360

Population: Family Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 12

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$664,268				\$661,313				

**CONDITIONS**

- 1 Receipt and acceptance by Carryover of:
  - approval of the re-zoning by the City of Seminole of the subject property for use as a multifamily residential development.
- 2 Receipt and acceptance by Cost Certification:
  - That the entire 4.24 acre site be included in the HTC Land Use Restrictive Agreement (LURA) of this development.
  - That the LURA include a requirement that the 1.6 acre green space be continuously maintained (i.e. mowed regularly and free of debris and trash) and be accessible for use by the tenants throughout the affordability period.
- 3 Should the terms and rates of proposed debt or syndication change, the transaction must be re-evaluated and an adjustment to the credit allocation recommendation or terms and amounts of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	32

## RISK PROFILE

### STRENGTHS/MITIGATING FACTORS

▫	Development team has completed 725 tax credit units in Texas (including similar small rural developments)
▫	Close access to US Hwy 62, US Hwy 180 & US Hwy 385. Marketing in rural areas less dependent on visibility
▫	Market occupancy is 99.1%

### WEAKNESSES/RISKS

▫	Significant demand concerns as discussed in comments of Market Analysis section
▫	Site located in older industrial/commercial area. Residential use consists of adjacent and dilapidated mobile home parks. Not visible from main thoroughfare
▫	Expense to income ratio is 63.64%. Historical rent growth not discussed in market study
▫	Lack of rent comparables to support market rent assumption (affecting 60% AMI units)
▫	Average one-month concession drops effective rents below breakeven

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: Vaughn C. Zimmerman Relationship: Owner  
 Email: vzimmerman@wilhoitproperties.com Phone: (417)970-8250 Fax: (417)883-6343

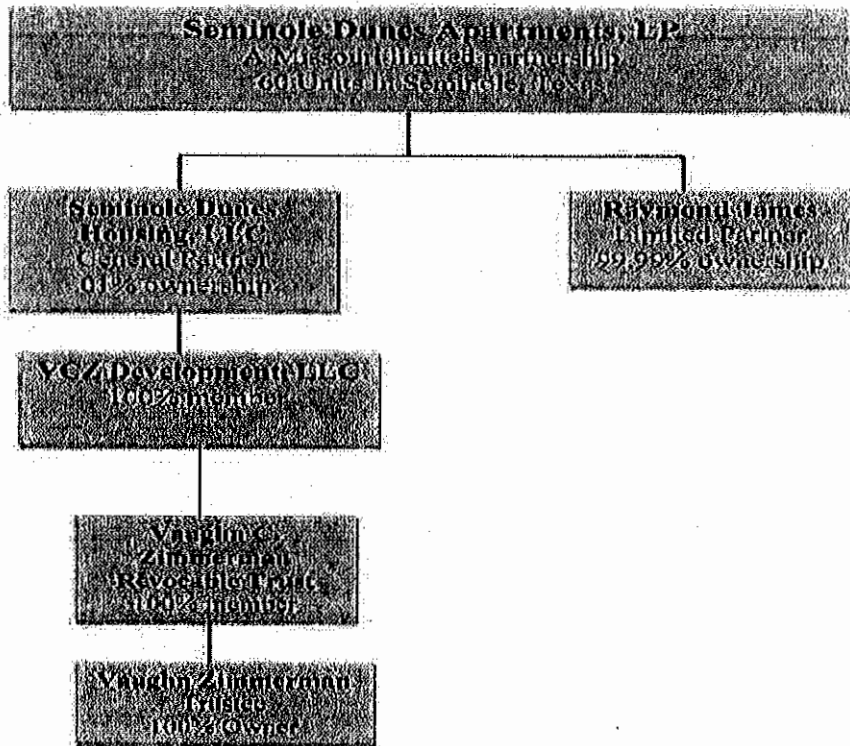
### KEY PRINCIPALS

Name	COMPANY	RELATIONSHIP	# Developments
Vaughn Zimmerman	Zimmerman Properties	Owner	19

Related-Party Seller/Identity of Interest: No

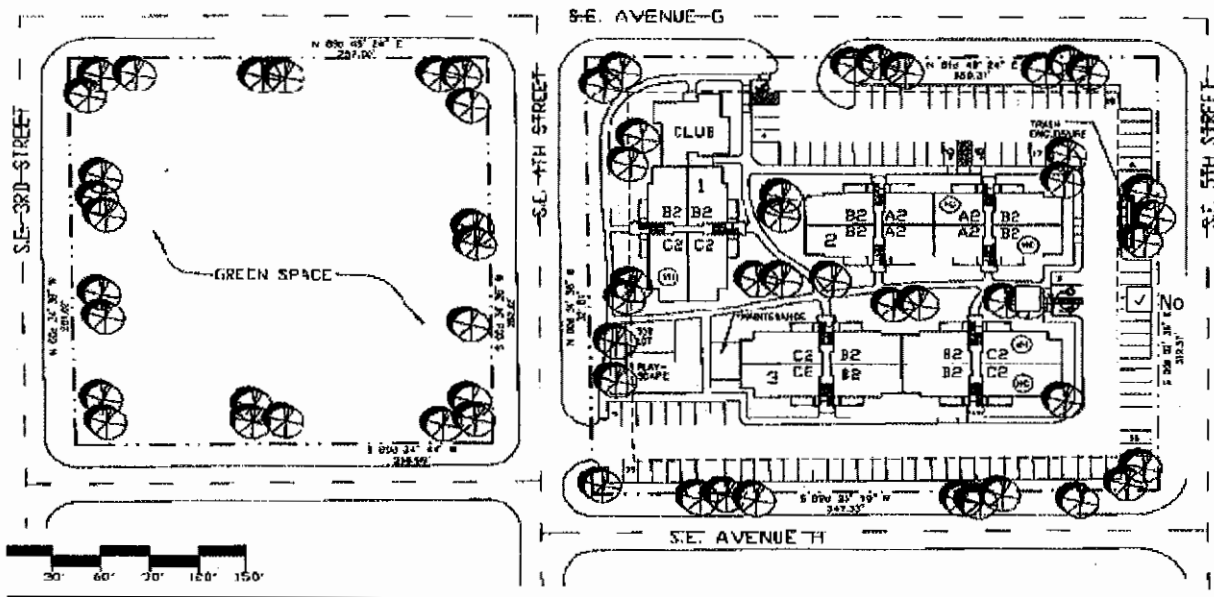
- The Applicant, Developer, General Contractor and property manager are related entities.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

The 4.24 acre site is effectively two city blocks located adjacent to each other and bisected by 4th Street. The buildings and built amenities will be located on the larger 2.6 acre portion and according to the Applicant, the remaining 1.6 acre portion will be provided as a manicured green space. The Applicant indicated that they had no intent of exploring a phase II to be located on this piece of the property, that the LURA will encompass the entire 4.24 acres and that the 1.6 acres will be available and accessible to the tenants at all times. Moreover, additional amenities, such as BBQ grills or picnic tables may be added to this portion of the site in the future. It is a condition of this report that the 1.6 acre portion of the site identified as green space in the above site plan be continuously maintained (i.e. mowed regularly and free of debris and trash) and be accessible for use by the tenants throughout the affordability period.

**BUILDING CONFIGURATION**

Building Type	A	B	C		Total Buildings
Floors/Stories	3	3	3		3
Number of Bldgs	1	1	1		
Units per Bldg	12	24	24		
<b>Total Units</b>	<b>12</b>	<b>24</b>	<b>24</b>		<b>60</b>

**GENERAL INFORMATION**

Total Size: 4.24 acres  
 Flood Zone: X  
 Zoning: SF-4  
 Density: 14.1509 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

Zoning:

The Applicant has applied for the re-zoning of the subject property; however, to date the re-zoning has not been approved. Accordingly, it is a condition of this report that the Applicant provide proof of satisfactory approval of the re-zoning of the subject property for a multifamily residential development.

Surrounding Uses:

Residential housing, light industrial/commercial and undeveloped land.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Kaw Valley Engineering, Inc Date: 2/24/2011  
 Recognized Environmental Conditions (RECs) and Other Concerns:  
 • None

**MARKET ANALYSIS**

Provider: Integra Realty Resources - DFW Date: 3/25/2011  
 Contact: Amy White Phone: 972-960-1222  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 1504 sq. miles 22 mile equivalent radius  
 The Market Analyst's Primary Market Area is defined by 9 census tracts that encompasses all of Andrews, Gaines, and Yoakum counties. The Underwriter's Primary Market Area is defined by 3 census tracts that covers all of Gaines County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Gaines County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,943	\$10,830	---	---	\$16,560	\$18,050	\$19,886	\$21,660
2	\$9,943	\$12,390	---	---	\$16,560	\$20,650	\$19,886	\$24,780
3	\$11,931	\$13,920	---	---	\$19,851	\$23,200	\$23,863	\$27,840
4	\$13,783	\$15,480	---	---	\$22,971	\$25,800	\$27,566	\$30,960
5	\$13,783	\$16,710	---	---	\$22,971	\$27,850	\$27,566	\$33,420
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
None				n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		1		Total Units	32

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no Proposed, Under Construction, or Unstabilized Comparable Supply.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	12,751		5,059	
Potential Demand from the Primary Market Area	933		469	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	933		469	
Subject Affordable Units	59		59	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	59		59	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>6.32%</b>		<b>12.57%</b>	

Demand Analysis:

The Market Analyst calculated a Gross Demand of 933 units for the Relevant Supply of 59 units to come up with a Gross Capture Rate of 6.32%.

The Underwriter viewed the Market Analyst's Primary Market Area as too large and revised the PMA to only include Gaines County, where the subject property is located. The Underwriter calculated a Gross Demand of 469 units for the proposed 59 units to come up with a Gross Capture Rate of 12.57%.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; the analysis indicates, per REA rules, sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	48	1	0	2%	9	1	0	11%
1 BR/50%	45	4	0	9%	16	4	0	25%
1 BR/60%	71	7	0	10%	19	7	0	37%
2 BR/30%	51	3	0	6%	10	3	0	30%
2 BR/50%	50	11	0	22%	17	11	0	65%
2 BR/60%	82	15	0	18%	24	15	0	61%
3 BR/30%	74	2	0	3%	10	2	0	20%
3 BR/50%	80	6	0	8%	16	6	0	38%
3 BR/60%	123	10	0	8%	17	10	0	58%

**Primary Market Occupancy Rates:**

There are two existing LIHTC properties within the PMA, both with a reported 100% occupancy rate. (p 37) Occupancy rate for 15 properties within the Primary Market Area is 99%. (p 36)

**Absorption Projections:**

There have been no LIHTC projects built in this area since 1997. But from analysis of all the comparable properties in the area being at an average of 99%, the Market Analyst projects that it is "likely to be absorbed within 6 months of opening, equating to an absorption pace of approximately 10 units per month." (p 39)

**Market Impact:**

"The indicated Gross Capture Rate of 6.3% is below the maximum permitted concentration capture rate for rural projects, which is 30%. Thus, we conclude there to be sufficient unmet demand to support the development of the subject." (p 58)

**Comments:**

While the overall capture rate is 12.6% (using Underwriter's revised market area) and below the REA maximum (30%), only the 30% AMI units and the 50% one-bedroom units fall below the maximum. Some unit-type capture rates exceed 60%. Geographically, the market area is extremely large (1,504 square miles) and the population is small and dispersed. Because of the small population in the market area (15k with 5k households) the calculated capture rates are skewed because of a smaller denominator. A capture rate threshold of 30% is likely overstated for such a very small population spread out over such an expansive market area (not typical for most rural market areas).

Capture rate calculations assume potential renters are willing to drive 30 miles from their current residence. While there are two other HTC deals in the market area, they are USDA deals targeting seniors and are more than 30 miles from the subject.

Job growth in the market area as defined by the market analyst is 627 jobs since 1999. Three out of ten years showed job losses. Population growth rate (0.7% since the 2000 census) is a third of the state's average growth rate. Accordingly, the analysis infers that most demand will come from relocations within the market area. It is difficult to determine pent-up demand for new quality units/amenities (existing two multifamily deals in Seminole are 25-years old). There may exist potential under-housed renters for the 3-bedroom units but not quantifiable.



## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$123,427	Avg. Rent:	\$505	Expense Ratio:	63.64%
Debt Service:	\$103,054	B/E Rent:	\$476	Controllable Expenses:	\$2,263
Net Cash Flow:	\$20,373	Occupancy:	92.50%	Property Taxes/Unit:	\$442
Aggregate DCR:	1.2:1	B/E Occupancy:	86.95%	Program Rent Year:	2010

Income:    Number of Revisions:    None    Date of Last Applicant Revision:    N/A

The Applicant's and Underwriter's rents are based on the net HTC program rents for the 30% and 50% units. For the 60% units, the Applicant has estimated achievable rents based on rents at two existing properties in Seminole. The Underwriter used the market rents provided by the Market Analyst, which are based on the same two Seminole properties and other properties in neighboring communities and which are adjusted for properties specific characteristics. The subject property will be the first new multifamily development in Seminole since 1988.

Three of the Market Analyst's comps are located 30 miles south in Andrews and each of these properties has only 1 bedroom units. Of the two properties in Seminole, one property has 1 and 2 bedroom units and the other only has 2 bedroom units. None of the comps have 3 bedroom units, so the 3 bedroom market rent is derived from those being achieved for 1 and 2 bedroom units. The size of the market and lack of direct comps makes determining the actual achievable rents very difficult and this represents a significant risk.

The ownership team's two closest properties in Levelland (70 miles North) and Big Spring (90 miles Southeast) are both achieving significantly lower rents than projected for the subject and the Big Spring Property is only 85% occupied.

Tenants will pay for electric, water, and sewer costs.

Expense:    Number of Revisions:    None    Date of Last Applicant Revision:    N/A

The Applicant's total annual operating expense projection of \$3,600 per unit is within 5% of the Underwriter's estimate of \$3,592. The Underwriter also reviewed historical expenses for several other Wilhoit properties. Several of the Wilhoit deals reflected general and administrative (G & A) expenses substantially higher than what would typically be expected. After discussion with the Applicant, the itemized 2010 expenses for the development team's 64 unit Levelland deal (HTC #07117) were provided, which reflect compliance fees, supportive service fees, and some "below the line" partnership expenses are often reported as G & A. After adjustment, the G & A was comparable to the database per unit figure which is used by the Underwriter. The Underwriter's payroll and payroll tax figure is also based on the 2010 per unit actual for Levelland, which is higher than the TDHCA database but consistent with other Wilhoit properties. For water sewer and trash, the Underwriter used the Levelland deal's per unit figure due to the unique utility structure with tenant's paying water and sewer.

In general the historical expenses for the Wilhoit properties reviewed reflect significant variation in several of the controllable expense line items. Repairs and maintenance costs, for example, were very low (< \$200 per unit) for many deals and more in line with typical expectations (\$400 to \$600 per unit) for others. This variation was generally consistent across the Wilhoit portfolio. However, the underwritten controllable expenses of \$2,263 per unit is reasonable and should provide sufficient cushion for variation in operations.

**Conclusion:**

The Applicant's income, total expense and net income estimates are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma was used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the recommended permanent financing structure the calculated DCR of 1.20 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's year 1 pro forma was utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Commercial & Industrial Real Estate Sales Contract      Acreage: 4.2  
 Acquisition Cost: \$167,000      Contract Expiration: 11/1/2011  
 Cost Per Unit: \$2,783  
 Seller: Ken Galan      Related to Development Team?     Yes     No

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE    Number of Revisions: None      Date of Last Applicant Revision: N/A

Off-Site Cost:

Off-Sites     Yes     No      Engineer/Architect Cert.     Yes     No     N/A

Sitework Cost:

Site Work >\$9K/unit     Yes     No      Engineer & CPA Cert.     Yes     No     N/A

The Applicant sitework costs of \$9,000 per unit is exactly equal to the threshold in the REA rules. The purpose of the threshold is to allow the Department to review a third party engineer's estimate in cases in which site conditions will require higher costs as the Underwriter has no ability to independently evaluate these costs. The Applicant indicated that they believed that this would provide sufficient cushion, but that no soil testing or other due diligence has been done. While a visual observation of the site doesn't yield any obvious conditions that could impact costs, this is a risk for this deal. REA routinely see substantial variation in costs from application to cost certification as a result of too little investigation and due diligence up front.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$65K or 2% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

Raymond James, the equity provider, and USDA, loan guarantor, will require combined reserves of \$326,062, which is greater than Department's standard (six months of stabilized operating expenses less management fees and reserve for replacements plus debt service). The Applicant provided documentation of this requirement; therefore the lender/syndicator required reserve has been used by the Applicant and Underwriter.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis, adjusted for the 30% boost, of \$7,347,925 and the 9% applicable percentage support annual tax credits of \$661,313. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Bank of Oklahoma - Construction Loan	\$4,650,000	5.00%	24 Months	74%
Raymond James - Syndication Proceeds	\$484,867	0.00%	24 Months	8%
<b>Total</b>	<b>\$5,134,867</b>			

Comments:

The interest rate on the Bank of Oklahoma loan will float at BOK National Prime plus 100 basis points. The loan has been underwritten at 6%.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Lancaster Pollard Mortgage - RD 538 Loan	\$1,305,000	7.50%	40 Years	15 Years	21%
<b>Total</b>	<b>\$1,305,000</b>				

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Raymond James - Syndication Proceeds	\$4,827,587	\$0.73	77%	
Deferred Developer Fees	\$163,988		3%	22%
<b>Total</b>	<b>\$4,991,575</b>			
<b>Total Sources</b>	<b>\$6,296,575</b>			

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,305,000 indicates the need for \$4,991,575 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$683,777 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$661,313</b>
Allocation determined by gap in financing:	\$683,777
Allocation requested by the Applicant:	\$664,268

The allocation amount determined by the request of the Applicant is recommended. A tax credit allocation of \$661,313 per year for 10 years results in total equity proceeds of \$4,827,587 at a syndication rate of \$0.73 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$163,988 in additional permanent funds. Deferred developer fees in this amount are repayable from development cashflow within 9 years of stabilized operation based on the long term pro forma.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>May 19, 2011</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>	Date:	<u>May 19, 2011</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>May 19, 2011</u>

**UNIT MIX MONTHLY RENT SCHEDULE**  
**Dunes Apartments, Seminole, #11181**

LOCATION DATA	
CITY:	Seminole
COUNTY:	Gaines
PROGRAM REGION:	12
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	12	20.0%
2	30	50.0%
3	18	30.0%
4		
<b>TOTAL</b>	<b>60</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	9.00%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS			TDHCA PROFORMA RENTS			MARKET RENTS				
Type	Gross Rent	Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	0	\$290	1	1	1	712	\$290	\$78	\$212	\$0	\$0.30	\$212	\$212	\$212	\$212	\$0.30	\$0	\$465	0.65	(\$211)
TC50%	\$483	0	\$483	4	1	1	712	\$483	\$78	\$405	\$0	\$0.57	\$405	\$1,620	\$1,620	\$405	\$0.57	\$0	\$465	0.65	(\$404)
TC60%	\$580	0	\$580	7	1	1	712	\$580	\$78	\$502	(\$42)	\$0.65	\$460	\$3,220	\$3,255	\$485	\$0.65	(\$37)	\$465	0.65	(\$454)
TC30%	\$348	0	\$348	3	2	2	964	\$348	\$95	\$253	\$0	\$0.26	\$253	\$759	\$759	\$253	\$0.26	\$0	\$550	0.57	(\$252)
TC50%	\$579	0	\$579	11	2	2	964	\$579	\$95	\$484	\$0	\$0.50	\$484	\$5,324	\$5,324	\$484	\$0.50	\$0	\$550	0.57	(\$483)
TC60%	\$696	0	\$696	15	2	2	964	\$696	\$95	\$601	(\$51)	\$0.57	\$550	\$8,250	\$8,250	\$550	\$0.57	(\$51)	\$550	0.57	(\$549)
EO		0		1	2	2	964	\$0	\$95	(\$95)	\$645	\$0.57	\$550	\$550	\$550	\$0.57	NA		\$550	0.57	(\$549)
TC30%	\$402	0	\$402	2	3	3	1,131	\$402	\$110	\$292	\$0	\$0.26	\$292	\$584	\$584	\$292	\$0.26	\$0	\$650	0.57	(\$291)
TC50%	\$670	0	\$670	6	3	3	1,131	\$670	\$110	\$560	\$0	\$0.50	\$560	\$3,360	\$3,360	\$560	\$0.50	\$0	\$650	0.57	(\$559)
TC60%	\$804	0	\$804	10	3	3	1,131	\$804	\$110	\$694	(\$54)	\$0.57	\$640	\$6,400	\$6,500	\$650	\$0.57	(\$44)	\$650	0.57	(\$649)
<b>TOTALS/AVERAGES:</b>				<b>60</b>			<b>57,822</b>				<b>(\$16)</b>	<b>\$0.52</b>	<b>\$505</b>	<b>\$30,279</b>	<b>\$30,414</b>	<b>\$507</b>	<b>\$0.53</b>	<b>(\$24)</b>	<b>\$563</b>	<b>\$0.58</b>	<b>(\$56)</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$363,348</b>	<b>\$364,968</b>
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**STABILIZED PROFORMA**

**Dunes Apartments, Seminole, #11181**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT				\$0.52	\$505	\$363,348	\$364,968	\$507	\$0.53		0.4%	\$1,620	
Application fee					\$1.67	\$1,200					0.0%	(1,200)	
Late/Non-Refundage fees					\$3.33	\$2,400					0.0%	(2,400)	
Underwriter's Total Secondary Income							\$3,600	\$5.00			100.0%	3,600	
<b>POTENTIAL GROSS INCOME</b>						\$366,948	\$368,568				0.4%	\$1,620	
Vacancy & Collection Loss					7.5% PGI	(27,521)	(27,543)	7.5% PGI			0.4%	(122)	
Non-Rental Units/Concessions						-					0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$339,427	\$340,925				0.4%	\$1,499	
General & Administrative	\$24,109	\$402/Unit	7.12%	\$0.42	\$403	\$24,170	\$24,109	\$402	\$0.42	7.07%	0.3%	61	
Management	\$27,947	9.5% EGI	5.05%	\$0.30	\$286	\$17,130	\$17,046	\$284	\$0.29	5.00%	0.5%	84	
Payroll & Payroll Tax	\$36,953	\$616/Unit	14.76%	\$0.87	\$835	\$50,100	\$55,502	\$925	\$0.96	16.28%	-9.7%	(5,402)	
Repairs & Maintenance	\$25,726	\$429/Unit	5.45%	\$0.32	\$308	\$18,500	\$25,726	\$429	\$0.44	7.55%	-28.1%	(7,226)	
Utilities	\$11,824	\$197/Unit	2.95%	\$0.17	\$167	\$10,000	\$11,824	\$197	\$0.20	3.47%	-15.4%	(1,824)	
Water, Sewer, & Trash	\$23,938	\$399/Unit	9.72%	\$0.57	\$550	\$33,000	\$11,913	\$199	\$0.21	3.49%	177.0%	21,087	
Property Insurance	\$15,229	\$0.26 SF	3.54%	\$0.21	\$200	\$12,000	\$15,229	\$254	\$0.26	4.47%	-21.2%	(3,229)	
Property Tax 2.2619	\$22,587	\$376/Unit	7.81%	\$0.46	\$442	\$26,500	\$29,586	\$493	\$0.51	8.68%	-10.4%	(3,086)	
Reserve for Replacements	\$35,031	\$584/Unit	4.42%	\$0.26	\$250	\$15,000	\$15,000	\$250	\$0.26	4.40%	0.0%	-	
TDHCA Compliance Fees			0.71%	\$0.04	\$40	\$2,400	\$2,360	\$39	\$0.04	0.69%	1.7%	40	
Cable TV			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Supportive service contract fees			2.12%	\$0.12	\$120	\$7,200	\$7,200	\$120	\$0.12	2.11%	0.0%	-	
Security			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
<b>TOTAL EXPENSES</b>		N/A	63.64%	\$3.74	\$3,600	\$ 216,000	\$ 215,495	\$3,592	\$3.73	63.21%	0.2%	\$ 505	
<b>NET OPERATING INCOME ("NOI")</b>		N/A	36.36%	\$2.13	\$2,057	\$123,427	\$125,430	\$2,091	\$2.17	36.79%	-1.6%	(\$2,003)	

<b>CONTROLLABLE EXPENSES</b>	\$2,042/Unit	\$/Unit		\$2,263/Unit		\$2,151/Unit
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LONG TERM OPERATING PROFORMA USING APPLICANT DEBT SIZING												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$339,427	\$346,215	\$353,140	\$360,203	\$367,407	\$405,647	\$447,867	\$494,481	\$545,947	\$602,769	\$665,506	\$734,773
LESS: TOTAL EXPENSES	216,000	222,309	228,803	235,489	242,372	279,952	323,411	373,675	431,814	499,070	576,880	666,909
NET OPERATING INCOME	\$123,427	\$123,907	\$124,337	\$124,713	\$125,035	\$125,694	\$124,455	\$120,806	\$114,133	\$103,699	\$88,626	\$67,864
LESS: DEBT SERVICE	103,054	103,054	103,054	103,054	103,054	103,054	103,054	103,054	103,054	103,054	103,054	103,054
NET CASH FLOW	\$20,373	\$20,853	\$21,283	\$21,660	\$21,981	\$22,641	\$21,401	\$17,752	\$11,079	\$645	(\$14,428)	(\$35,190)
CUMMULATIVE NET CASH FLOW	\$20,373	\$41,226	\$62,509	\$84,168	\$106,149	\$218,791	\$329,041	\$426,178	\$496,266	\$522,027	\$482,085	\$350,168
DEFERRED DEVELOPER FEE BALANCE	\$163,988	\$143,135	\$121,853	\$100,193	\$78,212	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.20	1.20	1.21	1.21	1.21	1.22	1.21	1.17	1.11	1.01	0.86	0.66
EXPENSE/EGI RATIO	63.64%	64.21%	64.79%	65.38%	65.97%	69.01%	72.21%	75.57%	79.09%	82.80%	86.68%	90.76%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Dunes Apartments, Seminole, #11181**

**DEBT / GRANT SOURCES**

	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE													AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative					
	As UW	App											DCR	LTC				
<b>DEBT (Must Pay):</b>																		
Lancaster Pollard Mortgage - RD 538 Loan	1.22	1.20	\$103,054	7.50%	40	15	\$1,305,000	\$1,305,000	15	40	7.50%	\$103,054	1.20	20.7%				
<b>TOTAL DEBT / GRANT SOURCES:</b>			\$103,054				\$1,305,000	\$1,305,000				\$103,054		20.7%				
<b>NET CASH FLOW</b>			\$20,373									\$22,376						

**EQUITY SOURCES**

	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost				
<b>EQUITY / DEFERRED FEES</b>													
Raymond James - Syndication Proceeds	LIHTC Equity	77.0%	\$664,268	0.73	\$4,848,667	\$4,827,587	0.73	\$661,313	78.7%	Annual Credit per Unit:	\$80,460		
Deferred Developer Fees	Deferred Developer Fees	2.3%	(19% Deferred)		\$142,908	\$163,988	(22% Deferred)		2.6%	Total Developer Fee:	\$737,250		
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$329,041		
<b>TOTAL EQUITY SOURCES</b>		79.3%			\$4,991,575	\$4,991,575			79.3%	15-Yr Cash Flow after Fee:	\$185,053		
<b>+</b>					\$6,296,575	\$6,296,575							

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$									
	Acquisition	New Const. Rehab.			New Const. Rehab.	Acquisition											
Land Acquisition			\$2,783 / Unit	\$167,000	\$167,000	\$2,783 / Unit			0.0%	\$0							
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0							
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0							
Sitework		\$540,000	\$9,000 / Unit	\$540,000	\$540,000	\$9,000 / Unit	\$540,000		0.0%	\$0							
Direct Construction		\$3,004,700	\$51.96 SF	\$50,078/Unit	\$3,004,700	\$3,089,745	\$51.162/Unit	\$53.08 SF	2.1%	\$65,045							
Contingency		\$245,000	6.91%	\$245,000	\$245,000	6.79%	\$245,000		0.0%	\$0							
Contractor's Fees		\$530,300	13.99%	\$530,300	\$530,300	13.76%	\$530,300		0.0%	\$0							
Indirect Construction		\$249,500	\$4,158 / Unit	\$249,500	\$249,500	\$4,158 / Unit	\$249,500		0.0%	\$0							
Ineligible Costs			\$2,475 / Unit	\$148,513	\$148,513	\$2,475 / Unit			0.0%	\$0							
Developer's Fees	\$0	\$740,000	16.96%	\$740,000	\$740,000	14.86%	\$740,000	\$0	0.0%	\$0							
Interim Financing		\$345,500	\$5,758 / Unit	\$345,500	\$345,500	\$5,758 / Unit	\$345,500		0.0%	\$0							
Reserves			\$5,434 / Unit	\$326,062	\$326,062	\$5,434 / Unit			0.0%	\$0							
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,655,000</b>		<b>\$104,943 / Unit</b>	<b>\$6,296,575</b>	<b>\$6,361,620</b>	<b>\$106,027 / Unit</b>	<b>\$5,720,045</b>	<b>\$0</b>	<b>1.0%</b>	<b>\$65,045</b>						
Acquisition Cost for Identity of Interest Seller					\$0												
Developer's Fee	\$0	(\$2,750)															
Contractor's Fee		\$0															
Contingency		\$0															
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,652,250</b>		<b>\$104,943 / Unit</b>	<b>\$6,296,575</b>	<b>\$6,361,620</b>	<b>\$106,027 / Unit</b>	<b>\$5,720,045</b>	<b>\$0</b>								
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$6,296,575</b>												

**CAPITALIZATION / DEVELOPMENT COST BUDGET / GENERAL BASIS ITEMS**

**Dunes Apartments, Seminole, #11181**

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$5,652,250	\$0	\$5,720,045
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$5,652,250	\$0	\$5,720,045
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$7,347,925	\$0	\$7,436,058
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$7,347,925	\$0	\$7,436,058
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$661,313	\$0	\$669,245
CREDITS ON QUALIFIED BASIS	\$661,313		\$669,245	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$53.99	3,116,244
Adjustments				
Exterior Wall Finish	0.40%		0.22	\$12,465
	0.00%		0.00	0
	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(0.11)	(6,158)
Floor Cover			2.41	139,351
Breezeways	\$19.12	5445	1.80	104,083
Balconies	\$23.58	6780	2.78	180,558
Plumbing Fixtures	\$845	144	2.10	121,680
Rough-ins	\$420	120	0.87	50,400
Built-In Appliances	\$1,850	60	1.92	111,000
Exterior Stairs	\$1,900	30	0.99	57,000
Enclosed Corridors	(\$8.52)		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	105,814
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$79.41	1,812	2.49	143,889
Other: fire sprinkler	\$2.25	57,822	2.25	130,100
SUBTOTAL			73.44	4,246,416
Current Cost Multiplier	1.03		2.20	127,392
Local Multiplier	0.86		-10.28	(594,498)
TOTAL DIRECT CONSTRUCTION COSTS			65.36	\$3,779,310
Plans, specs, survy, bld prmts	3.90%		-2.55	(\$147,393)
Interim Construction Interest	3.38%		-2.21	(127,552)
Contractor's OH & Profit	11.50%		-7.52	(434,621)
NET DIRECT CONSTRUCTION COSTS			53.09	\$3,069,745

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$661,313	\$4,827,587
Cap	\$683,777	\$4,991,575
Request	\$664,268	\$4,849,153

**FINAL ANNUAL CREDIT ALLOCATION**

Method	Eligible Basis
Credits	\$661,313
Underwritten Proceeds	\$4,827,587

**TOTAL HARD COST COMPARISON**

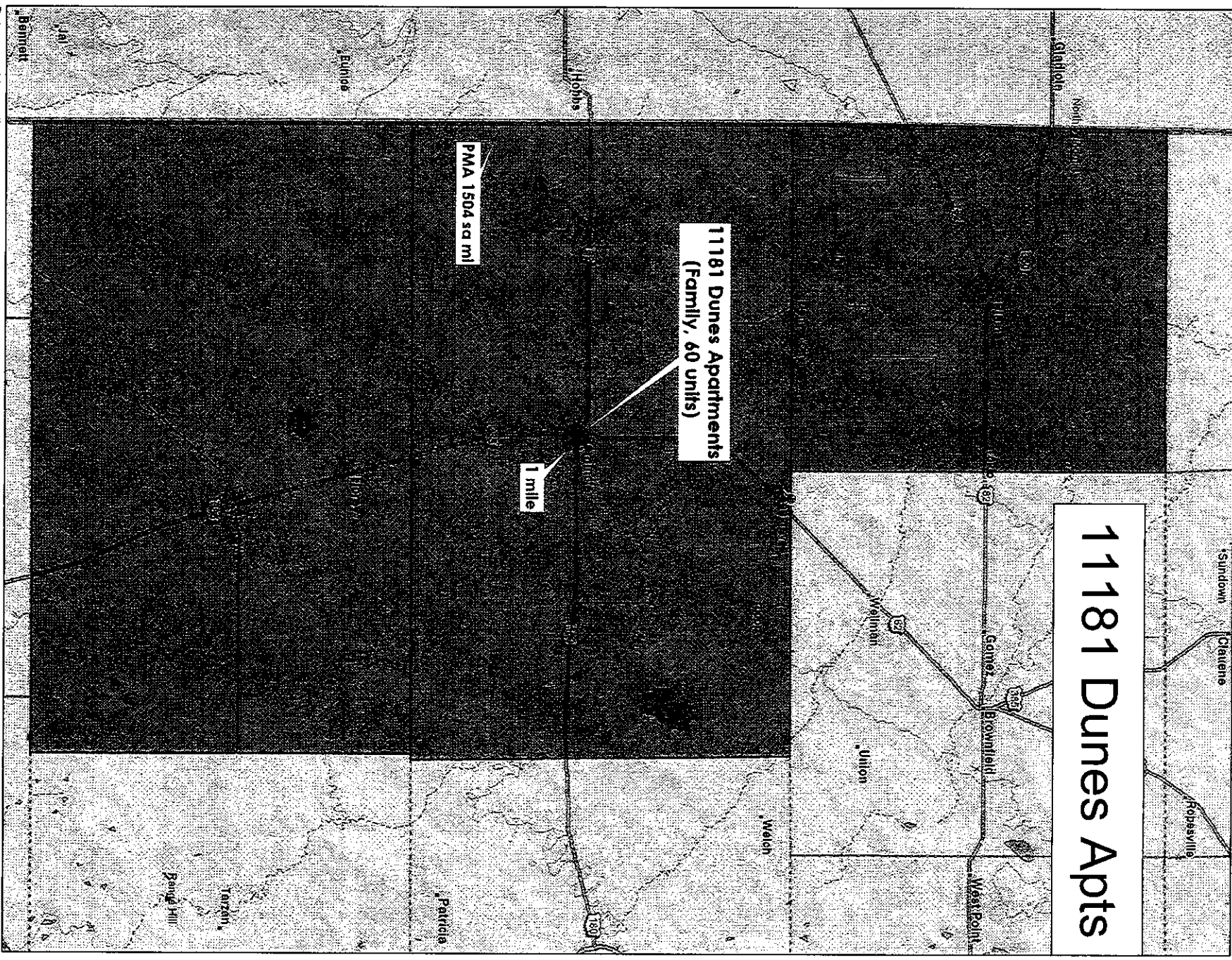
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$65.54	\$63,162	\$3,789,700	\$3,854,745	\$64,246	\$66.67
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$74.71	\$72,000	\$4,320,000	\$4,385,045	\$73,084	\$75.84

# 11181 Dunes Apts

11181 Dunes Apartments  
(Family, 60 units)

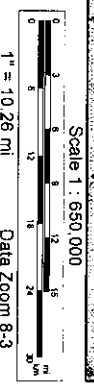
PMA 1504 sq mi

1 mile



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11183

Lakeside Village Homes

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Lakeside Village Homes, TDHCA Number 11183**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Scattered sites bordered by W Vickery Blvd., W Rosedale St., B Development #: 11183  
 City: Fort Worth Region: 3 Population Served: General  
 County: Tarrant Zip Code: 76107 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Lakeside Village, Ltd.  
 Owner Contact and Phone: Jesus Chapa, (817) 392-5804  
 Developer: Fort Worth Housing Finance Corp.  
 Housing General Contractor: NRP Contractors LLC  
 Architect: RDL Architects  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Red Stone Equity Partners, LLC  
 Supportive Services: TBD  
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	36
	4 0 13 19	Market Rate Units:	0
	<u>Eff.</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 0 0 18 18 0	Total Development Units:	36
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	36
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$733,139	\$733,139			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
Lakeside Village Homes, TDHCA Number 11183

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Davis, District 10, NC

US Representative: Granger, District 12,

TX Representative: Burnam, District 90, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Jane Nelson, State Senator District 12 Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Como Neighborhood Advisory Council, Dorothy DeBose

Letter Score: 24 S or O: S

The building of the 36 quality homes will benefit the community in several ways: it will eliminate vacant lots and dilapidated houses, will revitalize the neighborhood and will have a positive economic impact for the area. The additional new homes will improve the appearance of the neighborhood and will attract new residents to our community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary  
Lakeside Village Homes, TDHCA Number 11183

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **209**  Meeting a Required Set-Aside Credit Amount\*: \$733,139  
Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11185

Azure Pointe

Urban, Region 5



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Azure Pointe, TDHCA Number 11185**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Hwy 69/96 & Chinn Ln.	Development #: 11185	
City: Beaumont	Region: 5	Population Served: General
County: Jefferson	Zip Code: 77706	Allocation: Urban
HTC Set Asides: <input type="checkbox"/> At-Risk <input type="checkbox"/> Nonprofit <input type="checkbox"/> USDA <input type="checkbox"/> Rural Rescue	HTC Housing Activity*: NC	
HOME Set Asides: <input type="checkbox"/> CHDO <input type="checkbox"/> Preservation <input type="checkbox"/> General		

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner:	Azure Pointe Ltd.
Owner Contact and Phone:	Robert Reyna, 4099517202
Developer:	Golden Triangle Redevelopment Corp.
Housing General Contractor:	NRP Contractors LLC
Architect:	Alamo Architects, Inc.
Market Analyst:	Apartment Market Data, LLC
Syndicator:	Red Stone Equity Partners, LLC
Supportive Services:	Community Housing Resource Partners
Consultant and Contact:	NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	140
	14 0 49 77	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 72 48 8 0	Total Development Units:	140
Type of Building:		Total Development Cost*:	\$19,164,258
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	9
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,962,797	\$1,962,797			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Azure Pointe, TDHCA Number 11185

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Williams, District 4, S

US Representative: Poe, District 2,

TX Representative: Ritter, District 21, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

S, Eddie Arnold, County Commissioner, Precinct 1

Individuals and Businesses: In Support: 2 In Opposition 0

Quantifiable Community Participation Input:

Suburban Acres Neighborhood Association, Jeffrey Simmons

Letter Score: 24 S or O: S

We believe in safe and decent housing. We believe in a community crime watch. We believe vacant land shouldn't be used as a dumping ground.

Community Input Other than Quantifiable Community Participation Input:

Some Other Place, S, Paula O'Neil, Director

The Salvation Army, S, Floiran Estrada, Major

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of a firm commitment from the Capital Area Housing Finance Corporation for \$1,030,000.00; and of documentation of the ground lease or alternative ownership structure necessary to achieve a property tax exemption.
2. Receipt and acceptance by Carryover: of an updated syndication commitment or LP agreement.
3. Receipt and acceptance by 10% test: A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
4. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: All noise assessment recommendations were implemented.
5. Should any terms of the proposed capital structure change, the deal must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11185 Program(s): 9% HTC

**Azure Pointe**

Address/Location: Chinn Lane, East of Highway 69/96

City: Beaumont County: Jefferson Zip: \_\_\_\_\_

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,962,797				\$1,962,797				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - of a firm commitment from the Capital Area Housing Finance Corporation for \$1,030,000.00; and
  - of documentation of the ground lease or alternative ownership structure necessary to achieve a property tax exemption.
- 2 Receipt and acceptance by Carryover:
  - of an updated syndication commitment or LP agreement.
- 3 Receipt and acceptance by 10% test:
  - A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - All noise assessment recommendations were implemented.
- 5 Should any terms of the proposed capital structure change, the deal must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	14
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	49
60% of AMI	60% of AMI	77

## RISK PROFILE

### STRENGTHS/MITIGATING FACTORS

- LIHTC Family Deals are 97.9% occupied in PMA
- Contractor recently completed 3 developments (same building types) that are used as cost estimates
- 60% rents are 35% below market rents
- Good access off the highway and major thoroughfare

### WEAKNESSES/RISKS

- Unemployment is 11.5% for Jefferson County (national average is 9.3%)
- Direct construction cost estimate is 8% higher than Underwriter's estimate
- 76% capture rate on 2 & 3 bedroom 60% units (46% of total units)
- Population growth in market is static

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: <u>Robert Reyna</u>	Relationship: <u>Director of Owner of GP</u>
Email: <u>reynaro@bmtha.org</u>	Phone: <u>409-951-7202</u> Fax: <u>409-951-7206</u>
Name: <u>Debra Guerrero</u>	Consultant: <u>NRP Group</u>
Email: <u>dguerrero@nrpgroup.com</u>	Phone: <u>210-487-7878</u> Fax: <u>210-487-7880</u>

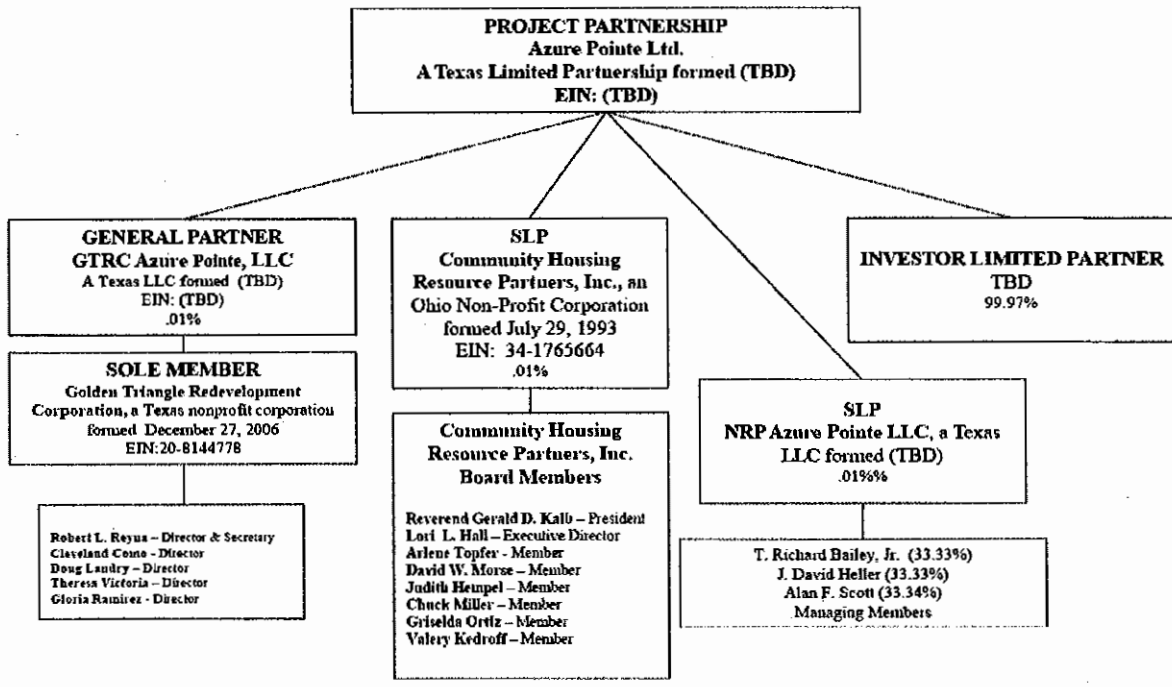
### IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest:       No      

- The Developer and the Sole Member of the GP, Golden Triangle Redevelopment, are related entities controlled by the same board members.
- The GC, Property Manager, SLP, and Consultant are all related entities owned by NRP Group.
- The supportive services provider, Community Housing Resource Partners, is a special limited partner of the owner and is currently the entity that has the site under contract. It is unusual for an organization to play these particular roles in a tax credit deal.

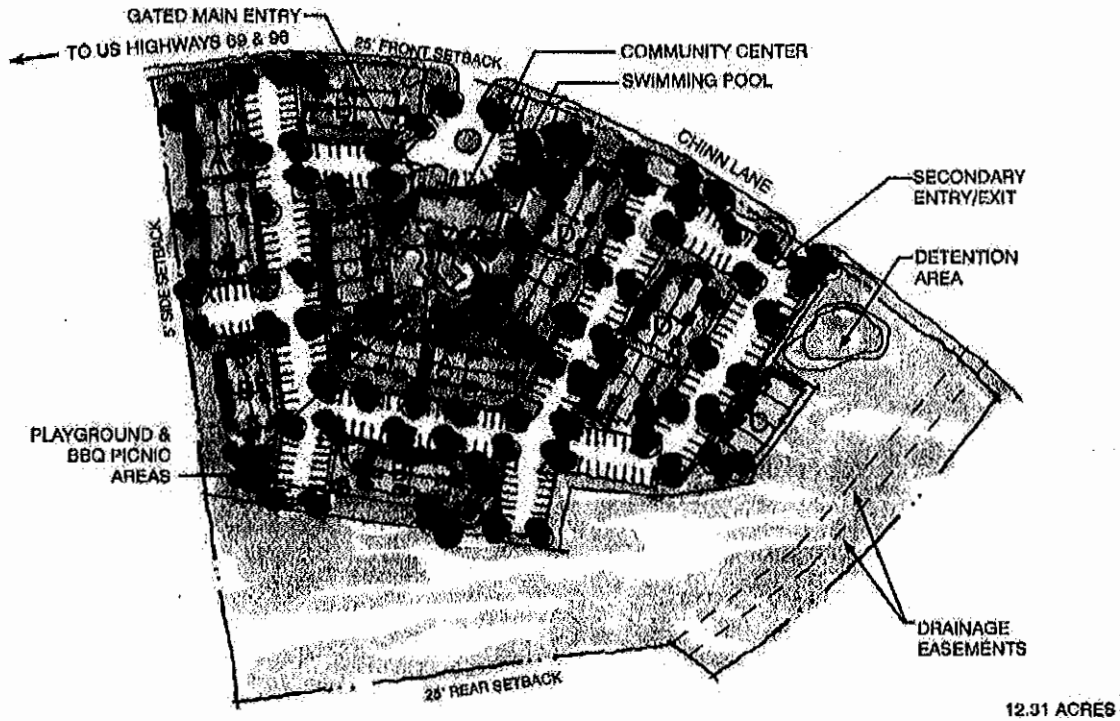
OWNERSHIP STRUCTURE

Azure Pointe Ltd.



DEVELOPMENT SUMMARY

SITE PLAN



**BUILDING CONFIGURATION**

Building Type	A	B	C	D		<b>Total Buildings</b>
Floors/Stories	3	3	2	3		
Number of Bldgs	2	3	2	2		
Units per Bldg	24	12	4	24		
<b>Total Units</b>	<b>48</b>	<b>36</b>	<b>8</b>	<b>48</b>		

**GENERAL INFORMATION**

Total Size: 12.31 acres  
 Flood Zone: X  
 Zoning: RM-H  
 Density: 11.3729 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

The site is bounded by HW 287, Chinn Lane, and a drainage easement. North of the subject site is still undeveloped land while the east and south contain single family residences. West of the subject site is a strip of wooded land and then the frontage road for Eastex Fwy (HW 287) with commercial across the highway. Access from the highway is great; however, visibility will likely be limited by dense woods.

**Other Observations:**

Terracon identified a pipeline marker which was a registered natural gas transmission pipeline, operated by Anadarko Petroleum Corp. This pipeline transects the eastern portion of the subject site. Terracon does not believe this will be an REC based on the physical properties of natural gas, that it would not be a liquid at standard temperature and pressure. (p 14)

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Terracon Date: 4/6/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Terracon identified US Highway 69/96 runs north and south approximately 300 feet west of the site. In accordance with HUD guidelines and based on the proximity of a major roadway to the site, Terracon recommends that a noise study be conducted." (p ii)

**MARKET ANALYSIS**

Provider: Apartment MarketData, LLC Date: 3/23/2011  
 Contact: Darrell Jack Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 75 sq. miles 5 mile equivalent radius

The Primary Market Area is defined by 27 census tracts in Beaumont within Jefferson County and follows along I10 at SH 287.

ELIGIBLE HOUSEHOLDS BY INCOME								
Jefferson County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,697	\$11,670	---	---	\$17,829	\$19,450	\$21,394	\$23,340
2	\$10,697	\$13,320	---	---	\$17,829	\$22,200	\$21,394	\$26,640
3	\$12,857	\$15,000	---	---	\$21,429	\$25,000	\$25,714	\$30,000
4	\$14,811	\$16,650	---	---	\$24,720	\$27,750	\$29,657	\$33,300
5	\$14,811	\$18,000	---	---	\$24,720	\$30,000	\$29,657	\$36,000
6	\$16,560	\$19,320	---	---	\$27,600	\$32,200	\$33,120	\$38,640

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09183	Grace Lakes Townhomes	New	Family	112	128
07901	Pointe North	New	Family	158	158
07416	Regent I	New	Family	160	160
Other Affordable Developments in PMA since 2007					
11054	Beaumont Place of Grace	New	Senior	n/a	128
10031	The Crossing	Recon	Senior	n/a	150
09104	Stone Heorst Seniors	New	Senior	n/a	36
08133	Gardens at Sienna	New	Senior	n/a	120
08417	Seville Row Apts	Rehab	Senior	n/a	90
08416	Timber's Edge	Rehab	Senior	n/a	150
07189	Sunlight Manor	Rehab	Family	n/a	120
07907	Virginia Estates Apts	Rehab	Family	n/a	110
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		7	Total Units		922

**Proposed, Under Construction, and Unstabilized Comparable Supply:**

09183 Grace Lakes Townhomes is still currently under construction. 07901 Pointe North and 07416 Regent I are CDBG Developments that were built in 2007 that will target the same renter population. Quarterly Vacancy reports show that the developments have not attained 1 full year of 90% occupancy yet, therefore both will be considered unstabilized and comparable to the proposed development.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	40,580		40,580	
Potential Demand from the Primary Market Area	7,476		7,286	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	7,476		7,286	
Subject Affordable Units	140		140	
Unstabilized Comparable Units	280		430	
<b>RELEVANT SUPPLY</b>	420		570	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>5.6%</b>		<b>7.8%</b>	

**Demand Analysis:**

The HISTA Data Report for the 27 census tracts shows a projected decrease in HH's from 40,580 to 40,033 from 2010 to 2015.

The Market Analyst assumes the subject will place in service in 2012, and calculates Gross Demand for 7,476 units, and a Gross Capture Rate of 5.6% for the Relevant Supply of 420 units.

The Underwriter reviewed the Quarterly Occupancy Status Report for 07416 Regent I and determined that this development has not attained a 90% occupancy for 12 months. The Underwriter has included 160 units from 07416 Regent I as comparable to the proposed development. The Underwriter assumed a place-in-service date of 2013, coupled with the decrease in HH's, identified a Gross Demand for 7,286 units. The Underwriter calculated a Gross Capture Rate of 7.8% for the Relevant Supply of 570 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	433	1	13	3%	195	1	12	7%
1 BR/50%	630	4	11	2%	315	4	11	5%
1 BR/60%	647	7	28	5%	282	7	51	21%
2 BR/30%	220	7	42	22%	187	7	44	27%
2 BR/50%	296	26	25	17%	262	26	25	19%
2 BR/60%	355	39	70	31%	263	39	162	76%
3 BR/30%	157	26	35	39%	104	5	28	32%
3 BR/50%	60	1	0	2%	178	17	15	18%
3 BR/60%	81	2	0	2%	142	26	82	76%
4 BR/30%	60	1	0	2%	53	1	0	2%
4 BR/50%	70	2	0	3%	66	2	0	3%
4 BR/60%	95	5	0	5%	87	5	0	6%

**Primary Market Occupancy Rates:**

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 1,297 affordable units within the PMA, and 916 conventional units... the overall average occupancy for income restricted units is 97.9%." (p 12-13)

**Absorption Projections:**

"Pointe North (2007), Regent I (2007) and Stone Hearst Apartments (2006) are the most recently built affordable family projects. According to our records, Stone Hearst reached a stabilized occupancy of 90% after just 8 months of leasing. All three projects report occupancy rates in excess of 92%."(p 12)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. New affordable family units have been easily absorbed. Today, stabilized affordable projects are 98% occupied." (p 12)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation. The Unit Capture Rates for the 2 BR and 3 BR units all exceed the threshold of 10% but the capture rates are overstated because they include CDBG units that are targeting the same renter population. As stated above, the two developments are already at 92% occupancy and but have not maintained it for 12 months, therefore they are still listed as comparable.

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$389,402	Avg. Rent:	\$592	Expense Ratio:	58.7%
Debt Service:	\$288,369	B/E Rent:	\$560	Controllable Expenses:	\$2,583
Net Cash Flow:	\$101,032	Occupancy:	92.50%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.35:1	B/E Occupancy:	85.06%	Program Rent Year:	2010

Income:      Number of Revisions:          1          Date of Last Applicant Revision:          5/24/2011    

The Applicant and the Underwriter both underwritten maximum program rents. On average, the restricted rents are \$144/unit lower than the market rates, as reflected in the market study. The Underwriter also confirmed that two other tax credit deals located in the northwest Beaumont area are collecting the maximum HTC rents. The tenants will be paying for all utilities except for trash.

Additionally, one month's rent concession for the 60% units results in effective rents that remain slightly above the break-even level.

Expense:      Number of Revisions:          2          Date of Last Applicant Revision:          6/16/2011    

The Applicant's total annual operating expense projection of \$4,120 per unit is within 5% of the Underwriter's estimate of \$3,953. Based on discussions with NRP Group (Developer and property manager), the property, which is substantially similar to other NRP deals, is expected to operate similar to other properties in their portfolio.

The Applicant's payroll estimate of \$1,175/unit is well above the TDHCA database of \$749/unit. In general, payroll of \$749/unit for a urban property is lower than would be expected. The Underwriter reviewed 8 other NRP managed transactions and determined a payroll figure of \$1,011/unit, which is more in line with expectations. Additionally, the underwritten controllable expense of \$2,583/unit is in line with comparable deals.

The Applicant has reflected a 100% property tax exemption. The nonprofit owner of the GP is an affiliate of the Beaumont Housing Authority. Although not immediately clear from the site control documents, it is likely that a ground lease structure will be used to achieve a 100% exemption, which is a common structure for housing authority deals. Receipt and acceptance, by Commitment, of documentation of the ground lease or alternative ownership structure necessary to achieve a property tax exemption is a condition of this report.

The Applicant estimated supportive services of \$39K annually, which was revised to \$28,000 annually during underwriting. This is much higher than often underwritten, particularly for a transaction involving the housing authority. The supportive services provider, Community Housing Resource Partners (CHRP), is on Ohio nonprofit organization that also serves as a Special Limited Partner of the partnership. Additionally, CHRP is the entity which gained site control of the property. Lori Hall, the ED of CHRP is reflected as an Authorized Representative of the development owner/partnership. These relationships are very unusual. However, the Applicant indicated that NRP Group has worked with CHRP on 9 other transactions, many of which are located in Texas and CHRP has a main office in Texas.

If the supportive services were reduced to \$10,000 annually, the transaction could support additional debt, but this would not impact the ultimate recommendation.

### Conclusion:

The Underwriter's pro forma was used to determine the deal's debt capacity and long term feasibility. The proforma and debt structure as proposed and underwritten reflect a healthy debt coverage ratio of 1.35. Additionally, the expense to income ratio is below 60% and break-even occupancy is 85%, which may help the deal weather future periods of market volatility.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The underwritten pro forma yields a debt coverage ratio that remains above 1.15 and continued positive cash flow for the long term. Therefore, the development can be characterized as feasible.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase Option Acreage: 12.3  
Acquisition Cost: \$1,072,500 Contract Expiration: 12/31/2011  
Cost Per Unit: \$7,661  
Seller: Howard Grant Nichols Family LP Related to Development Team?  Yes  No  
Comments:  
The cost schedule reflects the contract price.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 6/10/2011

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

The Applicant's sitework costs is estimated to be \$2,249,845 (\$16K/unit) which has been certified by a Third Party Engineer. The Applicant originally sent in documentation signed by an engineer stating that only \$14,354/unit. After discussing with the Applicant, it was determined that the sitework was understated and that the direct construction was overstated.

Direct Construction Cost:

The Applicant's cost of \$57.41/sq ft is fairly high considering the Applicant has built the same product at \$52.59/sq ft recently. The Underwriter's cost of \$53.22/sq ft is in closer to prior developments average. The Applicant indicated that rising fuel costs and economies of scale account for the difference. The prior projects were 252 units versus 140 units. The total construction cost of \$86.78/ft is just below the points threshold of \$87.00/ft.

Reserves:

Reserve numbers based on 6 months operating expenses and debt service plus \$105K in lease-up reserve.

Conclusion:

The Applicant's development cost schedule was to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$21,808,852 and 9% applicable percentage support an annual allocation of \$1,962,797. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.



## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Sterling Bank	\$14,100,000	6.25%	36 Months	76%
Red Stone Equity Partners	\$3,100,288	N/A		17%
Lifestyle Neighborhoods Corp.	\$385,000	7.00%	15 Months	2%
Capital Area Housing Finance Corp.	\$1,030,000	4.30%	12 Months	6%
<b>Total</b>	<b>\$18,615,288</b>			

Permanent Sources	Amount	Rate	Amort	Term	LTC
Sterling Bank	\$3,275,000	8.00%	30	15	17%
<b>Total</b>	<b>\$3,275,000</b>				

**Comments:**

The permanent loan was underwritten at an 8% interest rate, which is what the actual rate would be if locked in today.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Red Stone Equity Partners	\$15,501,438	\$0.79	81%	
Golden Triangle Redevelopment Corp / NRE	\$387,820		2%	18%
<b>Total</b>	<b>\$15,889,258</b>			
<b>Total Sources</b>	<b>\$19,164,258</b>			

**Comments:**

Based on the pricing of other recently closed transactions and other 2011 deals, higher pricing may ultimately be achievable. As underwritten, if pricing increases to \$0.81, a reduction in the allocation would be necessary. Receipt and acceptance, by Carryover, of an updated syndication commitment is a condition of this report.

The deferred developer fee is currently estimated to be \$387,820, which is projected to be repayable from development cash flow within 6 years of stabilized operation.

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,275,000 indicates the need for \$15,889,258 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,011,903 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,962,797
Allocation determined by gap in financing:	\$2,011,903
Allocation requested by the Applicant:	\$1,962,797

The allocation amount requested by the Applicant is recommended. A tax credit allocation of \$1,962,797 per year for 10 years results in total equity proceeds of \$15,501,438 at a syndication rate of \$0.79 per tax credit dollar.

Underwriter:	<u>Duc Nguyen</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**  
**Azure Pointe, Beaumont, 9% HTC #11185**

LOCATION DATA	
CITY:	Beaumont
COUNTY:	Jefferson
PROGRAM REGION:	5
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	12	8.6%
2	72	51.4%
3	48	34.3%
4	8	5.7%
<b>TOTAL</b>	<b>140</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																				
UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC30%	\$312	1	1	1	712	\$312	\$82	\$230	\$0	\$0.32	\$230	\$230	\$230	\$230	\$0.32	\$0	\$850	1.19	\$620	
TC50%	\$520	4	1	1	712	\$520	\$82	\$438	\$0	\$0.62	\$438	\$1,752	\$1,752	\$438	\$0.62	\$0	\$850	1.19	\$412	
TC60%	\$624	7	1	1	712	\$624	\$82	\$542	\$0	\$0.76	\$542	\$3,794	\$3,794	\$542	\$0.76	\$0	\$850	1.19	\$308	
TC30%	\$375	4	2	2	959	\$375	\$104	\$271	\$0	\$0.28	\$271	\$1,084	\$1,084	\$271	\$0.28	\$0	\$990	1.03	\$719	
TC50%	\$625	13	2	2	959	\$625	\$104	\$521	\$0	\$0.54	\$521	\$6,773	\$6,773	\$521	\$0.54	\$0	\$990	1.03	\$469	
TC60%	\$750	19	2	2	959	\$750	\$104	\$646	\$0	\$0.67	\$646	\$12,274	\$12,274	\$646	\$0.67	\$0	\$990	1.03	\$344	
TC30%	\$375	3	2	2	963	\$375	\$104	\$271	\$0	\$0.28	\$271	\$813	\$813	\$271	\$0.28	\$0	\$990	1.03	\$719	
TC50%	\$625	13	2	2	963	\$625	\$104	\$521	\$0	\$0.54	\$521	\$6,773	\$6,773	\$521	\$0.54	\$0	\$990	1.03	\$469	
TC60%	\$750	20	2	2	963	\$750	\$104	\$646	\$0	\$0.67	\$646	\$12,920	\$12,920	\$646	\$0.67	\$0	\$990	1.03	\$344	
TC30%	\$433	5	3	2	1,142	\$433	\$129	\$304	(\$1)	\$0.27	\$303	\$1,515	\$1,520	\$304	\$0.27	\$0	\$1,160	1.02	\$556	
TC50%	\$721	17	3	2	1,142	\$721	\$129	\$592	\$0	\$0.52	\$592	\$10,064	\$10,064	\$592	\$0.52	\$0	\$1,160	1.02	\$568	
TC60%	\$866	26	3	2	1,142	\$866	\$129	\$737	(\$1)	\$0.64	\$736	\$19,136	\$19,162	\$737	\$0.65	\$0	\$1,160	1.02	\$423	
TC30%	\$483	1	4	2	1,561	\$483	\$155	\$328	\$0	\$0.21	\$328	\$328	\$328	\$328	\$0.21	\$0	\$1,375	0.88	\$1,047	
TC50%	\$805	2	4	2	1,561	\$805	\$155	\$650	\$0	\$0.42	\$650	\$1,300	\$1,300	\$650	\$0.42	\$0	\$1,375	0.88	\$725	
TC60%	\$966	5	4	2	1,561	\$966	\$155	\$811	\$0	\$0.52	\$811	\$4,055	\$4,055	\$811	\$0.52	\$0	\$1,375	0.88	\$564	
<b>TOTAL/AVERAGE</b>		<b>140</b>			<b>145,040</b>				<b>(\$0)</b>	<b>\$0.57</b>	<b>\$592</b>	<b>\$82,811</b>	<b>\$82,842</b>	<b>\$592</b>	<b>\$0.57</b>	<b>\$0</b>	<b>\$1,058</b>	<b>\$1.02</b>	<b>\$467</b>	
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$993,732</b>	<b>\$994,104</b>							

**STABILIZED PROFORMA**

**Azure Pointe, Beaumont, 9% HTC #11185**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.57	\$592	\$993,732	\$994,104	\$592	\$0.57		0.0%	\$372	
late fees, laundry fees, pet fees					\$15.00	\$25,200					0.0%	(25,200)	
0					\$0.00	\$0					0.0%	-	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$25,200	\$15.00			100.0%	25,200	
<b>POTENTIAL GROSS INCOME</b>						\$1,018,932	\$1,019,304				0.0%	\$372	
Vacancy & Collection Loss					7.5% PGI	(76,420)	(76,448)	7.5% PGI			0.0%	(28)	
Non-Rental Units/Concessions						-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$942,512	\$942,856				0.0%	\$344	
General & Administrative	\$55,954	\$400/Unit	\$608/Unit	6.31%	\$0.41	\$425	\$59,500	\$55,954	\$400	\$0.39	5.93%	6.3%	3,546
Management	\$56,927	6.4% EGI	\$327/Unit	5.00%	\$0.32	\$337	\$47,126	\$47,143	\$337	\$0.33	5.00%	0.0%	(17)
Payroll & Payroll Tax	\$104,873	\$749/Unit	\$1,012/Unit	17.45%	\$1.13	\$1,175	\$164,500	\$141,670	\$1,012	\$0.98	15.03%	16.1%	22,830
Repairs & Maintenance	\$92,794	\$663/Unit	\$401/Unit	9.28%	\$0.60	\$625	\$87,500	\$92,794	\$663	\$0.64	9.84%	-5.7%	(5,294)
Utilities	\$35,645	\$255/Unit	\$272/Unit	3.34%	\$0.22	\$225	\$31,500	\$31,536	\$225	\$0.22	3.34%	-0.1%	(36)
Water, Sewer, & Trash	\$57,570	\$411/Unit	\$513/Unit	4.46%	\$0.29	\$300	\$42,000	\$39,696	\$284	\$0.27	4.21%	5.8%	2,304
Property Insurance	\$51,377	\$0.35 SF	\$281/Unit	8.07%	\$0.52	\$543	\$76,020	\$76,062	\$543	\$0.52	8.07%	-0.1%	(42)
Property Tax 2.6220	\$58,883	\$421/Unit	\$316/Unit	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$57,831	\$413/Unit	\$115/Unit	3.71%	\$0.24	\$250	\$35,000	\$35,000	\$250	\$0.24	3.71%	0.0%	-
TDHCA Compliance Fees				0.59%	\$0.04	\$40	\$5,600	\$5,600	\$40	\$0.04	0.59%	0.0%	-
Cable TV				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees				2.97%	\$0.19	\$200	\$28,000	\$28,000	\$200	\$0.19	2.97%	0.0%	-
Security				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			N/A	61.19%	\$3.98	\$4,120	\$ 576,746	\$ 553,454	\$3,953	\$3.82	58.70%	4.2%	\$ 23,292
<b>NET OPERATING INCOME ("NOI")</b>			N/A	38.81%	\$2.52	\$2,613	\$365,766	\$389,402	\$2,781	\$2.68	41.30%	-6.1%	(\$23,636)
<b>CONTROLLABLE EXPENSES</b>		\$2,477/Unit	\$2,805/Unit			\$2,750/Unit			\$2,583/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$942,856	\$961,713	\$980,948	\$1,000,567	\$1,020,578	\$1,126,800	\$1,244,079	\$1,373,563	\$1,516,525	\$1,674,366	\$1,848,636	\$2,041,043
LESS: TOTAL EXPENSES	553,454	569,587	586,193	603,289	620,887	716,962	828,046	956,499	1,105,054	1,276,875	1,475,627	1,705,555
<b>NET OPERATING INCOME</b>	<b>\$389,402</b>	<b>\$392,127</b>	<b>\$394,754</b>	<b>\$397,278</b>	<b>\$399,691</b>	<b>\$409,839</b>	<b>\$416,033</b>	<b>\$417,065</b>	<b>\$411,471</b>	<b>\$397,491</b>	<b>\$373,008</b>	<b>\$335,488</b>
LESS: DEBT SERVICE	288,369	288,369	288,369	288,369	288,369	288,369	288,369	288,369	288,369	288,369	288,369	288,369
<b>NET CASH FLOW</b>	<b>\$101,032</b>	<b>\$103,757</b>	<b>\$106,385</b>	<b>\$108,908</b>	<b>\$111,321</b>	<b>\$121,469</b>	<b>\$127,663</b>	<b>\$128,695</b>	<b>\$123,102</b>	<b>\$109,122</b>	<b>\$84,639</b>	<b>\$47,119</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$101,032</b>	<b>\$204,789</b>	<b>\$311,174</b>	<b>\$420,082</b>	<b>\$531,404</b>	<b>\$1,119,821</b>	<b>\$1,747,556</b>	<b>\$2,391,306</b>	<b>\$3,020,980</b>	<b>\$3,598,299</b>	<b>\$4,075,134</b>	<b>\$4,391,548</b>
DEFERRED DEVELOPER FEE BALANCE	\$387,820	\$284,062	\$177,678	\$68,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.35	1.36	1.37	1.38	1.39	1.42	1.44	1.45	1.43	1.38	1.29	1.16
EXPENSE/EGI RATIO	58.70%	59.23%	59.76%	60.29%	60.84%	63.63%	66.56%	69.64%	72.87%	76.26%	79.82%	83.56%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Azure Pointe, Beaumont, 9% HTC #11185

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
Sterling Bank	1.35	1.27	\$288,369	8.00%	30	15	\$3,275,000	\$3,275,000	15	30	8.00%	\$288,369	1.35	17.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$288,369				\$3,275,000	\$3,275,000				\$288,369		17.1%
<b>NET CASH FLOW</b>			\$77,397									\$101,032		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	Total Developer Fee
Red Stone Equity Partners	LIHTC Equity	80.9%	\$1,962,797	0.7898	\$15,501,441	\$15,501,438	0.7898	\$1,962,797	80.9%	Annual Credit per Unit	\$110,725
Golden Triangle Redevelopment Corp / NRP Hold	Deferred Developer Fees	2.0%	(18% Deferred)		\$387,817	\$387,820	(19% Deferred)		2.0%	Total Developer Fee:	\$2,188,000
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,747,556
<b>TOTAL EQUITY SOURCES</b>		82.9%			\$15,889,258	\$15,889,258			82.9%	15-Yr Cash Flow after Fee:	\$1,359,736
<b>TOTAL CAPITALIZATION</b>					\$19,164,258	\$19,164,258					

DEVELOPMENT COST / ITEMIZED BASIS											
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$	
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition					
Land Acquisition			\$7,661 / Unit \$1,072,500	\$1,072,500	\$7,661 / Unit		\$1,072,500		0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$ / Unit		\$0		0.0%	\$0	
Sitework		\$2,249,845	\$16,070 / Unit \$2,249,845	\$2,249,845	\$16,070 / Unit	\$2,249,845	\$2,249,845		0.0%	\$0	
Direct Construction		\$8,326,818	\$57.41 /sf \$59,477/Unit	\$8,326,818	\$7,719,181	\$55,137/Unit \$53.22 /sf	\$7,719,181		-7.9%	(\$607,637)	
Contingency		\$528,833	5.00%	\$528,833	\$528,833	5.30%	\$528,833		0.0%	\$0	
Contractor's Fees		\$1,480,733	13.33%	\$1,480,733	\$1,469,700	14.00%	\$1,469,700		-0.8%	(\$11,033)	
Indirect Construction		\$1,035,686	\$7,398 / Unit	\$1,035,686	\$1,035,686	\$7,398 / Unit	\$1,035,686		0.0%	\$0	
Ineligible Costs			\$5,495 / Unit	\$769,340	\$769,340	\$5,495 / Unit			0.0%	\$0	
Developer's Fees	\$0	\$2,188,000	15.00%	\$2,188,000	\$2,095,406	15.00%	\$2,095,406	\$0	-4.4%	(\$92,594)	
Interim Financing		\$966,125	\$6,901 / Unit	\$966,125	\$966,125	\$6,901 / Unit	\$966,125		0.0%	\$0	
Reserves			\$3,903 / Unit	\$546,378	\$546,378	\$3,903 / Unit			0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$16,776,040</b>	<b>\$136,888 / Unit</b>	<b>\$19,164,258</b>	<b>\$18,452,994</b>	<b>\$131,807 / Unit</b>	<b>\$16,064,776</b>	<b>\$0</b>	<b>-3.9%</b>	<b>(\$711,264)</b>	
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$16,776,040</b>	<b>\$136,888 / Unit</b>	<b>\$19,164,258</b>	<b>\$18,452,994</b>		<b>\$16,064,776</b>	<b>\$0</b>			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>				<b>\$19,164,258</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

**Azure Pointe, Beaumont, 9% HTC #11185**

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$16,776,040	\$0	\$16,064,776
Deduction for Other Federal Fu	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$16,776,040	\$0	\$16,064,776
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$21,808,852	\$0	\$20,884,209
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$21,808,852	\$0	\$20,884,209
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,962,797	\$0	\$1,879,579
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,962,797		\$1,879,579	

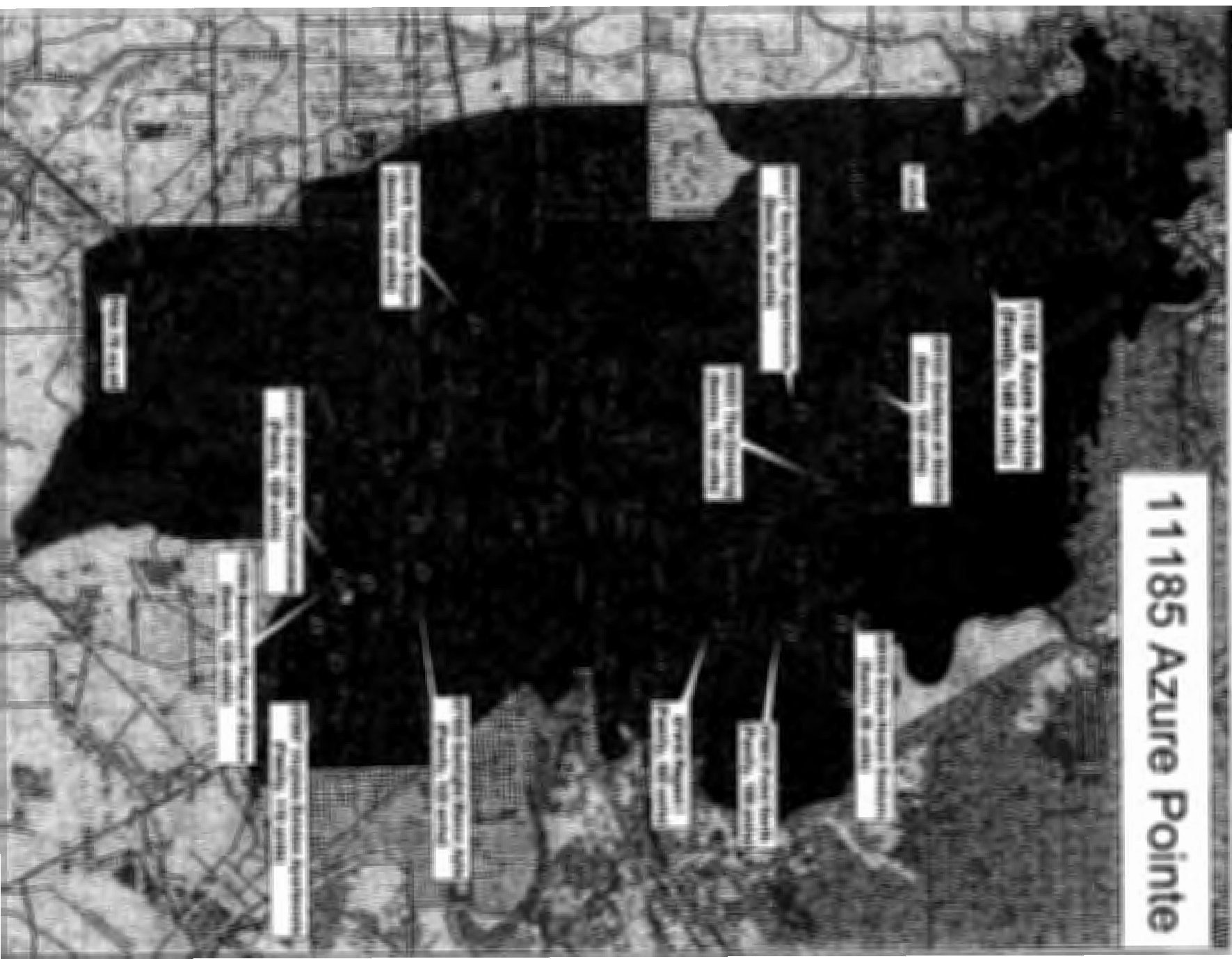
DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$54.40	7,890,330
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.63	236,710
Roofing			0.00	0
Subfloor			(0.20)	(29,240)
Floor Cover			2.15	311,111
Breezeways	\$22.73	14078	2.21	320,006
Balconies	\$25.27	6369	1.11	160,950
Plumbing Fixtures	\$845	144	0.84	121,660
Rough-ins	\$420	284	0.76	110,880
Built-In Appliances	\$1,350	140	1.79	259,000
Exterior Stairs	\$1,900	44	0.58	83,900
Heating/Cooling			1.85	268,324
Enclosed Corridors	\$41.53		0.00	0
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$76.52	2,450	1.29	187,470
Other:			0.00	0
Other:			0.00	0
Other: fire sprinkler	\$2.25	147,490	2.29	331,853
<b>SUBTOTAL</b>			<b>70.69</b>	<b>10,252,674</b>
Current Cost Multiplier	1.03		2.12	307,580
Local Multiplier	0.88		-8.48	(1,230,321)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>64.33</b>	<b>\$9,329,933</b>
Plans, specs, survey, bldg permit	3.90%		-2.51	(363,897)
Interim Construction Interest	3.38%		-2.17	(314,895)
Contractor's OH & Profit	11.50%		-7.40	(1,072,942)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>52.25</b>	<b>\$7,579,238</b>

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS	
	Annual Credits	Proceeds
Eligible Basis	\$1,962,797	\$15,501,438
Gap	\$2,011,903	\$15,889,258
Request	\$1,962,797	\$15,501,438

FINAL ANNUAL LHTHC ALLOCATION	
Method	Request
Credits	\$1,962,797
Underwritten Proceeds	\$15,501,438

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$76.57	\$79,325	\$11,105,496	\$10,497,859	\$74,985	\$72.38
Applicant's Cost/SF Point Election	\$87.00					
Hard Costs plus Contractor Fees	\$86.78	\$89,902	\$12,586,229	\$11,967,560	\$85,483	\$82.51

# 11185 Azure Pointe



11185 Azure Pointe  
Parcel # 11185-001

11186 Azure Pointe  
Parcel # 11185-002

11187 Azure Pointe  
Parcel # 11185-003

11188 Azure Pointe  
Parcel # 11185-004

11189 Azure Pointe  
Parcel # 11185-005

11190 Azure Pointe  
Parcel # 11185-006

11191 Azure Pointe  
Parcel # 11185-007

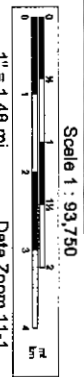
11192 Azure Pointe  
Parcel # 11185-008

11193 Azure Pointe  
Parcel # 11185-009

11194 Azure Pointe  
Parcel # 11185-010

11195 Azure Pointe  
Parcel # 11185-011

11196 Azure Pointe  
Parcel # 11185-012



11193

Alexander Place Apts

Urban, Region 6





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Alexander Place Apts, TDHCA Number 11193**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2401 N Alexander Dr. Development #: 11193  
 City: Baytown Region: 6 Population Served: General  
 County: Harris Zip Code: 77520 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Alexander Place Apartments, LP  
 Owner Contact and Phone: Joyce Young, (281) 427-6686  
 Developer: CRHD Baytown, LLC  
 Housing General Contractor: Cordova Construction Company  
 Architect: SGB Architects, LLC  
 Market Analyst: Affordable Housing Analysis  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Baytown Housing Authority  
 Consultant and Contact: Marquez Real Estate Consultants, Donna Rickenbacker

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	8	0	13	15	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	14	14	0	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$5,608,379
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	9
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$610,094	\$606,452			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Alexander Place Apts, TDHCA Number 11193

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, NC

US Representative: Poe, District 2,

TX Representative: Smith, District 128, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

Nolan Neighborhood Association, LaTonya Mathis

Letter Score: 24 S or O: S

We want to support the development so that they can work with us in our neighborhood. This will allow us to have a larger collective voice with the city police and improve security in our neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Baytown Resource & Assistance Center, S, Paulina Carillo, Executive Director

Bay Area Homeless Services, Inc, S, Kathryn Saenger, Executive Director

Greater Houston Area Chapter of the

American Red Cross, S, Steve Vetrano, Chief Executive Officer

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of documentation of the funds to be used for the acquisition of the site.
2. Receipt and acceptance by Carryover: of updated financing commitments or executed financing documents.
3. Receipt and acceptance by Cost Certification of: Documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
A limited subsurface investigation was performed at the site to ensure that the former underground storage tank has not impacted the site; and documentation that any subsequent recommendations have been implemented.
That the former "in ground" pit and portions of the adjoining pipe trench located in the basement of the North Building have been filled with concrete, and the remaining portions of the pipe trench located in the basement of the North Building have been cleaned and filled, as recommended by the ESA provider. an executed lease agreement between the Applicant and the Baytown Housing Authority.
documentation from the local taxing authorities reflecting a property tax exemption.
evidence that all liens including, but not limited to a vendor's lien, a city lien, and two tax suit liens, have been cleared.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Alexander Place Apts, TDHCA Number 11193

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 1

Total # Monitored: 1

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 212  Meeting a Required Set-Aside Credit Amount\*: \$606,452

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

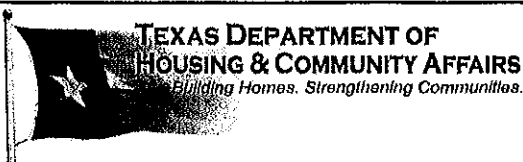
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11193 Program(s): 9% HTC

**Alexander Place Apartments**

Address/Location: 2401 N. Alexander Dr.

City: Baytown County: Harris Zip: 77520

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$606,452				\$606,452				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - of documentation of the funds to be used for the acquisition of the site.
- 2 Receipt and acceptance by Carryover:
  - of updated financing commitments or executed financing documents.
- 3 Receipt and acceptance by Cost Certification of:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that all ESA recommendations regarding asbestos-containing-materials or lead-based paint were followed for the demolition and removal, or maintenance, of any such materials.
    - A limited subsurface investigation was performed at the site to ensure that the former underground storage tank has not impacted the site; and documentation that any subsequent recommendations have been implemented.
    - That the former "in ground" pit and portions of the adjoining pipe trench located in the basement of the North Building have been filled with concrete, and the remaining portions of the pipe trench located in the basement of the North Building have been cleaned and filled, as recommended by the ESA provider.
  - an executed lease agreement between the Applicant and the Baytown Housing Authority.
  - documentation from the local taxing authorities reflecting a property tax exemption.
  - evidence that all liens including, but not limited to a vendor's lien, a city lien, and two tax suit liens, have been cleared.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	13
60% of AMI	60% of AMI	15

**DEAL SUMMARY**

Alexander Place Apartments is a proposed 36-unit new construction development for households at or below 60% of the Area Median Income featuring 18 public housing units. The proposed units will replace 18 of the 58 total public housing units at Archia Courts, in Baytown, Texas owned and operated by the Baytown Housing Authority (BHA).

An Annual Contributions Contract will be executed with HUD to provide an operating subsidy to subsidize the difference between the actual tenant paid rent (equal to 30% of their income) and the operating expenses attributed to that unit. This is discussed further in the income section.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ Market rents are above max program rents</li> </ul>	<ul style="list-style-type: none"> <li>▫ Visibility limited; located behind a small strip shopping center</li> </ul>
<ul style="list-style-type: none"> <li>▫ Gross capture rate is less than 1% and low capture rates by unit type.</li> </ul>	<ul style="list-style-type: none"> <li>▫ Design is inferior to other new construction deals; unit plans are inefficient</li> </ul>
<ul style="list-style-type: none"> <li>▫ Public housing subsidy will directly offset operating costs for half the units</li> </ul>	<ul style="list-style-type: none"> <li>▫ Development team has limited prior experience in Texas</li> </ul>
	<ul style="list-style-type: none"> <li>▫ Budget was developed based on program scoring thresholds rather than deal/site characteristics</li> </ul>

**DEVELOPMENT TEAM****PRIMARY CONTACTS**

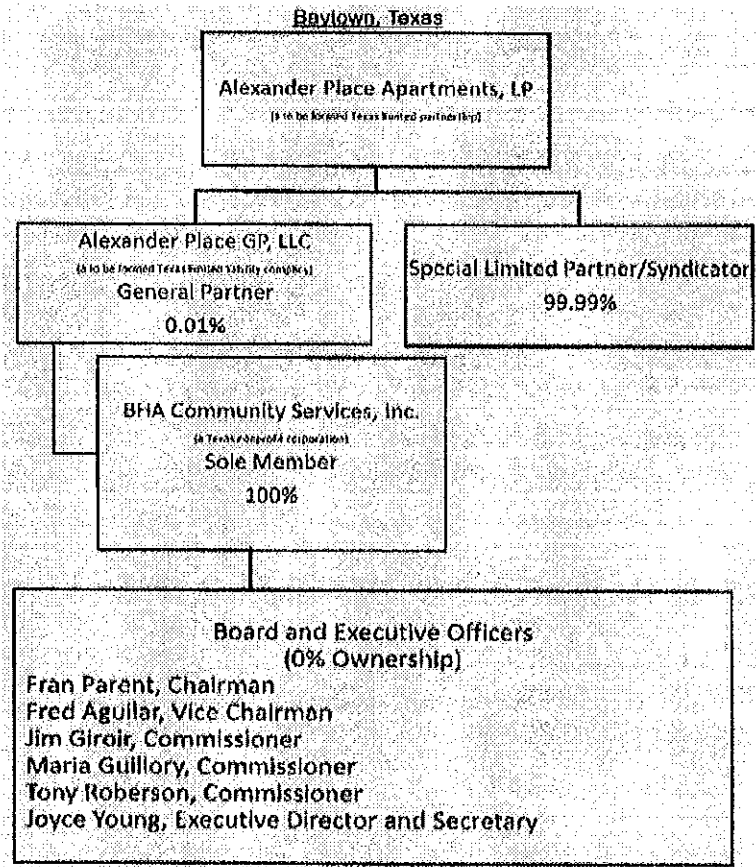
Name: <u>Joyce Young</u>	Relationship: <u>Developer</u>
Email: <u>joycey@baytownhousing.org</u>	Phone: <u>(281) 427-6686</u> Fax: <u>(281) 422-4307</u>
Name: <u>Marque Real Estate Consultants</u>	Consultant: <u>Donna Rickenbaker</u>
Email: <u>donna@marqueconsultants.com</u>	Phone: <u>(713) 560-0068</u> Fax: <u>(713) 583-8858</u>

**IDENTITIES OF INTEREST**

Related-Party Seller/Identity of Interest: No

The Applicant is partnering with a third-party general contractor and third party developer.

OWNERSHIP STRUCTURE





**Title Issues:**

Schedule C of the title commitment lists a number of liens including a vendor's lien, a city lien, and two tax suit liens, all of which must be cleared as a condition of this report.

The total amount or validity of the liens is unclear. The commitment also indicates that there are "numerous" suits against persons with similar names for unpaid taxes. To date, no additional due diligence with respect to these liens has been done. It's not clear that the owner will ultimately be able to furnish clear title.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Gibson Consulting, LLC Date: 2/10/2011  
 Recognized Environmental Conditions (RECs) and Other Concerns:  
 None

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 3/4/2011  
 Contact: Bob Coe Phone: 281-387-7552  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 60.8 sq. miles 4 mile equivalent radius  
 The Primary Market Area is defined by 16 census tracts within Baytown in Harris County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,057	\$13,680	---	---	\$9,497	\$22,800	---	---
2	\$8,057	\$15,630	---	---	\$9,497	\$26,050	\$30,137	\$31,260
3	---	---	---	---	\$9,497	\$29,300	\$30,137	\$35,160
4	---	---	---	---	\$29,006	\$32,550	\$34,834	\$39,060
5	---	---	---	---	\$29,006	\$35,200	\$34,834	\$42,240
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
07457	Wyndham Apts	New	Senior	n/a	184
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		7	Total Units	1062	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 None



OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	25,256		25,256	
Potential Demand from the Primary Market Area	4,220		4,627	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	4,220		4,627	
Subject Affordable Units	36		36	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	36		36	
<b>Relevant Supply + Gross Demand = GROSS CAPTURE RATE</b>	<b>0.85%</b>		<b>0.78%</b>	

**Demand Analysis:**

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, HISTA indicates that 43% of renter households are income-eligible, as compared to 38% determined by the Market Analyst. The Market Analyst calculates Gross Demand of 4,220 units, resulting in a Gross Capture rate of .85%. The Underwriter calculates Gross Demand for 4,627 units, resulting in a Gross Capture Rate of .78%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	455	8	0	2%	425	8	0	2%
2 BR/50%	455	10	0	2%	656	10	0	2%
2 BR/60%	282	4	0	1%	120	4	0	3%
3 BR/50%	181	3	0	2%	182	3	0	2%
3 BR/60%	250	11	0	4%	136	11	0	8%

**Primary Market Occupancy Rates:**

A survey of 7 developments with 1,066 units within the PMA shows an average occupancy rate of 91.2%. (p 35)

**Absorption Projections:**

"The most recent Family HTC projects which came on-line were Wyndham Park (Seniors), which reportedly finished construction in November 2009, and attained stabilized occupancy within ten months... and Piedmont Apartments (Family), which was completed in November 2007, and attained stabilized occupancy in June 2008, which equates to an average absorption of approximately 29 units per month. Bayview Apartments were completed in August 2007, and attained stabilized occupancy in eight months... I project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy. I anticipate that the subject property will achieve stabilized occupancy within 2 to 4 months following completion." (p 76)

Market Impact:

"Based on the high occupancy levels of the existing properties in the market, along with the low level of recent construction, I project that the subject property will have minimal sustained negative impact upon the existing apartment market... All managers interviewed indicated minimal to no impact from the opening of the most recent HTC properties. Any negative impact from the subject property should be of reasonable scope and limited duration." (p 76)

Comments:

The Market Analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$99,132	Avg. Rent:	\$489	Expense Ratio:	61.1%
Debt Service:	\$73,431	B/E Rent:	\$579	Controllable Expenses:	\$2,805
Net Cash Flow:	\$25,701	Occupancy:	96.25%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.35:1	B/E Occupancy:	89.81%	Program Rent Year:	2010

Income:      Number of Revisions:      1      Date of Last Applicant Revision:      4/13/2011

Both the Applicant and the Underwriter utilized maximum program rents for the 2BR units set aside at 60% AMI and all the 3BR units, as supported by the market analyst's market rents. Tenants will be responsible for all electric utilities as of August 1, 2009 and administered by the Baytown Housing Authority.

The remaining 18 units (inclusive of all units affordable at 30% of AMI) will be considered public housing units (PHUs). In order to more accurately estimate income, the Underwriter has set the development's public housing unit rents, based on the average income for public housing tenants, lower than the maximum rents allowed under HTC guidelines. Based on past experience with public housing units (PHUs), the Underwriter has assumed the subsidy will be equal to the PHUs prorated share of expenses less the tenant contribution and that no debt can be serviced by the public housing units. The Underwriter's PHU rents are equal to those estimated by the Applicant and the Underwriter has included additional subsidy in the other income line item to cover the difference between the rents reflected and the operating expense attributed to each public housing unit.

The Applicant's secondary income and vacancy and collection loss assumption is 7.5%. The Underwriter anticipates that the PHUs will operate at or close to an occupancy level of 100%. Therefore, the Underwriter's estimate of vacancy and collection loss has been changed to reflect a standard rate of 7.5% of potential gross income only for the units that will not operate as Public Housing Units. This change results in a total vacancy and collection loss rate of 3.75% of the development's potential gross income. Despite these differences, the Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's total annual operating expense projection at \$4,360 per unit is within 5% of the Underwriter's estimate of \$4,331, derived from the TDHCA database, and third-party data sources. The Applicant provided an insurance quote from TML estimating \$417 per unit in property insurance. The Underwriter has utilized this estimate. The Applicant's estimates of payroll and payroll tax and repair and maintenance are more in line with TDHCA database averages for these line items and therefore utilized by the Underwriter. Moreover, the Applicant's estimates of utilities and water, sewer & trash vary 12% to 13% from the respective ranges of available data points; however, these estimates are in line with the TDHCA's database figures for similar size deals in Region 6.



## DEVELOPMENT COST EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/23/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Applicant's sitework costs of \$8,386 per unit are within current Department guidelines. Therefore, further third party substantiation is not required. However, through correspondence, the Applicant indicated the current budget is based on very preliminary schematics and cost estimates relied heavily on Department thresholds.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$62K or 3% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The proposed units are configured as one story townhomes. However, the building plans specify 100% vinyl siding which is inferior to more customary siding materials. Because of this, the buildings are aesthetically inferior to other new construction tax credit deals. Additionally, the vinyl siding will add maintenance costs over time. The units are inefficiently designed, particularly with respect to very small covered patios and their positioning with adjacent units, bedroom layouts and placement of the kitchen islands. Placement of furniture will be difficult due to door and closet openings. The design could be a marketability issue.

**Contingency & Fees:**

The Applicant's contractor & developer fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

**Conclusion:**

Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$5,183,353 supports annual tax credits of \$606,452. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: None Last Update: N/A

Interim Sources	Amount	Rate	Term	LTC
Amegy Mortgage	\$2,870,142	5.50%	24 Months	35%
Baytown Housing Authority (BHA)	\$295,000	4.21%	18 Months	4%
Real Estate Assets Capital Markets, LLC	\$115,000	6.00%	18 Months	1%
Hudson Housing	\$4,311,445	HTC Equity		53%
CRHD Baytown, LLC	\$576,011	Deferred Developer Fee		7%
<b>Total</b>	<b>\$8,167,598</b>			

**Comments:**

Interim Rate Index on the \$2.87M loan is LIBOR plus 3%, subject to a 5.5% floor.

BHA has provided a commitment for a construction period loan of \$295K at AFR. Of note, for purposes of calculating eligible interest, the Underwriter has utilized the March long-term AFR rate. The Applicant has also provided a commitment from REA Capital Markets for \$115K with interest only payments at 6%. The term for both loans will be the later of 1-year PIS or 18 months.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Amegy Mortgage	\$814,526	8.25%	30	20	15%

Comments:

Permanent Rate Index will be fixed at the FHLB Loan + 3%, underwritten @ 8.25%. The term on the permanent loan will be 20 years.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Hudson Housing	\$4,790,490	\$0.79	85%	
CRHD Baytown, LLC	\$3,363		0%	0%
<b>Total</b>	<b>\$4,793,853</b>			
<b>Total Sources</b>	<b>\$5,608,379</b>			

Comments:

Deferred developer fee is anticipated to be repayable from development cashflow within one years of stabilized operation.

If the Applicant were to ultimately secure pricing any higher than the committed \$0.79, the equity would exceed the gap in financing and an adjustment to the allocation would be necessary. Because the deal is sized just at the gap threshold with a potential for credit adjustment, receipt and acceptance, by carryover, of updated financing commitments or executed financing documents is a condition of this report.

## CONCLUSIONS

Recommended Financing Structure:

Applicant's total development cost estimate less the adjusted permanent loan of \$814,526 indicates the need for \$4,793,853 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$606,878 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$606,452
Allocation determined by gap in financing:	\$606,878
<b>Allocation requested by the Applicant:</b>	<b>\$606,452</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$606,452 per year for 10 years results in total equity proceeds of \$4,790,490 at a syndication rate of \$0.79 per tax credit dollar.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>



**STABILIZED PROFORMA**

**Alexander Place Apartments, Baytown, 9% HTC #11193**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.46	\$489	\$211,272	\$211,272	\$489	\$0.46		0.0%	\$0
Laundry machines, vending machines, misc admin						\$20.00	\$8,640				0.0%	(8,640)
HUD ACC Subsidy to break even						\$105.55	\$45,595	\$45,083			-1.1%	(512)
Underwriter's Total Secondary Income							\$8,640	\$20.00			100.0%	8,640
<b>POTENTIAL GROSS INCOME</b>						\$265,507	\$264,995				-0.2%	(\$512)
Vacancy & Collection Loss				7.5% PGI		(19,913)	(9,937)	3.8% PGI			-100.4%	9,976
Non-Rental Units/Concessions											0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$245,594	\$255,058				3.7%	\$9,463
General & Administrative	\$13,847	\$385/Unit	5.50%	\$0.36	\$375	\$13,500	\$13,847	\$385	\$0.37	5.43%	-2.5%	(347)
Management	\$16,032	6.2% EGI	4.07%	\$0.26	\$278	\$10,000	\$12,753	\$354	\$0.34	5.00%	-21.6%	(2,753)
Payroll & Payroll Tax	\$35,118	\$975/Unit	13.44%	\$0.87	\$917	\$33,000	\$35,118	\$975	\$0.93	13.77%	-6.0%	(2,118)
Repairs & Maintenance	\$25,312	\$703/Unit	12.34%	\$0.80	\$842	\$30,300	\$25,312	\$703	\$0.67	9.92%	19.7%	4,988
Utilities	\$10,051	\$279/Unit	3.55%	\$0.23	\$242	\$8,712	\$10,051	\$279	\$0.27	3.94%	-13.3%	(1,339)
Water, Sewer, & Trash	\$16,665	\$463/Unit	7.60%	\$0.49	\$519	\$18,673	\$16,665	\$463	\$0.44	6.53%	12.0%	2,008
Property Insurance	\$13,765	\$0.36 SF	6.35%	\$0.41	\$433	\$15,500	\$15,014	\$417	\$0.40	5.89%	3.9%	586
Property Tax 2.9777	\$18,403	\$511/Unit	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$13,384	\$372/Unit	3.66%	\$0.24	\$250	\$9,000	\$9,000	\$250	\$0.24	3.53%	0.0%	-
TDHCA Compliance Fees			0.59%	\$0.04	\$40	\$1,440	\$1,440	\$40	\$0.04	0.56%	0.0%	-
Cable TV			0.24%	\$0.02	\$17	\$600	\$600	\$17	\$0.02	0.24%	0.0%	-
Supportive service contract fees			2.44%	\$0.16	\$167	\$6,000	\$6,000	\$167	\$0.16	2.35%	0.0%	-
Security			4.08%	\$0.26	\$279	\$10,026	\$10,026	\$279	\$0.26	3.93%	0.0%	-
Land Lease			0.04%	\$0.00	\$3	\$100	\$100	\$3	\$0.00	0.04%	0.0%	-
<b>TOTAL EXPENSES</b>			63.91%	\$4.14	\$4,360	\$156,951	\$155,926	\$4,331	\$4.12	61.13%	0.7%	\$1,025
<b>NET OPERATING INCOME ("NOI")</b>			36.09%	\$2.34	\$2,462	\$88,643	\$99,132	\$2,754	\$2.62	38.87%	-10.6%	(\$10,489)
<b>CONTROLLABLE EXPENSES</b>		\$2,805/Unit						\$2,805/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$255,058	\$260,865	\$266,809	\$272,894	\$279,123	\$312,561	\$350,176	\$392,517	\$440,204	\$493,940	\$554,535	\$622,896
LESS: TOTAL EXPENSES	155,926	160,511	165,233	170,094	175,098	202,436	234,071	270,680	313,051	362,093	418,861	484,577
<b>NET OPERATING INCOME</b>	\$99,132	\$100,353	\$101,577	\$102,801	\$104,024	\$110,125	\$116,105	\$121,837	\$127,153	\$131,847	\$135,674	\$138,319
LESS: DEBT SERVICE	73,431	73,431	73,431	73,431	73,431	73,431	73,431	73,431	73,431	73,431	73,431	73,431
<b>NET CASH FLOW</b>	\$25,701	\$26,922	\$28,146	\$29,369	\$30,593	\$36,694	\$42,674	\$48,406	\$53,722	\$58,416	\$62,242	\$64,888
<b>CUMULATIVE NET CASH FLOW</b>	\$25,701	\$52,623	\$80,769	\$110,138	\$140,731	\$304,089	\$496,377	\$716,410	\$962,231	\$1,230,890	\$1,518,239	\$1,818,672
DEFERRED DEVELOPER FEE BALANCE	\$3,363	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.35	1.37	1.38	1.40	1.42	1.50	1.58	1.66	1.73	1.80	1.85	1.88
<b>EXPENSE/EGI RATIO</b>	61.13%	61.53%	61.93%	62.33%	62.73%	64.77%	66.84%	68.96%	71.12%	73.31%	75.53%	77.79%

**CAPITALIZATION FROM DEVELOPMENT BUDGET ITEMIZED BASIS**

**Alexander Place Apartments, Baytown, 9% HTC #11193**

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
Amegy Mortgage	1.38	1.24	\$71,592	8.25%	30	20	\$794,126	\$814,526	20	30	8.25%	\$73,431	1.35	14.5%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$71,592				\$794,126	\$814,526				\$73,431		14.5%
<b>NET CASH FLOW</b>			\$17,051									\$25,701		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	Total Developer Fee
Hudson Housing	LHMC Equity	85.4%	\$606,452	0.7899	\$4,790,494	\$4,790,490	0.7899	\$606,452	85.4%	Annual Credit per Unit:	\$133,069
CRMD Baytown, LLC	Deferred Developer Fees	0.4%	(3% Deferred)		\$23,758	\$3,363	(0% Deferred)		0.1%	Total Developer Fee:	\$863,892
Additional (Excess) Funds Req'd		0.0%			\$1	\$0			0.0%	15-Year Cash Flow:	\$496,377
<b>TOTAL EQUITY SOURCES</b>		85.8%			\$4,814,253	\$4,793,853			85.5%	15-Yr Cash Flow after Fee:	\$493,014
<b>TOTAL CAPITALIZATION</b>					\$5,608,379	\$5,608,379					

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$			
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition							
Land Acquisition			\$ / Unit	\$0	\$0	\$ / Unit			0.0%	\$0			
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0			
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0			
Sitework		\$301,907	\$8,386 / Unit	\$301,907	\$301,907	\$8,386 / Unit	\$301,907		0.0%	\$0			
Direct Construction		\$2,380,339	\$62.96 SF	\$66,121 / Unit	\$2,380,339	\$64,410 / Unit	\$61.24 SF		-2.7%	(\$61,567)			
Contingency		\$187,757	7.00%	\$187,757	\$183,448	7.00%	\$183,448		-2.3%	(\$4,309)			
Contractor's Fees		\$375,515	13.08%	\$375,515	\$375,515	13.39%	\$375,515		0.0%	\$0			
Indirect Construction		\$715,000	\$19,861 / Unit	\$715,000	\$715,000	\$19,861 / Unit	\$715,000		0.0%	\$0			
Ineligible Costs			\$3,321 / Unit	\$119,564	\$119,564	\$3,321 / Unit			0.0%	\$0			
Developer's Fees	\$0	\$863,892	20.00%	\$863,892	\$850,717	20.00%	\$850,717	\$0	-1.5%	(\$13,175)			
Interim Financing		\$358,943	\$9,971 / Unit	\$358,943	\$358,943	\$9,971 / Unit	\$358,943		0.0%	\$0			
Reserves			\$8,485 / Unit	\$305,462	\$298,604	\$8,295 / Unit			-2.3%	(\$6,858)			
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,183,353</b>		<b>\$155,788 / Unit</b>	<b>\$5,608,379</b>		<b>\$5,522,470</b>	<b>\$153,402 / Unit</b>	<b>\$5,104,302</b>	<b>\$0</b>	<b>-1.6%</b>	<b>(\$85,909)</b>	
Acquisition Cost for Identity of Interest Seller					\$0								
Developer's Fee	\$0	\$0											
Contractor's Fee		\$0											
Contingency		\$0											
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,183,353</b>		<b>\$155,788 / Unit</b>	<b>\$5,608,379</b>		<b>\$5,522,470</b>		<b>\$5,104,302</b>	<b>\$0</b>			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 6% of TDHCA Estimate):</b>					<b>\$5,608,379</b>								



**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

**Alexander Place Apartments, Baytown, 9% HTC #11193**

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$5,183,353	\$0	\$5,104,302
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$5,183,353</b>	<b>\$0</b>	<b>\$5,104,302</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$6,738,359</b>	<b>\$0</b>	<b>\$6,635,592</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$6,738,359</b>	<b>\$0</b>	<b>\$6,635,592</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$606,452</b>	<b>\$0</b>	<b>\$597,203</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$606,452</b>		<b>\$597,203</b>	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$606,452	\$4,790,490
Gap	\$606,878	\$4,793,853
Request	\$606,452	\$4,790,490

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Request
Credits	\$606,452
Underwritten Proceeds	\$4,790,490

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$75.79	\$79,722	\$2,870,003	\$2,804,127	\$77,892	\$74.05
Applicant's Cost/SF Point Election	\$87.00					
<b>Hard Costs plus Contractor Fees</b>	<b>\$85.71</b>	<b>\$90,153</b>	<b>\$3,245,518</b>	<b>\$3,179,642</b>	<b>\$88,323</b>	<b>\$83.97</b>

**DIRECT CONSTRUCTION COST ESTIMATE**

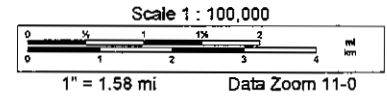
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$63.95	2,421,621
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.92	72,649
Roofing			0.00	0
Subfloor			(1.95)	(73,839)
Floor Cover			2.38	90,121
Breezeways			0.00	0
Balconies	\$11.97	6,724	2.13	80,491
Plumbing Fixtures	\$1.015	12	0.32	12,180
Rough-ins	\$445	0	0.00	0
Built-In Appliances	\$2,525	36	2.40	90,900
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$51.08		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			2.39	90,500
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$72.63	3,680	7.06	267,269
Other: fire sprinkler	2.25	37,866	2.25	85,199
<b>SUBTOTAL</b>			<b>82.95</b>	<b>\$3,137,090</b>
Current Cost Multiplier	1.03		2.49	94,113
Local Multiplier	0.88		-9.94	(376,451)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>75.39</b>	<b>\$2,854,752</b>
Plans, specs, survey, bldg permit	3.90%		-2.94	(\$111,335)
Interim Construction Interest	3.38%		-2.54	(96,348)
Contractor's OH & Profit	11.50%		-8.67	(328,295)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>61.24</b>	<b>\$2,318,772</b>

# 11193 Alexander Place Apts



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 www.delorme.com

TN  
 MN (3.0°E)  
 Page 15 of 15



11195

Stonebridge of Lubbock

Urban, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Stonebridge of Lubbock, TDHCA Number 11195**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC of 71st St. and Ironton Ave. Development #: 11195  
 City: Lubbock Region: 1 Population Served: General  
 County: Lubbock Zip Code: 79424 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SR0

**OWNER AND DEVELOPMENT TEAM**

Owner: GS 71, LP  
 Owner Contact and Phone: Victoria W. Spicer, (214) 346-0707  
 Developer: State Street Housing Advisors, LP  
 Housing General Contractor: GS Housing Construction, LP  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	152
	16 0 54 82	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 36 84 32 0 0	Total Development Units:	152
Type of Building:		Total Development Cost*:	\$18,220,523
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	7
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,879,591	\$1,865,935			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Stonebridge of Lubbock, TDHCA Number 11195

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Perry, District 83, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Iola Avenue Property Owner Association, Connie Carpentiere

Letter Score: 24 S or O: S

There is a great need for good, quality affordable housing in the City of Lubbock and I feel that Stonebridge of Lubbock would assist in fulfilling that need.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Carryover: of evidence of the appropriate zoning change or a variance for the proposed development from the City.
2. Receipt and acceptance by 10% test: A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt and acceptance by Commitment: of a firm commitment from Capital Area Housing Finance Corporation for the proposed loan, with the terms of financing clearly stated; and of a flood insurance estimate of not more than \$215 per unit and status of drainage improvements that are expected to mitigate flood issues.
4. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: All noise assessment recommendations were implemented. of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
5. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Stonebridge of Lubbock, TDHCA Number 11195

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 0

Total # Monitored: 0

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 213  Meeting a Required Set-Aside Credit Amount\*: \$1,865,935

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

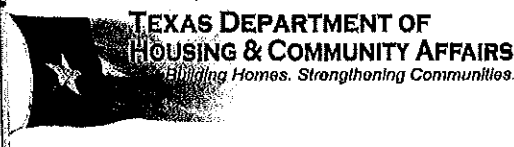
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11195 Program(s): 9% HTC

**Stonebridge of Lubbock**

Address/Location: NW corner of 71st Street and Ironton Avenue

City: Lubbock County: Lubbock Zip: 79424

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 1

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$1,865,935				\$1,865,935				

\* The Applicant originally requested \$1,879,591, which was revised during underwriting to \$1,865,935.

**CONDITIONS**

- 1 Receipt and acceptance by Carryover:
  - of evidence of the appropriate zoning change or a variance for the proposed development from the City.
- 2 Receipt and acceptance by 10% test:
  - A comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt and acceptance by Commitment:
  - of a firm commitment from Capital Area Housing Finance Corporation for the proposed loan, with the terms of financing clearly stated; and
  - of a flood insurance estimate of not more than \$215 per unit and status of drainage improvements that are expected to mitigate flood issues.
- 4 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - All noise assessment recommendations were implemented.
  - of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
- 5 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	16
50% of AMI	50% of AMI	54
60% of AMI	60% of AMI	82

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▫	Deal is located in area of new development across the street from new exemplary rated elementary school and surrounded by new SF residential
▫	Deal is first multifamily deal in growth area
▫	Master planned drainage plan is expected to mitigate flood issues

WEAKNESSES/RISKS	
▫	PMA draws demand from the city itself instead of the immediate surrounding neighborhoods
▫	No reliable rent comps in immediate vicinity
▫	Deal is currently located in flood plain and change in designation depends on FEMA approval
▫	Underwriter is concerned that site work estimate is based on underwriting benchmark rather than actual site characteristics

**DEVELOPMENT TEAM**

PRIMARY CONTACTS

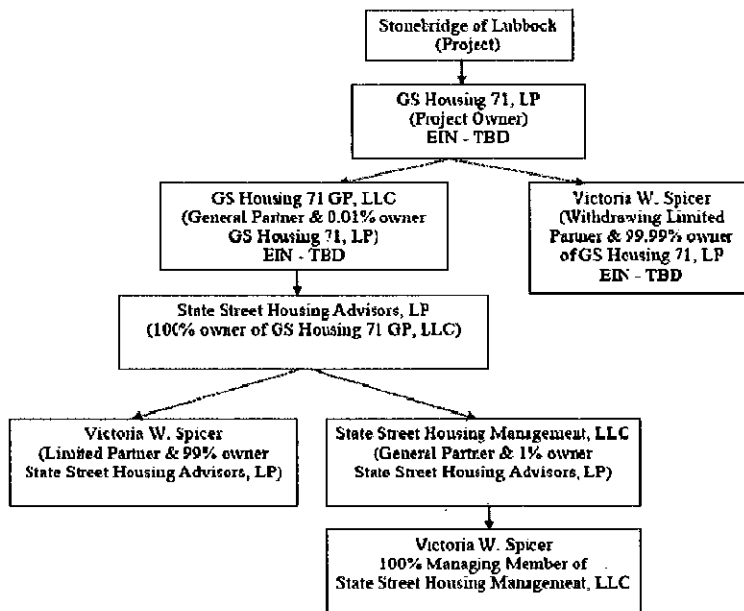
Name: Victoria Spicer Relationship: Developer/Owner  
 Email: vspicer@statestreethousing.com Phone: (214) 346-0707 Fax: (214) 346-0713

IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest: No

- The Applicant, Developer, and General Contractor, are related entities.

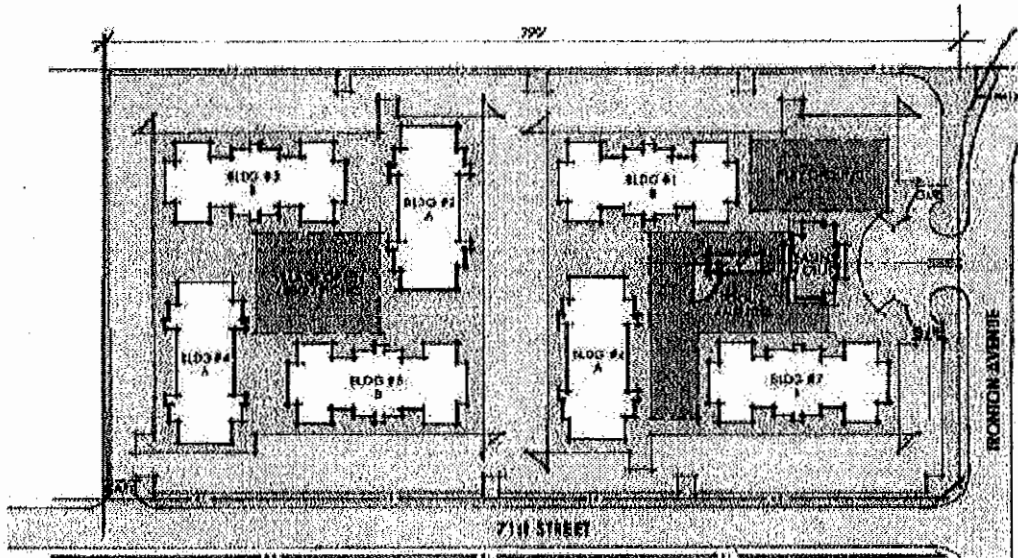
OWNERSHIP STRUCTURE





## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	A	B		Total Buildings
Floors/Stories	3	3		7
Number of Bldgs	3	4		7
Units per Bldg	24	20		
<b>Total Units</b>	<b>72</b>	<b>80</b>		<b>152</b>

### GENERAL INFORMATION

Total Size:	<u>8.5</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>T- Agriculture</u>	Re-Zoning Required?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>17.8824</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is directly surrounded by undeveloped farm land on all sides. The site is also bound by 66th Street to the North, Ironton Ave, Lola Ave, Lubbock Bible Church & single family residences to the East, single family residences to the South, and Milwaukee Ave and Oakridge Elementary School to the West.

**Other Observations:**

The subject property is currently zoned for Agriculture use (T). The Applicant has made application to the city for a zoning change to A-2 (High Density Apartment District), which allows for the proposed property. Receipt, review, and acceptance by carryover of evidence of the appropriate zoning change or a variance for the proposed development from the City is a condition of this report.

According to the ESA provider & FEMA, " the Property is located within a 100-year flood zone...The target Property is in a Special Flood Hazard Area and has the potential to be inundated by a flood event having a 1% chance of being equaled or exceeded in any given year. FEMA identified the westernmost portion of the target Property to be in Flood Zone AE. Mandatory flood insurance purchase requirements and floodplain management standards apply." (p.8)

Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain is a condition of this report.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: V-tech Environmental Services Date: 2/1/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Milwaukee Avenue is located less than 1000' from the target Property... a noise study is recommended for the property in accordance with current HUD guidelines." (p 18)

### MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/29/2011

Contact: Darrell Jack Phone: 210-530-0040

Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 30 sq. miles 3 mile equivalent radius

The Primary Market Area is identified as 22 census tracts in Lubbock within Lubbock County.

The PMA does not include the subject site's census tract. The subject site is located approximately 2,000 ft outside the defined PMA boundary. The Market Analyst indicated that this was done because the demand for the subject site is believed to be drawn from inside the city instead of the outlying communities that surround the subject site. The development will be located in an area of new development with no existing rental supply and the number of renter households is very limited. This is a very unusual circumstance that would generally be a significant concern but which may be warranted in this particular case. The Market Analyst reviewed this particular situation with staff prior to completion of the market study.

ELIGIBLE HOUSEHOLDS BY INCOME								
Lubbock County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,526	\$11,490	---	---	\$17,554	\$19,150	\$21,086	\$22,980
2	\$10,526	\$13,110	---	---	\$17,554	\$21,850	\$21,086	\$26,220
3	\$12,651	\$14,760	---	---	\$21,086	\$24,600	\$25,303	\$29,520
4	\$14,606	\$16,380	---	---	\$24,343	\$27,300	\$29,211	\$32,760
5	\$14,606	\$17,700	---	---	\$24,343	\$29,500	\$29,211	\$35,400
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11163	The Grove at Elm Park	New	Family	128	128
11067	Southwest Plains Villas	New	Family	120	120
Other Affordable Developments in PMA since 2007					
11074	Villas at Tuscany	New	Senior	n/a	80
11198	Casa Orlando Apts	Rehab	Family	n/a	70
07427	High Plains Apts	Rehab	Family	n/a	50
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		4	Total Units		716

Proposed, Under Construction, and Unstabilized Comparable Supply:

11163 The Grove at Elm Park is a proposed development less than 2 miles to the North West of the subject site. 11067 Southwest Plains Villas is located outside of the PMA but the Underwriter feels that this development will be drawing from the same demand pool and therefore includes this in the calculations.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	41,713		41,713	
Senior Households in the Primary Market Area	13,104		13,104	
Potential Demand from the Primary Market Area	8,435		8,222	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>8,435</b>		<b>8,222</b>	
Subject Affordable Units	152		152	
Unstabilized Comparable Units	0		248	
<b>RELEVANT SUPPLY</b>	<b>152</b>		<b>400</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>1.8%</b>		<b>4.9%</b>	

Demand Analysis:

The Market Analyst's calculations include all household sizes and assumes the subject will place in service in 2012. This results in Gross Demand for 8,435 units, and a Gross Capture Rate of 1.8% for the proposed 152 units. The Underwriter limits demand to households of 5 or less, but assumes the subject will place in service in 2013, resulting in Gross Demand for 8,222 units.

The Market Analyst did not consider the two proposed developments and therefore underestimates the Gross Capture Rate. The Underwriter's demand calculation includes the 248 comparable units, resulting in a Gross Capture Rate of 4.9% for the Relevant Supply of 400 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	552	4	0	1%	260	4	2	2%
1 BR/50%	818	14	0	2%	435	14	6	5%
1 BR/60%	804	18	0	2%	375	18	8	7%
2 BR/30%	273	9	0	3%	243	9	11	8%
2 BR/50%	459	30	0	7%	442	30	23	12%
2 BR/60%	550	45	0	8%	476	45	36	17%
3 BR/30%	118	3	0	3%	79	3	11	18%
3 BR/50%	276	10	0	4%	164	10	55	40%
3 BR/60%	290	19	0	7%	189	19	74	49%

Primary Market Occupancy Rates:

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 546 affordable units within the PMA... and the overall average occupancy for income restricted units is 94.3%." (p 12-13)

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." (p 54)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer affordable family units have been easily absorbed. Today, stabilized affordable projects are 94.3% occupied." (p 12)

Comments:

The Market Analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$382,118	Avg. Rent:	\$571	Expense Ratio:	61.7%
Debt Service:	\$282,992	B/E Rent:	\$549	Controllable Expenses:	\$2,528
Net Cash Flow:	\$99,126	Occupancy:	92.50%	Property Taxes/Unit:	\$602
Aggregate DCR:	1.35:1	B/E Occupancy:	86.69%	Program Rent Year:	2011

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/7/2011

Both the Applicant and the Underwriter utilized maximum program rents for all units, as supported by the market analyst. Tenants will be responsible for all electric utilities as of November, 2010 and administered by the Lubbock Housing Authority. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

The Applicant included income from carport rentals. Generally, income from garage or carport rental is not included or deeply discounted. However, the Applicant's combined secondary income estimate of \$20/unit/month remains within the underwriting guideline.

The market rents from the market study are based solely on market rate deals. Existing tax credit developments in Lubbock are not achieving the maximum tax credit rents. However, this transaction is located in an area of new growth and development. A new exemplary rated school is located across the street and new single family subdivisions are located within a short distance. The subject will be one of the first new multifamily developments located in this area and there aren't adequate comps from which to derive market rents. The Underwriter has underwritten the maximum program rents due to these other factors but achieving these rents remains a risk to the deal due to the lack of comps.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/19/2011

The Applicant's total annual operating expense projection at \$4,198 per unit is within 4% of the Underwriter's estimate of \$4,046, derived from the TDHCA database, and third-party data sources. The Applicant's controllable expenses are comparable to family deals of a similar size in Texas. Additionally, the Underwriter pulled data on four other existing family deals in Lubbock and confirmed that controllable expenses were at similar levels. The Underwriter's property tax estimate is based on NOI at a 10% cap rate.

The Applicant has not included flood insurance as an expense in the operating pro forma. In discussion with staff, the Applicant indicated that the deal would have to bear the cost of flood insurance but that the site is part of a master plan in which the flood issues will be mitigated by addressing the area's drainage. The Applicant expects to get a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) from FEMA to formally change the floodplain designation. If the Applicant is unable to secure this change in designation, flood insurance would be an ongoing requirement. While the Applicant has not included the cost of flood insurance in the pro forma, the transaction is underwritten at a 1.35 DCR and 62% expense ratio. If flood insurance were required, all else equal, the deal could support an additional \$215/unit in expenses. Receipt and acceptance, by Commitment, of a flood insurance estimate of not more than \$215 per unit is a condition of this report.

**Conclusion:**

The Applicant's net operating income is not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) above the current underwriting maximum guideline of 1.35. Therefore, the recommended financing structure reflects an increase in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the "Financing Structure Analysis" section (below).

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase & Sale Agreement Acreage: 8.5  
 Acquisition Cost: \$1,048,163 Contract Expiration: 11/30/2011  
 Cost Per Unit: \$6,896  
 Seller: Bacon Crest, Ltd. Related to Development Team?  Yes  No  
 Comments:  
 The cost schedule reflects the contract price of \$1,048,163.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 3 Date of Last Applicant Revision: 6/3/2011  
 Off-Site Cost:  
 Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A  
 Sitework Cost:  
 Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A  
 Comments:  
 Applicant's sitework costs are \$8,995 per unit which is almost exactly equal to the Department's due diligence threshold. The Department requires an engineer's estimate to support site work costs in excess of \$9,000 per unit. In discussion with the staff, the Applicant indicated that they believed the estimate was sufficient. The Applicant indicated that a minimal amount of fill would be necessary to raise the buildings out of the flood plain and that they expected the fill to be from sitework completed to prepare the neighboring property for development at no additional cost. The Underwriter remains concerned that the Department's rule benchmark was targeted rather than an estimate being developed based on actual site conditions.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$528K or 6% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The Applicant excluded the cost of carports from eligible basis and included income from carport rentals in the pro forma.

**Reserves:**

The Applicant provided documentation to support \$96,779 in lease-up reserves in addition to the standard operating reserves allowed pursuant to REA rules. Therefore, the Underwriter has included this amount in addition to standard operating reserves.

**Conclusion:**

Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$15,948,160 supports annual tax credits of \$1,865,935. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 2 Last Update: 6/3/2011

Interim Sources	Amount	Rate	Term	LTC
J.P. Morgan Chase - Priority 1	\$6,310,000	6.00%	24 Months	35%
Capital Area HFC - Priority 2	\$685,000	4.28%	12 Months	4%
Stewart Shaw Family Partnership - Priority 3	\$365,000	7.00%	15 Months	2%
RBC Capital Markets	\$9,406,859	HTC Equity		52%
State Street Housing Advisors, LP	\$1,453,664	Developer Fee		8%
<b>Total</b>	<b>\$18,220,523</b>			

**Comments:**

The Interim Rate Index on the \$6.3M Chase loan is LIBOR+ 350 bps, underwritten at 6%.

The Applicant has applied for a \$685K loan from CAHFC with requested minimum terms of the later of one year or PIS date and an interest rate at or below AFR. Because this loan has not yet been committed, this report is conditioned on receipt and acceptance, by Commitment, of a commitment for this source, with the terms clearly indicated. Additionally, Stewart Shaw Family Partnership has provided a commitment for a construction period loan of \$365K. The interest rate will be the greater of prime +2.0% or 7.0%. The loan has a term of the lesser of 15 months or completion of construction.

Permanent Sources	Amount	Rate	Amort	Term	LTC
J.P. Morgan Chase - Priority 1	\$3,213,925	8.00%	30	18	18%

**Comments:**

The Current indicative rate on the permanent loan is 7.75%, underwritten at 25 basis points over the indicative rate, or 8%. The term on the permanent loan will be 18 years.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
RBC Capital Markets	\$14,366,942	\$0.77	79%	
State Street Housing Advisors, LP	\$639,656		4%	31%
<b>Total</b>	<b>\$15,006,597</b>			
<b>Total Sources</b>	<b>\$18,220,523</b>			

**Comments:**

RBC's commitment reflects equity based on the Applicant's original request. The amount based on the recommended allocation is reflected here. The Underwriter's recommended financing structure indicates the need for \$639,656 in additional permanent funds. Deferred developer fee in this amount is repayable from development cashflow within eight years of stabilized operation. Should the final credit price increase to more than \$0.80, all deferred developer fees would be eliminated and an adjustment to the credit amount may be warranted.

## CONCLUSIONS

### Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio above the Department's maximum guideline of 1.35. The underwriting analysis assumes an increase in the permanent loan amount to \$3,213,925 based on the terms reflected in the application materials. As a result the development's gap in financing will decrease.

The Applicant's total development cost estimate less the adjusted permanent loan of \$3,213,925 indicates the need for \$15,006,598 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,949,011 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$1,865,935</b>
Allocation determined by gap in financing:	\$1,949,011
Allocation requested by the Applicant:	\$1,865,935

The allocation amount determined by the eligible basis-derived calculation is recommended. A tax credit allocation of \$1,865,935 per year for 10 years results in total equity proceeds of \$14,366,942 at a syndication rate of \$0.77 per tax credit dollar.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT RENT SCHEDULE**  
**Stonebridge of Lubbock, Lubbock, 9% HTC #11195**

LOCATION DATA	
CITY:	Lubbock
COUNTY:	Lubbock
PROGRAM REGION:	1
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	36	23.7%
2	84	55.3%
3	32	21.1%
4		
<b>TOTAL</b>	<b>152</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																					
UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS				
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market		
TC30%	\$307	4	1	1	798	\$307	\$60	\$247	\$0	\$0.31	\$247	\$988	\$988	\$247	\$0.31	\$0	\$792	0.99	\$545		
TC50%	\$512	14	1	1	798	\$512	\$60	\$452	(\$1)	\$0.57	\$451	\$6,314	\$6,328	\$452	\$0.57	\$0	\$792	0.99	\$340		
TC60%	\$615	18	1	1	798	\$615	\$60	\$555	(\$1)	\$0.69	\$554	\$9,972	\$9,990	\$555	\$0.70	\$0	\$792	0.99	\$237		
TC30%	\$369	9	2	2	969	\$369	\$81	\$288	(\$1)	\$0.30	\$287	\$2,583	\$2,592	\$288	\$0.30	\$0	\$941	0.97	\$653		
TC50%	\$615	30	2	2	969	\$615	\$81	\$534	(\$1)	\$0.55	\$533	\$15,990	\$16,020	\$534	\$0.55	\$0	\$941	0.97	\$407		
TC60%	\$738	45	2	2	969	\$738	\$81	\$657	(\$1)	\$0.68	\$656	\$29,520	\$29,565	\$657	\$0.68	\$0	\$941	0.97	\$284		
TC30%	\$426	3	3	2	1,165	\$426	\$102	\$324	(\$1)	\$0.28	\$323	\$969	\$972	\$324	\$0.28	\$0	\$1,120	0.96	\$796		
TC50%	\$710	10	3	2	1,165	\$710	\$102	\$608	(\$1)	\$0.52	\$607	\$6,070	\$6,080	\$608	\$0.52	\$0	\$1,120	0.96	\$512		
TC60%	\$852	19	3	2	1,165	\$852	\$102	\$750	(\$1)	\$0.64	\$749	\$14,231	\$14,250	\$750	\$0.64	\$0	\$1,120	0.96	\$370		
<b>TOTAL/AVERAGE</b>		<b>152</b>			<b>147,404</b>				<b>(\$1)</b>	<b>\$0.59</b>	<b>\$570</b>	<b>\$86,637</b>	<b>\$86,785</b>	<b>\$571</b>	<b>\$0.59</b>	<b>\$0</b>	<b>\$943</b>	<b>\$0.97</b>	<b>\$372</b>		
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$1,039,644</b>	<b>\$1,041,420</b>								



**STABILIZED PROFORMA**

**Stonebridge of Lubbock, Lubbock, 9% HTC #11195**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Comp Avgs	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.59	\$70	\$1,039,644	\$1,041,420	\$571	\$0.59		0.2%	\$1,776	
Application Fees, Late Fees					\$10.00	\$18,240					0.0%	(18,240)	
Laundry, Carports					\$10.00	\$18,240					0.0%	(18,240)	
Underwriter's Total Secondary Income							\$36,480	\$20.00			100.0%	36,480	
<b>POTENTIAL GROSS INCOME</b>						\$1,076,124	\$1,077,900				0.2%	\$1,776	
Vacancy & Collection Loss					7.5% PGI	(80,709)	(80,843)	7.5% PGI			0.2%	(133)	
Non-Rental Units/Concessions											0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$995,415	\$997,058				0.2%	\$1,643	
General & Administrative	\$42,057	\$277/Unit	\$49,059	3.78%	\$0.26	\$248	\$37,650	\$42,057	\$277	\$0.29	4.22%	-10.5%	(4,407)
Management	\$47,259	6.0% EGI	\$50,889	5.00%	\$0.34	\$327	\$49,771	\$49,853	\$328	\$0.34	5.00%	-0.2%	(82)
Payroll & Payroll Tax	\$166,440	\$1,095/Unit	\$128,845	20.23%	\$1.37	\$1,325	\$201,350	\$166,440	\$1,095	\$1.13	16.69%	21.0%	34,910
Repairs & Maintenance	\$72,101	\$474/Unit	\$62,382	4.74%	\$0.32	\$311	\$47,220	\$72,101	\$474	\$0.49	7.23%	-34.5%	(24,881)
Utilities	\$41,040	\$270/Unit	\$39,631	3.32%	\$0.22	\$217	\$33,000	\$36,684	\$241	\$0.25	3.68%	-10.0%	(3,684)
Water, Sewer, & Trash	\$44,434	\$292/Unit	\$74,511	5.65%	\$0.38	\$370	\$56,200	\$67,032	\$441	\$0.45	6.72%	-16.2%	(10,832)
Property Insurance	\$32,229	\$0.22 SF	\$36,669	3.44%	\$0.23	\$225	\$34,200	\$32,229	\$212	\$0.22	3.23%	6.1%	1,971
Property Tax 2.4069	\$64,865	\$425/Unit	\$95,733	12.22%	\$0.82	\$800	\$121,600	\$91,464	\$602	\$0.62	9.17%	32.9%	30,136
Reserve for Replacements	\$47,599	\$313/Unit		3.82%	\$0.26	\$250	\$38,000	\$38,000	\$250	\$0.26	3.81%	0.0%	-
TDHCA Compliance Fees				0.61%	\$0.04	\$40	\$6,080	\$6,080	\$40	\$0.04	0.61%	0.0%	-
Supportive service contract fees				0.90%	\$0.06	\$59	\$9,000	\$9,000	\$59	\$0.06	0.90%	0.0%	-
Security				0.40%	\$0.03	\$26	\$4,000	\$4,000	\$26	\$0.03	0.40%	0.0%	-
<b>TOTAL EXPENSES</b>				<b>64.10%</b>	<b>\$4.33</b>	<b>\$4,198</b>	<b>\$ 638,071</b>	<b>\$ 614,940</b>	<b>\$4,046</b>	<b>\$4.17</b>	<b>61.68%</b>	<b>3.8%</b>	<b>\$ 23,131</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>35.90%</b>	<b>\$2.42</b>	<b>\$2,351</b>	<b>\$357,344</b>	<b>\$382,118</b>	<b>\$2,514</b>	<b>\$2.59</b>	<b>38.32%</b>	<b>-6.5%</b>	<b>(\$24,774)</b>
<b>CONTROLLABLE EXPENSES</b>	\$2,408/Unit	\$2,332/Unit				\$2,470/Unit			\$2,528/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$997,058	\$1,016,999	\$1,037,339	\$1,058,085	\$1,079,247	\$1,191,576	\$1,315,596	\$1,452,525	\$1,603,704	\$1,770,619	\$1,954,907	\$2,158,375
LESS: TOTAL EXPENSES	614,940	632,889	651,367	670,390	689,972	796,889	920,524	1,063,509	1,228,890	1,420,195	1,641,509	1,897,564
<b>NET OPERATING INCOME</b>	<b>\$382,118</b>	<b>\$384,109</b>	<b>\$385,971</b>	<b>\$387,696</b>	<b>\$389,275</b>	<b>\$394,687</b>	<b>\$395,072</b>	<b>\$389,015</b>	<b>\$374,814</b>	<b>\$350,424</b>	<b>\$313,398</b>	<b>\$260,811</b>
LESS: DEBT SERVICE	282,992	282,992	282,992	282,992	282,992	282,992	282,992	282,992	282,992	282,992	282,992	282,992
<b>NET CASH FLOW</b>	<b>\$99,126</b>	<b>\$101,118</b>	<b>\$102,979</b>	<b>\$104,704</b>	<b>\$106,283</b>	<b>\$111,695</b>	<b>\$112,080</b>	<b>\$106,023</b>	<b>\$91,822</b>	<b>\$67,433</b>	<b>\$30,406</b>	<b>(\$22,181)</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$99,126</b>	<b>\$200,244</b>	<b>\$303,223</b>	<b>\$407,927</b>	<b>\$514,210</b>	<b>\$1,063,623</b>	<b>\$1,625,529</b>	<b>\$2,170,654</b>	<b>\$2,661,807</b>	<b>\$3,052,283</b>	<b>\$3,283,968</b>	<b>\$3,285,115</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$639,656</b>	<b>\$538,538</b>	<b>\$435,558</b>	<b>\$330,855</b>	<b>\$224,572</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.35</b>	<b>1.36</b>	<b>1.36</b>	<b>1.37</b>	<b>1.38</b>	<b>1.39</b>	<b>1.40</b>	<b>1.37</b>	<b>1.32</b>	<b>1.24</b>	<b>1.11</b>	<b>0.92</b>
<b>EXPENSE/EGI RATIO</b>	<b>61.68%</b>	<b>62.23%</b>	<b>62.79%</b>	<b>63.36%</b>	<b>63.93%</b>	<b>66.88%</b>	<b>69.97%</b>	<b>73.22%</b>	<b>76.63%</b>	<b>80.21%</b>	<b>83.97%</b>	<b>87.92%</b>

**CAPITALIZATION TOTAL DEVELOPMENT BUDGET (ITEMIZED BASIS)**

Stonebridge of Lubbock, Lubbock, 9% HTC #11195

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	UW	App											DCR	LTC
J.P. Morgan Chase - Priority 1	1.38	1.29	\$277,363	8.00%	30	18	\$3,150,000	\$3,213,925	18	30	8.00%	\$282,992	1.35	17.6%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$277,363</b>				<b>\$3,150,000</b>	<b>\$3,213,925</b>				<b>\$282,992</b>		<b>17.6%</b>
<b>NET CASH FLOW</b>			<b>\$79,981</b>									<b>\$99,126</b>		

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Annual Credit per Unit	Developer Fee	
RBC Capital Markets	LHTC Equity	79.4%	\$1,865,935	0.78	\$14,472,090	\$14,366,942	0.7700	\$1,865,935	78.9%	Annual Credit per Unit:	\$94,519	
State Street Housing Advisors, LP	Deferred Developer Fees	3.3%	(29% Deferred)		\$598,433	\$639,656	(32% Deferred)		3.5%	Total Developer Fee:	\$2,080,195	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,625,529	
<b>TOTAL EQUITY SOURCES</b>		<b>82.7%</b>			<b>\$15,070,523</b>	<b>\$15,006,598</b>			<b>82.4%</b>	15-Yr Cash Flow after Fee:	<b>\$985,873</b>	
<b>TOTAL CAPITALIZATION</b>					<b>\$18,220,523</b>	<b>\$18,220,523</b>						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS								TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs				Total Costs				Eligible Basis		%	\$
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition				
Land Acquisition			\$6,896 / Unit	\$1,048,163	\$1,048,163	\$6,896 / Unit						0.0%	\$0	
Closing Costs	\$0		\$49 / Unit	\$7,500	\$7,500	\$49 / Unit				\$0		0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit				\$0		0.0%	\$0	
Sitework		\$1,367,240	\$8,995 / Unit	\$1,367,240	\$1,367,240	\$8,995 / Unit			\$1,367,240			0.0%	\$0	
Direct Construction		\$8,907,483	\$60.43 SF	\$58,602 / Unit	\$8,907,483	\$8,379,508	\$55,128 / Unit	\$58.85 SF	\$8,379,508			-6.3%	(\$527,975)	
Contingency		\$513,774	5.00%	\$513,774	\$513,774	\$513,774	5.27%	\$513,774	\$513,774			0.0%	\$0	
Contractor's Fees		\$1,438,568	13.33%	\$1,438,568	\$1,438,568	\$1,436,473	14.00%	\$1,436,473	\$1,436,473			-0.1%	(\$2,095)	
Indirect Construction		\$1,094,800	\$7,203 / Unit	\$1,094,800	\$1,094,800	\$7,203 / Unit			\$1,094,800			0.0%	\$0	
Ineligible Costs			\$4,500 / Unit	\$683,983	\$683,983	\$4,500 / Unit						0.0%	\$0	
Developer's Fees	\$0	\$2,080,195	15.00%	\$2,080,195	\$2,000,684	\$2,000,684	15.00%	\$2,000,684	\$0			-4.0%	(\$79,511)	
Interim Financing		\$546,100	\$3,593 / Unit	\$546,100	\$546,100	\$3,593 / Unit			\$546,100			0.0%	\$0	
Reserves			\$3,505 / Unit	\$532,717	\$492,278	\$3,299 / Unit						-8.2%	(\$40,439)	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$15,948,160</b>		<b>\$119,872 / Unit</b>	<b>\$18,220,523</b>	<b>\$17,570,503</b>		<b>\$115,595 / Unit</b>	<b>\$15,338,579</b>	<b>\$0</b>		<b>-3.7%</b>	<b>(\$650,020)</b>	
Acquisition Cost for Identity of Interest Seller					\$0									
Developer's Fee	\$0	(\$0)												
Contractor's Fee		\$0												
Contingency		\$0												
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$15,948,160</b>		<b>\$119,872 / Unit</b>	<b>\$18,220,523</b>	<b>\$17,570,503</b>		<b>\$115,595 / Unit</b>	<b>\$15,338,579</b>	<b>\$0</b>				
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$18,220,523</b>									

**CAPITALIZATION/DEVELOPMENT COST BUDGET/ITEMIZED BASIS ITEMS**

Stonebridge of Lubbock, Lubbock, 9% HTC #11195

**CREDIT CALCULATION ON QUALIFIED BASIS**

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
	ADJUSTED BASIS	\$0	\$15,948,160	\$0
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$15,948,160	\$0	\$15,338,579
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$20,732,608	\$0	\$19,940,152
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$20,732,608	\$0	\$19,940,152
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,865,935	\$0	\$1,794,614
CREDITS ON QUALIFIED BASIS	\$1,865,935		\$1,794,614	

**ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,865,935	\$14,366,942
Gap	\$1,949,011	\$15,006,598
Request	\$1,865,935	\$14,366,942

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Eligible Basis
Credits	\$1,865,935
Underwritten Proceeds	\$14,366,942

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$73.19	\$70,977	\$10,788,497	\$10,260,522	\$67,503	\$69.61
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$82.95	\$80,441	\$12,227,065	\$11,696,995	\$76,954	\$79.35

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$53.71	7,916,356
Adjustments				
Exterior Wall Finish	2.80%		1.50	\$221,658
	0.00%		0.00	0
	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(0.11)	(15,723)
Floor Cover			2.41	355,244
Breezeways	\$23.05	25116	3.93	578,840
Balconies	\$21.79	18136	2.68	395,188
Plumbing Fixtures	\$845	348	1.99	294,060
Rough-ins	\$420	304	0.87	127,680
Built-In Appliances	\$3,155	152	3.25	479,560
Exterior Stairs	\$1,900	56	0.72	106,400
Enclosed Corridors	\$40.84		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	269,749
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$72.62	3,687	1.82	267,742
Other: fire sprinkler	\$2.25	151,091	2.31	339,955
SUBTOTAL			76.91	11,336,719
Current Cost Multiplier	1.03		2.31	340,102
Local Multiplier	0.88		-9.23	(1,360,406)
TOTAL DIRECT CONSTRUCTION COSTS			69.99	\$10,316,414
Plans, specs, survey, bldg permits	3.90%		-2.73	(\$402,340)
Interim Construction Interest	3.38%		-2.36	(\$348,179)
Contractor's OH & Profit	11.50%		-8.05	(1,186,388)
NET DIRECT CONSTRUCTION COSTS			56.85	\$8,379,508



11196

Central Village Apts

Rural, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Central Village Apts, TDHCA Number 11196**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 910 W 28th St. Development #: 11196  
 City: Plainview Region: 1 Population Served: General  
 County: Hale Zip Code: 79072 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: CE Affordable Housing, LP  
 Owner Contact and Phone: Daniel F. O'Dea, (512) 494-8200  
 Developer: Southwest Preservation Group, LLC  
 Housing General Contractor: Precision General Commercial Contractors, Inc.  
 Architect: The Hill Firm  
 Market Analyst: The Gill Group  
 Syndicator: PNC Multifamily Capital  
 Supportive Services: Better Texans  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	84
	10 0 29 43	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	2
	0 16 28 40 0 0	Total Development Units:	84
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	7
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$719,572	\$719,572			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Central Village Apts, TDHCA Number 11196

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Landroop, District 85, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Central Village Resident Council, Sandra McMickings

Letter Score: 24 S or O: S

We are interested in updating our apartments, the play ground, and the other improvements to our grounds.

**Community Input Other than Quantifiable Community Participation Input:**

Big Brothers Big Sisters, S, Hermina Armenariz, Executive Director

Hale County Literacy Council, S, Lydia Castillo, Director

Plainview Chamber of Commerce, S, Linda K. Morris, Executive Director

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Central Village Apts, TDHCA Number 11196

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 193  Meeting a Required Set-Aside Credit Amount\*: \$719,572

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



11197

Park Village Apts

Rural, Region 12



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Park Village Apts, TDHCA Number 11197**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1905 Wasson Rd. Development #: 11197  
 City: Big Spring Region: 12 Population Served: General  
 County: Howard Zip Code: 79720 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Southwest Preservation Group, LLC  
 Owner Contact and Phone: Daniel F. O'Dea, (512) 494-8200  
 Developer: Southwest Preservation Group, LLC  
 Housing General Contractor: Precision General Commercial Contractors, Inc.  
 Architect: The Hill Firm  
 Market Analyst: The Gill Group  
 Syndicator: PNC Multifamily Capital  
 Supportive Services: Better Texans  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	76
	8	0	27	39	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	40	20	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	76
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$646,315	\$646,315			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Park Village Apts, TDHCA Number 11197

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S

US Representative: Neugebauer, District 19,

TX Representative: Landtroop, District 85, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 4 In Opposition 0

Quantifiable Community Participation Input:

Park Village Resident Council, Tonya Westbrook

Letter Score: 24 S or O: S

Improvement to the property-social services for tenants.

Community Input Other than Quantifiable Community Participation Input:

Big Springs Area Chamber of Commerce, S, Debbye ValVerde, IOM, Executive Director

Keep Big Springs Beautiful, S, Janice Bishop, President

Big Springs Economic Development Corporation, S, Terry Wegman, Executive Director

Big Springs Family YMCA, S, Dathan Jones, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Park Village Apts, TDHCA Number 11197**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **12**
- Total # Monitored: **12**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **204**  Meeting a Required Set-Aside Credit Amount\*: **\$646,315**

Recommendation: **Has a competitive score within its allocation type and region**

HOME Activity Funds: Loan Amount: **\$0**

HOME CHDO Operating Expense Grant: Grant Amount: **\$0**

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11198

Casa Orlando Apts

Urban, Region 1



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Casa Orlando Apts, TDHCA Number 11198**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1810 Third St. Development #: 11198  
 City: Lubbock Region: 1 Population Served: General  
 County: Lubbock Zip Code: 79415 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: CO Affordable Housing, LP  
 Owner Contact and Phone: Daniel F. O'Dea, (512) 494-8200  
 Developer: Southwest Preservation Group, LLC  
 Housing General Contractor: Precision General Commercial Contractors, Inc.  
 Architect: The Hill Firm  
 Market Analyst: The Gill Group  
 Syndicator: PNC Multifamily Capital  
 Supportive Services: Better Texans  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	70
	8 0 24 36	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	2
	0 14 38 18 0 0	Total Development Units:	70
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$632,687	\$632,687			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Casa Orlando Apts, TDHCA Number 11198

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Duncan, District 28, NC

US Representative: Neugebauer, District 19,

TX Representative: Frullo, District 84, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 5 In Opposition 0

**Quantifiable Community Participation Input:**

Casa Orlando Resident Council, Carolyn D. Jackson

Letter Score: 24 S or O: S

It is really needed and we feel it is going to help all of us here at Casa.

**Community Input Other than Quantifiable Community Participation Input:**

YWCA of Lubbock, S, Glenda Mathis, Executive Director

Lubbock Chamber of Commerce, S, Irasema Velasquez, Chairwoman

The Bridge of Lubbock, S, Mayda Cruz, Executive Director

**General Summary of Comment:**

Support - The development could improve the quality of life for some in the neighborhood. Developer spoke in favor of development.

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Casa Orlando Apts, TDHCA Number 11198**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: **10**

Total # Monitored: **10**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **200**  Meeting a Required Set-Aside Credit Amount\*: **\$632,687**

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



11200

Silvercreek II Apts

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Silvercreek II Apts, TDHCA Number 11200**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4619 W 34th St. Development #: 11200  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77092 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Houston Silvercreek II Apartments, LP  
 Owner Contact and Phone: Michael Robinson, (713) 850-7168  
 Developer: Robinson Capital & Investment, Inc.  
 Housing General Contractor: RCI Construction, LLC  
 Architect: Hill & Frank Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Southwestern Housing Resources, Inc.  
 Consultant and Contact: Alyssa Carpenter, Alyssa Carpenter

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	148
	14	0	47	73	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	30	80	24	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	148
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$18,492,110
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,734,146	\$1,643,413			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silvercreek II Apts, TDHCA Number 11200

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, S

US Representative: Jackson Lee, District 18,

TX Representative: Farrar, District 148, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Silvercreek II Residents, Ezequiel Martinez
Improvement to community neighborhood.

Letter Score: 24 S or O: S

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Carryover: a formal Commitment from City of Houston with all terms and conditions for the proposed \$1,318,571 loan.
2. Receipt and acceptance by Cost Certification:
a: Documentation clearing environmental issues contained in the ESA report, specifically:
i: A comprehensive survey was completed to identify the presence of asbestos-containing materials, and that all ESA recommendations regarding asbestos-containing-materials were followed for the demolition, encapsulation or removal of any hazards.
ii: A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the on-site plumbing, and that all subsequent recommendations were followed.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Silvercreek II Apts, TDHCA Number 11200

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 15

Total # Monitored: 14

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 212  Meeting a Required Set-Aside Credit Amount\*: \$1,643,413

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

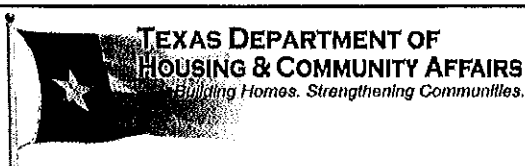
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11200 Program(s): 9% HTC

**Silvercreek II Apartments**

Address/Location: 4619 W. 34th Street

City: Houston County: Harris Zip: 77092

Population: Family Program Set-Aside: General Area: urban

Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,644,111				\$1,643,413				

**CONDITIONS**

- 1 Receipt and acceptance by Carryover:
  - o formal Commitment from City of Houston with all terms and conditions for the proposed \$1,318,571 loan.
- 2 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - a. A comprehensive survey was completed to identify the presence of asbestos-containing materials, and that all ESA recommendations regarding asbestos-containing materials were followed for the demolition, encapsulation or removal of any hazards.
    - b. A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the on-site plumbing, and that all subsequent recommendations were followed.
- 3 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	14
50% of AMI	50% of AMI	47
60% of AMI	60% of AMI	73

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	86% current occupancy (as-is condition and consistent with market)
▫	Most existing tenants are income-qualified and indicate strong desire to re-occupy (will mitigate high individual unit capture rates)
▫	Rehabilitation will re-positioned the property resulting in a significant marketing advantage over older product in market
▫	Developer/Operator LIHTC experience in Houston market

WEAKNESSES/RISKS	
▫	74% and 38% individual unit capture rate on 60% AMI and 50% AMI two bedroom units, respectively.
▫	Market rents on most nearby properties (older product) are well below the maximum HTC 60% rents
▫	85% overall occupancy in the PMA
▫	One month concession on average rent below breakeven
▫	Contingency budgeted less than maximum allowable and no contingency is specifically budgeted for possible asbestos remediation
▫	One month concession on average rent falls below breakeven

## DEVELOPMENT TEAM

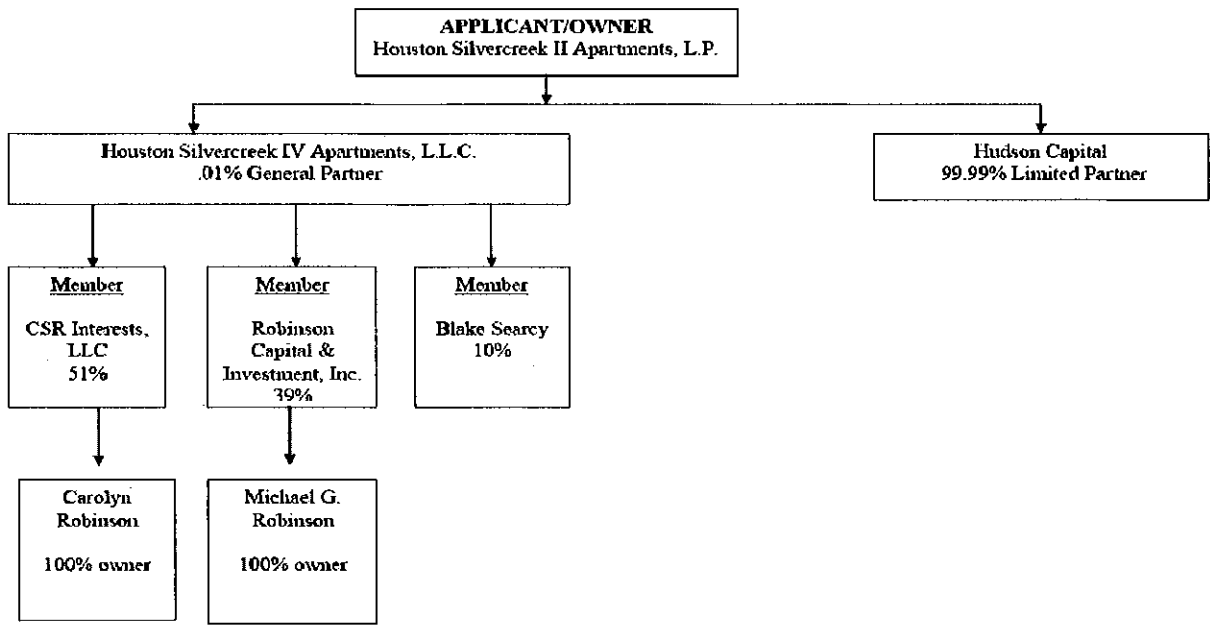
### PRIMARY CONTACTS

Name: <u>Michael Robinson</u> Email: <u>mike.robinson@robcap.com</u>	Relationship: <u>Developer / Applicant</u> Phone: <u>(713) 850-7168</u> Fax: <u>(713) 621-9166</u>
Name: <u>Blake Searcy</u> Email: <u>bsearcy@robcap.com</u>	Relationship: <u>Developer / Applicant</u> Phone: <u>(713) 850-7168</u> Fax: <u>(713) 621-9166</u>
Name: <u>Alyssa Carpenter</u> Email: <u>ajcarpen@gmail.com</u>	Consultant: <u>S2A Development</u> Phone: <u>(512) 789-1295</u> Fax: <u>(512) 233-2269</u>

### KEY PRINCIPALS

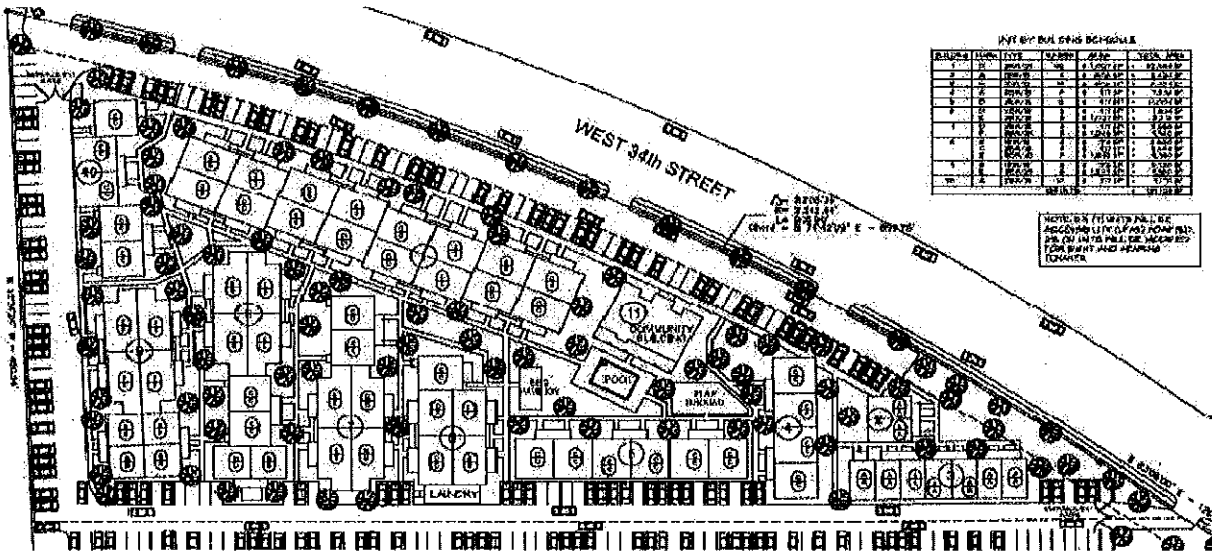
- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities.

**OWNERSHIP STRUCTURE**



**DEVELOPMENT SUMMARY**

SITE PLAN



**BUILDING CONFIGURATION**

Building Type	1	2	3	4	5	6	7	8	9	10	Total Buildings
Floors/Stories											
Number of Bldgs	1	1	1	1	1	1	1	1	1	1	10
Units per Bldg	32	4	14	8	12	10	12	16	16	10	
<b>Total Units</b>	<b>32</b>	<b>4</b>	<b>14</b>	<b>8</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>10</b>	<b>134</b>

**GENERAL INFORMATION**

Total Size:	<u>5,587</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>N / A</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Density:	<u>23,9842</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is bordered by West 34th Street to the northeast, with residential, commercial, and retail properties to the south and west.

There are numerous multifamily projects within a few blocks. The market study reports 98 apartment projects within the PMA, with more than 13K units.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc. Date: 2/20/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "A limited asbestos inspection was conducted at the subject property as part of this assessment ... Six of the ten samples analyzed were identified as containing more than 1% asbestos in the form of wall and ceiling material in good nonfriable condition ... In the event of renovation and / or demolition, further sampling may be required of suspect asbestos containing materials prior to these activities." (pp. 25-26)

- "Phase Engineering, Inc. has conducted a lead based paint inspection of the Silvercreek II Apartments ... There were 1,324 readings taken including calibration readings. Of the suspect lead-based paint surfaces tested, all were evaluated as negative ... This property is hereby certified as "LEAD-BASED PAINT FREE" under the current promulgated federal definition." (pp. 27-28)

"If suspect lead based paint hazards (not noted during this inspection) should be found during any renovation or demolition, these materials should be sampled for lead and handled appropriately following all local, state and federal rules and regulations at that time." (p. 28)

"Phase Engineering, Inc. has the opinion of impact that based on age of the on site buildings, testing the on site drinking water would be necessary to determine lead in the drinking water." (p. 29)

**Comments:**

Any funding recommendation will be subject to conditions for the comprehensive identification of asbestos-containing materials and lead in the drinking water, and the completion of appropriate abatement procedures.

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 1/26/2011  
 Contact: Bob Coe Phone: (281) 387-7552  
 Number of Revisions: 3 Date of Last Applicant Revision: 6/16/2011

Primary Market Area (PMA): 21 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 21 census tracts in the city of Houston, Harris County. The PMA encompasses the area surrounding I610 and is bordered by I45 and follows HW290.



ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,549	\$13,680	---	---	\$20,914	\$22,800	---	---
2	\$12,549	\$15,630	---	---	\$20,914	\$26,050	\$30,137	\$31,260
3	---	---	---	---	\$25,097	\$29,300	\$30,137	\$35,160
4	---	---	---	---	\$29,006	\$32,550	\$34,834	\$39,060
5	---	---	---	---	\$29,006	\$35,200	\$34,834	\$42,240
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11249	Silvercreek I Apts	Rehab	Family	128	128
09270	Northline Apt Homes	New	Family	172	172
09254	Irvington Court	New	Family	115	144
Other Affordable Developments in PMA since 2007					
11255	Justice Park Sr Villas	New	Senior	n/a	144
09177	The Orchard at Oak Forest	New	Senior	n/o	118
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		3	Total Units	461	

Proposed, Under Construction, and Unstabilized Comparable Supply:

Silvercreek I Apts is a proposed rehabilitation project that is located next door to the subject. Northline Apt Homes and Irvington Court are both located outside of the market area but both have PMAs that overlap the subject's PMA and are within a 6 mile radius of the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	38,869		38,869	
Potential Demand from the Primary Market Area	6,239		6,429	
Potential Demand from Section 8 Vouchers	247		0	
<b>GROSS DEMAND</b>	<b>6,486</b>		<b>6,429</b>	
Subject Affordable Units	134		134	
Unstabilized Comparable Units	128		415	
<b>RELEVANT SUPPLY</b>	<b>262</b>		<b>549</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>4.0%</b>		<b>8.5%</b>	

**Demand Analysis:**

The Market Analyst reports Potential Demand for 6,239 units, and demand for an additional 247 units from Section 8 Vouchers. This results in a Gross Capture Rate of 4.0% for a Relevant Supply of 262 units (including the subject and Silvercreek I).

The Underwriter identifies Gross Demand for 6,429 units, and includes Northline Apt Homes and Irvington Court as comparable properties for a Total Relevant Supply of 549 units. The indicates a Gross Capture Rate of 8.5%. It was not necessary to consider Section 8 Vouchers.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	273	14	0	5%	152	14	9	15%
1 BR/50%	423	16	0	4%	318	16	50	21%
2 BR/50%	599	25	45	12%	362	25	112	38%
2 BR/60%	577	55	52	19%	217	55	106	74%
3 BR/50%	314	6	0	2%	308	6	13	6%
3 BR/60%	402	18	16	8%	334	18	92	33%

**Primary Market Occupancy Rates:**

The market study reports that "The average occupancy for apartments in the subject's primary market area was reported at 85.95%." (p. 53) A survey of the apartment complexes in the immediate area that will compete directly with the subject property shows 5 market rate properties at 90% occupancy and 7 LIHTC properties with an occupancy rate of 95%.

**Absorption Projections:**

"The most recent HTC project which came on-line was Parkway Ranch, which reportedly finished construction in December 2008, and attained stabilized occupancy within three months, which equates to an average absorption of approximately 35 units per month. Lincoln Park Apartments was completed in July 2008, and attained stabilized occupancy in February 2009, which equates to an average absorption of approximately 37 units per month. Waterside Court was completed in September 2007, and attained stabilized occupancy within three months, which equates to an average absorption of approximately 37 units per month." (p 96)

"Considering the strong absorption history of similar properties and the lack of available quality affordable Family units in this market, I project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy. I anticipate that the subject property will achieve stabilized occupancy within 8 to 15 months following completion." (p 96)

**Market Impact:**

The subject is currently 86% occupied. The Applicant indicates that most tenants are income-qualified, and most are expected to remain following the rehabilitation. The proposed project is therefore not expected to adversely impact the market.

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation.

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$451,421	Avg. Rent:	\$679	Expense Ratio:	56.3%
Debt Service:	\$390,715	B/E Rent:	\$649	Controllable Expenses:	\$2,605
Net Cash Flow:	\$60,706	Occupancy:	92.50%	Property Taxes/Unit:	\$800
Aggregate DCR:	1.16:1	B/E Occupancy:	87.06%	Program Rent Year:	2010

Income:    Number of Revisions:          none          Date of Last Applicant Revision:          N / A      

The Applicant's proposed rental income is based on the maximum HTC rents for Harris County adjusted for utility allowances provided by the City of Houston Housing Authority. Non-rental income and losses to vacancy and collection are consistent with underwriting guidelines.

The Market Analyst considered comparable properties from across the PMA and determined market rents that support the maximum HTC program rents for the subject. But the Underwriter specifically considered actual rents in the immediate neighborhood of the subject. There are four market rate properties within four blocks of the subject. The current rents at three of them are approximately \$100 lower than the maximum 60% HTC rents, suggesting that the program rents may not be achievable for the subject. And the current achieved rents for 60% units at several of the closest tax credit properties are also well below the program maximum.

The fourth market rate property, Kingswood Village, is the closest. It is around the corner from the subject and across the street from Silvercreek I. The current rents for one- and two-bedroom units at Kingswood are consistent with the maximum HTC 60% rents. Also, following a complete rehabilitation ("demolition down to the studs"), the subject will be the most up-to-date property in the neighborhood. Based on these facts, the underwriting analysis assumes the subject property will achieve the maximum 60% rents.

The Applicant's projected effective gross income is equivalent to the underwriting estimate.

Expense:    Number of Revisions:          2          Date of Last Applicant Revision:          6/2/2011      

The Applicant's projected annual operating expenses are equal to \$4,335 per unit, with controllable expenses of \$2,605. These are 2.1% and 2.5% lower than the underwriting estimates, which are based primarily on the TDHCA database. The underwriting estimate for management fee is calculated at 4.28% of effective gross income as documented in the management agreement; and property insurance is equal to \$230 per door based on the Applicant's vendor quote. Significant variances include utilities (the Applicant's figure is 32% lower than the underwriting estimate) and water, sewer, & trash (the Applicant's figure is 27% higher).

**Conclusion:**

The Applicant's income, expenses, and net operating income are each within 5% of the underwriting estimates. The Applicant's values are therefore used to determine debt capacity and feasibility. The Applicant's pro forma and proposed financing provide first year debt coverage of 1.33, within the underwriting range of 1.15 to 1.35.

The Applicant did not include debt service on the 2nd lien performance-based loan from the City of Houston. If the Houston loan is considered a hard debt, the first year debt coverage is 1.16, and the project still satisfies the Department's feasibility criteria.

**Feasibility:**

The Applicant's projections are used to create a 30-year operating pro forma, assuming 2% growth in income and 3% growth in expenses. This analysis indicates continued positive cash flow and debt coverage that remains above 1.15. The project is therefore characterized as feasible.

**ACQUISITION INFORMATION**

## APPRAISED VALUE

Appraiser: Affordable Housing Analysts Date: 1/26/2011  
 Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/18/2011  
 Land Only: 5.59 acres \$1,010,000 Per Unit: 7,537  
 Existing Buildings: (as-is) \$2,540,000  
 Total Development: (as-is) \$3,550,000 Per Unit: 26,493  
 Comments:

The development cost schedule originally submitted listed the land value at \$1,000,000, and the buildings at \$2,496,500. The submitted appraisal valued the land at \$1,700,000 and the buildings at \$1,850,000.

On May 18, 2011, the Applicant provided a revised appraisal. The Appraiser stated that "there were several current HTC land contracts which were not available when the original land appraisal research was performed. Those contracts were significantly lower than the value conclusion in my original land valuation ... After re-analyzing the land valuation for Silvercreek II, I realized I had most likely over-estimated the land value. I believe the new land value is more reflective of all of the information which is currently available."

## SITE CONTROL

Type: Commercial Contract - Improved Property Acreage: 5.587  
 Acquisition Cost: \$3,496,500 Contract Expiration: 12/31/2011  
 Cost Per Unit: \$26,093  
 Seller: 4619 W. 34th Street Apartments, Ltd. Related to Development Team?  Yes  No  
 Comments:

The purchase price is assumed to be reasonable as the acquisition is an arm's length transaction.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/18/2011

## Acquisition Cost:

The Applicant is acquiring a 148-unit development, but 26 units will be demolished. The building value eligible for acquisition credits is determined as the pro rata share of the 122 units that will be placed back in service.

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Comments:

The development cost schedule includes \$50,000 for off-site landscaping. The Applicant states that this is for landscaping the median on 34th Street in front of the property and was included at the request of the City of Houston.

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Direct Construction Cost:**

The property was originally built in 1971, with 11 residential buildings and 2 non-residential buildings for a total of 148 units. The development plans include demolition down to the studs, and rehabilitation from there. The Applicant will completely demolish 26 units, and rebuild 12 new units, for a total of 134 units. The developer plans to do this in order to reduce the density, remove units that are too close to W. 34th St., and make room for a new clubhouse.

Building exteriors will be completely replaced to match typical new construction architectural character (facades and pitched roofs) while the structural components will remain.

The Applicant's total proposed sitework and direct construction cost is \$8.27M; the Property Condition Assessment indicates the same amount. The Underwriter relies on the third party PCA.

**Conclusion:**

Under REA Rules, development cost for an acquisition/rehabilitation project is underwritten based on the costs identified by the third party Property Condition Assessment. Total development cost is \$18,492,110, and total eligible basis is \$15,702,286 (\$2.4M for the acquisition of the 122 units that will be placed back in service, and \$13.3M for rehabilitation). This basis would support an annual tax credit allocation of \$1,643,413.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 3 Last Update: 6/2/2011

Interim Sources	Amount	Rate	Term	LTC
Capital One	\$6,544,335	5.00%	24 Months	35%
Strategic Housing Finance Corporation	\$928,571	AFR		5%
Resolution Real Estate Services	\$390,000	AFR		2%
Hudson Housing	\$10,639,005	Tax Credit Equity		58%
<b>Total</b>	<b>\$18,501,911</b>			

**Comments:**

Capital One indicates a construction loan of up to \$12.4M at LIBOR + 3.50%, with a 5.00% floor. The Applicant's sources of funds exhibit indicates a construction loan amount of \$6.5M.

Applicant has applied for interim financing of \$929K from Strategic Housing Finance Corp. and \$390K from Resolution Real Estate Services.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Capital One	\$3,859,354	8.00%	30	15	21%
City of Houston	\$1,318,571	1.00%	30	20	7%
<b>Total</b>	<b>\$5,177,925</b>				

**Comments:**

Permanent financing from Capital One will be at the Bank's 24-month forward locked rate, currently at 8.00%.

Applicant has applied to the City of Houston for a performance-based loan "at an interest rate to be determined for a 30 year amortization and 30 year term". The Applicant indicated the interest rate as 1.00% on the sources of funds exhibit. The application does not reflect any debt service for this loan. The underwriting analysis indicates that at 1.00% interest this loan can be repaid in full within the Department's feasibility criteria.

<b>Equity &amp; Deferred Fees</b>	<b>Amount</b>	<b>Rate</b>	<b>% TC</b>	<b>% Def</b>
Hudson Housing	\$12,817,337	\$0.78	69%	
Deferred Developer Fee	\$496,848		3%	24%
<b>Total</b>	<b>\$13,314,185</b>			
<b>Total Sources</b>	<b>\$18,492,110</b>			

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,859,354, and the \$1,318,571 loan from the City of Houston, indicates the need for \$13,314,185 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,707,117 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,643,413
Allocation determined by gap in financing:	\$1,707,117
Allocation requested by the Applicant:	\$1,644,111

The allocation amount determined by the eligible basis is recommended. A tax credit allocation of \$1,643,413 per year for 10 years results in total equity proceeds of \$12,817,337 at a syndication rate of \$0.78 per tax credit dollar. If the credit price exceeds \$0.81, the equity proceeds would exceed the gap in financing, and the tax credit allocation would be limited accordingly.

The Underwriter's recommended financing structure indicates the need for \$496,848 in additional permanent funds. Deferred developer fees in this amount are repayable from development cashflow within seven years of stabilized operation.

Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>



**STABILIZED PROFORMA**

**Silvercreek II Apartments, Houston, 9% HTC #11200**

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT		\$0		\$0.72	\$979	\$1,091,892	\$1,091,892	\$979	\$0.72		0.0%	\$0	
laundry		\$0			\$15.00	\$24,120					0.0%	(24,120)	
0		\$0			\$0.00	\$0					0.0%	-	
		\$0			\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income		\$0					\$24,120	\$15.00			100.0%	24,120	
<b>POTENTIAL GROSS INCOME</b>		\$0				\$1,116,012	\$1,116,012				0.0%	\$0	
Vacancy & Collection Loss		\$0			7.5% PGI	(83,701)	(83,701)	7.5% PGI			0.0%	-	
Non-Rental Units/Concessions		\$0				-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$1,032,311	\$1,032,311				0.0%	\$0	
General & Administrative	\$48,393	\$361/Unit	-	4.54%	\$0.37	\$350	\$46,900	\$48,393	\$361	\$0.38	4.69%	-3.1%	(1,493)
Management	\$42,976	4.9% EGI	-	4.28%	\$0.35	\$330	\$44,220	\$44,183	\$330	\$0.35	4.28%	0.1%	37
Payroll & Payroll Tax	\$136,886	\$1,022/Unit	-	12.98%	\$1.05	\$1,000	\$134,000	\$136,886	\$1,022	\$1.08	13.26%	-2.1%	(2,886)
Repairs & Maintenance	\$74,499	\$556/Unit	-	6.62%	\$0.54	\$510	\$68,340	\$74,499	\$556	\$0.59	7.22%	-8.3%	(6,159)
Utilities	\$41,635	\$311/Unit	-	2.73%	\$0.22	\$210	\$28,140	\$41,635	\$311	\$0.33	4.03%	-32.4%	(13,495)
Water, Sewer, & Trash	\$56,675	\$423/Unit	-	6.94%	\$0.56	\$535	\$71,690	\$56,675	\$423	\$0.45	5.49%	26.5%	15,015
Property Insurance	\$45,241	\$0.36/sf	-	2.99%	\$0.24	\$230	\$30,820	\$30,820	\$230	\$0.24	2.99%	0.0%	-
Property Tax 2.5242	\$79,888	\$596/Unit	-	10.38%	\$0.84	\$800	\$107,200	\$110,776	\$827	\$0.87	10.73%	-3.2%	(3,576)
Reserve for Replacements	\$35,008	\$261/Unit	-	3.89%	\$0.32	\$300	\$40,200	\$40,200	\$300	\$0.32	3.89%	0.0%	-
TDHCA Compliance Fees			-	0.52%	\$0.04	\$40	\$5,360	\$5,360	\$40	\$0.04	0.52%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	0.39%	\$0.03	\$30	\$4,020	\$4,020	\$30	\$0.03	0.39%	0.0%	-
Security			-	0.00%	\$0.00	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>		\$ -		56.27%	\$4.57	\$4,335	\$ 580,890	\$ 593,446	\$4,429	\$4.67	57.49%	-2.1%	\$ (12,556)
<b>NET OPERATING INCOME ("NOI")</b>		\$ -		43.73%	\$3.55	\$3,369	\$451,421	\$438,865	\$3,275	\$3.45	42.51%	2.9%	\$12,556
<b>CONTROLLABLE EXPENSES</b>		\$2,672/Unit	\$/Unit			\$2,605/Unit			\$2,672/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$1,032,311	\$1,052,957	\$1,074,016	\$1,095,497	\$1,117,407	\$1,233,707	\$1,362,113	\$1,503,882	\$1,660,408	\$1,833,224	\$2,024,028	\$2,234,690
LESS: TOTAL EXPENSES	580,890	597,875	615,360	633,360	651,892	753,080	870,109	1,005,474	1,162,065	1,343,226	1,552,833	1,795,373
NET OPERATING INCOME	\$451,421	\$455,083	\$458,657	\$462,136	\$465,515	\$480,628	\$492,004	\$498,408	\$498,343	\$489,998	\$471,195	\$439,317
LESS: DEBT SERVICE	390,715	390,715	390,715	390,715	390,715	390,715	390,715	390,715	390,715	390,715	390,715	390,715
NET CASH FLOW	\$60,706	\$64,367	\$67,941	\$71,421	\$74,799	\$89,912	\$101,288	\$107,693	\$107,628	\$99,283	\$80,480	\$48,601
CUMULATIVE NET CASH FLOW	\$60,706	\$125,073	\$193,014	\$264,435	\$339,235	\$759,848	\$1,245,261	\$1,773,183	\$2,314,375	\$2,831,197	\$3,275,873	\$3,588,451
DEFERRED DEVELOPER FEE BALANCE	\$496,848	\$432,481	\$364,539	\$293,118	\$218,319	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.16	1.16	1.17	1.18	1.19	1.23	1.26	1.28	1.28	1.25	1.21	1.12
EXPENSE/EGI RATIO	56.27%	56.78%	57.30%	57.81%	58.34%	61.04%	63.88%	66.86%	69.99%	73.27%	76.72%	80.34%



**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Silvercreek II Apartments, Houston, 9% HTC #11200**

<b>DEBT / GRANT SOURCES</b>														
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>										<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>				
<b>DEBT (Must Pay)</b>	<b>Cumulative DCR</b>		<b>Pmt</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Principal</b>	<b>Principal</b>	<b>Term</b>	<b>Amort</b>	<b>Rate</b>	<b>Pmt</b>	<b>Cumulative</b>	
	<b>As UW</b>	<b>App</b>											<b>DCR</b>	<b>LTC</b>
Capital One	1.29	1.33	\$339,823	8.00%	30	15	\$3,859,354	\$3,859,354	15	30	8.00%	\$339,823	1.33	20.9%
<b>CASH FLOW DEBT / GRANTS</b>														
City of Houston (performance based loan)	1.29	1.33		1.00%	0	20	\$1,318,571	\$1,318,571	20	30	1.00%	\$50,893	1.16	7.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$339,823</b>				<b>\$5,177,925</b>	<b>\$5,177,925</b>				<b>\$390,715</b>		<b>28.0%</b>
<b>NET CASH FLOW</b>			<b>\$111,598</b>									<b>\$48,150</b>		

0.77792199

<b>EQUITY SOURCES</b>											
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>					
<b>EQUITY / DEFERRED FEES</b>	<b>DESCRIPTION</b>	<b>% Cost</b>	<b>Annual Credit</b>	<b>Credit Rate</b>	<b>Amount</b>	<b>Amount</b>	<b>Credit Rate</b>	<b>Annual Credit</b>	<b>% Cost</b>	<b>Per Unit Credit Developer Fee Summary</b>	
										<b>Annual Credit per Unit:</b>	<b>Total Developer Fee:</b>
Hudson Housing	LIHTC Equity	68.7%	\$1,644,111	0.7722	\$12,895,825	\$12,817,337	0.7799	\$1,643,413	69.3%	Annual Credit per Unit:	\$95,652
	Deferred Developer Fees	3.4%	(31% Deferred)		\$628,161	\$496,848	(24% Deferred)		2.7%	Total Developer Fee:	\$2,048,000
Additional (Excess) Funds Req'd		0.0%			(50)	\$0			0.0%	15-Year Cash Flow:	\$1,245,261
<b>TOTAL EQUITY SOURCES</b>		<b>72.1%</b>			<b>\$13,323,986</b>	<b>\$13,314,185</b>			<b>72.0%</b>	<b>15-Yr Cash Flow after Fee:</b>	<b>\$748,413</b>

<b>TOTAL CAPITALIZATION</b>	<b>\$18,501,911</b>	<b>\$18,492,110</b>
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<b>DEVELOPMENT COST / ITEMIZED BASIS</b>											
<b>APPLICANT COST / BASIS ITEMS</b>					<b>TDHCA COST / BASIS ITEMS</b>					<b>COST VARIANCE</b>	
	<b>Eligible Basis</b>		<b>Total Costs</b>		<b>Total Costs</b>	<b>Eligible Basis</b>				<b>%</b>	<b>\$</b>
	<b>Acquisition</b>	<b>New Const. Rehab</b>				<b>New Const. Rehab</b>	<b>Acquisition</b>				
Land Acquisition			\$7,537 / Unit	\$1,010,000	\$1,010,000	\$7,537 / Unit				0.0%	\$0
Building Acquisition	\$2,049,683		\$18,556 / Unit	\$2,486,500	\$2,486,500	\$18,556 / Unit		\$2,049,683		0.0%	\$0
Off-Sites			\$373 / Unit	\$50,000	\$50,000	\$373 / Unit				0.0%	\$0
Sitework		\$892,880	\$6,663 / Unit	\$892,880	\$713,095	\$6,322 / Unit	\$713,095			-25.2%	(\$179,785)
Direct Construction		\$7,378,338	\$58.04 /sf	\$95,062/Unit	\$7,378,338	\$7,558,123	\$96,404/Unit	\$59.45 /sf	\$7,558,123	2.4%	\$179,785
Contingency		\$500,000	6.05%	\$500,000	\$500,000	6.05%	\$500,000			0.0%	\$0
Contractor's Fees		\$1,199,243	13.59%	\$1,199,243	\$1,199,243	13.59%	\$1,199,243			0.0%	\$0
Indirect Construction		\$1,043,800	\$7,790 / Unit	\$1,043,800	\$1,043,800	\$7,790 / Unit	\$1,043,800			0.0%	\$0
Ineligible Costs			\$6,327 / Unit	\$847,808	\$847,808	\$6,327 / Unit				0.0%	\$0
Developer's Fees	\$307,542	\$1,740,458	15.00%	\$2,048,000	\$2,048,000	15.00%	\$1,740,569	\$307,431		0.0%	\$0
Interim Financing		\$590,342	\$4.406 / Unit	\$590,342	\$590,342	\$4.406 / Unit	\$590,342			0.0%	\$0
Reserves			\$3.396 / Unit	\$455,000	\$445,199	\$3.322 / Unit				-2.2%	(\$9,801)
<b>UNADJUSTED BASIS / COST</b>	<b>\$2,357,225</b>	<b>\$13,345,061</b>	<b>\$138.074 / Unit</b>	<b>\$18,501,911</b>	<b>\$18,492,110</b>	<b>\$138.001 / Unit</b>	<b>\$13,345,172</b>	<b>\$2,357,114</b>		<b>-0.1%</b>	<b>(\$9,801)</b>
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	(\$111)	\$111									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	<b>\$2,357,114</b>	<b>\$13,345,061</b>	<b>\$138.074 / Unit</b>	<b>\$18,501,911</b>	<b>\$18,492,110</b>		<b>\$13,345,172</b>	<b>\$2,357,114</b>			
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>				<b>\$18,501,911</b>	<b>\$18,492,110</b>						

**CAPITALIZATION, DEVELOPMENT COST BUDGET, ELIGIBLE BASIS ITEMS**

*Silvercreek II Apartments, Houston, 9% HTC #11200*

CREDIT CALCULATION ON QUALIFIED BASIS					
	Applicant		TDHCA		
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation	
ADJUSTED BASIS	\$2,357,114	\$13,345,061	\$2,357,114	\$13,345,172	
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0	
TOTAL ELIGIBLE BASIS	\$2,357,114	\$13,345,061	\$2,357,114	\$13,345,172	
High Cost Area Adjustment		130%		130%	
TOTAL ADJUSTED BASIS	\$2,357,114	\$17,348,579	\$2,357,114	\$17,348,723	
Applicable Fraction	100.00%	100.00%	100.00%	100.00%	
TOTAL QUALIFIED BASIS	\$2,357,114	\$17,348,579	\$2,357,114	\$17,348,723	
Applicable Percentage	3.48%	9.00%	3.48%	9.00%	
ANNUAL CREDIT ON BASIS	\$82,028	\$1,561,372	\$82,028	\$1,561,385	
CREDITS ON QUALIFIED BASIS	\$1,643,400		\$1,643,413		

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,643,413	\$12,817,337
Gap	\$1,707,117	\$13,314,185
Request	\$1,644,111	\$12,822,781

FINAL ANNUAL LIFEC ALLOCATION	
Method	Eligible Basis
Credits	\$1,643,413
Underwritten Proceeds	\$12,817,337

TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$69.39	\$65,830	\$8,821,218	\$8,821,218	\$65,830	\$69.39
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$78.43	\$74,406	\$9,970,461	\$9,970,461	\$74,406	\$78.43

Method	Annual Credits	Proceeds	Eligible Basis	Underwritten Proceeds
Eligible Basis	\$1,643,413	\$12,817,337	\$1,643,413	\$12,817,337
Gap	\$1,707,117	\$13,314,185		
Request	\$1,644,111	\$12,822,781		



**11202**

**Hunter's Chase Senior Apts**

**Rural, Region 8**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Hunter's Chase Senior Apts, TDHCA Number 11202

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, NC

US Representative: Carter, District 31,

TX Representative: Schwertner, District 20, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- Kay Theater Foundation, S, Judith L. Slusher, Board or Directors
- Rockdale Historical Society, S, Joyce Dalley, President
- Rockdale Downtown Association, S, Chris Dyess, President, RDA

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Hunter's Chase Senior Apts, TDHCA Number 11202

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 0

Total # Monitored: 0

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **202**  Meeting a Required Set-Aside Credit Amount\*: \$871,034

Recommendation: **Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.**

HOME Activity Funds:

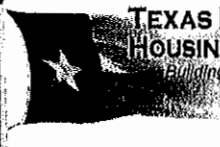
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11202 Program(s): 9% HTC

Hunter's Chase Senior Apartments

Address/Location: North Side of East Belton Avenue, East of Yoakum

City: Rockdale County: Milam Zip: 76567

Population: Senior Program Set-Aside: General Area: Rural

Activity: New Construction Construction Type: Wrap Region: 8

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$774,515	2.00%	35 yrs.	25 yrs.	\$0	N/A	N/A	N/A	N/A
LIHTC (Annual)	\$1,000,000				\$871,034				

**CONDITIONS**

Should any terms of the proposed capital structure change, the development must be re-evaluated and adjustment to the credit allocation may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

**DEAL SUMMARY**

Hunter's Chase Senior Apartments is a proposed 80-unit new construction development for elderly tenants. The proposed unit mix consists is 30% one-bedroom units and 70% two-bedroom units (heavily weighted on two-bedrooms). There are no existing senior-only deals in Rockdale.

Applicant's budget is almost exactly at program scoring thresholds. Direct construction cost estimate of \$94.91/sq. ft is \$0.09 lower than \$95/sq. ft. threshold for elderly developments. This cost is substantially higher than the cost of other proposed housing tax credit developments of the same construction type. Site work cost estimate of \$8,997 per unit is \$3 lower than the \$9k threshold. Utilities are not at the site.



The development team has limited prior experience in Texas. The developer has submitted tax credit applications for several acquisition and rehabilitation developments in 2011, but this would be the first new construction development in Texas. In 2009, the Development team constructed a similar development, Oak Villa, in New Orleans, LA. Oak Villa was financed using tax credit equity and CDBG funds. The architectural firm, Stock Design - Architecture, is headquartered in Quincy, IL. The general contractor, Murray Childers, is also based in Illinois, and during phone conversations with Department staff, it was indicated that the general contractor activity for the subject would be subcontracted to a not yet determined contractor.

Compared to other senior LIHTC deals, this design is inferior to other new construction developments; unit plans and parking layout are inefficient. The development consists of 80 units in one three-story building. Common areas within the building have a central air system, but the units have individual through wall HVAC (PTAC; similar to those in many hotel rooms) units. Air circulation to the kitchen and bathrooms is limited, as these areas are furthest away from the PTAC units. Parking is all located on the front end of the site and does not circulate the building; this will require tenants to walk a greater distance to the units on the back-side of the building. Based on the site plan, the diagonal distance between the back-end unit and the most distant parking space is approximately 470 feet. These design issues affect marketing risk.

Site is approximately 800 feet from Highway 79, but site visibility is limited. Site is accessed through two-way, two-lane, secondary roads.

Rents in this area are not proven. The market study states that only one comparable property was available from the primary market area, and the remaining comparables are from the Bryan-College Station area. The driving distance between Rockdale and Bryan-College Station is approximately 50 miles. The market analyst did not use comparable rents from deals in Taylor or Round Rock (both closer than Bryan-College Station). The closest HTC senior apartment complex is located in Caldwell. The market study notes that almost all of the apartment units in Rockdale are affordable housing under USDA income restrictions. Rental housing in Rockdale also includes older complexes with eight through 20 units, which the market analyst did not consider competition for the subject development and did not analyze.

Application #11077 Main Street Commons is a 75-unit senior deal proposed in Taylor, which is 25 miles to the west of Rockdale (Taylor is 16 miles east of Round Rock). As Taylor is located in a different region, however, the two deals do not compete for an allocation. As contemporary applications, neither market study contemplate the other property. Regardless, if both deals are done they would directly compete. This is concerning given the 38% capture rate on the subject's 60% two-bedroom units (55% of the total units). The competitive advantage of the Taylor deal is a marketing weakness for the subject.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	
▪	Close proximity to Hwys. 79 and 77
▪	No other supply in market area

WEAKNESSES/RISKS	
▪	Applicant's direct construction costs are 27% higher than underwritten costs
▪	Cost estimates submitted are equal to Department's thresholds (scoring and underwriting)
▪	No rent comparables in immediate vicinity and rent comps used over 50 miles away
▪	No visibility or frontage on main thorough fair. Poor access via small residential type street bordered by old single family homes
▪	Inefficient unit plans and site plan
▪	Utilities not currently at site and no offsites budgeted
▪	70% of units are two-bedroom
▪	One-month concession on 60% units produces effective rents \$19 above break-even

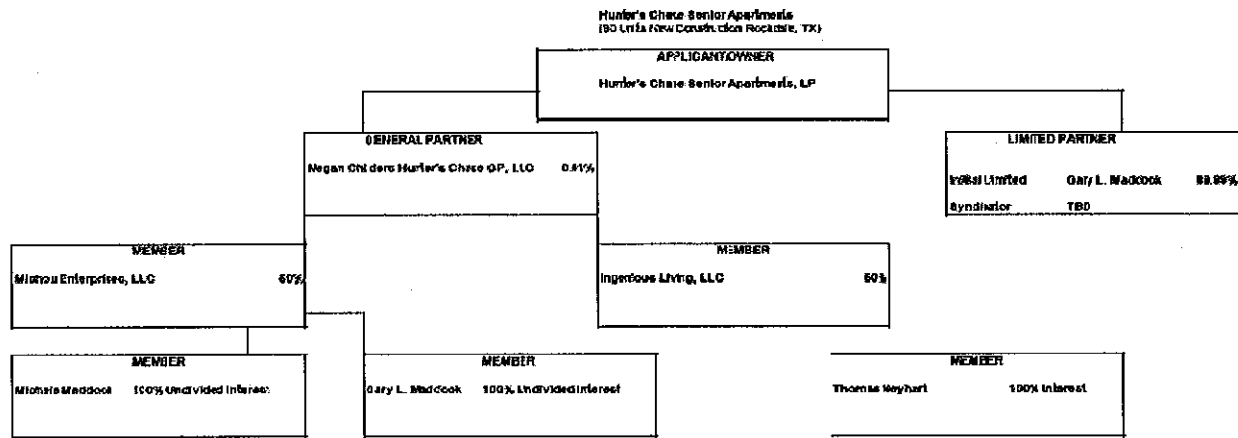
## DEVELOPMENT TEAM

### PRIMARY CONTACTS

Name: <u>Gary Maddock</u>	Relationship: <u>Developer</u>
Email: <u>gary@maddock.biz</u>	Phone: <u>(913) 685-9000</u> Fax: <u>(913) 273-0563</u>
Name: <u>Alyssa Carpenter</u>	Consultant: <u>S2A Development Consulting, LLC</u>
Email: <u>ajcarpen@gmail.com</u>	Phone: <u>(512) 789-1295</u> Fax: <u>(512) 233-2269</u>

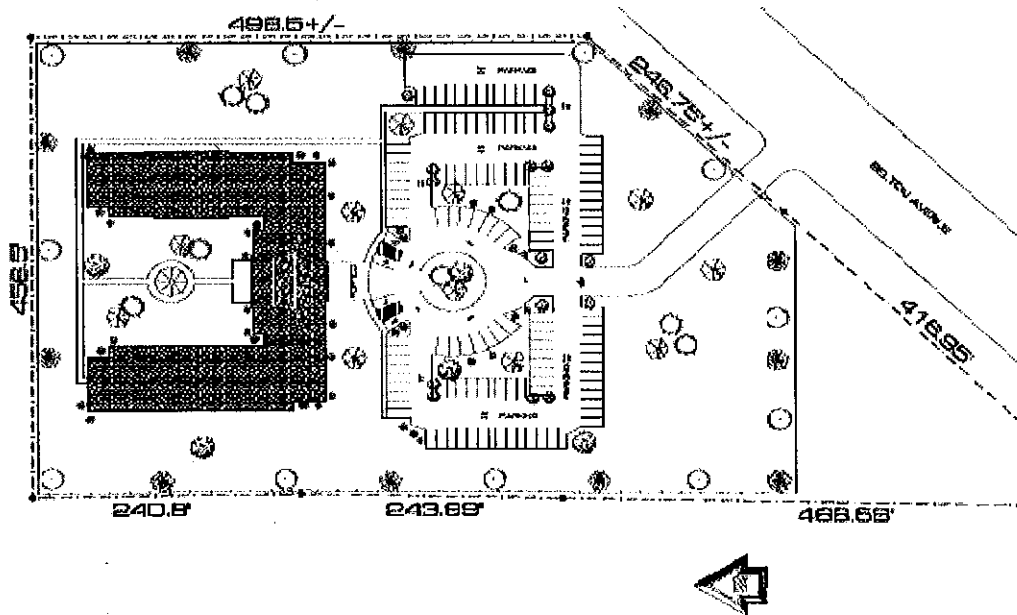
- The Applicant, Developer, and property manager are related entities. These are common relationships for HTC-funded developments.
- The seller is not regarded as a related party and is not affiliated with the Applicant.

### OWNERSHIP STRUCTURE



## DEVELOPMENT SUMMARY

### SITE PLAN





AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	
Other Affordable Developments in PMA since 2007					
None				n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )			4	Total Units	193

Proposed, Under Construction, and Unstabilized Comparable Supply:

None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	9,704		9,704	
Senior Households in the Primary Market Area	4,508		4,508	
Potential Demand from the Primary Market Area	902		1,420	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	902		1,420	
Subject Affordable Units	80		80	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	80		80	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>8.9%</b>		<b>5.6%</b>	

Demand Analysis:

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, HISTA indicates that 30.1% of renter households are income-eligible, as compared to 24.51% determined by the Market Analyst. The Underwriter calculates Gross Demand for 1,420 units, resulting in a Gross Capture Rate of 5.6%.

The maximum Gross Capture Rate for rural developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	211	8	0	4%	223	8	0	4%
1 BR/50%	95	16	0	17%	334	16	0	5%
2 BR/50%	89	12	0	13%	183	12	0	7%
2 BR/60%	348	44	0	13%	115	44	0	38%

**Primary Market Occupancy Rates:**

"According to the December 2010 Apartment MarketData's Bryan/College Station Report, there were 17,600 operating apartment units in this overall area, with an estimated 300-400 units in the subject PMA. The overall occupancy rate for all operating apartment projects in the Bryan/College Station area was 95.2%" (p 22)

**Absorption Projections:**

"We were unable to locate any senior market-rate developments which have been completed and stabilized within the past 24 months within the subject PMA. The most recent Seniors HTC projects which have come on-line in the outskirts of the Dallas/Fort Worth/Arlington MSA and similar in location to the subject was Grand Reserve Seniors, located ... in Waxahachie, which reportedly completed construction and came online in December 2010. This 80-unit seniors complex reports a current occupancy of 65%, which equates to an average absorption of approximately 26 units per month from completion.

Considering the strong absorption history of similar properties and the lack of available quality affordable Seniors units in this market, we project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy. We anticipate that the subject property will achieve stabilized occupancy within 9 to 18 months following completion." (p 75)

**Market Impact:**

"Based on the high occupancy levels of the existing properties in the market, along with the low level of recent construction, we project that the subject property will have minimal sustained negative impact upon the existing apartment market." (p 75)

**Comments:**

The Market Analysis provides sufficient information on which to base a funding recommendation. See comments on market issues in Deal Summary.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$189,043	Avg. Rent:	\$521	Expense Ratio:	60.7%
Debt Service:	\$140,003	B/E Rent:	\$474	Controllable Expenses:	\$2,199
Net Cash Flow:	\$49,040	Occupancy:	92.50%	Property Taxes/Unit:	\$582
Aggregate DCR:	1.35:1	B/E Occupancy:	83.06%	Program Rent Year:	2010

Income:      Number of Revisions:      1      Date of Last Applicant Revision:      5/25/2011

Maximum program rents are achievable based on the market study. However, market rents are unclear due to the fact that there are no comparable developments in Rockdale, and the comparables in the market study are mainly from outside the primary market area. On average, the restricted rents are \$168/unit lower than market, which indicates that rent growth may be possible with future increases in the AMI. However, the program rents have been static since the last increase in 2007 to 2008, which was the result of federal legislation. The Underwriter's analysis indicates that a one-month concession on the 60% units, which is typical for HTC deals, results in an average monthly per unit rent \$19 above break-even rent.

Expense:      Number of Revisions:      1      Date of Last Applicant Revision:      5/25/2011

The underwriting estimate for total operating expenses is based on the TDHCA database of properties in Region 8 and underwriting guidelines. The Applicant's estimated total annual operating expenses of \$291,720 are within 2% of the Underwriter's estimate of \$295,742 .

**Conclusion:**

Applicant's EGI, annual operating expenses, and NOI are within 5% of the Underwriter's estimates. Therefore, the Applicant's pro forma was used in the analysis to determine the development's feasibility and debt capacity.

**Feasibility:**

The development meets the initial and long term feasibility requirements per REA Rules.

**ACQUISITION INFORMATION****SITE CONTROL**

Type: Unimproved Property Contract Acreage: 17.492  
 Acquisition Cost: \$150,000 Contract Expiration: 12/30/2011  
 Cost Per Unit: \$1,875  
 Seller: Hondo Land and Cattle Co. LLC, Harry Vowell Related to Development Team?  Yes  No

**Comments:**

Purchase contract reflects a sales price of \$150k for 17.492 acres, but only 7.66 acres will be restricted for development. The prorated sales price of \$65,687 for 7.66 acres is used in the Underwriter's analysis.

Google maps reflects a pond on the site. When asked, the Applicant's consultant explained that it is a man-made stock pond for cattle and that the land seller will fill the pond at their own expense prior to closing. This agreement is not stated in the purchase contract, and as of this report, no supporting documentation from the seller has been provided.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

A letter dated February 23, 2011 from the City of Rockdale, states that water and wastewater service is currently 500 linear feet from the site. The Applicant's consultant stated that the engineer estimates a cost of \$237,500 for water and sewer to the site. This cost is not included in the development budget. The consultant explained that there is a possibility that the city or the county will pay for the expansion of the sewer line, but an agreement for this work is not yet in place. The application does not indicate that natural gas will be used for utilities, but in order to use this energy source, there would also be a need to run a gas main to the site, which would increase the development cost.

**Site work Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Applicant's site work costs of \$8,997/unit are \$3/unit lower than the Department's threshold. As a result, third party substantiation is not required. The consultant indicated that the budget is based on preliminary plans, and the cost estimate relied on the Department's threshold.

**Direct Construction Cost:**

Applicant's hard costs estimate of \$94.91/sq. ft. (based on NRA and enclosed corridors) is \$0.09 lower than the Department's point threshold of \$95/sq. ft. Applicant's direct construction estimate (\$83.98/sq. ft.) is \$1.2M (27%) greater than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate (\$66.29/sq. ft.). The Applicant indicated that the cost estimate is based on a similar development constructed in 2009, Oak Villa, in Louisiana. The consultant also provided two bids from other third-party contractors. One bid reflects a per square foot cost of \$81 based on NRA, while the second bid is for \$92 per square foot. The Applicant also submitted a copy of AIA Documents G702/G703 for Oak Villa, which supports a direct construction cost of \$91.60 per square foot of NRA. However, research done by the Underwriter indicates that construction costs in Louisiana are higher than in Texas. This conclusion is supported by data from the following sources: Marshall & Swift Residential Cost Handbook, RSMeans, and Davis Bacon wage rates. The exact percentage difference is not clear, as Marshall & Swift indicates a 7% difference, while RSMeans indicates a 4% difference. The Davis Bacon rates indicate an average 7% difference for comparable trades. There is a substantial difference between the per square foot cost between Marshall & Swift and RSMeans, but the average quality Marshall & Swift cost estimates have been in line with the estimates for other HTC developments.

The Applicant's estimate is significantly higher than the cost reported in applications for other similar deals recently underwritten by the Department. For example, Magnolia Trails (#10061) is also a seniors community with 80 units in a three-story, wrap building, and direct construction costs at application were estimated to be \$59.85/sq. ft. The developer for Magnolia Trails indicated that construction started in March of this year, and the direct construction costs in the construction contract are currently budgeted to be approximately \$63/sq. ft. (\$20/sq. ft. lower than subject). In contrast to the subject development, Magnolia Trails will have nine-foot ceilings and a central HVAC system in the units, which are more costly, and the elevations for Magnolia Trails reflect greater architectural detail than the subject development. Other developments that use three-story construction include The Sunningdale (#11238) and Bissonnet Gardens (#11260), which have estimated costs of \$69/sq.ft. and \$62.54/sq. ft., respectively. Per square foot costs stated by applicants for other three-story developments in the 2011 application round range from \$51 to \$69 based on NRA.

**Contingency & Fees:**

Due to the difference in direct construction costs, the contractor fees and developer fees included in eligible basis are \$118,142 and \$160,371, respectively, lower than the amounts included in eligible basis by the Applicant.

**Conclusion:**

The Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's development cost schedule was used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,970,489 supports an annual credit allocation of \$932,547. This figure was compared to the Applicant's request and the tax credit amount calculated based on the gap method to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 5/25/2011

Interim Sources	Amount	Rate	Term	LTC
Boston Capital	\$4,764,286	6.67%	24 months	54%
James Threatt	\$210,000	4.19%	12 months	2%
Boston Capital	\$3,899,610	N/A	N/A	44%
<b>Total</b>	<b>\$8,873,896</b>			

**Comments:**

The construction loan in the amount of \$4,764,286 from Boston Capital will have an interest rate of 325 basis points above the 10-year Treasury with a floor of 6.65%. As of March 28, 2011, the interest rate was projected to be 6.67%.

The loan from James Threatt will have an interest rate of AFR and a repayment term of one year or until the development is placed in service, whichever is longer.

The Applicant estimated equity during construction to be \$3,899,610 based on a projected annual credit amount of \$1,000,000. The actual equity will be lower due to the recommended credit amount.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Boston Capital	\$1,710,246	7.25%	30	15	20%

**Comments:**

The term sheet for the permanent loan from Boston Capital reflects a loan amount of \$1,598,147. However, at this loan amount, the projected DCR is 1.44. The Underwriter adjusted the permanent debt to \$1,710,246 to achieve a projected DCR of 1.35. This loan will have an interest rate of 325 basis points above the 10-year Treasury plus 3 basis points per month of the forward rate lock. An underwriting rate of 7.25% was used.

The Applicant requested a second-lien HOME loan in the amount of \$774,515 with a 35-year term. Due to the weaknesses identified during the underwriting review, to eliminate any repayment risk to HUD and because the HOME loan is directly offset by an increase in HTC proceeds, the Underwriter does not recommend a HOME loan for this development. Based on the Underwriter's cost estimate, the development continues to be feasible without the HOME funds. Including the HOME loan only serves to increase the gap, ultimately reducing the credit allocation.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Boston Capital	\$6,793,387	\$0.78	80%	
<b>Total Sources</b>	<b>\$8,503,633</b>			

Comments:

At the Underwriter's cost estimate, if the Applicant were to ultimately secure pricing higher than the committed \$0.78, the equity would exceed the gap in financing, and an adjustment to the allocation would be necessary. This would not be an issue if the development costs were ultimately higher than the Underwriter's estimate.

Based on the Underwriter's cost estimate and recommended financing structure, no developer fee will be deferred. All else held equal, if the Applicant's cost estimate were to be used, additional funds of \$1,668,249 would be necessary, which exceeds the developer fees available for deferral and the projected cumulative 15-year cash-flow, making the development infeasible.

**CONCLUSIONS**

Recommended Financing Structure:

As stated above, the pro forma analysis without the HOME loan results in a debt coverage ratio above the Department's maximum guideline of 1.35. The underwriting analysis assumes an increase in the underwritten permanent loan to \$1,710,246 based on the terms reflected in the application. As a result, the development's gap in financing will decrease.

Allocation determined by eligible basis:	\$932,547
Allocation determined by gap in financing:	\$871,034
Allocation requested by the Applicant:	\$1,000,000

The allocation amount determined by the gap in financing calculation is recommended. A tax credit allocation of \$871,034 per year for 10 years results in total equity proceeds of \$6,793,387 at a syndication rate of \$0.78 per tax credit dollar.

Underwriter: Rosalio Banuelos

Manager of Real Estate Analysis: Cameron Dorsey

Director of Real Estate Analysis: Brent Stewart





**STABILIZED PROFORMA**

**Hunter's Chase Senior Apartments, Rockdale, 9% HTC #11202**

STABILIZED FIRST YEAR PROFORMA														
	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT		\$0		\$0.63	\$521	\$500,544			\$500,400	\$521	\$0.63		0.0%	(\$144)
late fees, pet deposits		\$0			\$15.00	\$14,400							0.0%	(14,400)
laundry		\$0			\$5.00	\$4,800							0.0%	(4,800)
		\$0			\$0.00	\$0							0.0%	-
Underwriter's Total Secondary Income		\$0						\$19,200	\$20.00				100.0%	19,200
POTENTIAL GROSS INCOME		\$0				\$519,744	\$0	\$0	\$519,600				0.0%	(\$144)
Vacancy & Collection Loss		\$0			7.5% PGI	(38,981)			(38,970)	7.5% PGI			0.0%	11
Non-Rental Units/Concessions		\$0				-							0.0%	-
EFFECTIVE GROSS INCOME		\$0				\$480,763	\$0	\$0	\$480,630				0.0%	(\$133)
General & Administrative	\$22,079	\$276/Unit	-	4.69%	\$0.36	\$294	\$23,500		\$22,079	\$276	\$0.34	4.59%	6.4%	1,421
Management	\$27,642	5.7% EGI	-	5.00%	\$0.37	\$301	\$24,050		\$24,032	\$300	\$0.37	5.00%	0.1%	19
Payroll & Payroll Tax	\$66,309	\$829/Unit	-	12.69%	\$0.93	\$752	\$60,990		\$66,309	\$829	\$1.01	13.80%	-8.0%	(5,319)
Repairs & Maintenance	\$40,806	\$510/Unit	-	7.38%	\$0.54	\$444	\$35,500		\$40,806	\$510	\$0.62	8.45%	-13.0%	(5,306)
Utilities	\$17,607	\$220/Unit	-	4.24%	\$0.31	\$255	\$20,400		\$17,607	\$220	\$0.27	3.66%	15.9%	2,793
Water, Sewer, & Trash	\$35,345	\$442/Unit	-	7.38%	\$0.54	\$444	\$35,500		\$34,747	\$434	\$0.53	7.23%	2.2%	753
Property Insurance	\$14,180	\$0.22 SF	-	3.12%	\$0.23	\$188	\$15,000		\$14,180	\$177	\$0.22	2.95%	5.8%	820
Property Tax 2,4763	\$41,841	\$523/Unit	-	9.69%	\$0.71	\$582	\$46,580		\$45,783	\$572	\$0.70	9.53%	1.7%	797
Reserve for Replacements	\$14,602	\$183/Unit	-	4.19%	\$0.30	\$250	\$20,000		\$20,000	\$250	\$0.30	4.16%	0.0%	-
TDHCA Compliance Fees			-	0.67%	\$0.05	\$40	\$3,200		\$3,200	\$40	\$0.05	0.67%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0		\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	1.46%	\$0.11	\$88	\$7,000		\$7,000	\$88	\$0.11	1.46%	0.0%	-
Security			-	0.00%	\$0.00	\$0	\$0		\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0		\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			-	0.00%	\$0.00	\$0	\$0		\$0	\$0	\$0.00	0.00%	0.0%	-
TOTAL EXPENSES		\$ -		60.68%	\$4.43	\$3,647	\$ 291,720		\$ 295,742	\$3,697	\$4.49	61.53%	-1.4%	\$ (4,022)
NET OPERATING INCOME ("NOI")		\$ -		39.32%	\$2.87	\$2,363	\$189,043		\$184,888	\$2,311	\$2.81	38.47%	2.2%	\$4,156

<b>CONTROLLABLE EXPENSES</b>	\$2.277/Unit	\$/Unit		\$2.199/Unit									\$2.269/Unit	
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LONG TERM OPERATING PROFORMA													
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40	
EFFECTIVE GROSS INCOME	\$480,763	\$490,378	\$500,186	\$510,190	\$520,394	\$574,557	\$634,357	\$700,381	\$773,277	\$853,761	\$942,621	\$1,040,730	
LESS: TOTAL EXPENSES	291,720	300,231	308,993	318,012	327,297	377,991	436,908	504,397	582,801	673,491	778,403	899,780	
NET OPERATING INCOME	\$189,043	\$190,147	\$191,193	\$192,177	\$193,096	\$196,566	\$197,448	\$195,984	\$190,477	\$180,270	\$164,218	\$140,949	
LESS: DEBT SERVICE	140,003	140,003	140,003	140,003	140,003	140,003	140,003	140,003	140,003	140,003	140,003	140,003	
NET CASH FLOW	\$49,040	\$50,145	\$51,191	\$52,175	\$53,093	\$56,563	\$57,446	\$55,981	\$50,474	\$40,267	\$24,215	\$947	
CUMULATIVE NET CASH FLOW	\$49,040	\$99,185	\$150,376	\$202,550	\$255,644	\$322,207	\$389,653	\$457,634	\$527,108	\$597,182	\$667,897	\$739,744	
DEFERRED DEVELOPER FEE BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.35	1.36	1.37	1.37	1.38	1.40	1.41	1.40	1.36	1.29	1.17	1.01	
EXPENSE/EGI RATIO	60.68%	61.22%	61.78%	62.33%	62.89%	65.79%	68.83%	72.02%	75.37%	78.89%	82.58%	86.46%	

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Hunter's Chase Senior Apartments, Rockdale, 9% HTC #11202**

<b>DEBT / GRANT SOURCES</b>														
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>							<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>							
<b>DEBT (Must Pay)</b>	<b>Cumulative DCR</b>		<b>Pmt</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Prntcipal</b>	<b>Principal</b>	<b>Term</b>	<b>Amort</b>	<b>Rate</b>	<b>Pmt</b>	<b>Cumulative</b>	
	<b>As UW</b>	<b>App</b>											<b>DCR</b>	<b>LTC</b>
Boston Capital	1.41	1.44	\$130,826	7.25%	30	15	\$1,598,147	\$1,710,246	15	30	7.25%	\$140,003	1.35	20.1%
James Threatt	1.41	1.44		0.00%	0	0	\$0	\$0	0	0	0.00%		1.35	0.0%
TDHCA	1.14	1.17	\$30,788	2.00%	35	25	\$774,515	\$0	25	35	2.00%		1.35	0.0%
<b>CASH FLOW DEBT / GRANTS</b>														
	1.14	1.17		0.00%	0	0	\$0	\$0	0	0	0.00%		1.35	0.0%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$161,614				\$2,372,662	\$1,710,246				\$140,003		20.1%
<b>NET CASH FLOW</b>			\$27,429									\$44,885		

<b>EQUITY SOURCES</b>											
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>					
<b>EQUITY / DEFERRED FEES</b>	<b>DESCRIPTION</b>	<b>% Cost</b>	<b>Annual Credit</b>	<b>Credit Rate</b>	<b>Amount</b>	<b>Amount</b>	<b>Credit Rate</b>	<b>Annual Credit</b>	<b>% Cost</b>	<b>Per Unit Credit Developer Fee Summary</b>	
										<b>Annual Credit per Unit</b>	<b>Total Developer Fee</b>
Boston Capital	LIHTC Equity	91.7%	\$1,000,000	0.78	\$7,799,220	\$6,793,387	0.78	\$871,034	79.9%	\$84,917	\$1,039,629
Additional (Excess) Funds Req'd	Deferred Developer Fees	0.0%	(0% Deferred)		\$0	\$0	(0% Deferred)		0.0%	\$819,720	\$819,720
		0.0%			(\$0)	\$0			0.0%	15-Yr Cash Flow after Fee:	\$819,720
<b>TOTAL EQUITY SOURCES</b>		91.7%			\$7,799,220	\$6,793,387			79.9%	15-Yr Cash Flow after Fee:	\$819,720
<b>TOTAL CAPITALIZATION</b>					\$10,171,882	\$8,503,633					

<b>DEVELOPMENT COST / ITEMIZED BASIS</b>											
<b>APPLICANT COST / BASIS ITEMS</b>				<b>TDHCA COST / BASIS ITEMS</b>				<b>COST VARIANCE</b>			
	<b>Eligible Basis</b>		<b>Total Costs</b>	<b>Eligible Basis</b>		<b>Total Costs</b>	<b>%</b>	<b>\$</b>			
	<b>Acquisition</b>	<b>New Const. Rehab</b>		<b>New Const. Rehab</b>	<b>Acquisition</b>						
Land Acquisition			\$1,875 / Unit	\$150,000	\$65,687	\$821 / Unit	-128.4%	(\$84,313)			
Closing Costs	\$0		\$66 / Unit	\$5,250	\$5,250	\$66 / Unit	0.0%	\$0			
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	0.0%	\$0			
Sitework		\$719,750	\$8,997 / Unit	\$719,750	\$719,750	\$8,997 / Unit	0.0%	\$0			
Direct Construction		\$5,525,804	\$83.98 /sf	\$69,073/Unit	\$4,361,624	\$4,520/Unit	-26.7%	(\$1,164,180)			
Contingency		\$312,278	5.00%	\$312,278	\$312,278	6.15%	0.0%	\$0			
Contractor's Fees		\$873,253	13.32%	\$873,253	\$755,111	14.00%	-15.6%	(\$118,142)			
Indirect Construction		\$356,000	\$4,450 / Unit	\$356,000	\$4,450 / Unit	\$356,000	0.0%	\$0			
Ineligible Costs			\$3,393 / Unit	\$271,450	\$271,450	\$3,393 / Unit	0.0%	\$0			
Developer's Fees	\$0	\$1,200,000	14.61%	\$1,200,000	\$1,039,629	15.00%	-15.4%	(\$160,371)			
Interim Financing		\$426,097	\$5,326 / Unit	\$426,097	\$426,097	\$5,326 / Unit	0.0%	\$0			
Reserves			\$4,190 / Unit	\$332,000	\$190,757	\$2,384 / Unit	-74.0%	(\$141,243)			
<b>UNADJUSTED BASIS / COST</b>	\$0	\$9,413,182	\$127,149 / Unit	\$10,171,882	\$8,503,633	\$106,295 / Unit	-19.6%	(\$1,668,249)			
Acquisition Cost for Identity of Interest Seller				\$0							
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$9,413,182	\$127,149 / Unit	\$10,171,882	\$8,503,633	\$7,970,489		\$0			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are not within 5% of TDHCA Estimate):</b>				\$8,503,633							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS FEES**

**Hunter's Chase Senior Apartments, Rockdale, 9% HTC #11202**

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$9,413,182	\$0	\$7,970,489
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$9,413,182</b>	<b>\$0</b>	<b>\$7,970,489</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$12,237,137</b>	<b>\$0</b>	<b>\$10,361,636</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$12,237,137</b>	<b>\$0</b>	<b>\$10,361,636</b>
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$1,101,342</b>	<b>\$0</b>	<b>\$932,547</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,101,342</b>		<b>\$932,547</b>	

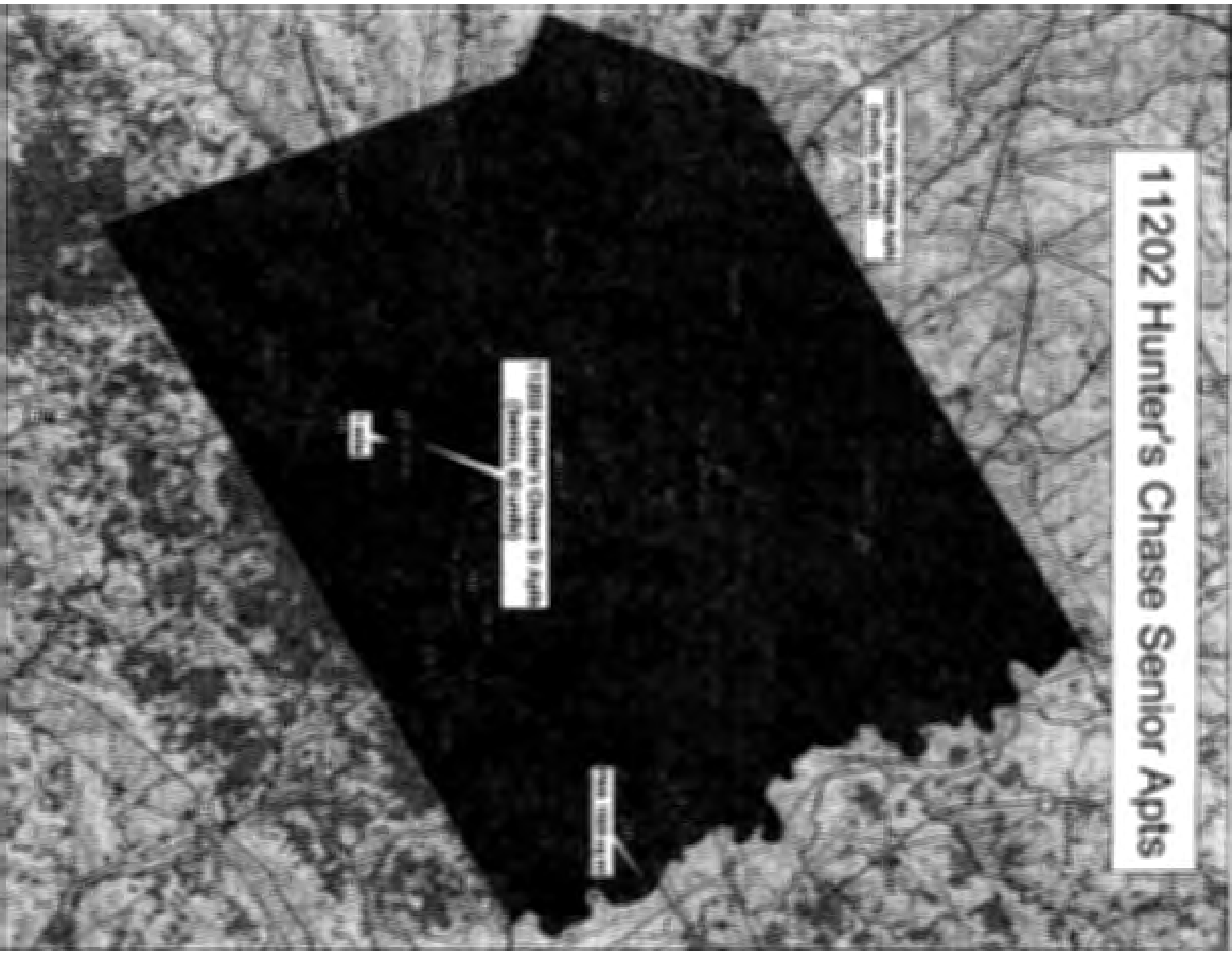
DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$54.95	3,615,234
Adjustments				
Exterior Wall Finish	7.68%		4.22	\$277,650
Elderly	3.00%		1.65	108,457
	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(0.11)	(7,018)
Floor Cover			2.41	158,568
Breezeways		0	0.00	0
Balconies		0	0.00	0
Plumbing Fixtures	\$845	4	0.05	3,380
Rough-ins	\$420	80	0.51	33,600
Built-In Appliances	\$1,850	80	2.25	148,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$47.87	12,502	9.10	598,422
Other: Elevators	\$80,325.00	2	2.44	160,650
Other: Stairways	\$2,450	6	0.22	14,700
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	121,723
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$54.95	10,909	9.11	599,407
Other: fire sprinkler	\$2.25	89,207	3.05	200,716
<b>SUBTOTAL</b>			<b>91.70</b>	<b>6,033,489</b>
Current Cost Multiplier	1.03		2.75	181,005
Local Multiplier	0.86		-12.84	(844,568)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>81.61</b>	<b>\$5,369,805</b>
Plans, specs, survey, bldg permit	3.90%		-3.18	(209,422)
Interim Construction Interest	3.38%		-2.75	(181,231)
Contractor's OH & Profit	11.50%		-9.39	(617,528)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>66.29</b>	<b>\$4,361,624</b>

ANNUAL CREDIT CALCULATION BASED ON IDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$932,547	\$7,273,141
Gap	\$871,034	\$6,793,387
Request	\$1,000,000	\$7,799,220

FINAL ANNUAL LIFEC ALLOCATION	
Method	Gap
Credits	\$871,034
Underwrite in Proceeds	\$6,793,387

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$99.67	\$81,973	\$6,557,832	\$5,393,652	\$67,421	\$81.98
Applicant's Cost/SF Point Election	\$95.00					
Hard Costs plus Contractor Fees	\$94.91	\$92,889	\$7,431,085	\$6,148,763	\$76,860	\$93.45

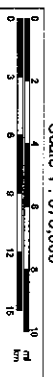
# 11202 Hunter's Chase Senior Apts



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TM  
NM (4.1" x 5")



Scale 1 : 375,000

1" = 5.92 mi  
Data Zoom 9-1

**11203**

**Woodside Village Apts**

**Urban, Region 3**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Woodside Village Apts, TDHCA Number 11203**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 703 Bumpas Development #: 11203  
 City: McKinney Region: 3 Population Served: General  
 County: Collin Zip Code: 75069 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Summit Woodside Village Apartments  
 Owner Contact and Phone: Sarah Rucker, (334) 954-4458  
 Developer: Summit Housing Partners Management, LLC  
 Housing General Contractor: ZMG Construction, Inc.  
 Architect: The Hill Firm  
 Market Analyst: Novogradac and Company, LLP  
 Syndicator: Boston Capital Corporation  
 Supportive Services: TBD  
 Consultant and Contact: Sarah Andre,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	100
	10 0 35 55	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 56 20 12 0	Total Development Units:	100
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$968,227	\$968,227			
HOME Activity Fund Amount:	\$450,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Woodside Village Apts, TDHCA Number 11203

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapiro, District 8, NC

US Representative: Johnson, District 3,

TX Representative: Paxton, District 70, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Woodside Community Association, Yuisa M. Cuadrado

Letter Score: 24 S or O: S

It will improve our living conditions.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Request for final inspection on the Subject Development must be submitted in order to receive a valid commitment of housing tax credits for Woodside Village Apartments and all deficiencies identified cleared prior to carryover (should an award be approved by the Board).





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Woodside Village Apts, TDHCA Number 11203

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score:210  Meeting a Required Set-Aside Credit Amount\*: \$968,227

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11205

Hawk Ridge Apts

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Hawk Ridge Apts, TDHCA Number 11205**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 9200 block of Dale Ln. Development #: 11205  
 City: White Settlement Region: 3 Population Served: General  
 County: Tarrant Zip Code: 76108 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: One Hawk Ridge Partners, L.P,  
 Owner Contact and Phone: Bert Magill, (713) 785-6006  
 Developer: San Jacinto Realty Services, LLC  
 Housing General Contractor: William Taylor & Co. Inc  
 Architect: Thompson Nelson Group  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	144
	0 0 131 13	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 16 72 56 0 0	Total Development Units:	144
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,468,620	\$1,468,620			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Hawk Ridge Apts, TDHCA Number 11205

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Nelson, District 12, NC

US Representative: Granger, District 12,

TX Representative: Geren, District 99, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Jerry R. Burns, Mayor of White Settlement

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Hawk Ridge Apts, TDHCA Number 11205

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 191  Meeting a Required Set-Aside Credit Amount\*: \$1,468,620

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11206**

**Enclave on S. Main Apts**

**Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Enclave on S. Main Apts, TDHCA Number 11206**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 12001 S Main St. Development #: 11206  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77045 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: S. Main Enclave Partners, LP  
 Owner Contact and Phone: Bert Magill, (713) 785-6006  
 Developer: San Jacinto Realty Services, LLC  
 Housing General Contractor: William Taylor & Co. Inc  
 Architect: Thompson Nelson Group  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: RBC Capital Markets  
 Supportive Services: NA  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	144
	15 0 129 0	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 42 78 24 0 0	Total Development Units:	144
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	6
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,880,249	\$1,880,249			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Enclave on S. Main Apts, TDHCA Number 11206

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC

US Representative: Green, District 9,

TX Representative: Allen, District 131, O

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 4

Quantifiable Community Participation Input:

South Houston Concerned Citizens Coalition, Linda Scurlock

Letter Score: 0 S or O: 0

High crime rates in multi-family complexes, and the proposed development would further congest traffic in the area. Would further burden overcrowded schools.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Oppose - The development would create traffic problems, and if a train fell off of the tracks residents would be trapped in the complex. The proposed development is near power lines, and would increase crime in the area. There are already low income apartment complexes in the area. The schools would be overcrowded. Resident is opposed to the idea of restricted rents. The developer provided a fictitious address for the proposed development. The development would increase crime levels in the area. The area needs retail locations but not more apartments. Crime incident reports were submitted for the neighborhood; however, there was not an analysis made of the information by the person who submitted the information.

CONDITIONS OF COMMITMENT





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Enclave on S. Main Apts, TDHCA Number 11206

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 163  Meeting a Required Set-Aside Credit Amount\*: \$1,880,249

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11208

Amber Stone Apts

Rural, Region 10



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Amber Stone Apts, TDHCA Number 11208**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 208 & 210 E Crockett St. Development #: 11208  
 City: Beeville Region: 10 Population Served: General  
 County: Bee Zip Code: 78102 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Crockett Estates, Ltd  
 Owner Contact and Phone: Adrian Iglesias, (512) 971-9127  
 Developer: Crockett Estates Development, LLC  
 Housing General Contractor: Realtex Construction, LLC  
 Architect: Beeler, Guest, and Owens Architects, LP  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Regions Bank  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	54	
	6	0	19	29	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	26	20	0	0	
Type of Building:						Total Development Units:	54
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$7,503,101
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	11

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$689,273	\$682,682			
HOME Activity Fund Amount:	\$850,000	\$850,000	30	15	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Amber Stone Apts, TDHCA Number 11208

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

US Representative: Hinojosa, District 15,

TX Representative: Aliseda, District 35, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Roberts-Burr Home Owners Association, LillieMartinez

Letter Score: 24 S or O: S

The proposed development will revitalize the area and promote re-development in the surrounding community. Will also provide needed living space for citizens in Beeville.

Community Input Other than Quantifiable Community Participation Input:

Rotary Club of Beeville, S, Joyce Lee, President

The Bee County Area Go Texas Western Week Committee, S, Joan A. Reilly, President

Boys & Girls Club of Beeville, S, Daniel W. Thomas, Executive Director

Bee County Chamber of Commerce, S, Lisa Del Bosque, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt and acceptance by Commitment:

Documentation that the city has abandoned the public road that bifurcates the property, and documentation of any resulting change in the site acreage. \$850,000 in HOME funding. Should the amount of allocated HOME funds differ from the amount requested, the transaction should be evaluated.

2. Receipt and acceptance by Carryover:

Any agreement with the housing authority for project based vouchers or plans to enter into such an agreement. Any updates related to the purchase of the out parcel or site plan changes planned to address the location of the buildings in relation to the out parcel.

3. Receipt and acceptance by Cost Certification:

Documentation clearing environmental issues contained in the ESA report, specifically:

That appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of asbestos-containing-materials or lead-based paint.

Testing for lead in drinking water and appropriate mitigation actions, or a statement from the ESA provider indicating that the reconstruction plans will eliminate the need for testing.

An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.

4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Amber Stone Apts, TDHCA Number 11208**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio: 21

Total # Monitored: 16

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 214  Meeting a Required Set-Aside Credit Amount\*: \$682,682

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$850,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11208 Program(s): 9% HTC / HOME

**Amber Stone Apartments**

Address/Location: 208 & 210 E. Crockett Street

City: Beeville County: Bee Zip: 78102

Population: Family Program Set-Aside: General Area: Rural

Activity: Reconstruction Construction Type: Garden (Up to 3 story) Region: 10

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Term	Amort. Term	Amount	Interest Rate	Term	Amort. Term	Lien
HOME Activity Funds	\$850,000	0.00%	15	30	\$850,000	0.00%	15	30	2nd
LIHTC (Annual)	\$689,273				\$682,682				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - Documentation that the city has abandoned the public road that bifurcates the property, and documentation of any resulting change in the site acreage.
  - \$850,000 in HOME funding. Should the amount of allocated HOME funds differ from the amount requested, the transaction should be reevaluated.
- 2 Receipt and acceptance by Carryover:
  - Any agreement with the housing authority for project based vouchers or plans to enter into such an agreement.
  - Any updates related to the purchase of the out parcel or site plan changes planned to address the location of the buildings in relation to the out parcel.
- 3 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - That appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of asbestos-containing-materials or lead-based paint.
    - Testing for lead in drinking water and appropriate mitigation actions, or a statement from the ESA provider indicating that the reconstruction plans will eliminate the need for testing.

- An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	19
60% of AMI	60% of AMI	29

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	5
50% of AMFI	Low HOME	6

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS
<ul style="list-style-type: none"> <li>Occupancy of 100% in PMA for affordable units and 96.7% for market rate units</li> </ul>
<ul style="list-style-type: none"> <li>Realtex Development Corp, guarantor and co-Developer, has completed 16 deals in Texas and several in other states</li> </ul>
<ul style="list-style-type: none"> <li>Applicant is attempting to gain control of the out parcel</li> </ul>
<ul style="list-style-type: none"> <li>Applicant is pursuing project-based vouchers from housing authority</li> </ul>
<ul style="list-style-type: none"> <li>Underwritten rents offer savings over market rents</li> </ul>

WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>Dependent upon allocation of HOME funds to be feasible; HOME funds are 2nd lien position</li> </ul>
<ul style="list-style-type: none"> <li>Out parcel extends into the site and is directly adjacent to clubhouse, community area and a residential building (potential use unknown)</li> </ul>
<ul style="list-style-type: none"> <li>Deal is underwritten at breakeven rents and occupancy and at a 1.15 DCR</li> </ul>
<ul style="list-style-type: none"> <li>47% capture rate on 60% 3-bedrooms</li> </ul>
<ul style="list-style-type: none"> <li>Securing the out parcel and vouchers is not guaranteed</li> </ul>

**DEVELOPMENT TEAM**

**PRIMARY CONTACTS**

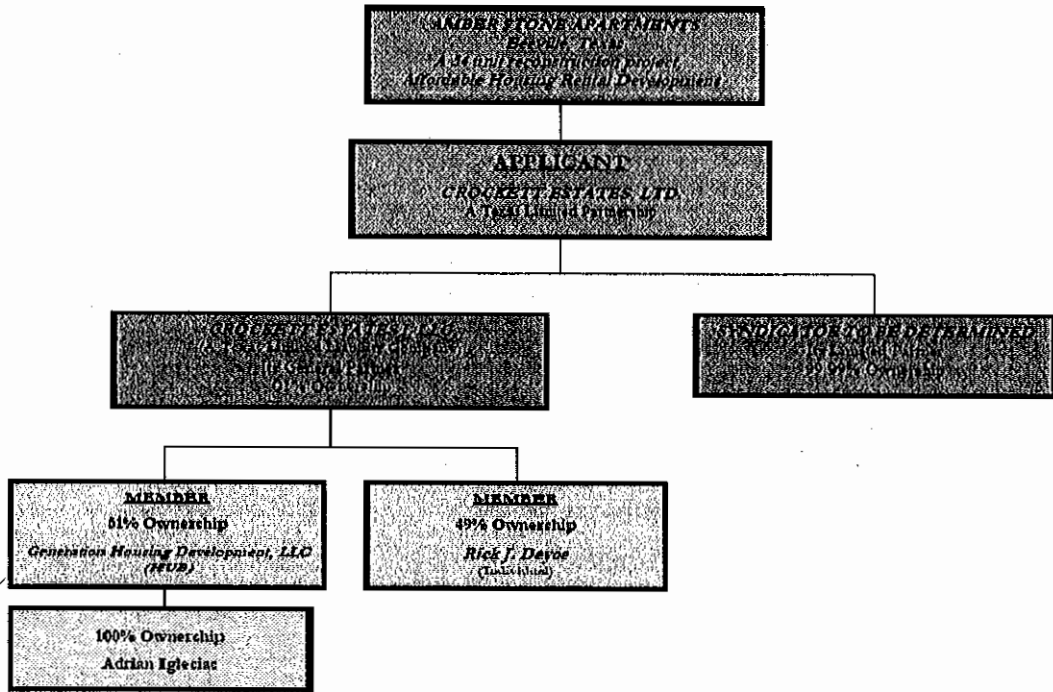
Name: <u>Adrian Iglesias</u>	Relationship: <u>Majority owner of General Partner</u>
Email: <u>aiglesias@gctproperties.com</u>	Phone: <u>(512) 971-9127</u> Fax: <u>(512) 961-8048</u>
Name: <u>Rick Deyoe</u>	Consultant: <u>Guarantor, Co-GP, Co Developer</u>
Email: <u>rdeyoe@realtexdevelopment.com</u>	Phone: <u>(512) 306-9206</u> Fax: <u>(512) 306-9010</u>

**IDENTITIES OF INTEREST**

Related-Party Seller/Identity of Interest: No

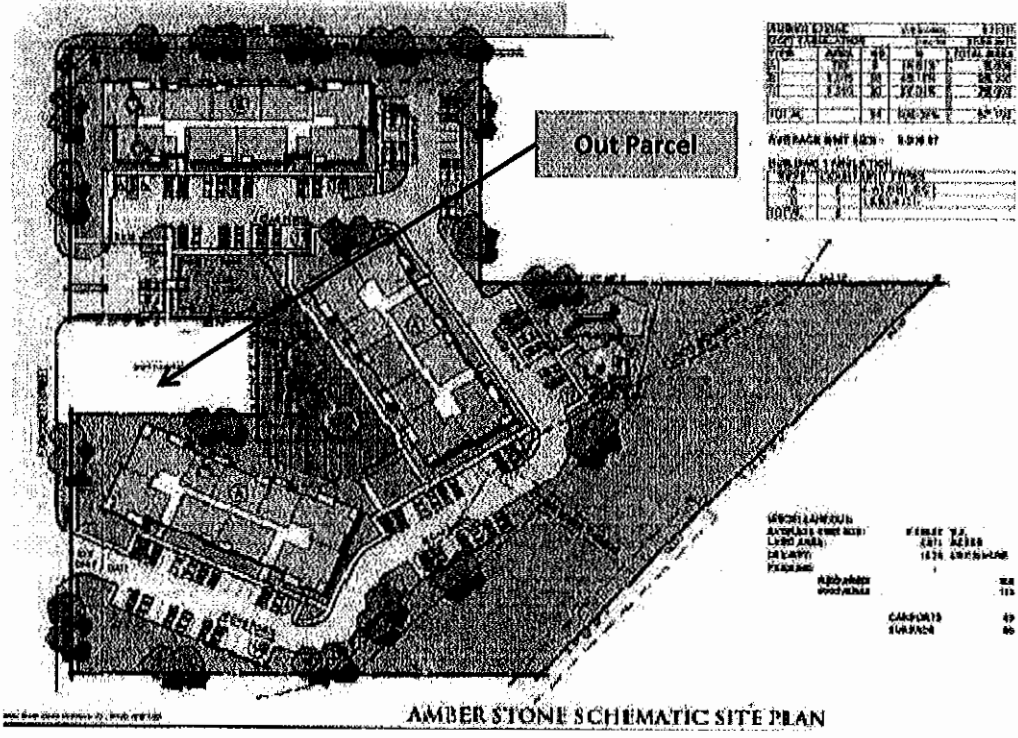
- The Applicant, Developer, General Contractor, Guarantor, and property manager are related entities.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



AMBER STONE SCHEMATIC SITE PLAN



**BUILDING CONFIGURATION**

Building Type	A	B		<b>Total Buildings</b>
Floors/Stories	2	2		<b>3</b>
Number of Bldgs	2	1		
Units per Bldg	18	18		<b>54</b>
<b>Total Units</b>	<b>36</b>	<b>18</b>		

**GENERAL INFORMATION**

Total Size:	<u>4.071 acres</u>	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X and AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	<u>R3 - Duplex/Multifamily</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>13.2646 units/acre</u>	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

Retail, including a new HEB grocery store, and commercial uses to the north and west, residential uses to the east, and open space (Poestra Creek) to the south.

**Other Observations:**

Site is currently improved with a 1940's vintage multifamily property (pier and beam, single-story converted barracks). The ESA reports asbestos and recommends lead testing due to the age of the property. As reconstruction, all existing improvements will be demolished. The Applicant indicated that the public road bifurcating the property has been abandoned by the city but was unable to provide documentation to that affect. Receipt and acceptance of documentation that the city has abandoned this roadway is a condition of this report. The city recently abandoned another road to the north of the property as part of a large retail development (anchored by HEB). All costs to remove the road are to be borne by the Applicant.

The site plan shows an out parcel (.25 acres) extending into the middle of the improvements (directly adjacent to the clubhouse, pool area and one residential building). The owner of the tract is a family trust indicating an intention to keep the land as a memorial, being the former family homestead. It is zoned for multifamily. The Applicant unsuccessfully attempted to purchase the tract. There is risk that the land could be used for a use that is materially detrimental to the deal (particularly any commercial use). The Underwriter has no information regarding set-back requirements. The Applicant is still attempting to gain control of the out parcel but also indicated that a change to the site plan may be prudent if control of the out parcel cannot be gained. Receipt and acceptance by Carryover of any updates related to the out parcel or site plan changes is a condition of this report.

Though a portion of the property is within a flood zone, Applicant will develop the site to conform to 2011 QAP §49.5(a).

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc Date: 2/22/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Potential asbestos containing building materials (ACBMs) in the form of wall material, ceiling material, floor material and miscellaneous building materials in good condition were observed at the subject site... In the event of renovation and/or demolition, sampling may be required of suspect asbestos containing materials prior to these activities to satisfy the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA) and the Texas Department of State Health Services (TDSHS) rules and regulations at that time." (pg 24)

- "No lead based paint sampling was performed as part of this ESA and no previous lead based paint inspection reports or abatement reports were provided to Phase Engineering, Inc. In the event of government funding, renovation and or demolition, further sampling may be required prior to these activities to satisfy the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA) and Texas Department of Health (TDH) rules and regulations at that time." (pg 25)
- "Testing the on site drinking water would be necessary to determine lead in the drinking water."(pg 25)

## MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 2/14/2011  
 Contact: Darrell Jack Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 489 sq. miles 12 mile equivalent radius  
 The Primary Market Area is defined by 4 census tracts within Bee County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bee County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,983	\$10,830	---	---	\$16,560	\$18,050	\$19,886	\$21,660
2	\$8,983	\$12,390	---	---	\$16,560	\$20,650	\$19,886	\$24,780
3	\$11,931	\$13,920	---	---	\$19,851	\$23,200	\$23,863	\$27,840
4	\$13,783	\$15,480	---	---	\$22,971	\$25,800	\$27,566	\$30,960
5	\$13,783	\$16,710	---	---	\$22,971	\$27,850	\$27,566	\$33,420
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	2	Total Units	90	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	7,427		7,427	
Potential Demand from the Primary Market Area	1,132		1,134	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	1,132		1,134	
Subject Affordable Units	54		54	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	54		54	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>4.8%</b>		<b>4.8%</b>	

**Demand Analysis:**

The maximum Gross Capture Rate for a rural development targeting family households is 30%. The Underwriter has confirmed the Market Analyst's determination of a 4.8% Gross Capture Rate for the 54 proposed units. This indicates sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	67	3	0	4%	65	3	0	5%
1 BR/50%	95	3	0	3%	50	3	0	6%
1 BR/60%	103	2	0	2%	45	2	0	4%
2 BR/30%	31	2	0	6%	41	2	0	5%
2 BR/50%	83	10	0	12%	52	10	0	19%
2 BR/60%	58	14	0	24%	50	14	0	28%
3 BR/30%	35	1	0	3%	19	1	0	5%
3 BR/50%	34	6	0	18%	19	6	0	32%
3 BR/60%	58	13	0	22%	28	13	0	47%

**Primary Market Occupancy Rates:**

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 92 affordable units within the PMA, and 474 conventional units. The market reflects solid demand...the overall average occupancy for income restricted units is 100%." (p 104)

**Absorption Projections:**

"There have been no comparable rent restricted units absorbed in the PMA. There are two rehab projects totaling 92 units that are 100% occupied." (p 11) "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." (p 52)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable family projects are 100% occupied." (p 12)

**Comments:**

The Market Analysis provides sufficient information on which to base a funding recommendation.

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$123,135	Avg. Rent:	\$520	Expense Ratio:	61.9%
Debt Service:	\$107,006	B/E Rent:	\$499	Controllable Expenses:	\$1,998
Net Cash Flow:	\$16,128	Occupancy:	92.50%	Property Taxes/Unit:	\$596
Aggregate DCR:	1.15:1	B/E Occupancy:	91.35%	Program Rent Year:	2010

Income:      Number of Revisions:      0      Date of Last Applicant Revision:      N/A

Maximum program rents are achievable based on the market rents reported in the market study. On average, the restricted rents are \$186/unit lower than market, which indicates that rent growth may be possible with future increases in the AMI.

The average underwritten rents are just \$21 higher than the break even rent levels and the deal is effectively underwritten at breakeven due to the impact of even small differences in rents or expenses. This is a major risk of financing this transaction. The Underwriter had several conversations with the Applicant regarding these concerns and the Applicant is currently pursuing project based vouchers from the housing authority to mitigate this risk. The housing authority provided a letter indicating their interest in project basing some of their voucher pool but cannot commit to this before going through a formal RFP process. Additionally, the letter states that the housing authority has 350 vouchers, only 225 are being used and they have a waiting list of 150 households. The housing authority is unable to use the remaining vouchers at present due to a shortage of housing options that meet the housing quality standards required under the program.

Expense:      Number of Revisions:      1      Date of Last Applicant Revision:      5/3/2011

A \$9K difference between the Applicant's and Underwriter's expenses is due to G&A, maintenance and property taxes. Of most concern is the maintenance. The unit mix is heavily weighted towards 3-bedroom units (37% of total) indicating more residents per unit than a development with less 3-bedroom units. The Applicant's staffing plan indicates a part-time maintenance employee. The Underwriter questions the validity of the maintenance and payroll assumptions. However, the payroll estimate provided is slightly higher than the database and was used by the Underwriter.

The underwritten controllable expenses of \$1,998/unit is lower than would typically be expected. However, tenants will be responsible for water and sewer costs that would typically be paid by the property owner. If the controllable expense number was adjusted upward to account for this cost, the expenses would be closer to \$2,250 per unit. Still, if expenses were increased by \$5,000 annually the development would no longer meet the REA feasibility criteria.

### Conclusion:

The Applicant's NOI is not within 5% of the Underwriter's NOI. Therefore, the Underwriter's proforma was used in the analysis.

Breakeven occupancy is essentially equal to the underwritten occupancy (less than a one unit vacant variance). The spread between average rents and breakeven rents is \$21/unit. The Applicant's proforma improves breakeven rents by \$18/unit but in of itself does not change the achievable rent risk. Using either proforma, there is little room for error in covering debt and expenses. If the property is able to secure project based vouchers, the potential rental income increases and relative risk in achieving the underwritten rents decreases. The receipt of vouchers could also impact the conclusions of this report. Therefore, receipt and acceptance of any agreement with the housing authority for project based vouchers is a condition of this report.

Feasibility:

Technically, the development meets the initial and long term feasibility requirements per REA rules. However, due to a Year 1 DCR at the minimum underwriting threshold of 1.15, there is a potential risk that if actual revenues are lower than estimated and/or actual expenses are higher than estimated the deal could drop below the 1.15 DCR threshold. The underwritten proforma is at breakeven. Vacancy of one unit drops the deal below breakeven and DCR threshold. The default risk is increased as the capture rate on the 60% 3-bedroom units is 47%.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Commercial Contract Acreage: 4.071  
Acquisition Cost: \$772,500 Contract Expiration: 12/3/2011  
Cost Per Unit: \$14,306  
Seller: HIS Estate, LLC Related to Development Team?  Yes  No

Comments:

Total acquisition cost of \$772K, including closing costs, is \$14K per unit (54 units). REA assumes that the price was negotiated on an "as-improved" basis. The improvements, however, are of no value to the reconstruction. Including demolition and abatement costs of the existing buildings and removal of the public road (\$84K total), all-in land cost (as cleared and buildable) is \$15.8K per unit. As a reconstruction, an appraisal was not an application requirement. Generally, redevelopment land is market-priced after consideration of demolition costs. REA has no information to evaluate the appropriateness of the land cost for what is essentially a new construction project. The \$15.8K/unit price is \$5K to \$7K higher than zoned multifamily land in other markets. This is a typical cost issue on reconstruction deals in the HTC program.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/3/2011

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

Development plan calls for the complete demolition of existing improvements. The Applicant included demolition costs of \$35,000. However, during correspondence it became clear that other costs associated with the demolition are included elsewhere in the cost schedule, including: asbestos and lead abatement (\$24,000), utility demolition (\$8,500), demolition of streets, parking, and flat work (\$16,500). These costs, totaling \$49,000, were included in eligible basis but have been removed in the underwritten eligible basis. The total demolition costs of \$84,000 is lower than would typically be expected, but the existing buildings are pier and beam construction, which results in the lower cost. Excluding demolition the sitework estimate is \$7,136 per unit.

Direct Construction Cost:

The Applicant's direct construction estimate of \$3,095,105 is \$23K less than the Underwriter's Marshall and Swift Residential Cost Handbook derived estimate.

Contingency & Fees:

As a result of the eligible basis adjustment for demolition costs, the Applicant's eligible developer fee exceeds the limit by \$7,327. An adjustment to the underwritten eligible basis has been made to account for this reduction in eligible fees.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule is used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis (adjusted for the boost) of \$7,585,361 and 9% applicable percentage support an annual allocation of \$682,682. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 5/4/2011

Interim Sources	Amount	Rate	Term	LTC
Regions Bank - Term Loan	\$1,060,000	5.50%	24 Months	14%
Regions Bank - Bridge Loan	\$960,000	5.50%	18 Months	13%
Regions Bank - Syndicator	\$4,686,355	0.00%	N/A	62%
Deferred Developer Fee	\$796,746	0.00%	N/A	11%
<b>Total</b>	<b>\$7,503,101</b>			

Comments:

The Applicant has not included the HOME loan as a construction source. It is likely that the Applicant will ultimately use the HOME funds due to interest carry savings available with the HOME loan.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Regions Bank - First Mortgage Loan	\$961,055	7.25%	30	15	13%
TDHCA HOME Loan	\$850,000	0.00%	30	15	12%
<b>Total</b>	<b>\$1,811,055</b>				

Comments:

The Applicant has applied to TDHCA to receive \$850,000 in HOME Funds to serve as an additional permanent source of funding. The Underwriter has underwritten a loan term of 15 years, which is parity with the first lien term. If the first lien term ultimately changes, it is likely that a change in the HOME term will also be necessary to remain parity.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Regions Bank - Syndicator	\$5,460,913	\$0.80	73%	
Deferred Developer Fee	\$231,133		3%	30%
<b>Total</b>	<b>\$5,692,046</b>			
<b>Total Sources</b>	<b>\$7,503,101</b>			

Comments:

Several recently closed transactions secured pricing in the high 70s and low 80s. The underwritten pricing of \$0.80 is consistent with other recently closed transactions. The underwritten financing structure reflects the need for \$231,133 in deferred developer fees which can be repaid from cashflow within 15 years.

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the recommended permanent loan of \$961,055 and the TDHCA HOME Loan of \$850,000 indicates the need for \$5,692,046 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$711,577 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$682,682</b>
Allocation determined by gap in financing:	\$711,577
Allocation requested by the Applicant:	\$689,273

The allocation amount derived from the underwritten eligible basis is recommended. A tax credit allocation of \$682,682 per year for 10 years results in total equity proceeds of \$5,460,913 at a syndication rate of \$0.80 per tax credit dollar.

As underwritten, the finance structure requires \$231,133 in deferred developer fees to fill the remaining gap which are anticipated to be repaid within 15 years. If the transaction does not ultimately receive the award of HOME Funds, the development could support \$346,000 in additional conventional debt at 7.25% interest amortized over 30 years with a 15 year term; however, this financing structure would require deferred developer fees of \$735K which could not be repaid from excess cashflow within the required 15 year time frame. As a result, the deal would no longer meet the REA rules unless other favorable financing terms or an equivalent replacement source were secured. Therefore, the transaction should be reevaluated if the HOME award is not received.

Underwriter:	<u>Blake Hopkins</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX / RENT SCHEDULE**

**Amber Stone Apartments, Beeville, 9% HTC / HOME #11208**

LOCATION DATA	
CITY:	Beeville
COUNTY:	Bee
PROGRAM REGION:	10
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	8	14.8%
2	26	48.1%
3	20	37.0%
4		
<b>TOTAL</b>	<b>54</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
HTC Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$290	30%/30%	\$262	3	1	1	725	\$262	\$83	\$179	\$0	\$0.25	\$179	\$537	\$537	\$179	\$0.25	\$0	\$548	0.76	\$369
TC50%	\$483	LH/50%	\$436	3	1	1	725	\$436	\$83	\$353	\$0	\$0.49	\$353	\$1,059	\$1,059	\$353	\$0.49	\$0	\$548	0.76	\$195
TC60%	\$580			2	1	1	725	\$580	\$83	\$497	\$0	\$0.69	\$497	\$994	\$994	\$497	\$0.69	\$0	\$548	0.76	\$51
TC30%	\$348	30%/30%	\$315	2	2	2	1,015	\$315	\$108	\$207	\$0	\$0.20	\$207	\$414	\$414	\$207	\$0.20	\$0	\$653	0.64	\$446
TC50%	\$579	LH/50%	\$523	2	2	2	1,015	\$523	\$108	\$415	\$0	\$0.41	\$415	\$830	\$830	\$415	\$0.41	\$0	\$653	0.64	\$238
TC50%	\$579			8	2	2	1,015	\$579	\$108	\$471	\$0	\$0.46	\$471	\$3,768	\$3,768	\$471	\$0.46	\$0	\$653	0.64	\$182
TC60%	\$696			14	2	2	1,015	\$696	\$108	\$588	\$0	\$0.58	\$588	\$8,232	\$8,232	\$588	\$0.58	\$0	\$653	0.64	\$65
TC30%	\$402	LH/50%	\$805	1	3	2	1,250	\$402	\$132	\$270	\$0	\$0.22	\$270	\$270	\$270	\$270	\$0.22	\$0	\$837	0.67	\$567
TC50%	\$670			6	3	2	1,250	\$670	\$132	\$538	\$0	\$0.43	\$538	\$3,228	\$3,228	\$538	\$0.43	\$0	\$837	0.67	\$299
TC60%	\$804			13	3	2	1,250	\$804	\$132	\$672	\$0	\$0.54	\$672	\$8,736	\$8,736	\$672	\$0.54	\$0	\$837	0.67	\$165
<b>TOTALS/AVERAGES:</b>				<b>54</b>			<b>57,190</b>				<b>\$0</b>	<b>\$0.49</b>	<b>\$520</b>	<b>\$28,068</b>	<b>\$28,068</b>	<b>\$520</b>	<b>\$0.49</b>	<b>\$0</b>	<b>\$706</b>	<b>\$0.67</b>	<b>\$186</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>														<b>\$336,816</b>	<b>\$336,816</b>						



**STABILIZED PROFORMA**

**Amber Stone Apartments, Beeville, 9% HTC / HOME #11208**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$0.49	\$520	\$336,816	\$336,816	\$520	\$0.49		0.0%	\$0
Deposit Forfeitures, Vending, Laundry					\$15.00	\$9,720					0.0%	(9,720)
20 Carpools					\$3.70	\$2,400					0.0%	(2,400)
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$12,120	\$18,70			100.0%	12,120
<b>POTENTIAL GROSS INCOME</b>						\$348,936	\$348,936				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI		(26,170)	(26,170)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions						-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$322,766	\$322,766				0.0%	\$0
General & Administrative	\$17,927	\$332/Unit	4.55%	\$0.26	\$272	\$14,700	\$17,927	\$332	\$0.31	5.95%	-18.0%	(3,227)
Management	\$26,974	8.4% EGI	5.00%	\$0.28	\$299	\$16,138	\$16,138	\$299	\$0.28	5.00%	0.0%	(0)
Payroll & Payroll Tax	\$42,201	\$782/Unit	13.40%	\$0.76	\$801	\$43,250	\$43,870	\$812	\$0.77	13.59%	-1.4%	(620)
Repairs & Maintenance	\$27,739	\$514/Unit	7.78%	\$0.44	\$465	\$25,100	\$27,739	\$514	\$0.49	8.59%	-9.5%	(2,639)
Utilities	\$15,590	\$289/Unit	3.72%	\$0.21	\$222	\$12,000	\$11,808	\$219	\$0.21	3.66%	1.6%	192
Water, Sewer, & Trash	\$24,982	\$463/Unit	1.86%	\$0.10	\$111	\$6,000	\$6,528	\$121	\$0.11	2.02%	-8.1%	(528)
Property Insurance	\$21,290	\$0.37 SF	6.15%	\$0.35	\$367	\$19,840	\$20,017	\$371	\$0.35	6.20%	-0.9%	(177)
Property Tax 2.707760	\$22,630	\$419/Unit	9.28%	\$0.52	\$566	\$30,000	\$32,168	\$596	\$0.66	9.97%	-6.7%	(2,168)
Reserve for Replacements	\$24,346	\$451/Unit	4.18%	\$0.24	\$250	\$13,500	\$13,500	\$250	\$0.24	4.18%	0.0%	-
TDHCA Compliance Fees			0.67%	\$0.04	\$40	\$2,160	\$2,160	\$40	\$0.04	0.67%	0.0%	-
Cable TV			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			2.41%	\$0.14	\$144	\$7,776	\$7,776	\$144	\$0.14	2.41%	0.0%	-
Security			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			59.01%	\$3.33	\$3,527	\$190,464	\$199,631	\$3,697	\$3.49	61.85%	-4.6%	\$ (9,167)
<b>NET OPERATING INCOME ("NOI")</b>			40.99%	\$2.31	\$2,450	\$132,302	\$123,135	\$2,280	\$2.15	38.15%	7.4%	\$9,167
<b>CONTROLLABLE EXPENSES</b>	\$2,379/Unit				\$1,871/Unit			\$1,998/Unit				
LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
EFFECTIVE GROSS INCOME	\$322,766	\$329,221	\$335,806	\$342,522	\$349,372	\$385,735	\$425,863	\$470,209	\$519,149	\$573,182	\$632,839	\$698,706
LESS: TOTAL EXPENSES	199,631	205,459	211,458	217,634	223,992	258,703	298,844	345,266	398,961	461,072	532,927	616,063
<b>NET OPERATING INCOME</b>	<b>\$123,135</b>	<b>\$123,762</b>	<b>\$124,348</b>	<b>\$124,888</b>	<b>\$125,381</b>	<b>\$127,032</b>	<b>\$127,039</b>	<b>\$124,942</b>	<b>\$120,188</b>	<b>\$112,110</b>	<b>\$99,912</b>	<b>\$82,643</b>
LESS: DEBT SERVICE	107,006	107,006	107,006	107,006	107,006	107,006	107,006	107,006	107,006	107,006	107,006	107,006
<b>NET CASH FLOW</b>	<b>\$16,128</b>	<b>\$16,756</b>	<b>\$17,341</b>	<b>\$17,881</b>	<b>\$18,374</b>	<b>\$20,025</b>	<b>\$20,032</b>	<b>\$17,936</b>	<b>\$13,181</b>	<b>\$5,103</b>	<b>(\$7,095)</b>	<b>(\$24,363)</b>
CUMULATIVE NET CASH FLOW	\$16,128	\$32,884	\$50,225	\$68,107	\$86,481	\$183,880	\$284,771	\$379,589	\$456,192	\$499,342	\$490,090	\$405,052
DEFERRED DEVELOPER FEE BALANCE	\$231,133	\$214,377	\$197,035	\$179,154	\$160,780	\$63,380	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.15	1.16	1.16	1.17	1.17	1.19	1.19	1.17	1.12	1.05	0.93	0.77
EXPENSE/EGI RATIO	61.85%	62.41%	62.97%	63.54%	64.11%	67.07%	70.17%	73.43%	76.85%	80.44%	84.21%	88.17%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Amber Stone Apartments, Beeville, 9% HTC / HOME #11208**

<b>DEBT / GRANT SOURCES</b>														
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>								<b>AS UNDERWRITTEN DEBT/GRANT STRUCTURE</b>						
<b>DEBT (Must Pay)</b>	<b>Cumulative DCR</b>		<b>Pmt</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Principal</b>	<b>Principal</b>	<b>Term</b>	<b>Amort</b>	<b>Rate</b>	<b>Pmt</b>	<b>Cumulative</b>	
	<b>UW</b>	<b>App</b>											<b>DCR</b>	<b>LTC</b>
Regions Bank	1.42	1.52	\$86,773	7.25%	30	15	\$1,060,000	\$961,055	15	30	7.25%	\$78,673	1.57	12.8%
TDHCA HOME	1.07	1.15	\$28,333	0.00%	30	15	\$850,000	\$850,000	15	30	0.00%	\$28,333	1.15	11.3%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$115,106				\$1,910,000	\$1,811,055				\$107,006		24.1%
<b>NET CASH FLOW</b>			\$17,196									\$16,128		

<b>EQUITY SOURCES</b>												
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>						<b>AS UNDERWRITTEN EQUITY STRUCTURE</b>						
<b>EQUITY / DEFERRED FEES</b>	<b>DESCRIPTION</b>	<b>% Cost</b>	<b>Annual Credit</b>	<b>Credit Rate</b>	<b>Amount</b>	<b>Amount</b>	<b>Credit Rate</b>	<b>Annual Credit</b>	<b>% Cost</b>	<b>Per Unit Credit Developer Fee Summary</b>		
Regions Bank	LIHTC Equity	73.5%	\$689,273	0.80	\$5,513,630	\$5,460,913	0.80	\$682,682	72.8%	Annual Credit per Unit	\$101,128	
Deferred Developer Fee	Deferred Developer Fees	1.1%	(10% Deferred)		\$79,471	\$231,133	(30% Deferred)		3.1%	Total Developer Fee:	\$761,073	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$284,771	
<b>TOTAL EQUITY SOURCES</b>		74.5%			\$5,593,101	\$5,692,046			75.9%	15-Yr Cash Flow after Fee:	\$53,639	
<b>TOTAL CAPITALIZATION</b>					\$7,503,101	\$7,503,101						

<b>DEVELOPMENT COST / ITEMIZED BASIS</b>													
<b>APPLICANT COST / BASIS ITEMS</b>						<b>TDHCA COST / BASIS ITEMS</b>						<b>COST VARIANCE</b>	
	<b>Eligible Basis</b>		<b>Total Costs</b>			<b>Total Costs</b>			<b>Eligible Basis</b>		<b>%</b>	<b>\$</b>	
	<b>Acquisition</b>	<b>New Const. Rehab</b>							<b>New Const. Rehab</b>	<b>Acquisition</b>			
Land Acquisition			\$14,306 / Unit	\$772,500	\$772,500	\$14,306 / Unit					0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0		0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0			0.0%	\$0	
Sitework		\$385,331	\$8,043 / Unit	\$434,331	\$434,331	\$8,043 / Unit		\$385,331			0.0%	\$0	
Direct Construction		\$3,095,105	\$54.12 SF	\$57,317/Unit	\$3,095,105	\$3,118,169	\$57,744/Unit	\$54.52 SF	\$3,118,169		0.7%	\$23,064	
Contingency		\$218,080		6.18%	\$218,080	\$218,080		6.14%	\$218,080		0.0%	\$0	
Contractor's Fees		\$494,122		13.19%	\$494,122	\$494,122		13.10%	\$494,122		0.0%	\$0	
Indirect Construction		\$679,461		\$12,583 / Unit	\$679,461	\$679,461		\$12,583 / Unit	\$679,461		0.0%	\$0	
Ineligible Costs				\$13,340 / Unit	\$720,341	\$720,341		\$13,340 / Unit			0.0%	\$0	
Developer's Fees	\$0	\$768,400		15.00%	\$768,400	\$778,184		14.93%	\$764,533	\$0	1.3%	\$9,784	
Interim Financing		\$201,721		\$3,796 / Unit	\$201,721	\$201,721		\$3,796 / Unit	\$201,721		0.0%	\$0	
Reserves				\$2,204 / Unit	\$119,040	\$119,040		\$2,204 / Unit			0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,842,220</b>		<b>\$138,946 / Unit</b>	<b>\$7,503,101</b>	<b>\$7,535,949</b>		<b>\$139,595 / Unit</b>	<b>\$5,861,417</b>	<b>\$0</b>	<b>0.4%</b>	<b>\$32,848</b>	
Acquisition Cost for Identity of Interest Seller					\$0								
Developer's Fee	\$0	(\$7,327)											
Contractor's Fee		\$0											
Contingency		\$0											
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$5,834,893</b>		<b>\$138,946 / Unit</b>	<b>\$7,503,101</b>	<b>\$7,535,949</b>		<b>\$139,595 / Unit</b>	<b>\$5,861,417</b>	<b>\$0</b>			
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$7,503,101</b>								

**CAPITALIZATION/DEVELOPMENT COST BUDGET/TIMIZED BASIS ITEMS**

**Amber Stone Apartments, Beeville, 9% HTC / HOME #11208**

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$5,834,893	\$0	\$5,861,417
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$5,834,893	\$0	\$5,861,417
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$7,585,361	\$0	\$7,619,842
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$7,585,361	\$0	\$7,619,842
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$682,682	\$0	\$685,786
<b>CREDITS ON QUALIFIED BASIS</b>	\$682,682		\$685,786	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost	Multiple Residence Basis		\$53.94	3,085,069
Adjustments				
Exterior Wall Finish	4.80%		2.59	\$148,083
	0.00%		0.00	0
9-Ft. Ceilings	3.90%		1.94	111,062
Roofing			0.00	0
Subfloor			(0.70)	(40,033)
Floor Cover			2.21	126,504
Breezeways	\$22.48	10,828	4.26	243,405
Balconies	\$22.48	5,005	1.97	112,511
Plumbing Fixtures	\$845	138	2.04	116,610
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	54	1.75	99,900
Exterior Stairs	\$1,900	6	0.20	11,400
Enclosed Corridors	\$41.07	0	0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$10.21	4,000	0.71	40,840
Heating/Cooling			1.85	105,802
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.79	2,870	3.75	214,637
Other: fire sprinkler	\$2.25	57,190	2.25	128,678
<b>SUBTOTAL</b>			78.76	4,504,467
Current Cost Multiplier	1.03		2.36	135,134
Local Multiplier	0.83		-13.39	(765,759)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			67.74	\$3,873,842
Plans, specs, survey, bldg permits	3.90%		-2.64	(\$151,080)
Interim Construction Interest	3.38%		-2.29	(130,742)
Contractor's OH & Profit	11.50%		-7.79	(445,492)
<b>NET DIRECT CONSTRUCTION COSTS</b>			55.02	\$3,146,528

**ANNUAL CREDIT CALCULATION  
BASED ON APPLICANT BASIS**

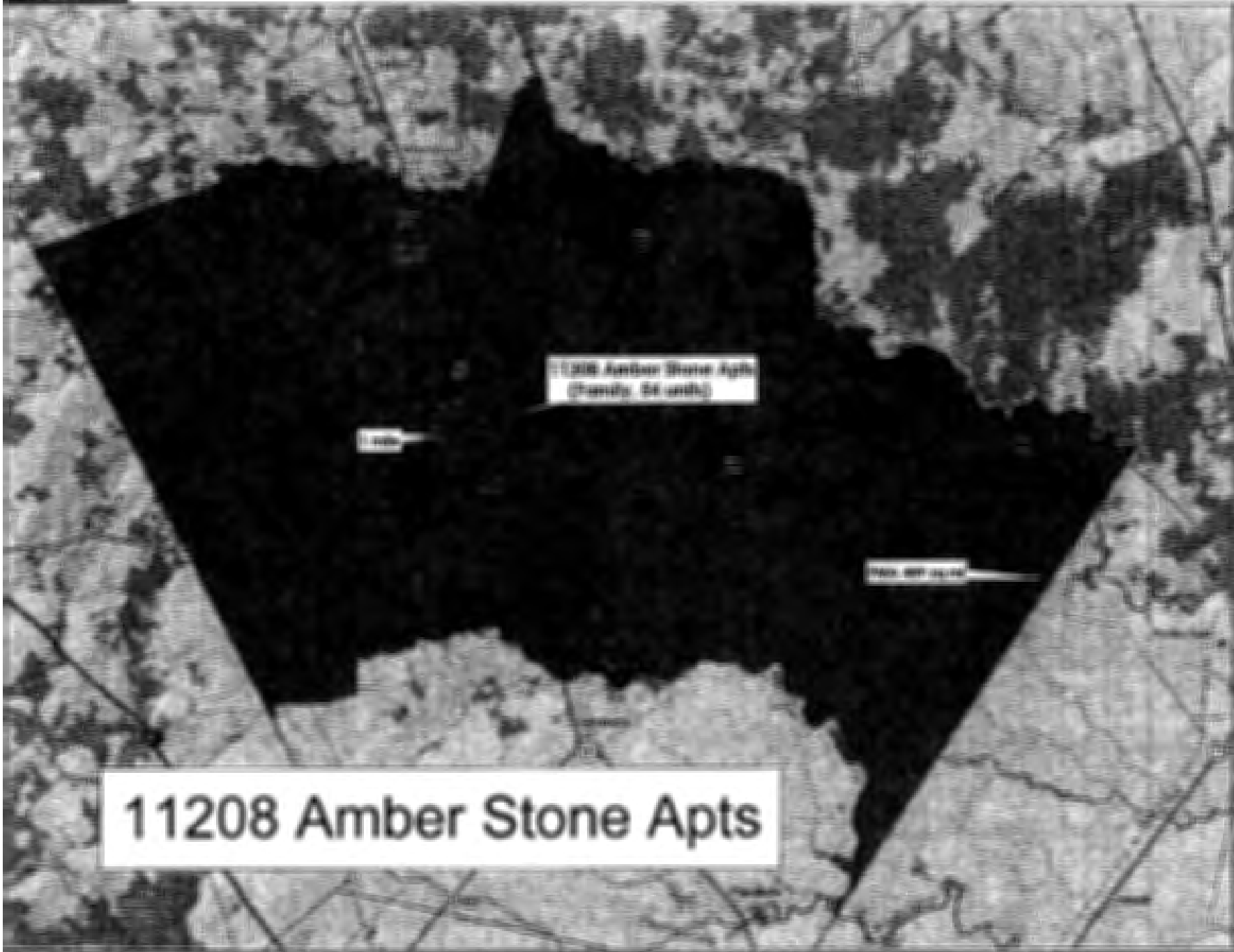
Method	Annual Credits	Proceeds
Eligible Basis	\$682,682	\$5,460,913
Gap	\$711,577	\$5,692,046
Request	\$689,273	\$5,513,630

**FINAL ANNUAL LIHTC  
ALLOCATION**

Method	Eligible Basis
Credits	\$682,682
Underwritten Proceeds	\$5,460,913

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$65.53	\$69,398	\$3,747,516	\$3,770,580	\$69,828	\$65.93
Applicant's Cost/SF Point Election	\$85.00					
<b>Hard Costs plus Contractor Fees</b>	\$74.17	\$78,549	\$4,241,638	\$4,264,702	\$78,976	\$74.57



**11208 Amber Stone Apts**

11208 Amber Stone Apts  
(Tranby, St Louis)

11208 Amber Stone Apts

11208 Amber Stone Apts

11214

Cobblestone Village

Urban, Region 8



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Cobblestone Village, TDHCA Number 11214**

**BASIC DEVELOPMENT INFORMATION**

Site Address: Highpoint Dr. near Braircrest Dr. Development #: 11214  
 City: Bryan Region: 8 Population Served: Elderly  
 County: Brazos Zip Code: 77802 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Cobblestone Village, Ltd.  
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878  
 Developer: Commonwealth Development, Inc.  
 Housing General Contractor: Brazos Valley Construction, Inc.  
 Architect: Myriad Designs, Ltd.  
 Market Analyst: Allen & Associates Consulting  
 Syndicator: WNC & Associates, Inc.  
 Supportive Services: Cambridge Interests, Inc.  
 Consultant and Contact: Emanuel H. Glockzin, Jr.,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	68
	8	0	24	36	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	32	36	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	68
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	17
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	32

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$870,480	\$870,480			
HOME Activity Fund Amount:	\$500,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Cobblestone Village, TDHCA Number 11214

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Ogden, District 5, S

US Representative: Flores, District 17,

TX Representative: Brown, District 14, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Affordable Caring Housing, S, Wade Bienski, Chief Program Administrator

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Cobblestone Village, TDHCA Number 11214**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **192**  Meeting a Required Set-Aside Credit Amount\*: \$870,480

**Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

**Recommendation:**

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



11216

The Sierra on Pioneer Road  
Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Sierra on Pioneer Road, TDHCA Number 11216**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SEC of Pioneer Rd. and Sierra Dr. Development #: 11216  
 City: Mesquite Region: 3 Population Served: Elderly  
 County: Dallas Zip Code: 75149 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Sierra on Pioneer Road, LLC  
 Owner Contact and Phone: Janine Sisak, (512) 328-3232  
 Developer: Janine Sisak  
 Housing General Contractor: Carleton Construction, Ltd.  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: DMA Property Advisors, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	84
	8	0	28	44	Market Rate Units:	8
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	73	18	0	0	0

Type of Building:

Duplex  5 units or more per building  
 Triplex  Detached Residence  
 Fourplex  Single Room Occupancy  
 Townhome  Transitional

Total Development Units:	92
Total Development Cost*:	\$0
Number of Residential Buildings:	8
HOME High Total Units:	2
HOME Low Total Units:	6

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$900,000	\$900,000			
HOME Activity Fund Amount:	\$800,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Sierra on Pioneer Road, TDHCA Number 11216

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Deuell, District 2, S

US Representative: Hensarling, District 5,

TX Representative: Burkett, District 101, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Rutherford Neighborhood Watch Committee, Debbie Morgan

Letter Score: 24 S or O: S

There is a need for senior housing in the Mesquite community.

**Community Input Other than Quantifiable Community Participation Input:**

Visiting Nurse Association, S, Robert P. Carpenter, President and Chief Executive Officer

Mesquite Host Lions Club, S, James B. Blunck, Jr., President

Mesquite Chamber of Commerce, S, Terry McCullar, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Sierra on Pioneer Road, TDHCA Number 11216

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 208  Meeting a Required Set-Aside Credit Amount\*: \$900,000

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11217

The Overlook at Plum Creek  
Urban, Region 7



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**The Overlook at Plum Creek, TDHCA Number 11217**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4000 block of Cromwell Dr. Development #: 11217  
 City: Kyle Region: 7 Population Served: Elderly  
 County: Hays Zip Code: 78640 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Overlook at Plum Creek, LLC  
 Owner Contact and Phone: Diana McIver, (512) 328-3232  
 Developer: DMA Development Company, LLC  
 Housing General Contractor: Carleton Construction, Ltd.  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Boston Capital Corporation  
 Supportive Services: DMA Property Advisors, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	14
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	70	24	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	94
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$11,247,797
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	1
		HOME Low Total Units:	6

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$962,308	\$962,282			
HOME Activity Fund Amount:	\$800,000	\$800,000	30	18	4.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Overlook at Plum Creek, TDHCA Number 11217

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Wentworth, District 25, S

US Representative: Doggett, District 25,

TX Representative: Isaac, District 45, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Plum Creek Home Owners Association, Dennis Perkins

Letter Score: 24 S or O: S

About 30% of residents are 50+ years old and think that this would be ideal for our neighborhood.

**Community Input Other than Quantifiable Community Participation Input:**

Kyle Area Chamber of Commerce & Visitors Bureau, S, Ray Hernandez, Executive Director

Combined Community Action, Inc., S, Rhoda M. Gersch, Executive Director

Kyle Lions Club, S, Thomas J. Barry, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance by Carryover:  
ALTA survey clearly delineating any flood zone area on the subject site and possible additional evaluation or conditions if improvements are in floodplain; and acceptable site inspection report by TDHCA or TDRA staff.
2. Should any terms of the proposed capital structure change, the deal must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Overlook at Plum Creek, TDHCA Number 11217**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **30**
- Total # Monitored: **24**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **210**    Meeting a Required Set-Aside   Credit Amount\*:   **\$962,282**

**Recommendation:**   **Has a competitive score within its allocation type and region**

HOME Activity Funds:   Loan Amount:   **\$800,000**

HOME CHDO Operating Expense Grant:   Grant Amount:   **\$0**

**Recommendation:**

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11217 Program(s): 9% HTC / HOME

**The Overlook at Plum Creek**

Address/Location: 4000 block of Cromwell Drive

City: Kyle County: Hays Zip: 78640

Population: Senior Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: 3 Story Garden / Townhome Region: 7

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$800,000	AFR	30	30	\$800,000	4.00%	30	18	2
LIHTC (Annual)	\$962,308				\$962,282				

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS**

- 1 Receipt and acceptance by Carryover:
  - ALTA survey clearly delineating any flood zone area on the subject site and possible additional evaluation or conditions if improvements are in floodplain; and
  - acceptable site inspection report by TDHCA or TDRA staff.
- 2 Should any terms of the proposed capital structure change, the deal must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
40% of AMI	40% of AMI	0
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	44

TDHCA SET-ASIDES for TDHCA HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	8
50% of AMFI	Low HOME	10
60% of AMFI	High HOME	1

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Part of large master planned community with neighborhood amenities
▫	Shares boundary with golf course
▫	57% expense ratio indicative of ability to weather fluctuation in market conditions or periods of flat rents
▫	Developer has considerable experience with tax credit properties
▫	Use of known building designs increases confidence in construction cost estimates
▫	The proposed development would be feasible without the requested HOME funds

WEAKNESSES/RISKS	
▫	Two new comparable and competitive developments (2008 and 2009 allocations) within 5 miles of the subject site
▫	Relies on SMA to support market assumptions and feasibility
▫	Achievable rents for 60% units are below program limits

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

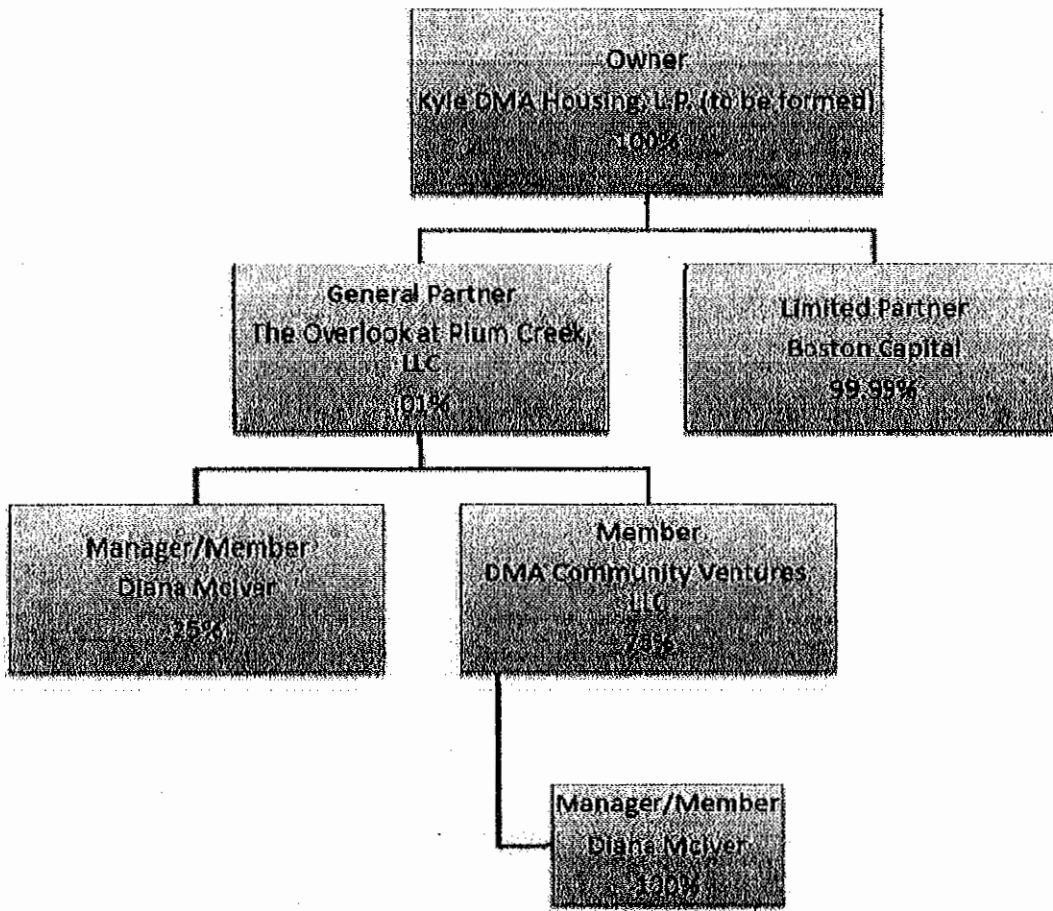
Name: Diana McIver Relationship: Developer  
 Email: dianam@dmacompanies.com Phone: (512) 328-3232 Fax: (512) 328-4584

Name: Teresa Bowyer Relationship: Developer  
 Email: teresab@dmacompanies.com Phone: (512) 328-3232 Fax: (512) 328-4584

Related-Party Seller/Identity of Interest:       No      

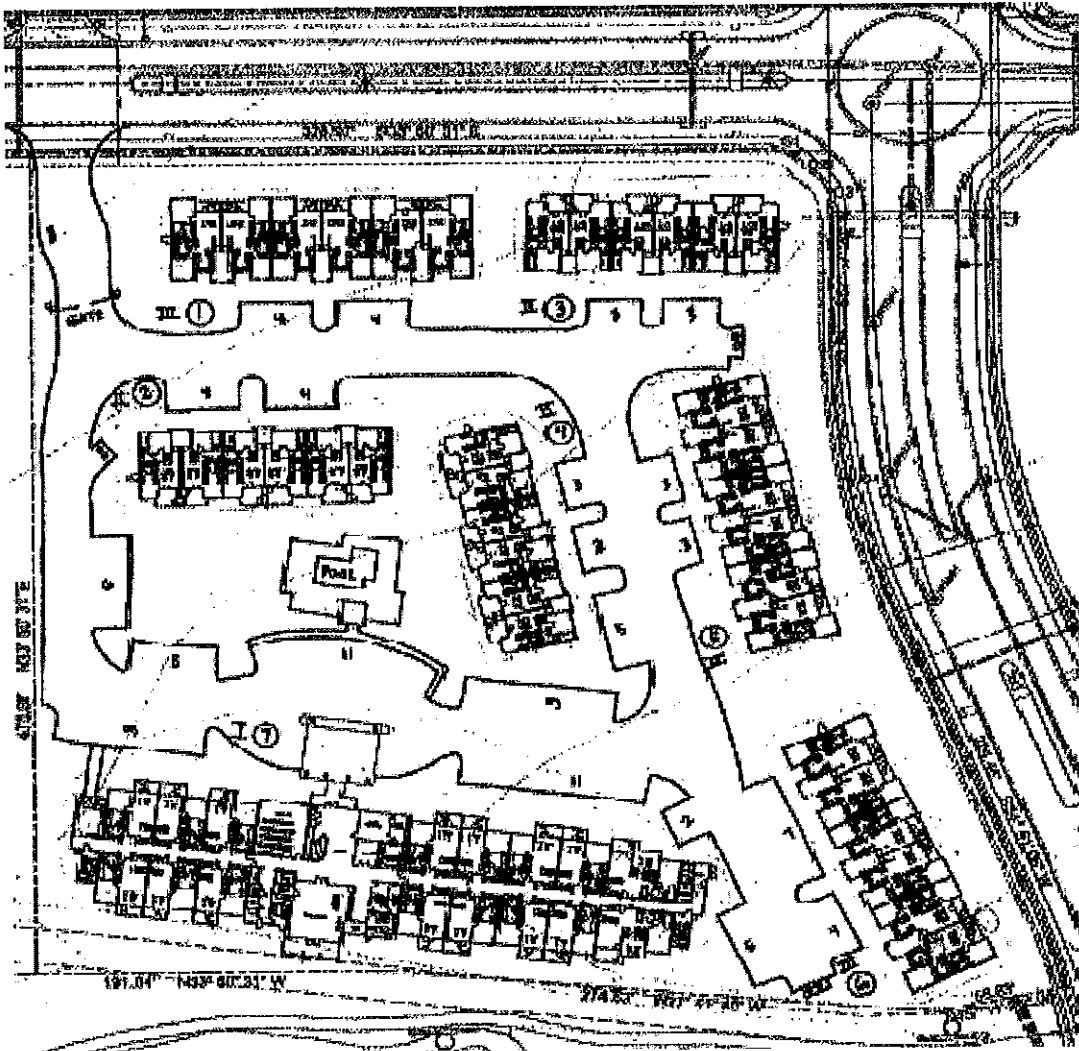
- The Applicant, Developer, property manager, and supportive services provider are related entities.

OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



### BUILDING CONFIGURATION

Building Type	I	II	III		Total Buildings	
Floors/Stories	3	1	1			7
Number of Bldgs	1	3	3			
Units per Bldg	58	6	6			
<b>Total Units</b>	<b>58</b>	<b>18</b>	<b>18</b>		<b>94</b>	

### GENERAL INFORMATION

Total Size:	5	acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	X		Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	PUD		Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
Density:	18.8	units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
			Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

The property to the east of the site is occupied by an apartment complex, to the west by a golf course and vacant land to the south and north.

Plum Creek is a 2,200 acre, mixed-use, master-planned community located 20 minutes south of downtown Austin with plans for the development of 8,700 dwelling units which include a mix of single family homes, live-work, and multi-family housing, priced from the \$130's to the \$300's. 1,500 single family homes are currently complete with new homes under construction.

The Applicant indicated that they have been "working closely with the Plum Creek master developer who has already provided topographical site information prepared by its civil engineer. It is our intention to engage the same engineer."

**Other Observations:**

The ESA reports that "The subject area is shown to be in close proximity to the flood zone of Plum Creek. Verification of the flood zone status of the site should be performed as part of a site survey".

An Alta Survey is not required to be part of the application. The Applicant has indicated that if any portion of the site is found to be in the 100-year floodplain, the development will be constructed as required by the QAP. This report has been conditioned on an ALTA survey being completed by Carryover.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Property Assessment Consultants, Inc Date: 1/26/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 2/28/2011

Contact: Bob Coe Phone: 281-387-7552

Number of Revisions: 1 Date of Last Applicant Revision: 5/11/2011

Primary Market Area (PMA): 596 sq. miles 14 mile equivalent radius

The Primary Market Area is defined 7 census tracts including most of Hays County except for San Marcos.

Secondary Market Area (SMA): 84.8 sq. miles 5 mile equivalent radius

The Secondary Market Area is defined by 7 census tracts in the San Marcos area in southern Hays County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Hays County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,960	\$15,510	---	---	\$9,960	\$25,850	\$16,608	\$31,020
2	\$9,960	\$17,730	---	---	\$9,960	\$29,550	\$16,608	\$35,460
3	---	---	---	---	\$19,944	\$33,250	\$23,928	\$39,900
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09008	The Huntington	New	Senior	116	120
08253	Creekside Villas	New	Senior	140	144
Other Affordable Developments in PMA since 2007					
11250	Cypress Creek at Four Seasons	New	Family	n/a	160
07234	Tuscany Park at Buda	New	Family	n/a	176
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		3	Total Units		336

Proposed, Under Construction, and Unstabilized Comparable Supply:

08253 Creekside Villas Senior and 08134 The Huntington are two developments under construction located to the northeast of the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst	Underwriter		
		PMA	Extended Market	
Total Households in the Primary Market Area	35,870		35,870	16,454
Senior Households in the Primary Market Area	11,464		11,432	3,774
Potential Demand from the Primary Market Area	2,943		3,348	3,348
Additional Demand from Secondary Market Area	971		0	1,116
<b>GROSS DEMAND</b>	3,914		3,348	4,464
Subject Affordable Units	80		80	80
Unstabilized Comparable Units	256		256	256
<b>RELEVANT SUPPLY</b>	336		336	336
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>8.6%</b>		<b>10.04%</b>	<b>7.5%</b>

Demand Analysis:

The 2011 Real Estate Analysis Rules state that "the Market Analyst should use demographic data specific to the elderly population for an elderly Development, if available, and should avoid making adjustments from more general demographic data." The Market Study did not address this issue. In the Market Study, the senior household population is estimated indirectly as the proportion of seniors to adults, and the senior household growth rate is determined based on a general national trend by doubling the overall household growth rate for the PMA. The underwriting analysis has relied on available demographic data specific to the senior households in the PMA.

The Market Analyst identifies Gross Demand for 3,914 units from an estimated total of 11,464 senior households in the PMA, and additional demand for 971 units from the Secondary Market Area, resulting in a Gross Capture Rate of 8.6% for the Relevant Supply of 336 units.

The Underwriter identifies Gross Demand for 4,464 units from a total of 15,206 senior households in the PMA and extended market. The Underwriter calculates a Gross Capture Rate of 7.5% for a total Relevant Supply of 336 units.

The maximum Gross Capture Rate for urban developments targeting senior households is 10%. The calculated Gross Capture rate for the Primary Market Area exceeds the limit, but the analysis indicates sufficient demand to support the proposed development taking into account the demand from the Secondary Market.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	506	8	10	4%	389	8	10	5%
1 BR/50%	255	22	48	27%	716	22	48	10%
1 BR/60%	966	34	72	11%	352	34	72	30%
2 BR/50%	249	6	44	20%	510	6	44	10%
2 BR/60%	965	10	82	10%	328	10	82	28%

**Primary Market Occupancy Rates:**

"According to the December 2010 Apartment MarketData's Austin Report, there were 37,401 operating apartment units in this submarket area. The overall occupancy rate for all operating apartment projects in this submarket area was 94.20%" (p 22)

**Absorption Projections:**

"The most recent Seniors HTC projects which have come on-line in the South Austin area was The Huntington, which is actually still under construction... It has been leasing for about 6 weeks, and is currently 6% occupied and 22% pre-leased, which equated to pre-leasing of approximately 26 units per month. Vantage at Plum Creek, a market-rate Family property ... was completed in July 2010, and attained stabilized occupancy in November 2010, which equates to an average absorption of approximately 48 units per month from completion. ... I project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy ... within 5 to 10 months following completion." (p 13)

**Market Impact:**

"Based on the high occupancy levels of the existing properties in the market, and the lack of good quality affordable housing, along with the recent strong absorption history, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration." (p 13)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$318,947	Avg. Rent:	\$684	Expense Ratio:	55.94%
Debt Service:	\$262,197	B/E Rent:	\$642	Controllable Expenses:	\$2,494
Net Cash Flow:	\$56,750	Occupancy:	92.50%	Property Taxes/Unit:	\$690
Aggregate DCR:	1.22:1	B/E Occupancy:	85.25%	Program Rent Year:	2010

Income:      Number of Revisions:          3          Date of Last Applicant Revision:          5/18/2011    

The Applicant's proposed rents for 30% and 50% units are equal to the maximum program rents adjusted for utility allowances provided by the Kyle Housing Authority. The proposed rents for 60% units are between \$47 and \$90 lower than the maximum program rents.

The market study indicates market rents that are higher than the 60% program rents, but the Market Analyst provided data indicating that other HTC properties in the area are not achieving the 60% program rents. The Underwriter was able to verify the data, by evaluating recently submitted rent rolls for 6 HTC deals in the area including two Buda deals that are in lease up. The Underwriter's estimates for the 60% units were derived based on actual rents being achieved at these properties.

The Applicant's proposed rents for the 14 market rate units are higher than the proposed 60% rents, but lower than the market rents indicated in the market study. This is unusual, but the Department's rent roll information supports higher rents than those being achieved for 60% units at the same property. The Underwriter's estimates for the achievable rents for the market rate units are based on this data, which supports rents slightly higher than the 60% rent levels but lower than those of the Applicant.

The Applicant's proposed non-rental income and losses to vacancy and collection are consistent with underwriting guidelines. Overall, the Applicant's effective gross income is 1% higher than the underwriting estimate.

Expense: Number of Revisions: none Date of Last Applicant Revision: N / A

The Applicant's proposed annual operating expenses are equal to \$4,307 per unit. This is 2% lower than the underwriting estimate of \$4,414, based primarily on the TDHCA database of properties in Region 7. The most significant variances are for general & administrative (the Applicant's value is 17% lower than the underwriting estimate) and property insurance (the Applicant's value is 28% higher). The Underwriter reviewed data from other properties in the area, but the two most comparable deals located within 5 miles of the subject are still in lease up and do not have a full year of stabilized expenses. Additionally, while the Department has expense data for 3 other DMA senior deals, none are located in the Central Texas area.

**Conclusion:**

The Applicant's income, expenses, and net operating income are each within 5% of the underwriting estimates, so the Applicant's values have been used to determine debt capacity and feasibility. The Applicant's pro forma and the recommended financing structure provide first year debt coverage of 1.22, within the underwriting range of 1.15 to 1.35.

**Feasibility:**

The 30-year operating pro forma, based on 2% growth in income and 3% in expenses, indicates continued positive cash flow and a debt coverage ratio that remains above 1.15. The proposed development is therefore characterized as financially feasible per REA rules.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type:	<u>Contract of Sale</u>	Acreage:	<u>5</u>
Acquisition Cost:	<u>\$980,100</u>	Contract Expiration:	<u>10/15/2011</u>
Cost Per Unit:	<u>\$10,427</u>		
Seller:	<u>Plum Creek Development Partners, Ltd.</u>	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



## DEVELOPMENT COST EVALUATION

COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N / A

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Site work costs are just below the \$9,000 per unit threshold at which additional support becomes necessary. Some site due diligence was available to the Applicant, such as topographical survey, and soil conditions should be known due to other portions of the master planned community being under construction. Still, the exact location of the floodplain boundary is not known, which could have a significant impact on costs.

**Direct Construction Cost:**

The Applicant's proposed direct construction cost of \$5.2M is 4% higher than the underwriting estimate of \$5.0M.

The Applicant states that "The proposed building mix (single story cottages and a mid-rise building) is a typical DMA product. We have used the same architect and have used the same building types on several recent DMA deals, including Heritage Crossing (Santa Fe), The Village at Morningstar and Morningstar Villas (Texas City), and The Arbors at Rose Park (Abilene). This is a very successful business model for us from the standpoint of providing two distinct living options for our senior residents. We tweak a few things each time (in the case of The Overlook at Plum Creek to capture golf course views!) but overall these are our 'tried and true' unit plans and floor plans. We have 'vetted' our design with Kyle senior groups as well and received positive feedback."

**Conclusion:**

The Applicant's total development cost of \$11.2M is 2% higher than the underwriting estimate of \$11.0M, so the Applicant's cost is used to determine eligible basis and the need for permanent financing. An eligible basis of \$9,835,990 would support a tax credit allocation of \$962,282 at an equity price of \$0.80 per tax credit dollar. The recommended allocation will be the least of this amount, the amount determined by the gap in financing, and the amount requested by the Applicant.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 1 Last Update: 5/11/2011

Interim Sources	Amount	Rate	Term	LTC
JPMorgan Chase	\$6,600,000	6.25%	24 Months	59%
TDHCA HOME	\$800,000	0.00%	24 Months	7%
Capital Area Housing Finance Corporation	\$230,000	AFR	24 Months	2%
Boston Capital - Syndication Proceeds	\$3,079,078			27%
Deferred Developer Fee	\$522,719			5%
Plum Creek Dev Partners - grant	\$16,000			0%
<b>Total</b>	<b>\$11,247,797</b>			

Permanent Sources	Amount	Rate	Amort	Term	LTC
JPMorgan Chase	\$2,400,000	8.25%	30	18	21%
TDHCA HOME	\$800,000	4.00%	30	18	7%
Plum Creek Dev Partners - grant	\$16,000				
<b>Total</b>	<b>\$3,216,000</b>				

Comments:

The permanent mortgage from JP Morgan Chase will be sold to Impact CIL, LLC. The applicable interest rate for the permanent loan shall be locked at construction loan closing. Current indicative rate is 7.75% (the underwriting rate is 8.25% which equals the indicative rate plus 50 basis points).

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Boston Capital - Syndication Proceeds	\$7,697,485	\$0.80	68%	
Deferred Developer Fee	\$334,312		3%	26%
<b>Total</b>	<b>\$8,031,797</b>			
<b>Total Sources</b>	<b>\$11,247,797</b>			

### CONCLUSIONS

**Recommended Financing Structure:**

The Applicant's total development cost estimate less the permanent loan of \$2,400,000 and the \$800,000 HOME loan indicates the need for \$8,031,797 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,004,075 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$962,282
Allocation determined by gap in financing:	\$1,004,075
Allocation requested by the Applicant:	\$962,308

The allocation amount determined by eligible basis is recommended; \$962,282 per year for 10 years results in total equity proceeds of \$7,697,485 at a syndication rate of \$0.80 per tax credit dollar.

The Underwriter further recommends a HOME loan in the amount of \$800,000, amortized over 30 years at 4.00% interest, with a term of 15 years.

The Underwriter's recommended financing structure indicates the need for \$334,312 in additional permanent funds. The operating pro forma indicates deferred developer fees in this amount can be repaid from development cashflow within 6 years of stabilized operation.

In the event the requested HOME funds are not awarded, the Underwriter would recommend an increase in the primary mortgage to 2,619,407 to reduce the debt coverage to the maximum 1.35. This would result in the need for \$914,905 in additional permanent funds. This amount could be sourced from deferral of developer fee, and could be repaid within 10 years of stabilized operation.

Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

*The Overlook at Plum Creek, Kyle, #11217*

LOCATION DATA	
CITY:	Kyle
COUNTY:	Hays
PROGRAM REGION:	7
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	70	74.5%
2	24	25.5%
3		
4		
<b>TOTAL</b>	<b>94</b>	<b>100.0%</b>

Applicable Programs
LIHTC
HOME

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	83.62%
APP % - ACQUISITION:	0.00%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS							
Type	Gross Rent	HOME Unit Designation (Rent/Inc)	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market					
TC30%	\$415	30%/30%	\$416	8	1	1	739	\$415	\$66	\$350	(\$1)	\$0.47	\$349	\$2,792	\$2,796	\$350	\$0.47	\$0	\$690	0.93	\$341					
TC50%	\$692	LH/50%	\$692	9	1	1	739	\$692	\$66	\$627	(\$1)	\$0.85	\$626	\$5,634	\$5,639	\$627	\$0.85	\$0	\$690	0.93	\$64					
TC50%	\$692	0		13	1	1	739	\$692	\$66	\$627	(\$1)	\$0.85	\$626	\$8,138	\$8,145	\$627	\$0.85	\$0	\$690	0.93	\$64					
TC60%	\$831	0		22	1	1	739	\$831	\$66	\$766	(\$78)	\$0.93	\$688	\$15,136	\$15,186	\$690	\$0.93	(\$75)	\$690	0.93	\$0					
TC60%	\$831	0		12	1	1	742	\$831	\$66	\$766	(\$78)	\$0.93	\$688	\$8,256	\$8,283	\$690	\$0.93	(\$75)	\$690	0.93	\$0					
MR	0			6	1	1	742	\$0	\$66		NA	\$1.02	\$755	\$4,530	\$4,242	\$707	\$0.95	NA	\$707	0.95	\$0					
TC50%	\$831	0		5	2	1	945	\$831	\$82	\$749	\$0	\$0.79	\$749	\$3,745	\$3,745	\$749	\$0.79	\$0	\$765	0.81	\$16					
TC50%	\$831	LH/50%	\$831	1	2	1	945	\$831	\$82	\$749	\$0	\$0.79	\$749	\$749	\$749	\$749	\$0.79	\$0	\$765	0.81	\$16					
TC60%	\$997	0		9	2	2	982	\$997	\$82	\$915	(\$90)	\$0.84	\$825	\$7,425	\$7,344	\$816	\$0.83	(\$99)	\$816	0.83	\$0					
TC60%	\$997	HH/60%	\$954	1	2	2	982	\$954	\$82	\$872	(\$47)	\$0.84	\$825	\$825	\$816	\$816	\$0.83	(\$55)	\$816	0.83	\$0					
MR	0			8	2	2	982	\$0	\$82		NA	\$0.90	\$880	\$7,040	\$6,896	\$862	\$0.88	NA	\$862	0.88	\$0					
TC 00%	0			0	0	0	0	\$0	\$0	\$0		#DIV/0!	\$0	\$0						#DIV/0!	#DIV/0!					
<b>TOTALS/AVERAGES:</b>				94			75,130				(\$37)	\$0.86	\$684	\$64,270	\$63,840	\$679	\$0.85	(\$37)	\$724	\$0.91	\$45					
<b>ANNUAL POTENTIAL GROSS RENT:</b>														\$771,240	\$766,074											

**STABILIZED PROFORMA**

**The Overlook at Plum Creek, Kyle, 9% HTC / HOME #11217**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA			VARIANCE		
	Database		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.85	\$684	\$771,240	\$766,074	\$679	\$0.85		-0.7%	(\$5,166)
Laundry					\$10.00	\$11,280					0.0%	(11,280)
Underwriter's Total Secondary Income						\$11,280		\$10.00			100.0%	11,280
<b>POTENTIAL GROSS INCOME</b>						\$782,520	\$777,354				-0.7%	(\$5,166)
Vacancy & Collection Loss					7.5% PGI	(58,689)	(58,302)	7.5% PGI			-0.7%	387
Non-Rental Units/Concessions						-					0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$723,831	\$719,052				-0.7%	(\$4,779)
General & Administrative	\$32,752	\$348/Unit	3.74%	\$0.36	\$288	\$27,100	\$32,752	\$348	\$0.44	4.55%	-17.3%	(5,652)
Management	\$38,303	4.7% EGI	4.92%	\$0.47	\$379	\$35,594	\$35,953	\$382	\$0.48	5.00%	-1.0%	(358)
Payroll & Payroll Tax	\$100,049	\$1,064/Unit	13.86%	\$1.34	\$1,067	\$100,300	\$100,049	\$1,064	\$1.33	13.91%	0.3%	251
Repairs & Maintenance	\$47,887	\$509/Unit	6.08%	\$0.59	\$468	\$44,000	\$47,887	\$509	\$0.64	6.66%	-8.1%	(3,887)
Utilities	\$26,623	\$283/Unit	3.04%	\$0.29	\$234	\$22,000	\$19,659	\$209	\$0.26	2.73%	11.9%	2,341
Water, Sewer, & Trash	\$71,893	\$765/Unit	5.66%	\$0.55	\$436	\$41,000	\$40,261	\$428	\$0.54	5.60%	1.8%	739
Property Insurance	\$22,314	\$0.30 SF	3.94%	\$0.38	\$304	\$28,550	\$22,314	\$237	\$0.30	3.10%	27.9%	6,236
Property Tax 2.4802	\$60,669	\$645/Unit	8.96%	\$0.85	\$690	\$64,870	\$74,604	\$794	\$0.99	10.38%	-13.0%	(9,734)
Reserve for Replacements	\$37,821	\$402/Unit	3.25%	\$0.31	\$250	\$23,500	\$23,500	\$250	\$0.31	3.27%	0.0%	-
TDHCA Compliance Fees			0.44%	\$0.04	\$34	\$3,200	\$3,200	\$34	\$0.04	0.45%	0.0%	-
Cable TV			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			0.34%	\$0.03	\$26	\$2,480	\$2,480	\$26	\$0.03	0.34%	0.0%	-
Security			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
HOA Fees			1.70%	\$0.16	\$131	\$12,290	\$12,290	\$131	\$0.16	1.71%	0.0%	-
<b>TOTAL EXPENSES</b>			55.94%	\$5.39	\$4,307	\$ 404,884	\$ 414,950	\$4,414	\$5.52	57.71%	-2.4%	\$ (10,065)
<b>NET OPERATING INCOME ("NOI")</b>			44.06%	\$4.25	\$3,393	\$318,947	\$304,103	\$3,235	\$4.05	42.29%	4.9%	\$14,844
<b>CONTROLLABLE EXPENSES</b>	\$2,970/Unit				\$2,494/Unit			\$2,560/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$723,831	\$738,308	\$753,074	\$768,135	\$783,498	\$865,045	\$955,080	\$1,054,485	\$1,164,237	\$1,285,411	\$1,419,198	\$1,566,909
LESS: TOTAL EXPENSES	404,884	416,675	428,812	441,306	454,168	524,378	605,550	699,406	807,942	933,466	1,078,654	1,246,604
<b>NET OPERATING INCOME</b>	\$318,947	\$321,633	\$324,262	\$326,829	\$329,330	\$340,667	\$349,529	\$355,079	\$356,295	\$351,945	\$340,544	\$320,305
LESS: DEBT SERVICE	262,197	262,197	262,197	262,197	262,197	262,197	262,197	262,197	262,197	262,197	262,197	262,197
<b>NET CASH FLOW</b>	\$56,750	\$59,436	\$62,065	\$64,632	\$67,134	\$78,470	\$87,333	\$92,882	\$94,098	\$89,749	\$78,347	\$58,109
<b>CUMULATIVE NET CASH FLOW</b>	\$56,750	\$116,186	\$178,251	\$242,884	\$310,017	\$680,537	\$1,100,621	\$1,555,447	\$2,025,469	\$2,485,415	\$2,903,108	\$3,238,063
DEFERRED DEVELOPER FEE BALANCE	\$334,312	\$274,876	\$212,811	\$148,178	\$81,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.22	1.23	1.24	1.25	1.26	1.30	1.33	1.35	1.36	1.34	1.30	1.22
EXPENSE/EGI RATIO	55.94%	56.44%	56.94%	57.45%	57.97%	60.62%	63.40%	66.33%	69.40%	72.62%	76.00%	79.56%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*The Overlook at Plum Creek, Kyle, 9% HTC / HOME #11217*

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	LW	App											DCR	LTC
JPMorgan Chase	1.41	1.47	\$216,365	8.25%	30	18	\$2,400,000	\$2,400,000	18	30	8.25%	\$216,365	1.47	21.3%
TDHCA	1.16	1.21	\$46,666	4.15%	30	30	\$800,000	\$800,000	18	30	4.00%	\$45,832	1.22	7.1%
<b>CASH FLOW DEBT / GRANTS</b>														
Plum Creek Development Partners	1.16	1.21		0.00%	0	0	\$16,000	\$16,000	0	0	0.00%		1.22	0.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$263,031				\$3,216,000	\$3,216,000				\$262,197		28.6%
<b>NET CASH FLOW</b>			\$55,916									\$41,906		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit:	Total Developer Fee:
Boston Capital	LIHTC Equity	68.4%	\$962,308	\$0.7999	\$7,697,694	\$7,697,485	\$0.7999	\$962,282	68.4%	Annual Credit per Unit:	\$81,888
DMA Development Company, LLC	Deferred Developer Fees	3.0%	(26% Deferred)		\$334,103	\$334,312	(27% Deferred)		3.0%	Total Developer Fee:	\$1,282,000
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,100,621
<b>TOTAL EQUITY SOURCES</b>		71.4%			\$8,031,797	\$8,031,797			71.4%	15-Yr Cash Flow after Fee:	766,309
<b>TOTAL CAPITALIZATION</b>						\$11,247,797	\$11,247,797				

DEVELOPMENT COST / ITEMIZED BASIS											
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs		Total Costs	Eligible Basis			%	\$	
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition				
Land Acquisition			\$10,480 / Unit	\$985,100	\$985,100	\$10,480 / Unit			0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0	0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0	
Sitework		\$845,000	\$8,989 / Unit	\$845,000	\$845,000	\$8,989 / Unit	\$845,000		0.0%	\$0	
Direct Construction		\$5,222,000	\$69.51 / sf	\$55,553/Unit	\$5,222,000	\$5,033,784	\$53,551/Unit	\$67.00 / sf	\$5,033,784	-3.7%	(\$188,216)
Contingency		\$364,000		6.00%	\$364,000	\$364,000	6.19%	\$364,000		0.0%	\$0
Contractor's Fees		\$846,000		13.16%	\$846,000	\$846,000	13.55%	\$846,000		0.0%	\$0
Indirect Construction		\$666,490		\$7,090 / Unit	\$666,490	\$666,490	\$7,090 / Unit		0.0%	\$0	
Ineligible Costs				\$2,297 / Unit	\$215,935	\$215,935	\$2,297 / Unit		0.0%	\$0	
Developer's Fees	\$0	\$1,282,000		14.99%	\$1,282,000	\$1,254,866	15.00%	\$1,254,866	\$0	-2.2%	(\$27,134)
Interim Financing		\$610,500		\$6,495 / Unit	\$610,500	\$610,500	\$6,495 / Unit	\$610,500		0.0%	\$0
Reserves				\$2,242 / Unit	\$210,772	\$210,772	\$2,242 / Unit		0.0%	\$0	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$9,835,990		\$119,657 / Unit	\$11,247,797	\$11,032,447	\$117,366 / Unit	\$9,620,640	\$0	-2.0%	(\$215,350)
Acquisition Cost for Identity of Interest Seller					\$0						
Developer's Fee	\$0	\$0									
Contractor's Fee		\$0									
Contingency		\$0									
<b>ADJUSTED BASIS / COST</b>	\$0	\$9,835,990		\$119,657 / Unit	\$11,247,797	\$11,032,447	\$117,366 / Unit	\$9,620,640	\$0		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						\$11,247,797					

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*The Overlook at Plum Creek, Kyle, 9% HTC / HOME #11217*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$9,835,990	\$0	\$9,620,640
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$9,835,990</b>	<b>\$0</b>	<b>\$9,620,640</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$12,786,787</b>	<b>\$0</b>	<b>\$12,506,832</b>
Applicable Fraction	83.62%	83.6177%	83.62%	83.62%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$10,692,021</b>	<b>\$0</b>	<b>\$10,457,929</b>
Applicable Percentage	0.00%	9.00%	0.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$962,282</b>	<b>\$0</b>	<b>\$941,214</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$962,282</b>		<b>\$941,214</b>	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$962,282	\$7,697,485
Gap	\$1,004,075	\$8,031,797
Request	\$962,308	\$7,697,594

FINAL ANNUAL LITFC ALLOCATION	
Method	Eligible Basis
Credits	\$962,282
Underwritten Proceeds	\$7,697,485

TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$85.60	\$68,415	\$6,431,000	\$6,242,784	\$66,413	\$83.09
Hard Costs plus Contractor Fees	\$96.86	\$77,415	\$7,277,000	\$7,088,784	\$75,413	\$94.35

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Combined Multifamily & Townhome		\$60.29	\$4,529,740
Adjustments				
Exterior Wall Finish	1.60%		0.96	\$72,476
Elderly	3.00%		1.81	135,892
9-Ft. Ceilings	3.20%		1.93	144,952
Roofing			0.00	0
Subfloor			(0.87)	(65,216)
Floor Cover			2.74	205,579
Breezeways			0.00	0
Balconies			4.11	309,041
Plumbing Fixtures			0.73	54,810
Rough-ins			1.07	80,760
Built-In Appliances			2.64	198,200
Exterior Stairs			0.15	11,400
Enclosed Corridors			7.23	543,030
Heating/Cooling			1.85	139,301
Carports			0.00	0
Garages			0.00	0
Comm &/or Aux Bldgs	\$67.79	6,699	6.04	454,118
Other:			0.00	0
Other: elevator	\$59,300	1	0.79	59,300
Other: fire sprinkler	\$2.25	75,130	2.25	169,043
<b>SUBTOTAL</b>			<b>93.74</b>	<b>7,042,424</b>
Current Cost Multiplier	1.03		2.81	211,273
Local Multiplier	0.85		-14.06	(1,056,354)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>82.49</b>	<b>\$6,197,333</b>
Plans, specs, survey, permits	3.90%		-3.22	(\$241,596)
Interim Construction Interest	3.38%		-2.78	(209,160)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>67.00</b>	<b>\$5,033,784</b>



11218

The Works at Pleasant Valley

Urban, Region 7





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Works at Pleasant Valley, TDHCA Number 11218**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 835 N. Pleasant Valley Rd. Development #: 11218  
 City: Austin Region: 7 Population Served: General  
 County: Travis Zip Code: 78702 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Works at Pleasant Valley, LP  
 Owner Contact and Phone: Susan McDowell, (512) 735-2453  
 Developer: LifeWorks Affordable Housing Corporation  
 Housing General Contractor: Bailey Elliott Construction Inc.  
 Architect: CMH Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: TBD  
 Supportive Services: Youth and Family Alliance, dba LifeWorks  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	13	0	23	0	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	6	6	18	6	0	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$488,350	\$488,350			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Works at Pleasant Valley, TDHCA Number 11218

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Watson, District 14, S

US Representative: Doggett, District 25,

TX Representative: Rodriguez, District 51, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 8 In Opposition 0

Quantifiable Community Participation Input:

Govalle Neighbors, Corinne Carson

Letter Score: 24 S or O: S

The proposed development will be an asset for the neighborhood and the Lifeworks clients. The development will bring employment to the area and will also utilize green building practices, which are both preferable to the surrounding neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Lifeworks, S, Susan McDowell, Executive Director

Govalle Neighbors Neighborhood Association, S, Nine Francois, Co-Chair

The Rosewood Neighborhood Contact Team, S, Jane Rivera, Chair

Guadalupe Neighborhood Development Corporation, S, Mark C. Rogers, Ph.D., Executive Director

Housing Authority of the City of Austin, S, James L. Hargrove, President and CEO

Communities in School Central Texas, S, Suki Steinhauser, CEO

United Way Capital Area, S, Debbie Bresette, President

Capital Ides, S, Steven Jacobs, Executive Director

General Summary of Comment:

Development will be an asset to the neighborhood, and will provide retail space for the neighborhood. The development will have more than enough parking, and added lighting for security. The development will perform background checks on potential residents, and will provide employment opportunities in the area. The development will also employ green building methods and accommodate pedestrians and cyclists.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Works at Pleasant Valley, TDHCA Number 11218

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **204**  Meeting a Required Set-Aside Credit Amount\*: \$488,350

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11221

Stonebridge Place

Rural, Region 4



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Stonebridge Place, TDHCA Number 11221**

**BASIC DEVELOPMENT INFORMATION**

Site Address: S Royall St. Development #: 11221  
 City: Palestine Region: 4 Population Served: Elderly  
 County: Anderson Zip Code: 75801 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Stonebridge Place, Ltd.  
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878  
 Developer: Homestead Development Group, Ltd.  
 Housing General Contractor: Brazos Valley Construction, Inc.  
 Architect: Myriad Designs, Ltd.  
 Market Analyst: Allen & Associates Consulting  
 Syndicator: WNC & Associates, Inc.  
 Supportive Services: Cambridge Interests, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	76
	11	0	24	41	Market Rate Units:	4
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	56	24	0	0	0

Type of Building:

<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	40
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	16

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$975,341	\$975,341			
HOME Activity Fund Amount:	\$927,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Stonebridge Place, TDHCA Number 11221

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Nichols, District 3, S

US Representative: Hensarling, District 5,

TX Representative: Cook, District 8, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Robert D. Johnston, Anderson County    Resolution of Support from Local Government   
Judge

**Individuals and Businesses:** In Support: 3            In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Anderson County Housing Authority, S, Vickie L. Floyd, Acting Executive Director  
Multi-Cultural Educational Center, S, Betty M. Nickerson, Director  
Palestine Area Chambers of Commerce, S, Meghan Hill, Executive Director

**General Summary of Comment:**

The Palestine area Chamber of Commerce supports the development and believes it will be an asset to Anderson County.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Stonebridge Place, TDHCA Number 11221

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 193  Meeting a Required Set-Aside Credit Amount\*: \$975,341

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11222

Westway Place

Rural, Region 3





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Westway Place, TDHCA Number 11222**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 44th St., off W Park Row Development #: 11222  
 City: Corsicana Region: 3 Population Served: General  
 County: Navarro Zip Code: 75110 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Westway Place, Ltd.  
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878  
 Developer: Lucky B Properties, Inc.  
 Housing General Contractor: Brazos Valley Construction, Inc.  
 Architect: Myriad Designs, Ltd.  
 Market Analyst: Allen & Associates Consulting  
 Syndicator: WNC & Associates, Inc.  
 Supportive Services: Cambridge Interests, Inc.  
 Consultant and Contact: Emanuel H. Glockzin, Jr., Emanuel H. Glockzin, Jr.

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36
	8	0	9	19	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	20	4	0	0

Type of Building:

Duplex  5 units or more per building  
 Triplex  Detached Residence  
 Fourplex  Single Room Occupancy  
 Townhome  Transitional

Total Development Units:	36
Total Development Cost*:	\$0
Number of Residential Buildings:	3
HOME High Total Units:	0
HOME Low Total Units:	8

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$546,156	\$546,156			
HOME Activity Fund Amount:	\$857,422	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Westway Place, TDHCA Number 11222

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Birdwell, District 22, S

US Representative: Barton, District 6,

TX Representative: Cook, District 8, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

West Park Property Owners Association, Frank S. Wheelock

Letter Score: 24 S or O: S

The members of the association are familiar and pleased with another tax credit development in the area and feel the proposed development will be a great addition of affordable housing for families in the area. Also the proximity to elementary school would be convenient for residents.

**Community Input Other than Quantifiable Community Participation Input:**

House of Refuge, S, Grady & Joann Pierson, Administrators

Family Service Association, S, Mark Luera, Coordinator

Lakes Regional MHMR Center, S, John P. Delaney, Executive Director

**General Summary of Comment:**

The Lakes Regional Mental Health and Mental Retardation Center supports the development.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Westway Place, TDHCA Number 11222**

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **204**  Meeting a Required Set-Aside Credit Amount\*: \$546,156

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11223

The Terrace at MidTowne  
Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Terrace at MidTowne, TDHCA Number 11223**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SWC of George Hopper Rd. and Abigail Development #: 11223  
 City: Midlothian Region: 3 Population Served: Elderly  
 County: Ellis Zip Code: 76065 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: The Terrace at MidTowne, LLC  
 Owner Contact and Phone: Diana McIver, (512) 328-3232  
 Developer: DMA Development Company, LLC  
 Housing General Contractor: Carleton Construction, Ltd.  
 Architect: Nelsen Partners, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Boston Capital Corporation  
 Supportive Services: DMA Property Advisors, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	84
	8	0	28	44	Market Rate Units:	12
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	66	26	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	96
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	9
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	8

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,037,692	\$1,037,692			
HOME Activity Fund Amount:	\$950,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Terrace at MidTowne, TDHCA Number 11223

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Birdwell, District 22, S

US Representative: Barton, District 6,

TX Representative: Pitts, District 10, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

MidTowne Neighborhood Council, Josh McAda

Letter Score: 24 S or O: S

The project will serve a vital need of the community and our neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Overcomers Fellowship Church, S, Donald R. Phillips, Senior Pastor

Manna House, S, Lissy Franklin, Executive Director

Midlothian Senior Activity Center, S, Karen Cox, Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Terrace at MidTowne, TDHCA Number 11223

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 211  Meeting a Required Set-Aside Credit Amount\*: \$1,037,692

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11224

Magnolia Acres

Rural, Region 6





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Magnolia Acres, TDHCA Number 11224**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 108 Deborah Dr. Development #: 11224  
 City: Angleton Region: 6 Population Served: Elderly  
 County: Brazoria Zip Code: 77515 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Magnolia Acres Senior Housing LP  
 Owner Contact and Phone: Michelle Norris, (614) 451-2151  
 Developer: National Church Residences  
 Housing General Contractor: FCI Multi Family Builders  
 Architect: Ted Trout Architect and Associates, Ltd  
 Market Analyst: Vogt Santer Insights. Ltd  
 Syndicator: NHT Equity, LLC  
 Supportive Services: Incare, Inc.  
 Consultant and Contact: Diana McIver & Associates, Inc., JoeEllen Smith

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	66
	8	0	23	35	Market Rate Units:	1
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	18	48	1	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	67
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$669,724	\$669,724			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Magnolia Acres, TDHCA Number 11224

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Jackson, District 11, S

US Representative: Paul, District 14, S

TX Representative: Bonnen, District 25, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Magnolia Acres Residents Association, Carol Followell

Letter Score: 24 S or O: S

Our complex is of an age (25 years) that it needs revamping for safety, quality of life and lifestyle.

**Community Input Other than Quantifiable Community Participation Input:**

United Way of Brazoria County, S, Stephanie Cone, Executive Director

Life Foursquare Church, S, Sonny Bowman, Associate Pastor

First Baptist Church, S, Dr. Rodney Bowman, Pastor

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Magnolia Acres, TDHCA Number 11224**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 4
- Total # Monitored: 4

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 211  Meeting a Required Set-Aside Credit Amount\*: \$669,724

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11226

Clear Springs

Urban, Region 12



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Clear Springs, TDHCA Number 11226**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7700 E Bankhead Hwy Development #: 11226  
 City: Odessa Region: 12 Population Served: Elderly  
 County: Midland Zip Code: 79765 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: VDC Odessa Reserve I, LP  
 Owner Contact and Phone: Maribel Estrella, (432) 570-4753  
 Developer: MCHA Clear Springs, LP  
 Housing General Contractor: Galaxy Builders, Ltd.  
 Architect: Gonzalez Newell Bender, Inc. Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	140
	14	0	49	77	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	79	61	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	140
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,753,480	\$1,753,480			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Clear Springs, TDHCA Number 11226

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Seliger, District 31, NC

US Representative: Conaway, District 11,

TX Representative: Craddick, District 82, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Clear Springs, TDHCA Number 11226

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 182  Meeting a Required Set-Aside Credit Amount\*: \$1,753,480

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11227

Dolphin's Landing Apts

Urban, Region 10





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Dolphin's Landing Apts, TDHCA Number 11227**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 6402 Weber Rd. Development #: 11227  
 City: Corpus Christi Region: 10 Population Served: General  
 County: Nueces Zip Code: 78413 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: VDC Corpus Christi Reserve I, LP  
 Owner Contact and Phone: Michael Nguyen, (817) 410-7712  
 Developer: AHF Dolphin's Landing, LP  
 Housing General Contractor: Galaxy Builders, Ltd  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	218
	22	0	77	119	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	47	147	23	1	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	218
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$22,449,689
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	20
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Dolphin's Landing Apts, TDHCA Number 11227

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hinojosa, District 20, NC

US Representative: Farenthold, District 27,

TX Representative: Torres, District 33, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Dolphins Landing Neighborhood Committee, Delma Escobar

Letter Score: 24 S or O: S

Better living conditions, improve appearance to neighborhood, improve reputation of property and better energy efficient mechanics.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of a firm commitment from the City of Corpus Christi for the proposed loan, with the terms of financing clearly stated.
2. Receipt and acceptance by Carryover: documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt and acceptance by Cost Certification: a: Documentation clearing environmental issues contained in the ESA report, specifically: i: A comprehensive survey was completed to identify the presence of asbestos-containing materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials. ii: A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead. iii: Documentation regarding property tax exemption. Depending on the amount of exemption, if any, a credit allocation adjustment may be warranted. b: Evidence that liens unrelated to the proposed financing have been cleared.
4. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Dolphin's Landing Apts, TDHCA Number 11227

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 5
- Total # Monitored: 5

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 213  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

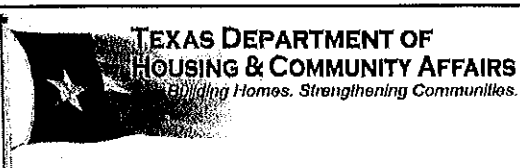
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11227 Program(s): 9% HTC

**Dolphin's Landing**

Address/Location: 6402 Weber Rd.

City: Corpus Christi County: Nueces Zip: \_\_\_\_\_

Population: Family Program Set-Aside: General Area: Urban

Activity: Acq/Rehob Construction Type: Garden (Up to 3 story) Region: 10

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$2,000,000				\$2,000,000				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:  
of a firm commitment from the City of Corpus Christi for the proposed loan, with the terms of financing clearly stated.
- 2 Receipt and acceptance by Carryover:  
documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
    - ii: A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
    - iii: Documentation regarding property tax exemption. Depending on the amount of exemption, if any, a credit allocation adjustment may be warranted.
  - b: Evidence that liens unrelated to the proposed financing have been cleared.
- 4 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	77
60% of AMI	60% of AMI	119

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▪ Average rents are 49% below reported market rents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Developer has limited experience developing and owning LIHTC properties</li> </ul>
<ul style="list-style-type: none"> <li>▪ General Contractor experienced in developing/constructing LIHTC properties</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contingency below 10% threshold. No costs for potential asbestos abatement included in the development budget.</li> </ul>
<ul style="list-style-type: none"> <li>▪ High unit capture rates potentially mitigated by retention and return of existing residents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit capture rate of 85% on three bedroom 60% AMI units and 58% on two bedroom units</li> </ul>
<ul style="list-style-type: none"> <li>▪ Sufficient non-deferred developer fee can be used as additional contingency</li> </ul>	

**DEVELOPMENT TEAM**

PRIMARY CONTACTS

Name: Michael Nguyen Relationship: Developer  
 Email: mnguyen@atlantichousing.org Phone: (817) 410-7712 Fax: (817) 410-7712

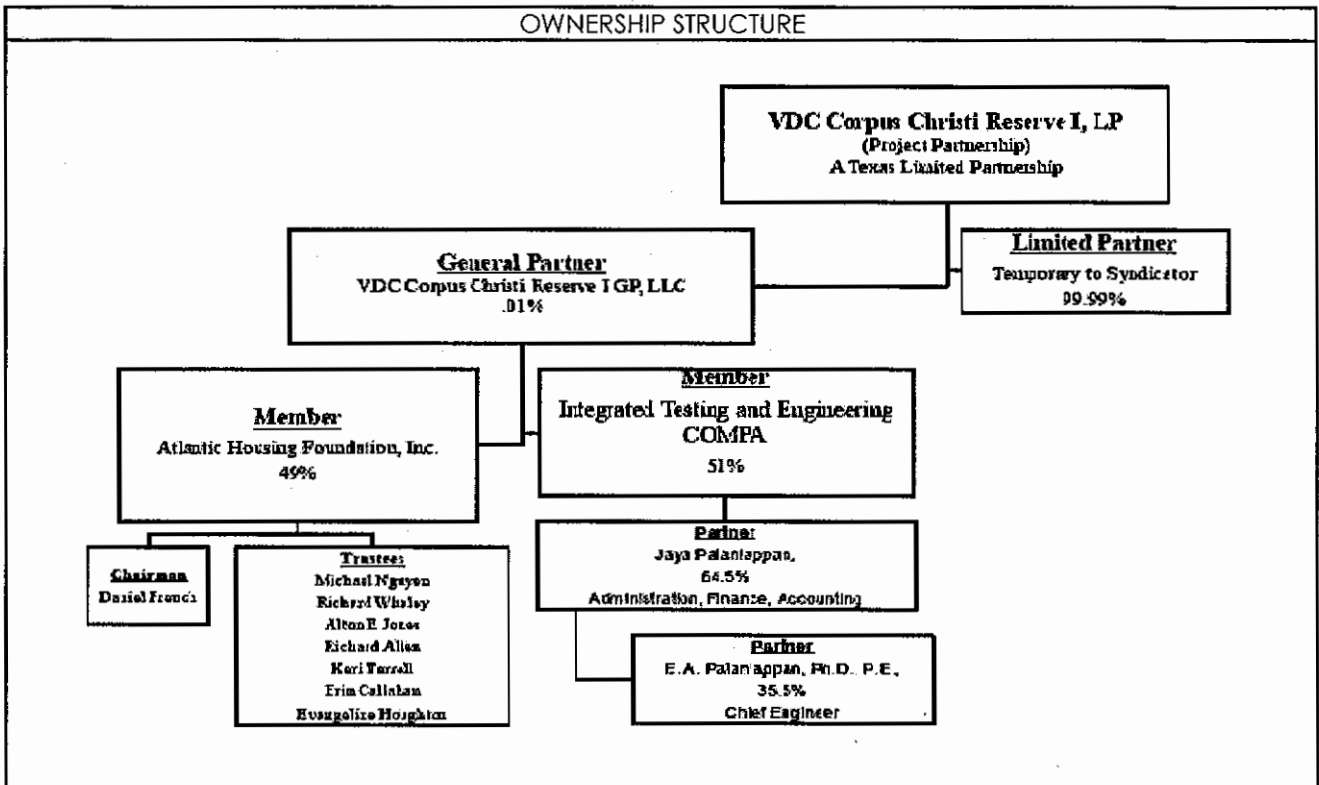
KEY PRINCIPALS

Name	COMPANY	RELATIONSHIP	# Developments
Michael Nguyen	AHF Dolphin's Landing	Developer	N/A

Related-Party Seller/Identity of Interest: Yes

- The Applicant, Developer are related entities. The General Contractor is third-party and used for the experience certification.
- The seller is also regarded as a related party to the General Partner. The acquisition price will be based upon the lesser of the contract price, the appraised value, and the original acquisition plus holding costs (see construction cost section, below).

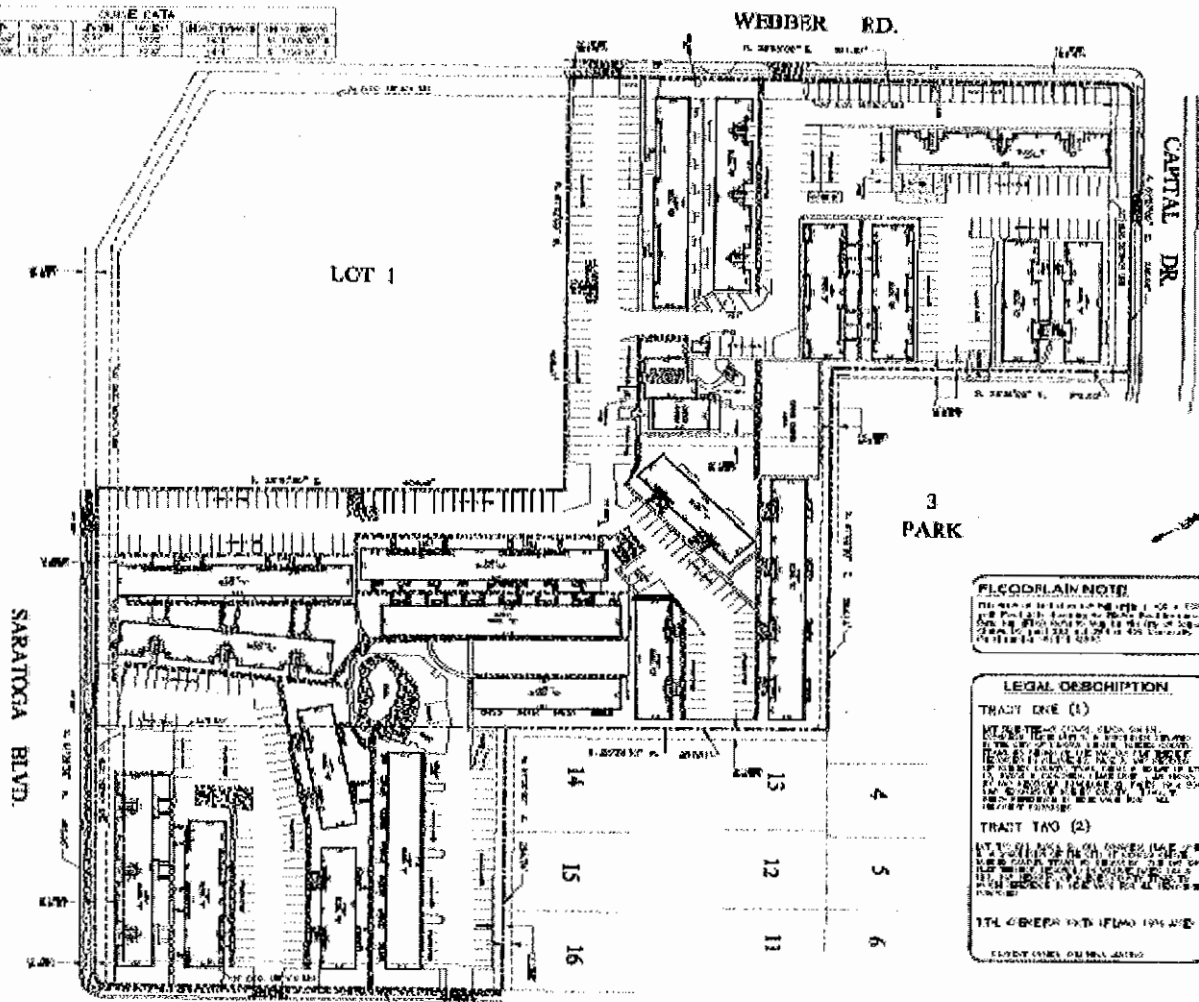
**OWNERSHIP STRUCTURE**



# DEVELOPMENT SUMMARY

## SITE PLAN

SOURCE DATA			
DATE	BY	REVISION	DESCRIPTION
11/27/07	...	1022	...
12/11/07	...	1023	...
1/15/08	...	1024	...



**FLOORPLAN NOTE**  
 THIS PLAN IS TO BE USED FOR THE DEVELOPMENT OF THE PROJECT. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO OBTAIN ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AND TO COMPLY WITH ALL APPLICABLE REGULATIONS AND ORDINANCES.

**LEGAL DESCRIPTION**  
 TRACT ONE (1)  
 ...  
 TRACT TWO (2)  
 ...  
 THE GENERAL PUBLIC RECORDS OF THE COUNTY OF ...

### BUILDING CONFIGURATION

Building Type	A,F,T,U	C,J,L,Q	D,E	G & V	K	M	N & P	O	S	Total Buildings
Floors/Stories	2	2	2	2	2	2	2	2	2	
Number of Bldgs	4	6	2	2	1	1	2	1	1	20
Units per Bldg	12	8	8	16	16	16	13	8	8	
<b>Total Units</b>	<b>48</b>	<b>48</b>	<b>16</b>	<b>32</b>	<b>16</b>	<b>16</b>	<b>26</b>	<b>8</b>	<b>8</b>	<b>218</b>

### GENERAL INFORMATION

Total Size: 9.976 acres  
 Flood Zone: Zone X  
 Zoning: A-1  
 Density: 21.8524 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

**Surrounding Uses:**

The site is bound to the North by Weber Road, followed by Warehouse Liquor, agricultural land, and Capitol Drive, followed by Congressional Plaza (a multi-tenant office building). To the East is Congress Park and single-family residences. The Southern portion of the site is abutted by Senators Drive, followed by single-family residences, & Saratoga Boulevard, followed by a McDonalds, a multi-tenant retail building, and an Autozone. Finally, the Western portion of the site is bordered by Cedar Stone (a multi-tenant retail center).

**Title Issues:**

Schedule C, item 8 of the title commitment lists a lien including a vendor's lien which must be cleared as a condition of this report.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: AEI Consultants Date: 4/14/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Due to the age of the subject property buildings, there is a potential that asbestos containing materials (ACMs) are present. All suspect ACMs were observed in good condition and are not expected to pose a health and safety concern to the occupants of the subject property at this time. In the event that building renovation or demolition activities are planned, an asbestos survey adhering to AHERA sampling protocol should be performed prior to demolition or renovation activities that may disturb suspect ACMs." (p iii)
  
- "Due to the age of the subject property buildings, there is a potential that lead-based paint (LBP) is present." (p iii)

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 3/10/2011  
 Contact: Bob Coe Phone: 281-387-7552  
 Number of Revisions: 1 Date of Last Applicant Revision: 5/21/2011

Primary Market Area (PMA): 38 sq. miles 3 mile equivalent radius

The Primary Market Area depicted by the map in the market area is extraordinarily large and shows the subject in the center of the area. However, the demographic data used by the Market Analyst represents a much smaller area. The smaller area consists of 13 census tracts which meets the REA guidelines for total population and was used to complete the underwriting analysis. But it is questionable whether this truly represents the most realistic market, because the subject property is located on the northwest boundary and all demand is shown coming from the section of Corpus Christi extending southeast to the Gulf.

ELIGIBLE HOUSEHOLDS BY INCOME								
Nueces County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,011	\$10,920	---	---	\$16,697	\$18,200	\$20,057	\$21,840
2	\$10,011	\$12,480	---	---	\$16,697	\$20,800	\$20,057	\$24,960
3	\$12,034	\$14,040	---	---	\$20,057	\$23,400	\$24,069	\$28,080
4	\$13,886	\$15,570	---	---	\$23,143	\$25,950	\$27,771	\$31,140
5	\$13,886	\$16,830	---	---	\$23,143	\$28,050	\$27,771	\$33,660
6	---	---	---	---	---	---	\$30,994	\$36,180



AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11168	The Trails at Nodding Pines	New	Family	84	88
11050	Palms Gardens	New	Family	156	156
Other Affordable Developments in PMA since 2007					
11045	Lexington Vista	New	Senior	n/a	100
11115	Castle Manor Apts	Rehab	Family	n/a	62
09158	Arrowsmith Apts	Rehab	Family	n/a	70
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		2	Total Units		376

**Proposed, Under Construction, and Unstabilized Comparable Supply:**

The Market Analyst included Arrowsmith Apts as unstabilized supply, but Arrowsmith is a rehab of a project-based Section 8 property that is fully occupied, so the underwriting analysis treats it as stabilized. The underwriting analysis also considers The Trails at Nodding Pines and Palms Gardens, two proposed developments that will target families located within 4 miles of the subject site. The Market Analyst failed to consider these two proposed developments.

OVERALL DEMAND ANALYSIS					
	Market Analyst		Underwriter		
Total Households in the Primary Market Area	36,483		36,483		
Potential Demand from the Primary Market Area	5,484		5,750		
Potential Demand from Other Sources	0		0		
<b>GROSS DEMAND</b>	5,484		5,750		
Subject Affordable Units	218		218		
Unstabilized Comparable Units	70		240		
<b>RELEVANT SUPPLY</b>	288		458		
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>5.3%</b>		<b>8.0%</b>		

**Demand Analysis:**

The Market Analyst's calculations assumes a 30 month projection. This results in Gross Demand for 5,484 units, and a Gross Capture Rate of 5.3% for the Relevant Supply of 288 units (the subject 218 units and 70 units at Arrowsmith Apartments).

The underwriting analysis assumes the subject will place in service in 2013, resulting in Gross Demand for 5,750 units, and a Gross Capture Rate of 8.0% for a Relevant Supply of 458 units (the subject plus Nodding Pines and Palm Gardens).

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 81% occupied.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	258	5	4	3%	146	5	24	20%
1 BR/50%	350	18	32	14%	240	18	33	21%
1 BR/60%	393	24	2	7%	234	24	4	12%
2 BR/30%	182	15	0	8%	150	15	10	17%
2 BR/50%	182	51	0	28%	242	51	73	51%
2 BR/60%	343	81	0	24%	252	81	68	59%
3 BR/30%	138	2	0	1%	51	2	0	4%
3 BR/50%	159	8	0	5%	110	8	2	9%
3 BR/60%	259	13	8	8%	130	13	96	84%
4 BR/60%	27	1	0	4%	51	1	0	2%

**Unit Capture Rates:**

The high unit capture rates for the two- and three-bedroom units represent a worst case analysis. At the time of underwriting the developments included in the unstabilized comparable supply have a lower priority than the subject. If these proposed comparable units are not included, the unit capture rates for the subject are much lower.

**Primary Market Occupancy Rates:**

A review of the Corpus Christi Construction Trends shows a total of 29,949 units. "According to the December 2010 Apartment MarketData survey, the subject is in the Corpus Christi MSA market, which includes 22 submarkets. The subject property is located within the SS2 submarket per Apartment MarketData. Within the SS2 submarket as defined by Apartment MarketData, the average occupancy was 96.6%..." (p 47)

**Absorption Projections:**

Encore Crossing was completed in September 2010, and is currently 55% occupied, which equates to an average absorption of approximately 22 units per month. Island Villas was reportedly completed in September 2009, and is currently 83% occupied, which equates to an average absorption of approximately 7 units per month. We project absorption at 10 to 20 units per month and the property should stabilize within 8 to 15 months of opening." (p 58)

**Market Impact:**

"Based on the high occupancy levels of the existing properties in the market, along with the low level of recent construction, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Managers interviewed all indicated a need for Family affordable housing. All managers interviewed indicated minimal to no impact from the opening of the most recent HTC properties." (p 90)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation. As noted in the demand analysis, per our TDHCA Real Estate Analysis Rules, capture rates do not apply to existing affordable housing that is at least 50% occupied and provides a leasing preference to existing tenants. This allows for the development to avoid being considered as infeasible when considering the high Unit Capture Rates of 2BR 50% and 2BR and 3BR 60% units.

## OPERATING PROFORMA

SUMMARY - AS UNDERWRITTEN					
NOI:	\$484,926	Avg. Rent:	\$536	Expense Ratio:	64.0%
Debt Service:	\$405,461	B/E Rent:	\$509	Controllable Expenses:	\$2,459
Net Cash Flow:	\$79,465	Occupancy:	92.50%	Property Taxes/Unit:	\$410
Aggregate DCR:	1.2:1	B/E Occupancy:	87.04%	Program Rent Year:	2011

Income:      Number of Revisions:          2          Date of Last Applicant Revision:          5/17/2011    

Both the Applicant and the Underwriter utilized maximum program rents for all units, as supported by the market analyst. Tenants will be responsible for all electric utilities as estimated by Diamond Property Consultants (DPC) on February 25, 2011 and confirmed by Cirro Energy. The Underwriter used the Corpus Christi Housing Authority's utility allowance for the water, sewer & trash expenses in order to estimate these operating expenses for the development. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines. Of note, historically, the Subject development has operated at an economic vacancy rate of 14%, largely due to significant rental concessions. However, following an extensive rehab, and given the current market occupancy, older comparable units, and current program rents that are far below current market prices, the subject is likely to operate much more efficiently.

Expense:      Number of Revisions:          1          Date of Last Applicant Revision:          5/17/2011    

The Applicant's total annual operating expense projection at \$3,949 per unit is within 1% of the Underwriter's estimate of \$3,988, derived from actual operating history of the development, the TDHCA database, and third-party data sources.

The Applicant's payroll estimate is in-line with the Underwriter's verifiable ranges; however, it is on the low end (~\$819 per unit) of that range. Moreover, the development's historical operating statements suggest that this line item is more in-line with the higher end of this range (~\$894-\$1,095 per unit). The Applicant submitted a staffing plan indicating the property as proposed will operate with 4 FTE's, effectively eliminating the current porter position. Given the extensive rehab being proposed, the Applicant believes the need for this position will be greatly reduced, allowing for one less maintenance personnel. The Applicant's estimate of utilities is 83% lower than the Underwriter's estimate based on utility allowances as estimated by Diamond Property Consultants (DPC). The Applicant's estimate of \$93K or \$427 per unit is not consistent with actual operating history of the development (~\$180 per unit).

Finally, the development does not currently pay property taxes due to the current owner's non-profit status; however, because of the for-profit HUB's relationship with the GP, the tax-exemption is at risk. The Applicant anticipates paying full real estate taxes post acquisition. If the property were to secure an 100% exemption, the impact on the NOI would warrant adjustment to the permanent loan amount in order to conform to REA sizing rules. This would impact the gap and reduce credits. The Underwriter's analysis assumes the development will have full property tax expense as reflected in the application. However, if it is determined at cost certification that the development obtained a property tax exemption, an adjustment to the credit allocation amount may be warranted.

**Conclusion:**

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.20, which is within the Department's DCR guideline of 1.15 to 1.35.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION****APPRAISED VALUE**

Appraiser: Affordable Housing Analysts Date: 1/27/2011

Land Only: 9.98 acres	<u>\$1,090,000</u>	Per Unit: <u>\$5,000</u>
Existing Buildings: (as-is)	<u>\$5,130,000</u>	
Total Development: (as-is)	<u>\$6,220,000</u>	Per Unit: <u>\$28,532</u>

**SITE CONTROL**

Type: Commercial Contract of Sale Acreage: 9.976

Acquisition Cost: \$6,200,000 Contract Expiration: 10/3/2011

Cost Per Unit: \$28,440

Seller: Housing Initiatives Corporation Related to Development Team?  Yes  No

Comments:

The non-profit current owner is a member of the General Partner, therefore the transaction represents an identity of interest transaction. The Applicant submitted an audited financial statement for the Subject dated December 31, 2009, indicating an original mortgage made on June 29, 2007 in the amount of \$9.2M, and current combined fixed assets for land and buildings valued at \$7,701,980 plus equipment valued at \$436K. The Underwriter utilized the lesser of the three possible acquisition amounts, Applicant's proposal (\$6.2M), the audited financial statement value (\$8.1M), and the original purchase price (\$9.2M). The Applicant's proposal of \$6.2M is the acquisition value included in the underwriting analysis.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$3,117 per unit, which is slightly lower than the estimate in the proposed work write-up/Property Condition Assessment (PCA).

**Direct Construction Cost:**

The plan calls for; the replacement/refurbishment of roofs, windows, doors, exterior siding, stairs, interior flooring, cabinets, faucets, tub/showers, appliances, landscaping, drives and parking, fencing, and interior and exterior painting. \$450K is included for tenant relocation.

The Applicant's direct construction cost estimate is \$4K or less than 1% lower than the estimate provided in the Property Condition Assessment (PCA). The underwriting analysis will reflect the PCA value.

**Contingency & Fees:**

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. Contractor is third-party and independently reviewed the costs.

**Conclusion:**

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$20,777,160 supports annual tax credits of \$2,010,886. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 1 Last Update: 4/15/2011

Interim Sources	Amount	Rate	Term	LTC
Dougherty Mortgage	\$5,000,000	6.70%	24 Months	22%
City of Corpus Christi - Community Develop	\$981,000	3.50%	24 Months	4%
Arlington Capital Corporation	\$490,000	12.00%	15 Months	2%
Hudson Housing Capital	\$14,578,200	HTC Equity		65%
Deferred Developer Fee	\$1,319,339	Developer Fee		6%
<b>Total</b>	<b>\$22,368,539</b>			

**Comments:**

The interim rate on the \$5M Dougherty loan is the same as the permanent phase, underwritten at 6.7% and described in more detail below.

The Applicant has applied for an interim to permanent loan in the amount of \$981K from the City of Corpus Christi with requested as described below. Because this loan has not yet been committed, this report is conditioned on receipt and acceptance, by Commitment, of a commitment for this source, with the terms clearly indicated. Additionally, Arlington Capital Contribution has provided a commitment for a construction period loan of \$490K. The interest rate will be 12%. The loan has a term of 15 months. Of note, interim interest from neither of these sources was used to justify the Applicant's claimed eligible interim interest.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Dougherty Mortgage	\$5,000,000	6.70%	40	40	22%
City of Corpus Christi - Community Development	\$981,000	3.50%	40	40	4%
<b>Total</b>	<b>\$5,981,000</b>				

**Comments:**

The interest rate for the \$5M loan from Dougherty is anticipated to be 6.17% plus 0.45% mortgage insurance premium FHA 221(d)4). The lender has identified a debt service payment of \$359,858 based on a loan constant of 7.197%; this effectively results in an amortized interest rate of 6.7%, inclusive of MIP. This is the rate that is reflected in the analysis.

As stated previously, the Applicant has applied for an interim to permanent loan in the amount of \$981K from the City of Corpus Christi with requested terms of AFR, amortized of 40 years, with a 40 year term. This report is conditioned on receipt and acceptance, by Commitment, of a commitment for this source, with the terms clearly indicated.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Hudson Housing Capital	\$16,198,000	\$0.81	72%	
Deferred Developer Fee	\$270,689		1%	13%
<b>Total</b>	<b>\$16,468,689</b>			
<b>Total Sources</b>	<b>\$22,449,689</b>			

**Comments:**

The Underwriter's recommended financing structure indicates the need for \$270,689 in additional permanent funds. Deferred developer fee in this amount is repayable from development cashflow within five years of stabilized operation. Should the final credit price increase to more than \$0.82, an adjustment to the credit amount may be warranted.

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$5M and \$981K City funds indicates the need for \$16,468,689 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,033,423 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,010,886
Allocation determined by gap in financing:	\$2,033,423
<b>Allocation requested by the Applicant:</b>	<b>\$2,000,000</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$16,198,000 at a syndication rate of \$0.81 per tax credit dollar.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>



**STABILIZED PROFORMA**

**Dolphin's Landing, Corpus Christi, 9% HTC #11227**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	2010 P&L	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>		\$1,666,354		\$0.60	\$536	\$1,402,668	\$1,402,668	\$536	\$0.60		0.0%	\$0	
ates fees, phone, cable, laundry, misc		\$148,027			\$20.00	\$52,320					0.0%	(52,320)	
Underwriter's Total Secondary Income		\$148,027					\$52,320	\$20.00			100.0%	52,320	
<b>POTENTIAL GROSS INCOME</b>		\$1,814,381				\$1,454,988	\$1,454,988				0.0%	\$0	
Vacancy & Collection Loss		(\$197,489)			7.5% PGI	(109,124)	(109,124)	7.5% PGI			0.0%	-	
Non-Rental Units/Concessions		(\$55,765)				-					0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>		\$1,561,127				\$1,345,864	\$1,345,864				0.0%	\$0	
General & Administrative	\$76,634	\$352/Unit	48,300	5.46%	\$0.37	\$337	\$73,449	\$76,634	\$352	\$0.39	5.69%	-4.2%	(3,185)
Management	\$63,055	4.3% EGI	55,038	5.00%	\$0.34	\$309	\$67,278	\$67,293	\$309	\$0.34	5.00%	0.0%	(15)
Payroll & Payroll Tax	\$194,804	\$894/Unit	226,109	13.26%	\$0.91	\$819	\$178,504	\$194,804	\$894	\$0.89	14.47%	-8.4%	(16,300)
Repairs & Maintenance	\$98,996	\$454/Unit	161,485	6.93%	\$0.48	\$428	\$93,316	\$98,996	\$454	\$0.51	7.36%	-5.7%	(5,680)
Utilities	\$102,544	\$470/Unit	39,308	6.92%	\$0.48	\$427	93,108	\$50,949	\$234	\$0.26	3.79%	82.7%	42,159
Water, Sewer, & Trash	\$102,316	\$469/Unit	143,937	7.25%	\$0.50	\$448	\$97,608	\$99,033	\$454	\$0.51	7.36%	-1.4%	(1,425)
Property Insurance	\$74,292	\$0.38 SF	72,764	5.84%	\$0.40	\$360	\$78,559	\$68,606	\$315	\$0.35	5.10%	14.5%	9,953
Property Tax 2.5953	\$87,168	\$400/Unit	-	6.64%	\$0.46	\$410	\$89,300	\$123,339	\$565	\$0.63	9.16%	-27.6%	(34,039)
Reserve for Replacements	\$65,870	\$302/Unit	\$65,400	4.86%	\$0.33	\$300	\$65,400	\$65,400	\$300	\$0.33	4.86%	0.0%	-
TDHCA Compliance Fees			-	0.65%	\$0.04	\$40	\$8,720	\$8,720	\$40	\$0.04	0.65%	0.0%	-
Cable TV			62,157	0.00%	\$0.00	\$0	-	-	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	1.17%	\$0.08	\$72	\$15,696	\$15,696	\$72	\$0.08	1.17%	0.0%	-
<b>TOTAL EXPENSES</b>		<b>\$ 874,498</b>		<b>63.97%</b>	<b>\$4.39</b>	<b>\$3,949</b>	<b>\$ 860,938</b>	<b>\$ 869,469</b>	<b>\$3,988</b>	<b>\$4.44</b>	<b>64.60%</b>	<b>-1.0%</b>	<b>\$ (8,531)</b>
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$686,629</b>		<b>36.03%</b>	<b>\$2.47</b>	<b>\$2,224</b>	<b>\$484,926</b>	<b>\$476,395</b>	<b>\$2,185</b>	<b>\$2.43</b>	<b>35.40%</b>	<b>1.8%</b>	<b>\$8,531</b>
<b>CONTROLLABLE EXPENSES</b>		\$2,639/Unit	\$2,840/Unit			\$2,459/Unit			\$2,387/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$1,345,864	\$1,372,781	\$1,400,237	\$1,428,242	\$1,456,806	\$1,608,432	\$1,775,839	\$1,960,670	\$2,164,738	\$2,390,045	\$2,638,803	\$2,913,452
LESS: TOTAL EXPENSES	860,938	886,093	911,890	938,650	966,095	1,115,950	1,289,254	1,489,699	1,721,560	1,989,787	2,300,114	2,659,182
<b>NET OPERATING INCOME</b>	<b>\$484,926</b>	<b>\$486,688</b>	<b>\$488,247</b>	<b>\$489,592</b>	<b>\$490,711</b>	<b>\$492,482</b>	<b>\$486,585</b>	<b>\$470,971</b>	<b>\$443,178</b>	<b>\$400,258</b>	<b>\$338,689</b>	<b>\$254,270</b>
LESS: DEBT SERVICE	405,461	405,461	405,461	405,461	405,461	405,461	405,461	405,461	405,461	405,461	405,461	405,461
<b>NET CASH FLOW</b>	<b>\$79,465</b>	<b>\$81,227</b>	<b>\$82,786</b>	<b>\$84,131</b>	<b>\$85,260</b>	<b>\$87,021</b>	<b>\$81,124</b>	<b>\$65,609</b>	<b>\$37,717</b>	<b>(\$5,203)</b>	<b>(\$66,772)</b>	<b>(\$151,192)</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$79,465</b>	<b>\$160,691</b>	<b>\$243,477</b>	<b>\$327,608</b>	<b>\$412,857</b>	<b>\$847,124</b>	<b>\$1,267,987</b>	<b>\$1,631,108</b>	<b>\$1,880,699</b>	<b>\$1,947,233</b>	<b>\$1,744,755</b>	<b>\$1,167,711</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$270,689</b>	<b>\$189,462</b>	<b>\$106,677</b>	<b>\$22,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.21</b>	<b>1.21</b>	<b>1.21</b>	<b>1.20</b>	<b>1.16</b>	<b>1.09</b>	<b>0.99</b>	<b>0.84</b>	<b>0.63</b>
<b>EXPENSE/EGI RATIO</b>	<b>63.97%</b>	<b>64.55%</b>	<b>65.13%</b>	<b>65.72%</b>	<b>66.32%</b>	<b>69.38%</b>	<b>72.60%</b>	<b>75.98%</b>	<b>79.53%</b>	<b>83.25%</b>	<b>87.17%</b>	<b>91.27%</b>



**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Dolphin's Landing, Corpus Christi, 9% HTC #11227**

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE						AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Dougherty Mortgage	1.32	1.35	\$359,858	6.70%	40	40	\$5,000,000	\$5,000,000	40	40	6.70%	\$359,858	1.35	22.3%
City of Corpus Christi - Community Development	1.17	1.20	\$45,604	3.50%	40	40	\$981,000	\$981,000	40	40	3.50%	\$45,604	1.20	4.4%
<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$405,461</b>				<b>\$5,981,000</b>	<b>\$5,981,000</b>				<b>\$405,461</b>		<b>26.6%</b>
<b>NET CASH FLOW</b>			<b>\$79,465</b>									<b>\$70,933</b>		

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE				
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary
Hudson Housing Capital	LIHTC Equity	72.2%	\$2,000,000	0.81	\$16,198,000	\$16,198,000	0.81	\$2,000,000	72.2%	Annual Credit per Unit: \$74.303
Deferred Developer Fee	Deferred Developer Fees	0.8%	(9% Deferred)		\$189,539	\$270,689	(13% Deferred)		1.2%	Total Developer Fee: \$2,032,957
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow: \$1,267,987
<b>TOTAL EQUITY SOURCES</b>		<b>73.0%</b>			<b>\$16,387,539</b>	<b>\$16,468,689</b>			<b>73.4%</b>	<b>15-Yr Cash Flow after Fee: \$997,298</b>

<b>TOTAL CAPITALIZATION</b>	<b>\$22,368,539</b>	<b>\$22,449,689</b>
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**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$		
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition				
Land Acquisition			\$5,000 / Unit \$1,090,000	\$1,090,000 \$5,000 / Unit			0.0%	\$0		
Building Acquisition	\$5,110,000		\$23,440 / Unit \$5,110,000	\$5,110,000 \$23,440 / Unit	\$5,110,000		0.0%	\$0		
Off-Sites		\$0	\$ / Unit \$0	\$ / Unit \$0		\$0	0.0%	\$0		
Sitework		\$679,500	\$3,117 / Unit \$679,500	\$757,000 \$3,472 / Unit	\$757,000		10.2%	\$77,500		
Direct Construction		\$8,647,220	\$44.11 /sf \$39,566/Unit \$8,647,220	\$8,650,870 \$39,683/Unit \$44.13 /sf \$8,650,870			0.0%	\$3,650		
Contingency		\$792,267	8.49% \$792,267	\$792,267 8.42% \$792,267			0.0%	\$0		
Contractor's Fees		\$1,254,265	12.40% \$1,254,265	\$1,254,265 12.30% \$1,254,265			0.0%	\$0		
Indirect Construction		\$1,788,054	\$8,202 / Unit \$1,788,054	\$1,788,054 \$8,202 / Unit \$1,788,054			0.0%	\$0		
Ineligible Costs			\$1,381 / Unit \$301,129	\$301,129 \$1,381 / Unit			0.0%	\$0		
Developer's Fees	\$0	\$2,032,957	10.89% \$2,032,957	\$2,032,957 10.85% \$2,032,957	\$2,032,957	\$0	0.0%	\$0		
Interim Financing		\$391,747	\$1,797 / Unit \$391,747	\$391,747 \$1,797 / Unit \$391,747			0.0%	\$0		
Reserves			\$1,291 / Unit \$281,400	\$1,291 / Unit \$281,400			0.0%	\$0		
<b>UNADJUSTED BASIS / COST</b>	<b>\$5,110,000</b>	<b>\$15,586,010</b>	<b>\$102,608 / Unit</b> <b>\$22,368,539</b>	<b>\$22,449,689</b> <b>\$102,980 / Unit</b>	<b>\$15,667,160</b>	<b>\$5,110,000</b>	<b>0.4%</b>	<b>\$81,150</b>		
Acquisition Cost for Identity of Interest Seller				\$0						
Developer's Fee	\$0	\$0								
Contractor's Fee		\$0								
Contingency		\$0								
<b>ADJUSTED BASIS / COST</b>	<b>\$5,110,000</b>	<b>\$15,586,010</b>	<b>\$102,608 / Unit</b> <b>\$22,368,539</b>	<b>\$22,449,689</b>	<b>\$15,667,160</b>	<b>\$5,110,000</b>				
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>				<b>\$22,449,689</b>						

**CAPITALIZATION/DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

*Dolphin's Landing, Corpus Christi, 9% HTC #11227*

<b>CREDIT CALCULATION ON QUALIFIED BASIS</b>				
	<b>Applicant</b>		<b>TDHCA</b>	
	<b>Acquisition</b>	<b>Construction Rehabilitation</b>	<b>Acquisition</b>	<b>Construction Rehabilitation</b>
ADJUSTED BASIS	\$5,110,000	\$15,586,010	\$5,110,000	\$15,667,160
Deduction for Other Federal Fu	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$5,110,000</b>	<b>\$15,586,010</b>	<b>\$5,110,000</b>	<b>\$15,667,160</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$5,110,000</b>	<b>\$20,261,813</b>	<b>\$5,110,000</b>	<b>\$20,367,308</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$5,110,000</b>	<b>\$20,261,813</b>	<b>\$5,110,000</b>	<b>\$20,367,308</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$177,828</b>	<b>\$1,823,563</b>	<b>\$177,828</b>	<b>\$1,833,058</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$2,001,391</b>		<b>\$2,010,886</b>	

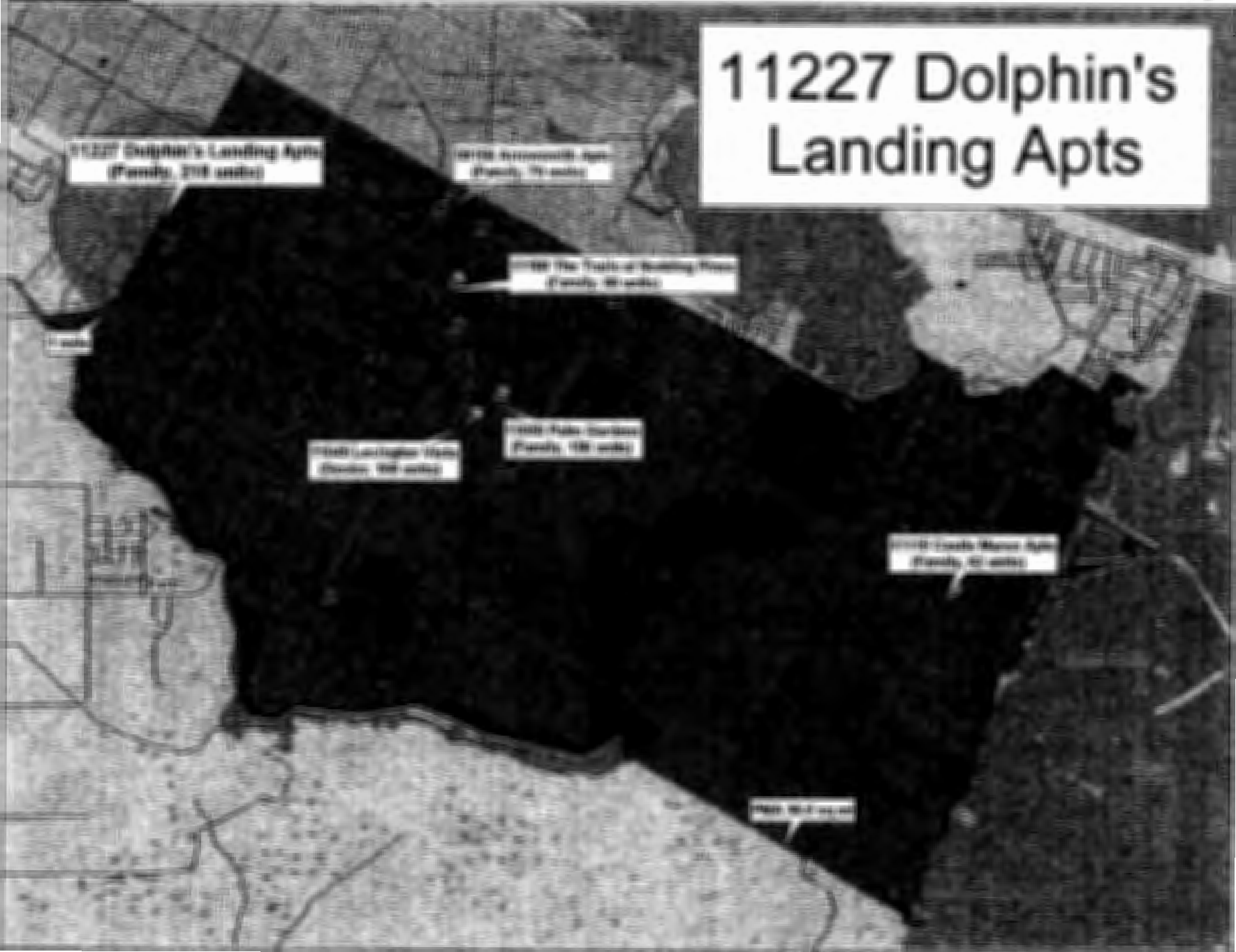
<b>ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS</b>			
Method	Annual Credits	Proceeds	
Eligible Basis	\$2,010,886	\$16,286,163	
Gap	\$2,033,423	\$16,468,689	
Request	\$2,000,000	\$16,198,000	

<b>FINAL ANNUAL LIHTC ALLOCATION</b>	
Method	Request
Credits	\$2,000,000
Underwritten Proceeds	\$16,198,000

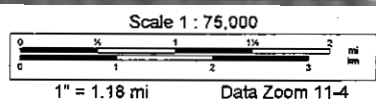
<b>TOTAL HARD COST COMPARISON</b>						
	<b>APPLICANT</b>			<b>TDHCA</b>		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	<b>Total</b>	<b>Per Unit</b>	<b>Per SF</b>
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$51.62	\$46,417	\$10,118,987	\$10,200,137	\$46,790	\$52.04
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$58.02	\$52,171	\$11,373,252	\$11,454,402	\$52,543	\$58.44

# 11227 Dolphin's Landing Apts



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TN  
 MN (LFE)  
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11230

West Park Senior Housing

Rural, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**West Park Senior Housing, TDHCA Number 11230**

**BASIC DEVELOPMENT INFORMATION**

Site Address: W Park Row and 44th St. Development #: 11230  
 City: Corsicana Region: 3 Population Served: Elderly  
 County: Navarro Zip Code: 75110 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: West Park Senior Housing, Ltd.  
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878  
 Developer: Homestead Development Group, Ltd.  
 Housing General Contractor: Brazos Valley Construction, Inc.  
 Architect: Myriad Designs, Ltd.  
 Market Analyst: Allen & Associates Consulting  
 Syndicator: WNC & Associates, Inc.  
 Supportive Services: Cambridge Interests, Inc.  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	48
	8	0	15	25	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	30	18	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	48
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	13
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	15

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$636,948	\$636,948			
HOME Activity Fund Amount:	\$474,500	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

West Park Senior Housing, TDHCA Number 11230

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Birdwell, District 22, S

US Representative: Barton, District 6,

TX Representative: Cook, District 8, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 3 In Opposition 0

Quantifiable Community Participation Input:

West Park Property Owners Association, Frank S. Wheelock

Letter Score: 24 S or O: S

Members are familiar with another tax credit development in the area and have been pleased with the impact to Corsicana. The proposed development would be the only property for the low to moderate income elderly in the area. Development is needed so edery population has safe and maintained housing in a good area of the city.

Community Input Other than Quantifiable Community Participation Input:

Family Services Association, S, Mark Luera, Coordinator

Kaufman County Senior Citizens Services Inc., S, Omega Hawkins, Executive Director

Lakes Regional MHMR Center, S, John P. Delaney, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**West Park Senior Housing, TDHCA Number 11230**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **204**  Meeting a Required Set-Aside Credit Amount\*: \$636,948  
Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

**Recommendation:**

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11231

Spring Hollow Apts

Urban, Region 7





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Spring Hollow Apts, TDHCA Number 11231**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4803 & 4804 Loyola Ln. Development #: 11231  
 City: Austin Region: 7 Population Served: General  
 County: Travis Zip Code: 78723 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Loyola SH, Ltd.  
 Owner Contact and Phone: Gary Gill, (512) 600-8411  
 Developer: American Realty Advisors, Inc.  
 Housing General Contractor: Galaxy Builders, Ltd  
 Architect: Gonzalez Newell Bender, Inc. Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100
	15	0	35	50	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	100	0	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	100
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$758,602	\$758,602			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Spring Hollow Apts, TDHCA Number 11231

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Watson, District 14, NC

US Representative: Doggett, District 25,

TX Representative: Dukes, District 46, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

University Hills Neighborhood Plan Contact Team, Seth Fowler

Letter Score: 24 S or O: S

Renovation of an existing older complex that does not displace residents and provides stable, safe affordable housing for them with criminal background checks of residents and community building activities and it will be a plus for the neighborhood.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Spring Hollow Apts, TDHCA Number 11231**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **192**  Meeting a Required Set-Aside Credit Amount\*: \$758,602

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11232

River Valley Apts

Urban, Region 11



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**River Valley Apts, TDHCA Number 11232**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 702 S. M St. Development #: 11232  
 City: Harlingen Region: 11 Population Served: General  
 County: Cameron Zip Code: 78550 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: LV Housing, Ltd.  
 Owner Contact and Phone: Rick J. Deyoe, (512) 306-9206  
 Developer: LV Housing Development, LLC  
 Housing General Contractor: Realtex Construction, LLC  
 Architect: Northfield Design Associates  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: City Real Estate Advisors  
 Supportive Services: Texas Inter-Faith Supportive Services, LLC  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	104
	16	0	37	51	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	56	32	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	104
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,132,577	\$1,132,577			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

River Valley Apts, TDHCA Number 11232

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

US Representative: Hinojosa, District 15,

TX Representative: Lucio, District 38, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Chris Boswell, Mayor, City of Harlingen Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 1 In Opposition 0

Quantifiable Community Participation Input:

Los Vecinos Tenant Association, Ruth Devila

Letter Score: 24 S or O: S

These apartments are over 50 yrs old. The Tenant Association wants to improve the existing old building.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Support - The existing development is obsolete and in need of rehabilitation.

CONDITIONS OF COMMITMENT



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**River Valley Apts, TDHCA Number 11232**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: **32**
- Total # Monitored: **26**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **214**  Meeting a Required Set-Aside Credit Amount\*: \$1,132,577

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11234

Villas at West Mountain

Urban, Region 13





**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Villas at West Mountain, TDHCA Number 11234**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NWC Helen of Troy and Northwestern Development #: 11234  
 City: El Paso Region: 13 Population Served: General  
 County: El Paso Zip Code: 79912 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: West Mountainview, Ltd.  
 Owner Contact and Phone: Ike J. Monty, (915) 599-1245  
 Developer: Investment Builders, Inc.  
 Housing General Contractor: Investment Builders, Inc.  
 Architect: Dimensions Partnership  
 Market Analyst: Ipser & Associates, Inc.  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Texas Rio Grande Legal Aide  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156
	16	0	55	85	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	12	80	60	4	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	156
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,719,033	\$1,719,033			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Villas at West Mountain, TDHCA Number 11234

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Rodríguez, District 29, S

US Representative: Reyes, District 16,

TX Representative: Margo, District 78, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, John F. Cook, Mayor of El Paso

Resolution of Support from Local Government

S, Patricia L. Hughes, El Paso ISD Board President,  
District 6

S, Ann Morgan Lilly, City Council Representative, District 1

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

TVP Non Profit Corporation, S, David W. Gillooly, Executive Director

Myrtle Avenue Community Development Corporation, S, David W. Gillooly, Executive Director

Opportunity Center for the Homeless, S, Raymond M. Tullius, Jr., Executive Director

**General Summary of Comment:**

Development will add needed affordable housing, and will be located in an area with long waiting lists for affordable housing.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Villas at West Mountain, TDHCA Number 11234

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **202**  Meeting a Required Set-Aside Credit Amount\*: \$1,719,033

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11235

HomeTowne at Westheimer  
Lakes

Urban, Region 6





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

HomeTowne at Westheimer Lakes, TDHCA Number 11235

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hegar, District 18, O

US Representative: Olson, District 22,

TX Representative: Zerwas, District 28, O

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

O, Thomas Randle, Superintendent of Schools

Individuals and Businesses: In Support: 3 In Opposition 2378

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

- RYKO Development, Inc., O, Bassam Barazi, President
Bella Terra Homeowner's Association, Inc., O, Bassam Barazi, President
Comunidad Corporation, S, John Martin, President
Interfaith Ministries, S, Elliot Gershenson, President and CEO
Elija's Promise, Inc., S, Newal Hunter, President
Greater Fort Bend Economic Development Council, O, Jeffrey C. Wiley, President

General Summary of Comment:

Developer did not make a reasonable effort to inform the homeowners of their intentions. High traffic intersections would be overburdened with the addition of the development residents. There is no public transportation available for the proposed tenants, and no grocery stores/shopping within three miles. Residents of Westheimer Lakes feel property values may decrease. There is no close access to healthcare. Elected officials oppose the development. Petition and emails overwhelmingly opposing the development for similar reasons as stated above.

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

HomeTowne at Westheimer Lakes, TDHCA Number 11235

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 174  Meeting a Required Set-Aside Credit Amount\*: \$1,691,058

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11237**

**Summer Crest Senior  
Development**

**Urban, Region 12**







MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Summer Crest Senior Development, TDHCA Number 11237

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Duncan, District 28, NC

US Representative: Conaway, District 11,

TX Representative: Darby, District 72, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: S, Alvin New, Mayor City of San Angelo Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 2

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

City of San Angelo, O, Bob Salas, Director Community Development

**General Summary of Comment:**

Opposition to another senior development in the area due to lack of market demand. Current senior development in the area only 71% occupied. Project is not in the city's revitalization plan nor does it fit into the consolidated plan.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Summer Crest Senior Development, TDHCA Number 11237

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 183  Meeting a Required Set-Aside Credit Amount\*: \$1,180,971

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11238**

**The Sunningdale  
Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Sunningdale, TDHCA Number 11238**

**BASIC DEVELOPMENT INFORMATION**

Site Address: N side of Wellman, W of IH-45 Development #: 11238  
 City: Shenandoah Region: 6 Population Served: Elderly  
 County: Montgomery Zip Code: 77384 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Shenandoah Development Partners LP  
 Owner Contact and Phone: Keith Short, (713) 871-2079  
 Developer: West Union Development Inc.  
 Housing General Contractor: TBD  
 Architect: Ted Trout Architect and Associates  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: TBD  
 Consultant and Contact: Sarah Andre,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	130
	14 0 45 71	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 48 82 0 0 0	Total Development Units:	130
Type of Building:		Total Development Cost*:	\$18,218,678
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	2
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,766,562	\$1,766,562			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Sunningdale, TDHCA Number 11238

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Williams, District 4, NC

US Representative: Brady, District 8,

TX Representative: Eissler, District 15, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Shenandoah Civic Club, Jean Teague

Letter Score: 24 S or O: S

There is a need for housing that is affordable to senior citizens of modest means and this development will help fulfill that need.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: Firm commitment for the proposed \$600K SHFC interim funds.
2. Receipt and acceptance by Carryover: Due diligence and cost estimates for any site work related to the filling of the pond.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
4. Request for final inspection on The Knightsbridge must be submitted in order to receive a valid commitment of housing tax credits for The Sunningdale and all deficiencies identified cleared prior to carryover (should an award be approved by the Board).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Sunningdale, TDHCA Number 11238

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 5
- Total # Monitored: 5

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score:213  Meeting a Required Set-Aside Credit Amount\*: \$1,766,562

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11238 Program(s): 9% HTC  
The Sunningdale  
 Address/Location: North side of Wellman, West of IH 45  
 City: Shenandoah County: Montgomery Zip: 77384  
 Population: Senior Program Set-Aside: General Area: Urban  
 Activity: New Construction Construction Type: Wrap Region: 6  
 Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	LIen
LIHTC (Annual)	\$1,766,562				\$1,766,562				

**CONDITIONS**

- Receipt and acceptance by Commitment:  
Firm commitment for the proposed \$600K SHFC interim funds.
- Receipt and acceptance by Carryover:  
Due diligence and cost estimates for any site work related to the filling of the pond.
- Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	14
50% of AMI	50% of AMI	45
60% of AMI	60% of AMI	71

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>Based on the average market rate units in the sub-market, the average rent savings is \$227/month or 25%.</li> <li>HTC deals in the PMA have occupancy of 99%.</li> <li>New SFR and commercial development in area (growth)</li> <li>Close to a major transportation corridor</li> </ul>	<ul style="list-style-type: none"> <li>Slight risk that costs to remediate soils (pond) could exceed current site cost estimate</li> <li>42% capture rate on 2-bedroom 60% AMI units (70 units or 53% of total)</li> <li>One-month concession on 60% units produces an overall average effective rent that is \$7/unit above breakeven</li> </ul>



**DEVELOPMENT TEAM**

**PRIMARY CONTACTS**

Name: Keith Short Relationship: Developer  
 Email: kshort@boyerjacobs.com Phone: (713) 871-2079 Fax: (713) 800-3014

Name: Sarah Andre Consultant: S2A Development  
 Email: sarah@s2adevelopment.com Phone: (512) 698-3369 Fax: (512) 233-2269

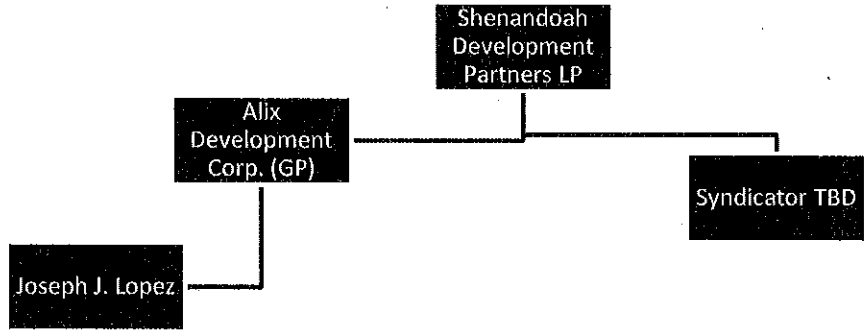
**KEY PRINCIPALS**

Name	COMPANY	RELATIONSHIP	# Developments
Joseph J. Lopez	Alix Development Corp.	Owner of GP Interest	5
Keith Short	Shenandoah Development Partners, LP	Developer/Guarantor	

Related-Party Seller/Identity of Interest: Na

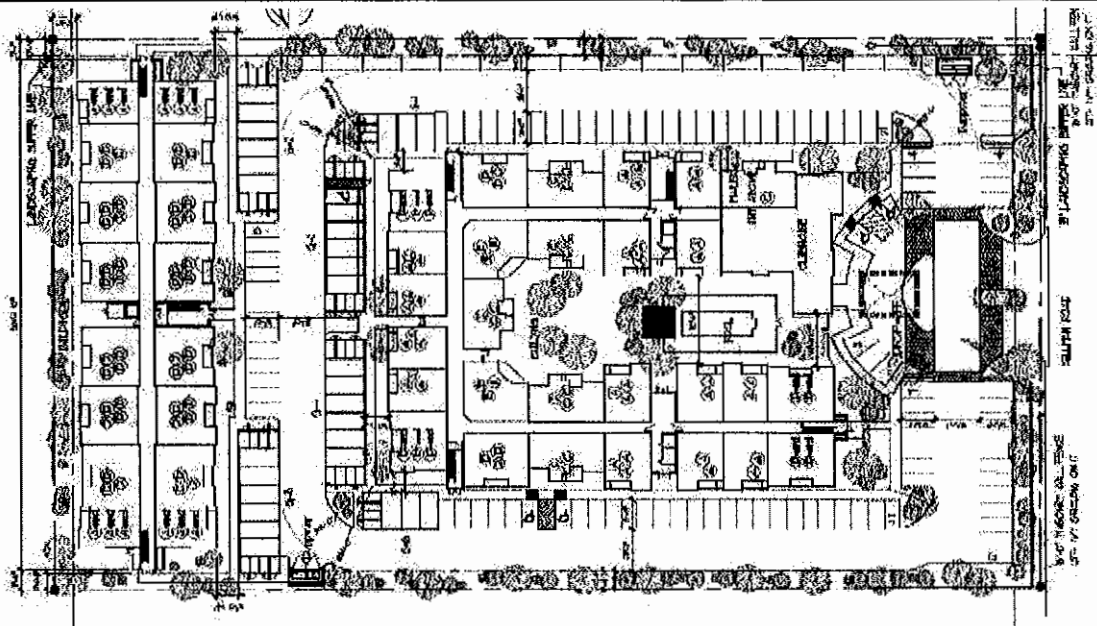
- The Applicant and Developer is a related entity. Principal of GP's LIHTC experience dates back to 1996.

**OWNERSHIP STRUCTURE**



## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	1	2		<b>Total Buildings</b>
Floors/Stories	3	4		
Number of Bldgs	1	1		<b>2</b>
Units per Bldg	74	56		
<b>Total Units</b>	<b>74</b>	<b>56</b>		<b>130</b>

### GENERAL INFORMATION

Total Size:	<u>4.083</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>R2-Med Density Res</u>	Re-Zoning Required?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> N/A
Density:	<u>31.8393</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Surrounding Uses:**

The site is mostly bordered by wooded land with medical care facilities abutting to the North, West, & East. Additionally, Vision Park Blvd runs along the northern part of the site & Wellman Rd to the South. Finally, to the West are single family residential properties. The site is located near multiple medical facilities including the Memorial Hermann Woodlands hospital.

**Other Observations:**

Efficient site plan with parking close to all units. Aside from the courtyard, there is very little green space. A prior owner operated a catfish farm on the property. The pond was located in the middle of the proposed building. Subsequent to the city purchasing the land, water from the pond was pumped out and filled in. However, the Underwriter is concerned that due to the limited due diligence performed on the site by the Applicant, there is some risk that unknown costs related to the soils could increase site work costs. (This is discussed in more detail in the "Development Cost Evaluation" section below.) Receipt and acceptance by Carryover of further due diligence and cost estimates for any site work related to the filling of the pond is a condition of this report.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc Date: 2/25/2011  
 Recognized Environmental Conditions (RECs) and Other Concerns:  
 • None

**MARKET ANALYSIS**

Provider: Apartment MarketData, LLC Date: 3/29/2011  
 Contact: Darrell Jock Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 40.7 sq. miles 4 mile equivalent radius  
 The Primary Market Area is defined by 11 census tracts in Montgomery County in the city of Shenandoah.

ELIGIBLE HOUSEHOLDS BY INCOME								
Montgomery County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,784	\$13,680	---	---	\$14,640	\$22,800	\$17,568	\$27,360
2	\$8,784	\$15,630	---	---	\$14,640	\$26,050	\$17,568	\$31,260
3	\$10,536	\$17,580	---	---	\$17,568	\$29,300	\$21,096	\$35,160
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	3	Total Units	854	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 The are no Proposed, Under Construction, or Unstabilized Comparable Supply within the Market Area.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	27,100		27,100	
Senior Households in the Primary Market Area	10,100		10,100	
Potential Demand from the Primary Market Area	2,221		2,295	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	2,221		2,295	
Subject Affordable Units	130		130	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	130		130	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>5.85%</b>		<b>5.66%</b>	

**Demand Analysis:**

The Market Analyst assumes the subject will place in service in 2012, and calculates Gross Demand for 2,221 units, and a Gross Capture Rate of 5.85%. The Underwriter assumes a place-in-service date of 2013, resulting in Gross Demand for 2,295 units and a Gross Capture Rate of 5.7%.

The maximum Gross Capture Rate for urban developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	178	13	0	7%	281	13	0	5%
1 BR/50%	320	34	0	11%	488	34	0	7%
1 BR/60%	383	1	0	0%	311	1	0	0%
2 BR/30%	184	1	0	1%	169	1	0	1%
2 BR/50%	364	11	0	3%	260	11	0	4%
2 BR/60%	343	70	0	20%	165	70	0	42%

**Primary Market Occupancy Rates:**

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 300 affordable units within the PMA, and 1,625 conventional units. Only one "affordable" senior project is located within the PMA (Tamarac Pines - 300 units). .. the overall average occupancy for income restricted units is 99.0%." (p 12)

**Absorption Projections:**

"Over the past 5 years, we see 3,335 new units built and absorbed ... There have been no affordable senior units constructed in the PMA. Tamarac Pines (TDHCA # 04108) is a senior tax credit project with 300 units. Tamarac Pines was a rehab and is currently 99% occupied." (p 52)

"Currently, the Village at The Woodlands Waterway's 116 conventional senior units are under construction. The Millennium Waterway is in lease-up." (p. 55)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable senior projects are 99% occupied." (p 12)

**Comments:**

The market analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$376,713	Avg. Rent:	\$678	Expense Ratio:	62.3%
Debt Service:	\$299,390	B/E Rent:	\$634	Controllable Expenses:	\$2,635
Net Cash Flow:	\$77,323	Occupancy:	92.50%	Property Taxes/Unit:	\$690
Aggregate DGR:	1.26:1	B/E Occupancy:	85.35%	Program Rent Year:	2011

Income:      Number of Revisions:      2      Date of Last Applicant Revision:      5/11/2011

Both the Applicant and the Underwriter utilized maximum program rents for all units, as supported by the market analyst's market rents. Tenants will be responsible for electricity. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

The Applicant indicated that garages would be provided for a fee, but did not include this secondary income. Generally, such secondary income is excluded from the Underwriter's pro forma except in unique circumstances and significant support must be provided and a deep vacancy rate for the garages is generally used. The Underwriter did not request any revisions to contemplate income from garage rentals.

Expense: Number of Revisions: 3 Date of Last Applicant Revision: 5/11/2011

The Applicant's total annual operating expense projection at \$4,794 per unit is within 5% of the Underwriter's estimate of \$4,865, derived from the TDHCA database, and third-party data sources. The Applicant provided an insurance quote from Swain & Baldwin Insurance Risk Management estimating \$617 per unit in property insurance. The Underwriter has utilized this estimate. The Applicant's estimates of general & administrative, and payroll & payroll tax, vary 7% to 14% from the respective ranges of available data points; however, these estimates are in line with the TDHCA's database figures for similar size deals in Region 6. The Applicant's utility estimate is generally comparable with the database. However, the subject has a much larger community area (6,643 SF) than many HTC deals and includes 25,654 SF of interior air conditioned corridors. The Underwriter is concerned that the Applicant and database may understate the utility costs for heating and cooling this space. As underwritten, the deal has some cushion should the utility costs actually be higher. Moreover, the underwritten controllable expenses of \$2,635/unit are in line with comparable properties.

**Conclusion:**

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.26, which is within the Department's DCR guideline of 1.15 to 1.35.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Unimproved Property Commercial Contract Acreage: 4.083  
 Acquisition Cost: \$2,100,000 Contract Expiration: 12/20/2011  
 Cost Per Unit: \$16,154  
 Seller: City of Shenandoah Related to Development Team?  Yes  No

**DEVELOPMENT COST EVALUATION**

**COST SCHEDULE** Number of Revisions: None Date of Last Applicant Revision: N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

The Applicant's sitework costs of \$8,214 per unit are within current Department guidelines. Therefore, further third party substantiation is not required. However, as noted previously, the Underwriter has some concerns regarding the pond that was formerly utilized as a catfish farm, located on the site. According to information provided to the Applicant by Construction Specialists, Inc. (CSI), the City is currently allowing a utility contractor to utilize the site for staging and storage. A portion of the pond has been filled to increase area for storage. CSI estimates it will cost approximately \$10K to fill the remainder of the pond and another \$10K to remove and properly replace the fill that the utility contractor put in the pond.

Based on these estimates, the Applicant's site work costs would increase to \$8,368 per unit, which is still below current Department guidelines. The Applicant did not submit a revised cost schedule reflecting the higher site costs; however, based on the current estimates provided by CSI, the \$20K in additional costs would not negatively impact the transaction at this time. Moreover, the Applicant could reasonably increase the amount of contingency (currently 6.8%) by this amount to cover these costs and still be under the 7% maximum. However, the Underwriter still believes this number is too low given the limited amount of due diligence performed at this point. Receipt, review and acceptance by Carryover of further due diligence as it relates to the soils regarding the filling of the pond is a condition of this report.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$630K or 8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The building elevations provided reflect a more ornamentation and exterior articulation than often seen for tax credit deals. Additionally, use of standing seam metal roofing for the community building, flat roofs for the residential buildings, and purchase contract requirements for 90% brick or stone exteriors contribute to higher costs. Garages are being provided for a fee, and as a result both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

**Ineligible Costs:**

Underwriter's ineligible cost is adjusted for garages. Specifically, the Underwriter determined carports, storage, and garages to be \$118,358 based on Marshall & Swift; however, the Applicant has included \$226K for these costs.

**Contingency & Fees:**

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

**Conclusion:**

Costs are higher than a typical LIHTC garden deal due to land cost (\$16k/unit) and building design. Costs are effectively equivalent to the \$95/SF point election. The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$15,098,822 supports annual tax credits of \$1,766,562. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 3/30/2011

Interim Sources	Amount	Rate	Term	LTC
Bank of Oklahoma	\$8,748,242	7.50%	24 Months	52%
Strategic Housing Finance Corporation	\$600,000	AFR	12 Months	4%
Coronet Group	\$370,000	AFR	12 Months	2%
Raymond James - Equity	\$7,065,542	HTC Equity		42%
<b>Total</b>	<b>\$16,783,784</b>			

**Comments:**

The Interim Rate Index on the \$8.7M loan is the Bank of Oklahoma National Prime + 100 bps, which as of the date of the commitment was 5%.

The Applicant indicates the intention to apply for the \$600K SHFC funds; as of the date of this underwriting report, no award has been made. Coronet Group has provided a commitment for a construction period loan of \$370K. No information was provided about the Coronet Group's financial capacity. The term for both loans will be 12 months at AFR. Interim interest from these sources was not used to justify the Applicant's claimed eligible interim interest. Receipt, review and acceptance by commitment of a firm commitment for the SHFC funds is a condition of this report.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Bank of Oklahoma	\$3,568,170	7.50%	30 Years	17 Years	20%
<b>Total</b>	<b>\$3,568,170</b>				

**Comments:**

The Permanent Rate Index will be fixed at Bank of Oklahoma's cost of funds + 300 bps, underwritten @ 7.50%. The term on the permanent loan will be 17 years from the date of conversion.

<b>Equity &amp; Deferred Fees</b>	<b>Amount</b>	<b>Rate</b>	<b>% TC</b>	<b>% Def</b>
Raymond James - Equity	\$14,131,084	\$0.80	78%	
Deferred Developer Fee	\$519,424		3%	27%
<b>Total</b>	<b>\$14,650,507</b>			
<b>Total Sources</b>	<b>\$18,218,678</b>			

Comments:

Deferred developer fees is anticipated to be repayable from development cashflow within six years of stabilized operation.

### CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,568,170 indicates the need for \$14,650,508 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,831,497 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,766,562
Allocation determined by gap in financing:	\$1,831,497
<b>Allocation requested by the Applicant:</b>	<b>\$1,766,562</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,766,562 per year for 10 years results in total equity proceeds of \$14,131,084 at a syndication rate of \$0.80 per tax credit dollar.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**  
 The Sunningdale, Shenandoah, 9% HTC, #11238

LOCATION DATA	
CITY:	Shenandoah
COUNTY:	Montgomery
PROGRAM REGION:	6
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	48	36.9%
2	82	63.1%
3		
4		
<b>TOTAL</b>	<b>130</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS			MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	13	1	1	751	\$366	\$53	\$313	\$0	\$0.42	\$313	\$4,069	\$4,069	\$313	\$0.42	\$0	\$782	1.04	\$469
TC50%	22	1	1	751	\$610	\$53	\$557	\$0	\$0.74	\$557	\$12,254	\$12,254	\$557	\$0.74	\$0	\$782	1.04	\$225
TC60%	1	1	1	751	\$732	\$53	\$679	\$0	\$0.90	\$679	\$679	\$679	\$679	\$0.90	\$0	\$782	1.04	\$103
TC50%	12	1	1	758	\$610	\$53	\$557	\$0	\$0.73	\$557	\$6,684	\$6,684	\$557	\$0.73	\$0	\$786	1.04	\$229
TC30%	1	2	2	939	\$439	\$68	\$371	\$0	\$0.40	\$371	\$371	\$371	\$371	\$0.40	\$0	\$892	0.95	\$521
TC50%	11	2	2	939	\$732	\$68	\$664	\$0	\$0.71	\$664	\$7,304	\$7,304	\$664	\$0.71	\$0	\$892	0.95	\$228
TC60%	4	2	2	939	\$879	\$68	\$811	\$0	\$0.86	\$811	\$3,244	\$3,244	\$811	\$0.86	\$0	\$892	0.95	\$81
TC60%	6	2	2	1,063	\$879	\$68	\$811	\$0	\$0.76	\$811	\$4,866	\$4,866	\$811	\$0.76	\$0	\$991	0.93	\$180
TC60%	50	2	2	1,065	\$879	\$68	\$811	\$0	\$0.76	\$811	\$40,550	\$40,550	\$811	\$0.76	\$0	\$992	0.93	\$181
TC60%	10	2	2	1,073	\$879	\$68	\$811	\$0	\$0.76	\$811	\$8,110	\$8,110	\$811	\$0.76	\$0	\$997	0.93	\$186
<b>TOTALS/</b>	<b>130</b>			<b>121,514</b>				<b>\$0</b>	<b>\$0.73</b>	<b>\$678</b>	<b>\$88,131</b>	<b>\$88,131</b>	<b>\$678</b>	<b>\$0.73</b>	<b>\$0</b>	<b>\$903</b>	<b>\$0.97</b>	<b>\$225</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,057,572</b>	<b>\$1,057,572</b>
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**STABILIZED PROFORMA**

**The Sunningdale, Shenandoah, 9% HTC #11238**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.73	\$678	\$1,057,572	\$1,057,572	\$678	\$0.73		0.0%	\$0
Late fees, pet deposits					\$10.00	\$15,600					0.0%	(15,600)
laundry					\$5.00	\$7,800					0.0%	(7,800)
					\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income							\$23,400	\$15.00			100.0%	23,400
<b>POTENTIAL GROSS INCOME</b>						\$1,080,972	\$1,080,972				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(81,073)	(81,073)	7.5% PGI			0.0%	-
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$999,899	\$999,899				0.0%	\$0
General & Administrative	\$46,598	\$358/Unit	4.00%	\$0.33	\$308	\$40,000	\$46,598	\$358	\$0.38	4.66%	-14.2%	(6,598)
Management	\$41,384	4.3% EGI	5.00%	\$0.41	\$385	\$50,000	\$49,995	\$385	\$0.41	5.00%	0.0%	5
Payroll & Payroll Tax	\$132,800	\$1,022/Unit	14.15%	\$1.16	\$1,089	\$141,520	\$132,800	\$1,022	\$1.09	13.28%	6.6%	8,720
Repairs & Maintenance	\$72,275	\$559/Unit	7.10%	\$0.58	\$546	\$71,000	\$72,275	\$556	\$0.59	7.23%	-1.8%	(1,275)
Utilities	\$40,080	\$308/Unit	3.60%	\$0.31	\$292	\$38,000	\$40,080	\$308	\$0.33	4.01%	-5.2%	(2,080)
Water, Sewer, & Trash	\$54,574	\$420/Unit	5.20%	\$0.43	\$400	\$52,000	\$54,574	\$420	\$0.45	5.46%	-4.7%	(2,574)
Property Insurance	\$43,564	\$0.36 SF	8.02%	\$0.66	\$617	\$80,210	\$80,210	\$617	\$0.66	8.02%	0.0%	-
Property Tax 2.4000	\$76,931	\$592/Unit	8.98%	\$0.74	\$690	\$89,756	\$95,160	\$732	\$0.78	9.52%	-5.7%	(5,404)
Reserve for Replacements	\$33,710	\$259/Unit	3.25%	\$0.27	\$250	\$32,500	\$32,500	\$250	\$0.27	3.25%	0.0%	-
TDHCA Compliance Fees			0.52%	\$0.04	\$40	\$5,200	\$5,200	\$40	\$0.04	0.52%	0.0%	-
Supportive service contract fees			2.30%	\$0.19	\$177	\$23,000	\$23,000	\$177	\$0.19	2.30%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>62.32%</b>	<b>\$5.13</b>	<b>\$4,794</b>	<b>\$ 623,186</b>	<b>\$ 632,392</b>	<b>\$4,865</b>	<b>\$5.20</b>	<b>63.25%</b>	<b>-1.5%</b>	<b>\$ (9,206)</b>
<b>NET OPERATING INCOME ("NOI")</b>			<b>37.68%</b>	<b>\$3.10</b>	<b>\$2,898</b>	<b>\$376,713</b>	<b>\$367,507</b>	<b>\$2,827</b>	<b>\$3.02</b>	<b>36.75%</b>	<b>2.6%</b>	<b>\$9,206</b>
<b>CONTROLLABLE EXPENSES</b>		\$2.664/Unit							\$2.664/Unit			

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$999,899	\$1,019,897	\$1,040,295	\$1,061,101	\$1,082,323	\$1,102,323	\$1,194,972	\$1,319,346	\$1,456,664	\$1,608,275	\$1,775,666	\$1,960,478	\$2,164,526
LESS: TOTAL EXPENSES	623,186	641,382	660,113	679,396	699,248	720,000	807,632	932,969	1,077,926	1,245,591	1,439,543	1,663,924	1,923,533
<b>NET OPERATING INCOME</b>	<b>\$376,713</b>	<b>\$378,516</b>	<b>\$380,182</b>	<b>\$381,705</b>	<b>\$383,075</b>	<b>\$382,323</b>	<b>\$387,340</b>	<b>\$386,376</b>	<b>\$378,739</b>	<b>\$362,684</b>	<b>\$336,123</b>	<b>\$296,555</b>	<b>\$240,994</b>
LESS: DEBT SERVICE	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390	299,390
<b>NET CASH FLOW</b>	<b>\$77,323</b>	<b>\$79,126</b>	<b>\$80,792</b>	<b>\$82,315</b>	<b>\$83,685</b>	<b>\$82,933</b>	<b>\$87,950</b>	<b>\$86,986</b>	<b>\$79,349</b>	<b>\$63,294</b>	<b>\$36,733</b>	<b>(\$2,835)</b>	<b>(\$58,396)</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$77,323</b>	<b>\$156,449</b>	<b>\$237,241</b>	<b>\$319,555</b>	<b>\$403,241</b>	<b>\$486,174</b>	<b>\$568,124</b>	<b>\$649,110</b>	<b>\$729,459</b>	<b>\$808,253</b>	<b>\$885,486</b>	<b>\$961,151</b>	<b>\$1,035,755</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$519,424</b>	<b>\$440,298</b>	<b>\$359,506</b>	<b>\$277,191</b>	<b>\$193,506</b>	<b>\$109,821</b>	<b>\$26,136</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.26</b>	<b>1.26</b>	<b>1.27</b>	<b>1.27</b>	<b>1.28</b>	<b>1.28</b>	<b>1.29</b>	<b>1.29</b>	<b>1.27</b>	<b>1.21</b>	<b>1.12</b>	<b>0.99</b>	<b>0.80</b>
<b>EXPENSE/EGI RATIO</b>	<b>62.32%</b>	<b>62.89%</b>	<b>63.45%</b>	<b>64.03%</b>	<b>64.61%</b>	<b>65.20%</b>	<b>67.59%</b>	<b>70.71%</b>	<b>74.00%</b>	<b>77.45%</b>	<b>81.07%</b>	<b>84.87%</b>	<b>88.87%</b>

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET - ITEMIZED BASIS**

*The Sunningdale, Shenandoah, 9% HTC #11238*

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE				
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Bank of Oklahoma	1.23	1.26	\$299,390	7.50%	30	18	\$3,568,170	\$3,568,170	17	30	7.50%	\$299,390	1.26	19.6%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$299,390				\$3,568,170	\$3,568,170				\$299,390		19.6%
<b>NET CASH FLOW</b>			\$77,323									\$68,117		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary	
										Annual Credit per Unit	Total Developer Fee
Raymond James - Equity	LIHTC Equity	77.6%	\$1,766,562	0.80	\$14,131,084	\$14,131,084	0.80	\$1,766,562	77.6%	Annual Credit per Unit:	\$108,701
West Union Development, Inc.	Deferred Developer Fees	2.9%	(27% Deferred)		\$519,424	\$519,424	(29% Deferred)		2.9%	Total Developer Fee:	\$1,945,700
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,275,514
<b>TOTAL EQUITY SOURCES</b>		80.4%			\$14,650,508	\$14,650,508			80.4%	15-Yr Cash Flow after Fee:	\$756,091
<b>TOTAL CAPITALIZATION</b>					\$18,218,678	\$18,218,678					

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis		Total Costs			Total Costs			Eligible Basis		%	\$
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition		
Land Acquisition			\$16,477 / Unit	\$2,142,000	\$2,142,000	\$16,477 / Unit					0.0%	\$0
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0		0.0%	\$0
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit			\$0		0.0%	\$0
Sitework		\$1,067,810	\$6,214 / Unit	\$1,067,810	\$1,067,810	\$6,214 / Unit	\$1,067,810				0.0%	\$0
Direct Construction		\$8,401,968	\$69.14 SF	\$64,628/Unit	\$8,401,968	\$7,772,078	\$59,785/Unit	\$63.96 SF	\$7,772,078		-8.1%	(\$629,590)
Contingency		\$643,474		6.80%	\$643,474	\$618,792		7.00%	\$618,792		-4.0%	(\$24,682)
Contractor's Fees		\$1,325,727		13.11%	\$1,325,727	\$1,324,215		14.00%	\$1,324,215		-0.1%	(\$1,512)
Indirect Construction		\$841,035		\$6,470 / Unit	\$841,035	\$841,035		\$6,470 / Unit	\$841,035		0.0%	\$0
Ineligible Costs				\$4,896 / Unit	\$636,478	\$744,120		\$5,724 / Unit			14.5%	\$107,642
Developer's Fees	\$0	\$1,945,700		14.79%	\$1,945,700	\$1,874,601		15.00%	\$1,874,601	\$0	-3.8%	(\$71,099)
Interim Financing		\$873,408		\$6,719 / Unit	\$873,408	\$873,408		\$6,719 / Unit	\$873,408		0.0%	\$0
Reserves				\$2,626 / Unit	\$341,378	\$341,378		\$2,626 / Unit			0.0%	\$0
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$15,098,822</b>		\$140,144 / Unit	<b>\$18,218,678</b>	<b>\$17,599,437</b>		\$135,380 / Unit	<b>\$14,371,939</b>	<b>\$0</b>	<b>-3.5%</b>	<b>(\$619,241)</b>
Acquisition Cost for Identity of Interest Seller										\$0		
Developer's Fee	\$0	\$0										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$15,098,822</b>		\$140,144 / Unit	<b>\$18,218,678</b>	<b>\$17,599,437</b>		\$135,380 / Unit	<b>\$14,371,939</b>	<b>\$0</b>		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$18,218,678</b>							

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ADJUSTED BASIS ITEMS**

*The Sunningdale, Shenandoah, 9% HTC #11238*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$15,098,822	\$0	\$14,371,939
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	<b>\$0</b>	<b>\$15,098,822</b>	<b>\$0</b>	<b>\$14,371,939</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$0</b>	<b>\$19,628,468</b>	<b>\$0</b>	<b>\$18,683,521</b>
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$0</b>	<b>\$19,628,468</b>	<b>\$0</b>	<b>\$18,683,521</b>
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$0</b>	<b>\$1,766,562</b>	<b>\$0</b>	<b>\$1,681,517</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$1,766,562</b>		<b>\$1,681,517</b>	

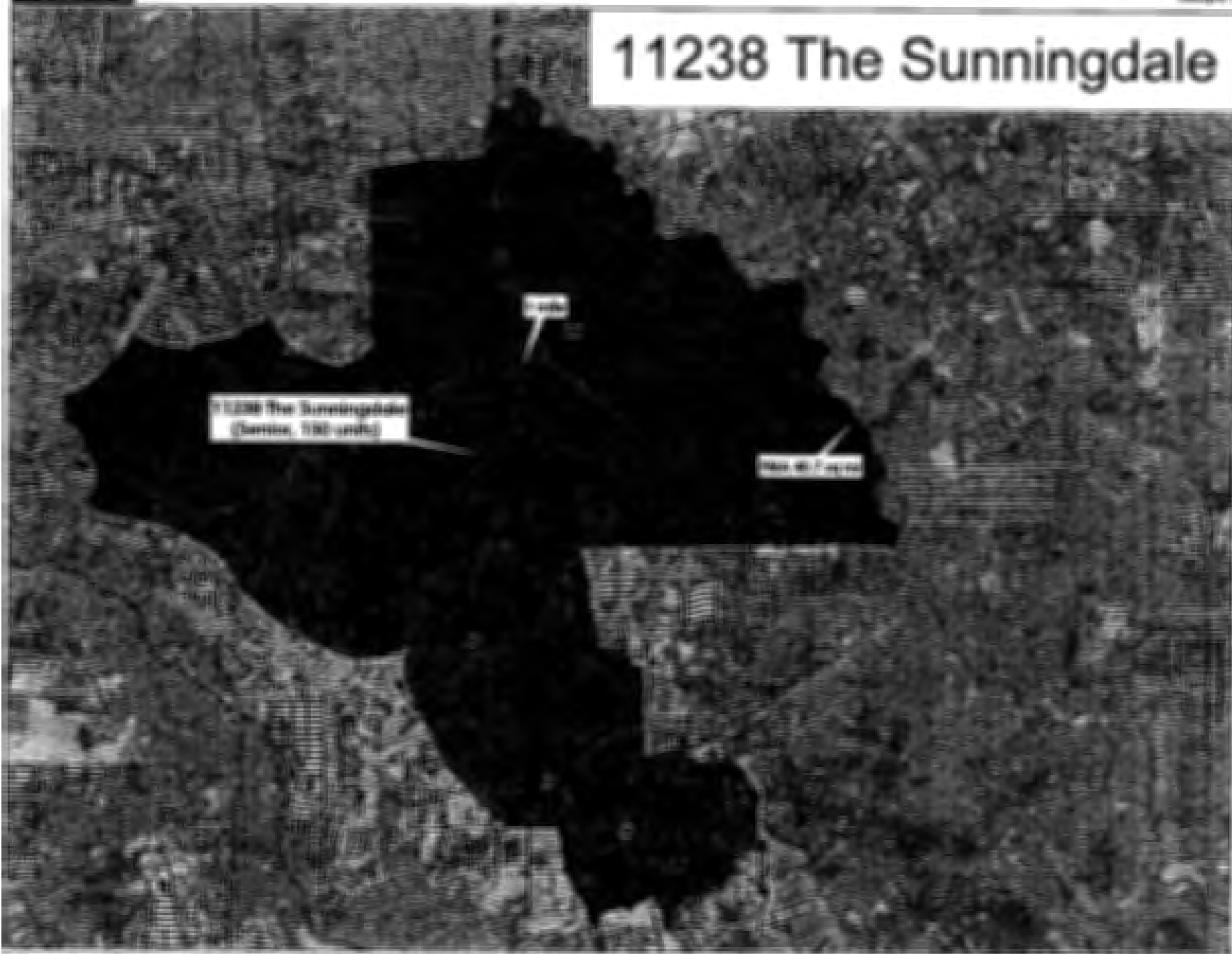
DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$52.02	6,321,234
Adjustments				
Exterior Wall Finish	5.44%		2.83	\$343,875
Elderly	3.00%		1.56	189,637
9-Ft. Ceilings	3.68%		1.91	232,621
Roofing			0.00	0
Subfloor			0.06	7,638
Floor Cover			2.41	292,849
Breezeways		0	0.00	0
Balconies	\$22.80	8180	1.53	188,513
Plumbing Fixtures	\$845	246	1.71	207,870
Rough-ins	\$420	260	0.90	109,200
Built-in Appliances	\$1,850	130	1.98	240,500
Exterior Stairs	\$1,900	17	0.27	32,300
Enclosed Corridors	\$44.57	25,654	9.41	1,143,415
Other: Elevators	\$91,394	2	1.50	182,788
Other:			0.00	0
Garages (6 Car, 8 storage)	\$16.79	7,564	1.05	126,992
Heating/Cooling			1.83	222,371
Garages (3 Car, 4 storage)	\$17.80	1,897	0.28	33,772
Comm &/or Aux Bldgs	\$68.55	6,643	3.75	455,400
Other: fire sprinkler	\$2.25	153,811	2.85	346,075
<b>SUBTOTAL</b>			<b>87.85</b>	<b>\$10,675,050</b>
Current Cost Multiplier	1.03		2.64	320,252
Local Multiplier	0.88		-10.54	(1,281,006)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>79.94</b>	<b>\$9,714,296</b>
Plans, specs, survey, bldg permit	3.90%		-3.12	(\$378,858)
Interim Construction Interest	3.38%		-2.70	(\$27,857)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>64.93</b>	<b>\$7,890,437</b>

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,766,562	\$14,131,084
Gap	\$1,831,497	\$14,650,508
Request	\$1,766,562	\$14,131,084

FINAL ANNUAL LHTC ALLOCATION	
Method	Request
Credits	\$1,766,562
Underwritten Proceeds	\$14,131,084

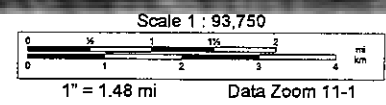
	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$83.22	\$77,792	\$10,112,952	\$9,456,680	\$72,759	\$77.84
Hard Costs plus Contractor Fees	\$94.13	\$87,990	\$11,438,679	\$10,782,896	\$82,945	\$88.74

# 11238 The Sunningdale



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11239

Sansbury Senior

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Sansbury Senior, TDHCA Number 11239**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SWQ of Sansbury and Crabb River Rd. Development #: 11239  
 City: Greatwood Region: 6 Population Served: Elderly  
 County: Fort Bend Zip Code: 77469 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Sansbury Senior Development, LP  
 Owner Contact and Phone: Kenneth W. Fambro, (214) 497-0155  
 Developer: Communis Development Group, LLC  
 Housing General Contractor: Integrated Construction & Development, LP  
 Architect: Gailer Tolson French Design Group  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Integrated Property Management, LP  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	90
	10	0	31	49	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	36	54	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	90
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,228,922	\$1,228,922			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sansbury Senior, TDHCA Number 11239

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hegar, District 18, O

US Representative: Olson, District 22,

TX Representative: Reynolds, District 27, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

O, Thomas Randle, Superintendent of Schools

O, Richard Morrison, Commissioner, Precinct 1

Individuals and Businesses: In Support: 5 In Opposition 24

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Comunidad Corporation, S, John Martin, President

Interfaith Ministries, S, Elliot Gershenson, President and CEO

Elija's Promise, Inc., S, Newal Hunter, President

Greater Fort Bend Economic Development Council, O, Jeffrey C. Wiley, President

RiverPark On The Brazos Property Owners Association, Inc., O, Rodney Vannerson, President

General Summary of Comment:

Oppose - The developer did not reach out to the community to gain support. The development will place a burden on the traffic situation. The development will decrease privacy of the residential homes nearby. Other areas of Fort Bend county would be better suited for affordable housing. The development will decrease area property values.

CONDITIONS OF COMMITMENT

- 1. The Department will condition any award of housing tax credits for Sansbury Senior (#11135) on clearance of all final inspection deficiencies prior to carryover (should the Board approve an award).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Sansbury Senior, TDHCA Number 11239

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **188**  Meeting a Required Set-Aside Credit Amount\*: \$1,228,922

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**11241**

**Park Hudson Senior**

**Urban, Region 8**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Park Hudson Senior, TDHCA Number 11241**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SWC of Cross Park and FM 158 Development #: 11241  
 City: Bryan Region: 8 Population Served: Elderly  
 County: Brazos Zip Code: 77802 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Park Hudson Seniors, LP  
 Owner Contact and Phone: Paul Milosevich, (214) 370-2629  
 Developer: ISB Partners, Ltd.  
 Housing General Contractor: Integrated Construction & Development, LP  
 Architect: Gailer Tolson French Design Group  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Integrated Property Management, LP  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	90
	10	0	31	49	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	36	54	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	90
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,245,984	\$1,245,984			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Park Hudson Senior, TDHCA Number 11241

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, NC

US Representative: Flores, District 17,

TX Representative: Brown, District 14, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Park Hudson Property Owner's Association, Bill Lero

Letter Score: 24 S or O: S

It appears this project is well conceived, designed and located to provide safe and quality housing for low income seniors.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Park Hudson Senior, TDHCA Number 11241

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score:196  Meeting a Required Set-Aside Credit Amount\*: \$1,245,984

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11243

HomeTowne at Kingwood

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**HomeTowne at Kingwood, TDHCA Number 11243**

**BASIC DEVELOPMENT INFORMATION**

Site Address: E side of Winford Square Dr., N of Kellington Dr. Development #: 11243  
 City: Houston Region: 6 Population Served: Elderly  
 County: Montgomery Zip Code: 77365 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: HomeTowne at Kingwood, LP  
 Owner Contact and Phone: Craig Spaulding, (817) 742-1851  
 Developer: South Bay Partners, LTD  
 Housing General Contractor: Integrated Construction & Development, LP  
 Architect: Gailer Tolson French Design Group  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Integrated Property Management, LP  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	144
	14	0	45	69	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	51	77	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	144
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,573,597	\$1,573,597			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

HomeTowne at Kingwood, TDHCA Number 11243

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Williams, District 4, S

US Representative: Brady, District 8,

TX Representative: Creighton, District 16, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Comunidad Corporation, S, John Martin, President

Interfaith Ministries, S, Elliot Gershenson, President and CEO

Elija's Promise, Inc., S, Newal Hunter, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

HomeTowne at Kingwood, TDHCA Number 11243

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **201**  Meeting a Required Set-Aside Credit Amount\*: \$1,573,597

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



11244

E2 Flats

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**E2 Flats, TDHCA Number 11244**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 211 N Ervay Development #: 11244  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75201 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: ADR  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: BJTexas (Ervay), LLC  
 Owner Contact and Phone: Bill Newsome, (785) 331-4644  
 Developer: Newsome Consulting, Inc.  
 Housing General Contractor: RCI Construction, LLC  
 Architect: Merriman Associates/Architects, Inc.  
 Market Analyst: Butler Brugher Group, LLC  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	119
	12	0	0	107	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	34	68	17	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	119
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,759,015	\$1,759,015			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

E2 Flats, TDHCA Number 11244

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

US Representative: Johnson, District 30,

TX Representative: Branch, District 108, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition 1

Quantifiable Community Participation Input:

Downtown Residents Council, Steve Shepherd

Letter Score: 24 S or O: S

The components of the project fit within our vision for a vibrant and diverse downtown. Affordable housing is in short supply in our vicinity.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

E2 Flats, TDHCA Number 11244

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 184  Meeting a Required Set-Aside Credit Amount\*: \$1,759,015

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11245

Bar T Apts

Urban, Region 4



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Bar T Apts, TDHCA Number 11245**

**BASIC DEVELOPMENT INFORMATION**

Site Address: NW Quadrant of Bill Owens and Heather Development #: 11245  
 City: Longview Region: 4 Population Served: General  
 County: Gregg Zip Code: 75604 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Bar T Apartments, LLC  
 Owner Contact and Phone: Michael Wohl, (561) 627-2820  
 Developer: Bar T Development, LLC  
 Housing General Contractor: TBD  
 Architect: Miller Slayton Architects Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	115
	12	0	41	62	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	32	64	20	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	116
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,396,034	\$1,396,034			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Bar T Apts, TDHCA Number 11245

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Eltife, District 1, NC

US Representative: Gohmert, District 1,

TX Representative: Simpson, District 7, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 4 In Opposition 1

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Community Outreach Mission, S, Johnnie Johnson, Director  
Hiway 80 Rescue Mission Ministries, S, Eric Burger, Executive Director  
Stragent Foundation, S, Stephen D. Crane, Director of Operations  
Longview Community Ministries, S, Donna Sharp, Executive Director

**General Summary of Comment:**

Support - There is a need for affordable housing in the area.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Bar T Apts, TDHCA Number 11245

**COMPLIANCE EVALUATION SUMMARY:**

No unresolved issues of material non-compliance or audit findings

Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **188**  Meeting a Required Set-Aside Credit Amount\*: \$1,396,034

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**11246**

**Tylor Grand**

**Urban, Region 2**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Tylor Grand, TDHCA Number 11246**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4249 Catclaw Dr. Development #: 11246  
 City: Abilene Region: 2 Population Served: General  
 County: Taylor Zip Code: 79606 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Tylor Grand, LLC  
 Owner Contact and Phone: Louis Wolfson III, (386) 454-0290  
 Developer: Tylor Grand Development, LLC  
 Housing General Contractor: TBD  
 Architect: Miller Slayton Architects Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	119	
	12	0	42	65	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	60	24	4	0	
Type of Building:						Total Development Units:	120
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$14,237,417
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,395,109	\$1,395,109			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Taylor Grand, TDHCA Number 11246

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Fraser, District 24, S

US Representative: Neugebauer, District 19,

TX Representative: King, District 71, NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Norm Archibald, Mayor of Abilene

Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 4 In Opposition 0

Quantifiable Community Participation Input:

Catclaw-Rolling Green Neighborhood Organization, Brad Stephens

Letter Score: 24 S or O: S

The Catclaw-Rolling Green Neighborhood Organization feels that Taylor Grand apts will help fulfill the need for affordable housing in Abilene.

Community Input Other than Quantifiable Community Participation Input:

Boys & Girls Club of Abilene, Inc., S, Mark Young, CPO

Special Olympics Texas Big Country- Area 14, S, Elizabeth Bye, Area Director

Meals o Wheels, Plus, Inc., S, Betty L. Bradley, Executive Director

Abilene Hope Heaven, Inc., S, Alana Jeter, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of an interim loan commitment signed by CAHFC including terms of financing, including interest rate, term, and amortization period.
2. Receipt and acceptance by Carryover, 10% Test, and Cost Certification: a re-evaluation of the transaction, should Renewable Energy Tax Credits be awarded, to ensure that those credits are not included in basis and possible adjustment to the HTC allocation.
3. The LURA require that the portion of the site identified as green space in the site plan be continuously maintained (i.e. mowed regularly and free of debris and trash) and be accessible for use by the tenants throughout the affordability period.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Tylor Grand, TDHCA Number 11246**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio: 1

Total # Monitored: 0

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 212     Meeting a Required Set-Aside    Credit Amount\*: \$1,395,109

**Recommendation:** Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

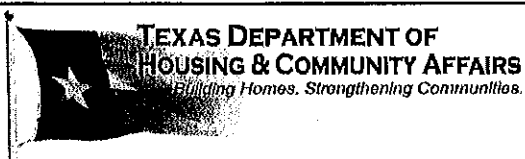
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

**Recommendation:**

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11246 Program(s): 9% HTC

**Tylor Grand**

Address/Location: 4249 Catclaw Drive

City: Abilene County: Taylor Zip: 79606

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Construction Type: Garden (Up to 3 story) Region: 2

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Lien
LIHTC (Annual)	\$1,395,109				\$1,395,109				

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - of an interim loan commitment signed by CAHFC including terms of financing, including interest rate, term, and amortization period.
- 2 Receipt and acceptance by Carryover, 10% Test, and Cost Certification:
  - a re-evaluation of the transaction, should Renewable Energy Tax Credits be awarded, to ensure that those credits are not included in basis and possible adjustment to the HTC allocation.
- 3 The LURA require that the portion of the site identified as green space in the site plan be continuously maintained (i.e. mowed regularly and free of debris and trash) and be accessible for use by the tenants throughout the affordability period.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
50% of AMI	50% of AMI	42
60% of AMI	60% of AMI	65

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS
<ul style="list-style-type: none"> <li>▫ Based on the average market rate units in the sub-market, the average rent savings is \$227/month or 34%</li> </ul>
<ul style="list-style-type: none"> <li>▫ Will offer lower rents than the immediately adjacent multifamily properties</li> </ul>
<ul style="list-style-type: none"> <li>▫ 84% breakeven occupancy and low expense ratio are indicative of less sensitivity to adverse market changes</li> </ul>
<ul style="list-style-type: none"> <li>▫ No deferred developer fee provides cushion against cost increases and financing changes</li> </ul>
<ul style="list-style-type: none"> <li>▫ Visibility is good due to frontage on Catclaw.</li> </ul>
<ul style="list-style-type: none"> <li>▫ Development is close to the Mall of Abilene and other major retail outlets</li> </ul>

WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ One-month concession on average rent is less than breakeven rent</li> </ul>
<ul style="list-style-type: none"> <li>▫ Limited investigation of site work requirements and costs has been done (i.e. soil testing, detention requirements, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>▫ Direct construction costs are 9% lower than the Underwriter's estimate</li> </ul>

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

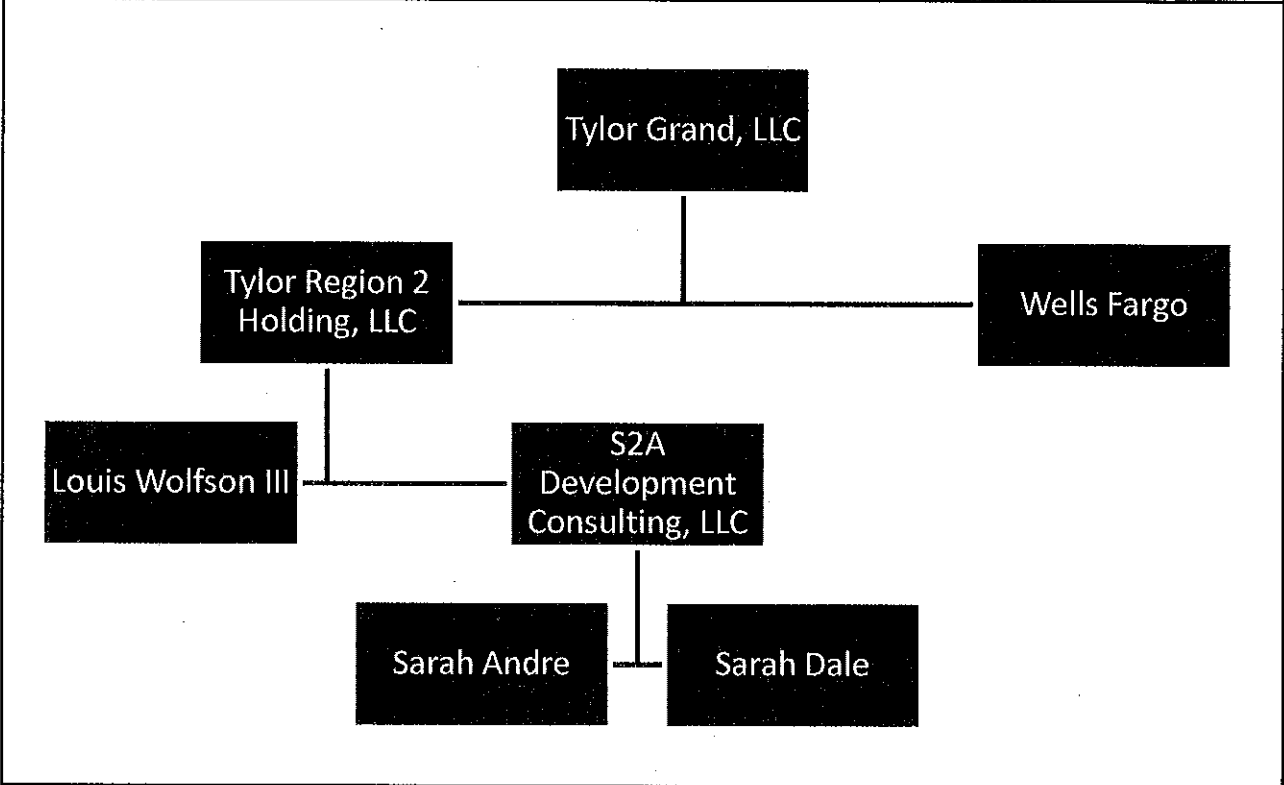
<p>Name: <u>Louis Wolfson III</u></p> <p>Email: <u>louisw@pinnaclehousing.com</u></p>	<p>Relationship: <u>Owner of Developer &amp; Co-GP</u></p> <p>Phone: <u>(386) 454-0290</u> Fax: _____</p>
<p>Name: <u>Sarah Dale</u></p> <p>Email: <u>sarah@s2adevelopment.com</u></p>	<p>Relationship: <u>S2A Development Consulting (Co-GP)</u></p> <p>Phone: <u>(512) 698-3369</u> Fax: <u>(512) 233-2269</u></p>

### KEY PRINCIPALS

Related-Party Seller/Identity of Interest:       No      

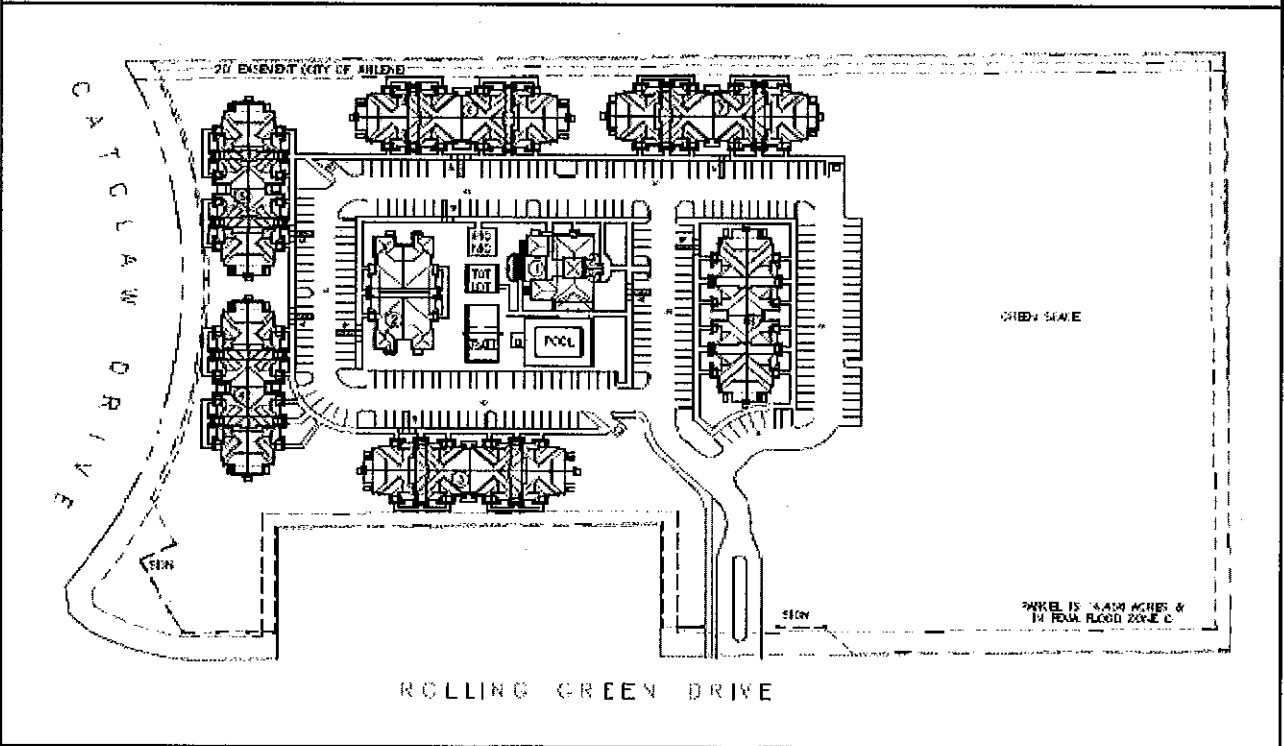
- The Louis Wolfson III is a Co-General Partner and owner of the Developer for the transaction. Mr. Wolfson is a principal with Pinnacle Housing Group which is involved in a 2010 transaction that received an allocation. Pinnacle Housing Group's other partners are sponsoring other applications in the 2011 cycle.
- S2A Development Consulting is the Co-General Partner and serves as a consultant for several other applications in the 2011 cycle.

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN







AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11180	Rainy Creek Apts	New	Family	83	84
11066	Anson Park III	New	Family	76	80
Other Affordable Developments in PMA since 2007					
09175	Abilene Senior Village	New	Senior	n/a	92
08142	Anson Park Seniors	New	Senior	n/a	80
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		8	Total Units		930

Proposed, Under Construction, and Unstabilized Comparable Supply:

Rainy Creek Apts and Anson Park III are two proposed family developments for 2011.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	40,957		40,957	
Potential Demand from the Primary Market Area	7,037		6,925	
<b>GROSS DEMAND</b>	7,037		6,925	
Subject Affordable Units	119		119	
Unstabilized Comparable Units	0		159	
<b>RELEVANT SUPPLY</b>	119		278	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>1.69%</b>		<b>4.01%</b>	

Demand Analysis:

The Market Analyst did not identify any proposed comparable properties in the PMA that would impact the calculation of supply and demand. However, Rainy Creek Apts (#11180) and Anson Park III (#11066) are both proposed developments located in the PMA, which the Underwriter has included in his Gross Capture Rate calculation.

The Market Analyst's calculations include all household sizes, and assumes the subject will place in service in 2012. This results in Gross Demand for 7,037 units, and a Gross Capture Rate of 1.69% for the proposed 119 units. The Underwriter limits demand to households of 6 or less, but assumes the subject will place in service in 2013, resulting in Gross Demand for 6,925 units, and a Gross Capture Rate of 4.01% for the Relevant Supply 278 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	416	8	0	2%	186	8	6	8%
1 BR/50%	686	12	0	2%	311	12	10	7%
1 BR/60%	786	12	0	2%	338	12	12	7%
2 BR/30%	200	4	0	2%	177	4	8	7%
2 BR/50%	331	20	0	6%	339	20	29	14%
2 BR/60%	448	35	0	8%	386	35	44	20%
3 BR/50%	171	8	0	5%	147	8	18	18%
3 BR/60%	217	16	0	7%	187	16	29	24%
4 BR/50%	85	2	0	2%	73	2	0	3%
4 BR/60%	108	2	0	2%	85	2	0	2%

**Primary Market Occupancy Rates:**

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 667 affordable units within the PMA, and 732 conventional units... the overall average occupancy for income restricted units is 93.3%" (pg 107)

**Absorption Projections:**

Anson Park II (#04241) and Arbors at Rose Park (#05141) are latest LIHTC developments with occupancy rates of 99% and 100% respectively. The Market Analyst estimates "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." (pg 52)

**Market Impact:**

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable family units have been easily absorbed. Today, stabilized affordable projects are 93.3% occupied." (pg 12)

**Comments:**

The Market Analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$298,977	Avg. Rent:	\$524	Expense Ratio:	58.7%
Debt Service:	\$234,824	B/E Rent:	\$484	Controllable Expenses:	\$2,052
Net Cash Flow:	\$64,153	Occupancy:	92.50%	Property Taxes/Unit:	\$668
Aggregate DCR:	1.27:1	B/E Occupancy:	84.31%	Program Rent Year:	2010

Income: \_\_\_\_\_ Number of Revisions: 1 Date of Last Applicant Revision: 5/11/2011

Both the Applicant and the Underwriter utilized maximum program rents for all units, as supported by the market analyst. Tenants will be responsible for all electric utilities as of July 5, 2010 and administered by the Abilene Housing Authority. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 5/12/2011

The Applicant's total annual operating expense projection at \$3,544 per unit is within 5% of the Underwriter's estimate of \$3,604, derived from the TDHCA database, and third-party data sources. The Applicant's controllable expenses are a little lower than typically expected for family deals of a similar size in Texas. However, the Underwriter pulled data on two other existing family deals in Abilene and confirmed that controllable expenses were at similar levels. The Underwriter's property tax estimate is based on NOI at a 10% cap rate.

The Applicant indicates that current plans are to partner with non profit organizations who will provide supportive services as outlined in the Application at no charge to the tenants or the Applicant. No such contracts for these services have been negotiated as of the date of this report. It is the Department's experience that depending changing service providers is sometimes necessary and that provision of services free of charge cannot always be counted on for the long term. At the underwritten DCR of 1.27 the Applicant could support additional expenses to procure a service provider.

**Conclusion:**

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.27, which is within the Department's DCR guideline of 1.15 to 1.35.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase & Sale Agreement Acreage: 14.456  
Acquisition Cost: \$1,039,011 Contract Expiration: 8/31/2011  
Cost Per Unit: \$8,658  
Seller: Jack Turner & O.B. Stephens Related to Development Team?  Yes  No  
Comments:  
The cost schedule reflects the contract price of \$1,039,011.

**DEVELOPMENT COST EVALUATION**

**COST SCHEDULE** Number of Revisions: 1 Date of Last Applicant Revision: 5/19/2011

**Off-Site Cost:**

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Applicant's sitework costs are \$6,583 per unit and within current Department guidelines. Therefore, further third party substantiation is not required. The Applicant has not identified a detention pond on the site plan. The neighboring, relatively new, multifamily developments do not have on site detention, but the Applicant has not done further investigation of this or other potential site issues that could impact costs.

**Direct Construction Cost:**

Applicant's direct construction cost estimate is \$673K or 9% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The architectural design is common garden style 1 to 3 story construction with breezeways. The Applicant indicated that the costs are based on a similar 2010 deal that is currently under construction. Marshall & Swift has historically been reasonably accurate for this style of construction and a 9% difference is a concern. However, the deal as underwritten has no deferred developer fee and cost increases could be funded through fee deferral.

**Reserves:**

The investor, Wells Fargo, will require minimum reserves as follows: Operating Reserves of \$244,233; Lease-Up Reserves of \$117,473; and Replacement Reserves of \$30,000.

**Conclusion:**

Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,924,010 supports annual tax credits of \$1,395,109. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 2 Last Update: 5/12/2011

<b>Interim Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Term</b>	<b>LTC</b>
Wells Fargo/Wachovia	\$2,914,061	7.50%	24 Months	23%
Capital Area Housing Finance Corp	\$545,000	AFR	12 Months	4%
Adam Rubin	\$320,000	AFR	12 Months	2%
Wells Fargo	\$9,151,001	HTC Equity		71%
<b>Total</b>	<b>\$12,930,062</b>			

**Comments:**

The Interim Rate Index on the \$2.9M Wells Fargo loan is LIBOR+ 500 bps, with a 7.5% floor.

The Applicant has applied for the \$545K in CAHFC funds; however, no award has been made. Interim interest from this source was not used to support the Applicant's eligible interim interest. Receipt, review, and acceptance of an interim loan commitment signed by CAHFC including terms of financing, including interest rate, term, and amortization period is a condition of this report.

A commitment for the \$320K in private funds has been received. The interest rate will be the Applicable Federal Rate at the time of closing and a repayment term of the later of 1 year or date placed in service. Interim interest from this source was not used to support the Applicant's estimated eligible interim interest.

<b>Permanent Sources</b>	<b>Amount</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>LTC</b>
Wells Fargo/Wachovia	\$2,798,666	7.50%	30	18	20%
<b>Total</b>	<b>\$2,798,666</b>				

**Comments:**

The Permanent Rate Index will be based on 10-Year Treasury + 150 bps, underwritten with a floor of 7.50%. The term on the permanent loan will be 18 years.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Wells Fargo	\$11,438,751	\$0.82	80%	
<b>Total</b>	\$11,438,751			
<b>Total Sources</b>	\$14,237,417			

Comments:

The Underwriter's recommended financing structure indicates no need for in additional permanent funds. Therefore, while the HTC pricing is on the mid to high end of current pricing, any increase would result in an adjustment to the tax credit recommendation.

### CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the adjusted permanent loan of \$2,798,666 indicates the need for \$11,438,751 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,395,109 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,395,109
<b>Allocation determined by gap in financing:</b>	<b>\$1,395,109</b>
Allocation requested by the Applicant:	\$1,395,109

The allocation calculated based on each methodology results in the same amount, \$1,395,109 annually for ten years. Assuming a price of \$0.82 yields total equity proceeds of \$11,438,751.

Underwriter:	<u>Diamond Unique Thompson</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX RENT SCHEDULE**

Tylor Grand, Abilene, #11246

LOCATION DATA	
CITY:	Abilene
COUNTY:	Taylor
PROGRAM REGION:	2
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	32	26.7%
2	60	50.0%
3	24	20.0%
4	4	3.3%
<b>TOTAL</b>	<b>120</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market	
TC30%	\$291	8	1	1	700	\$291	\$74	\$217	\$0	\$0.31	\$217	\$1,736	\$1,736	\$217	\$0.31	\$0	\$670	0.96	\$453	
TC50%	\$485	12	1	1	700	\$485	\$74	\$411	\$0	\$0.59	\$411	\$4,932	\$4,932	\$411	\$0.59	\$0	\$670	0.96	\$259	
TC60%	\$582	12	1	1	700	\$582	\$74	\$508	\$0	\$0.73	\$508	\$6,096	\$6,096	\$508	\$0.73	\$0	\$670	0.96	\$162	
TC30%	\$349	4	2	2	950	\$349	\$96	\$253	\$0	\$0.27	\$253	\$1,012	\$1,012	\$253	\$0.27	\$0	\$791	0.83	\$538	
TC50%	\$582	20	2	2	950	\$582	\$96	\$486	\$0	\$0.51	\$486	\$9,720	\$9,720	\$486	\$0.51	\$0	\$791	0.83	\$305	
TC60%	\$699	35	2	2	950	\$699	\$96	\$603	\$0	\$0.63	\$603	\$21,105	\$21,105	\$603	\$0.63	\$0	\$791	0.83	\$188	
EO		1	2	2	950	\$0	\$0	(\$0)		\$0.00	\$0	\$0	\$0	\$0	\$0.00	NA	\$791	0.83	\$791	
TC50%	\$672	8	3	2	1,100	\$672	\$116	\$556	\$0	\$0.51	\$556	\$4,448	\$4,448	\$556	\$0.51	\$0	\$889	0.81	\$333	
TC60%	\$807	16	3	2	1,100	\$807	\$116	\$691	\$0	\$0.63	\$691	\$11,056	\$11,056	\$691	\$0.63	\$0	\$889	0.81	\$198	
TC50%	\$750	2	4	2	1,300	\$750	\$139	\$611	\$0	\$0.47	\$611	\$1,222	\$1,222	\$611	\$0.47	\$0	\$1,089	0.84	\$478	
TC60%	\$900	2	4	2	1,300	\$900	\$139	\$761	\$0	\$0.59	\$761	\$1,522	\$1,522	\$761	\$0.59	\$0	\$1,089	0.84	\$328	
<b>TOTALS/AVERAGE</b>		<b>120</b>				<b>111,000</b>				<b>\$0</b>	<b>\$0.57</b>	<b>\$524</b>	<b>\$62,849</b>	<b>\$62,849</b>	<b>\$524</b>	<b>\$0.57</b>	<b>\$0</b>	<b>\$788</b>	<b>\$0.85</b>	<b>\$265</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$754,188</b>	<b>\$754,188</b>							

**STABILIZED PROFORMA**

**Tylor Grand, Abilene, 9% HTC #11246**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.57	\$524	\$754,188	\$754,188	\$524	\$0.57		0.0%	\$0
Laundry					\$15.00	\$21,600					0.0%	(21,600)
Late fees					\$5.00	\$7,200					0.0%	(7,200)
Underwriter's Total Secondary Income							\$28,800	\$20.00			100.0%	28,800
<b>POTENTIAL GROSS INCOME</b>						\$782,988	\$782,988				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(58,724)	(58,724)		7.5% PGI		0.0%	-
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$724,264	\$724,264				0.0%	\$0

General & Administrative	\$33,358	\$278/Unit	4.35%	\$0.28	\$263	\$31,500	\$33,358	\$278	\$0.30	4.61%	-5.6%	(1,858)
Management	\$37,550	6.7% EGI	5.00%	\$0.33	\$302	\$36,200	\$36,213	\$302	\$0.33	5.00%	0.0%	(13)
Payroll & Payroll Tax	\$110,380	\$920/Unit	14.69%	\$0.96	\$886	\$106,372	\$110,380	\$920	\$0.99	15.24%	-3.6%	(4,008)
Repairs & Maintenance	\$56,500	\$471/Unit	6.64%	\$0.43	\$401	\$48,070	\$56,500	\$471	\$0.51	7.80%	-14.9%	(8,430)
Utilities	\$25,177	\$210/Unit	3.04%	\$0.20	\$183	\$22,000	\$25,177	\$210	\$0.23	3.48%	-12.6%	(3,177)
Water, Sewer, & Trash	\$38,225	\$319/Unit	5.29%	\$0.35	\$320	\$38,344	\$38,225	\$319	\$0.34	5.28%	0.3%	119
Property Insurance	\$29,922	\$0.27 SF	3.85%	\$0.25	\$233	\$27,900	\$29,922	\$249	\$0.27	4.13%	-6.8%	(2,022)
Property Tax 2.3301	\$44,532	\$371/Unit	11.06%	\$0.72	\$668	\$80,101	\$67,946	\$566	\$0.61	9.38%	17.9%	12,155
Reserve for Replacements	\$28,921	\$241/Unit	4.14%	\$0.27	\$250	\$30,000	\$30,000	\$250	\$0.27	4.14%	0.0%	-
TDHCA Compliance Fees			0.66%	\$0.04	\$40	\$4,800	\$4,760	\$40	\$0.04	0.66%	0.8%	40
Supportive service contract fees			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			58.72%	\$3.83	\$3,544	\$ 425,287	\$ 432,480	\$3,604	\$3.90	59.71%	-1.66%	\$ (7,193)
<b>NET OPERATING INCOME ("NOI")</b>			41.28%	\$2.69	\$2,491	\$298,977	\$291,784	\$2,432	\$2.63	40.29%	2.5%	\$7,193

<b>CONTROLLABLE EXPENSES</b>	\$2,197/Unit			\$2,052/Unit			\$2,197/Unit	
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**LONG TERM OPERATING PROFORMA USING APPLICANT DEBT SIZING**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$724,264	\$738,749	\$753,524	\$768,595	\$783,967	\$865,562	\$955,651	\$1,055,116	\$1,164,933	\$1,286,180	\$1,420,047	\$1,567,846
<b>LESS: TOTAL EXPENSES</b>	425,287	437,684	450,445	463,582	477,105	550,933	636,294	735,003	849,159	981,195	1,133,925	1,310,613
<b>NET OPERATING INCOME</b>	\$298,977	\$301,066	\$303,079	\$305,013	\$306,862	\$314,630	\$319,357	\$320,113	\$315,774	\$304,986	\$286,122	\$257,234
<b>LESS: DEBT SERVICE</b>	234,824	234,824	234,824	234,824	234,824	234,824	234,824	234,824	234,824	234,824	234,824	234,824
<b>NET CASH FLOW</b>	\$64,153	\$66,241	\$68,255	\$70,189	\$72,038	\$79,806	\$84,533	\$85,289	\$80,950	\$70,161	\$51,297	\$22,410
<b>CUMULATIVE NET CASH FLOW</b>	\$64,153	\$130,394	\$198,649	\$268,838	\$340,876	\$725,420	\$1,140,018	\$1,566,747	\$1,982,464	\$2,357,731	\$2,655,540	\$2,829,808
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.27	1.28	1.29	1.30	1.31	1.34	1.36	1.36	1.34	1.30	1.22	1.10
<b>EXPENSE/EGI RATIO</b>	58.72%	59.25%	59.78%	60.32%	60.86%	63.65%	66.58%	69.66%	72.89%	76.29%	79.85%	83.59%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

Tylor Grand, Abilene, 9% HTC #11246

**DEBT / GRANT SOURCES**

DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE														AS UNDERWRITTEN DEBT/GRANT STRUCTURE			
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative					
	UW	App											DCR	LTC				
Wells Fargo/Wachovia	1.24	1.27	\$234,824	7.50%	30	18	\$2,798,666	\$2,798,666	18	30	7.50%	\$234,824	1.27	19.7%				
<b>TOTAL DEBT / GRANT SOURCES</b>			\$234,824				\$2,798,666	\$2,798,666				\$234,824		19.7%				
<b>NET CASH FLOW</b>			\$64,153									\$56,960						

**EQUITY SOURCES**

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost			
Wells Fargo	LIHTC Equity	80.3%	\$1,395,109	0.82	\$11,438,751	\$11,438,751	0.82	\$1,395,109	80.3%	Annual Credit per Unit:	\$95,323	
Deferred Developer Fee	Deferred Developer Fees	0.0%	(0% Deferred)		\$0	\$0	(0% Deferred)		0.0%	Total Developer Fee:	\$1,550,100	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,140,018	
<b>TOTAL EQUITY SOURCES</b>		80.3%			\$11,438,751	\$11,438,751			80.3%	15-Yr Cash Flow after Fee:	\$1,140,018	
<b>TOTAL CAPITALIZATION</b>					\$14,237,417	\$14,237,417						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligible Basis		Total Costs			Total Costs			Eligible Basis		%	\$				
	Acquisition	New Const. Rehab						New Const. Rehab	Acquisition							
Land Acquisition			\$8,858 / Unit	\$1,039,011	\$1,039,011	\$8,858 / Unit				0.0%	\$0					
Building Acquisition	\$0		\$173 / Unit	\$20,780	\$20,780	\$173 / Unit		\$0	\$0	0.0%	\$0					
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0					
Sitework		\$790,000	\$6,583 / Unit	\$790,000	\$790,000	\$6,583 / Unit	\$790,000			0.0%	\$0					
Direct Construction		\$6,813,293	\$61.38 SF	\$66,777/Unit	\$6,813,293	\$7,548,882	\$62,907/Unit	\$68.01 SF	\$7,548,882	9.7%	\$735,589					
Contingency		\$380,165		5.00%	\$380,165	\$380,165	4.56%	\$380,165		0.0%	\$0					
Contractor's Fees		\$1,064,461		13.33%	\$1,064,461	\$1,064,461	12.21%	\$1,064,461		0.0%	\$0					
Indirect Construction		\$955,315		\$7,961 / Unit	\$955,315	\$955,315	\$7,961 / Unit	\$955,315		0.0%	\$0					
Ineligible Costs				\$7,156 / Unit	\$858,672	\$858,672	\$7,156 / Unit			0.0%	\$0					
Developer's Fees	\$0	\$1,550,100		14.94%	\$1,550,100	\$1,550,100	13.95%	\$1,550,100	\$0	0.0%	\$0					
Interim Financing		\$370,676		\$3,089 / Unit	\$370,676	\$370,676	\$3,089 / Unit	\$370,676		0.0%	\$0					
Reserves				\$3,291 / Unit	\$394,944	\$391,706	\$3,264 / Unit			-0.8%	(\$5,238)					
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$11,924,010</b>		\$118,645 / Unit	<b>\$14,237,417</b>	<b>\$14,969,768</b>	\$124,748 / Unit	<b>\$12,659,599</b>	<b>\$0</b>	<b>4.9%</b>	<b>\$732,351</b>					
Acquisition Cost for Identity of Interest Seller					\$0											
Developer's Fee	\$0	\$0														
Contractor's Fee		\$0														
Contingency		\$0														
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$11,924,010</b>		\$118,645 / Unit	<b>\$14,237,417</b>	<b>\$14,969,768</b>		<b>\$12,659,599</b>	<b>\$0</b>							
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$14,237,417</b>											



**CAPITALIZATION DEVELOPMENT COST BUDGET IDENTIFIED BASIS ITEMS**

Tylor Grand, Abilene, 9% HTC #11246

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$11,924,010	\$0	\$12,659,599
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$11,924,010	\$0	\$12,659,599
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$15,501,213	\$0	\$16,457,478
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$15,501,213	\$0	\$16,457,478
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,395,109	\$0	\$1,481,173
CREDITS ON QUALIFIED BASIS	\$1,395,109		\$1,481,173	

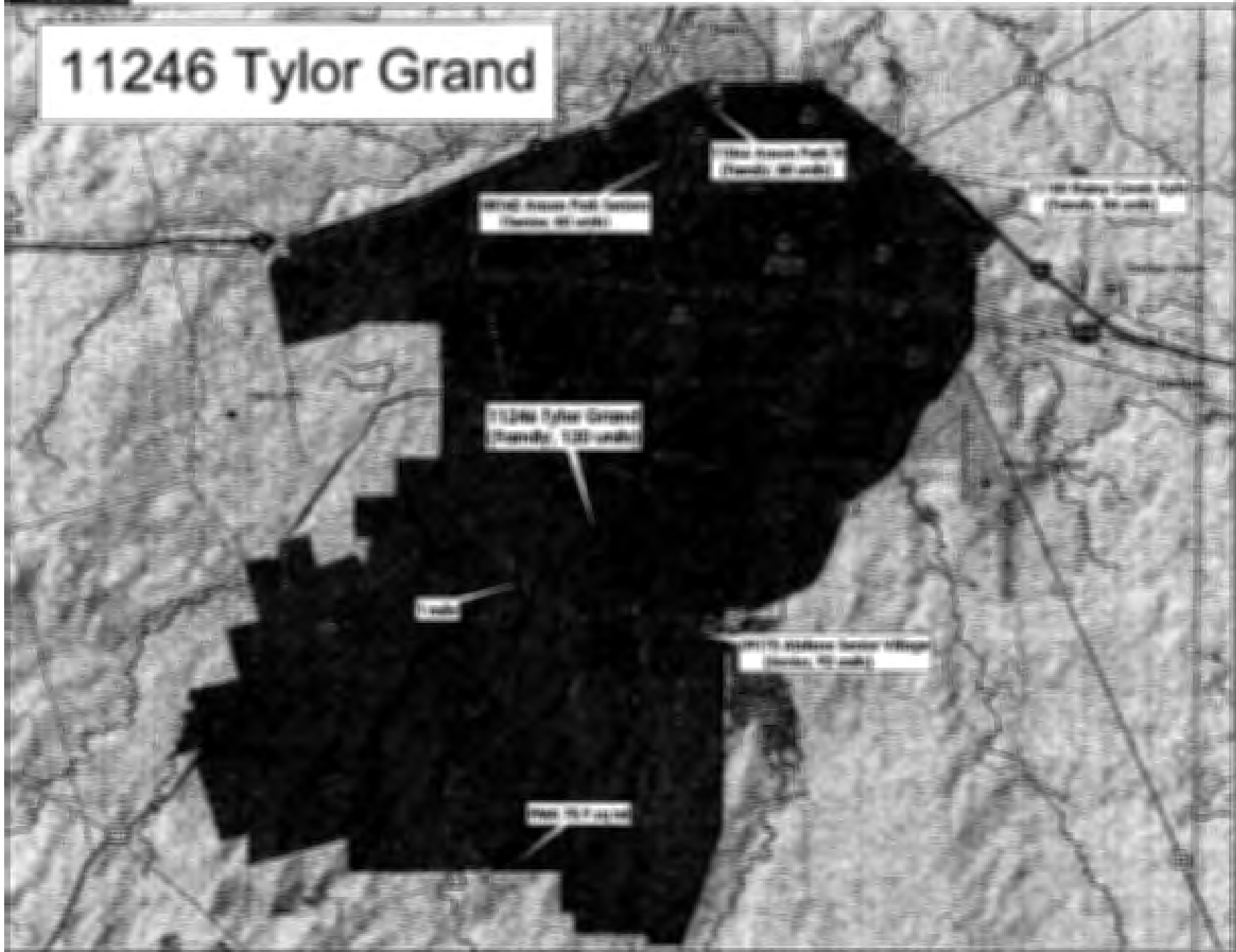
Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS	
	Annual Credits	Proceeds
Eligible Basis	\$1,395,109	\$11,438,752
Gap	\$1,395,109	\$11,438,751
Request	\$1,395,109	\$11,438,752

Method	FINAL ANNUAL LIHTC ALLOCATION	
		Gap
Credits	\$1,395,109	
Underwritten Proceeds		\$11,438,751

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$71.92	\$66,529	\$7,983,458	\$8,719,047	\$72,659	\$78.55
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$81.51	\$75,399	\$9,047,919	\$9,783,508	\$81,529	\$88.14

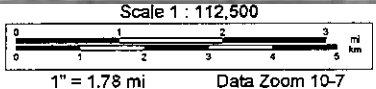
DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$57.49	6,381,208
Adjustments				
Exterior Wall Finish	4.00%		2.30	\$255,248
	0.00%		0.00	0
9-Ft. Ceilings	3.50%		2.01	223,342
Roofing			0.00	0
Subfloor			(0.30)	(33,793)
Floor Cover			10.75	1,193,250
Breezeways	\$21.99	19,556	3.87	429,949
Balconies	\$22.37	8,760	1.77	195,988
Plumbing Fixtures	\$845	376	2.86	317,720
Rough-ins	\$420	116	0.44	48,720
Built-In Appliances	\$1,850	120	2.00	222,000
Exterior Stairs	\$1,900	44	0.75	83,600
Enclosed Corridors	(\$9.92)		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	203,130
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.23	3,007	2.01	223,212
Other: fire sprinkler	2.25	111,000	2.25	249,750
SUBTOTAL			\$0.03	\$9,993,324
Current Cost Multiplier	1.03		2.70	299,800
Local Multiplier	0.90		-9.00	(999,332)
TOTAL DIRECT CONSTRUCTION COSTS			83.73	\$9,293,791
Plans, specs, survey, bldg permits	3.90%		-3.27	(\$362,458)
Interim Construction Interest	3.38%		-2.83	(313,665)
Contractor's OH & Profit	11.50%		-9.63	(1,068,786)
NET DIRECT CONSTRUCTION COSTS			68.01	\$7,548,882

# 11246 Tylor Grand



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TN  
 MN (5.7°)  
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11248

Singing Oaks

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Singing Oaks, TDHCA Number 11248**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 307 N Loop 288 Development #: 11248  
 City: Denton Region: 3 Population Served: General  
 County: Denton Zip Code: 76209 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Singing Oaks, LLC  
 Owner Contact and Phone: Mitchell Friedman, (305) 854-7100  
 Developer: Singing Oaks Development, LLC  
 Housing General Contractor: TBD  
 Architect: Miller Slayton Architects Inc.  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: Wells Fargo Bank, NA  
 Supportive Services: TBD  
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	122
	13 0 43 65	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 16 86 24 0 0	Total Development Units:	126
Type of Building:		Total Development Cost*:	\$17,159,577
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	16
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,395,468	\$1,368,129			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Singing Oaks, TDHCA Number 11248

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nelson, District 12, NC

US Representative: Burgess, District 26,

TX Representative: Crownover, District 64, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 1 In Opposition 0

Quantifiable Community Participation Input:

Singing Oaks Resident Council, Renee Blustein

Letter Score: 24 S or O: S

Provide upgrades to the apartments and the property, provide affordable housing for the community and of better lifestyle for our residents.

Community Input Other than Quantifiable Community Participation Input:

Solutions of North Texas, S, Scott Wisenbaker, Executive Director

Singing Oaks Church of Christ, S, Steven H. Speck, Church Administrator

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Commitment: of a firm loan commitment from Denton with the terms specified, including a statement indicating whether the loan documents will include any forgiveness provisions and indicating an amortization period of not less than 30 years.
2. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Singing Oaks, TDHCA Number 11248

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio: 1

Total # Monitored: 0

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 215  Meeting a Required Set-Aside Credit Amount\*: \$1,368,129

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

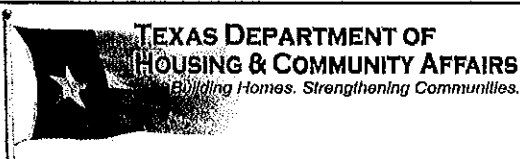
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11248 Program(s): 9% HTC  
Singing Oaks  
 Address/Location: 307 North Loop 288  
 City: Denton County: Denton Zip: 76209  
 Population: Family Program Set-Aside: General Area: Urban  
 Activity: Acq/Rehab Construction Type: Garden (Up to 3 story) Region: 3  
 Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort Term	Type	Amount	Interest Rate	Amort Term	Type	Len
LIHTC (Annual)	\$1,368,129				\$1,368,129				

\* The Applicant initially requested \$1,395,468 in tax credits, but revised this request to \$1,368,129 during underwriting.

**CONDITIONS**

- 1 Receipt and acceptance by Commitment:
  - of a firm loan commitment from Denton with the terms specified, including a statement indicating whether the loan documents will include any forgiveness provisions and indicating an amortization period of not less than 30 years.
- 2 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - A comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
    - A comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 3 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	14
50% of AMI	50% of AMI	43
60% of AMI	60% of AMI	65

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS
<ul style="list-style-type: none"> <li>▫ Based on the average market rate units in the sub market, the average rent savings is \$99/month or 12%</li> </ul>
<ul style="list-style-type: none"> <li>▫ Underwritten expense to income ratio is 55%</li> </ul>
<ul style="list-style-type: none"> <li>▫ Applicant believes majority of existing tenants will qualify</li> </ul>
<ul style="list-style-type: none"> <li>▫ Current occupancy 95% and capture rate less than 2%</li> </ul>

WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ One-month concession on 60% and market units yields effective average rent below break-even level</li> </ul>
<ul style="list-style-type: none"> <li>▫ Underwriter's debt coverage ratio is below 1.15</li> </ul>
<ul style="list-style-type: none"> <li>▫ Several revisions were made to the operating proforma and cost schedule</li> </ul>

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

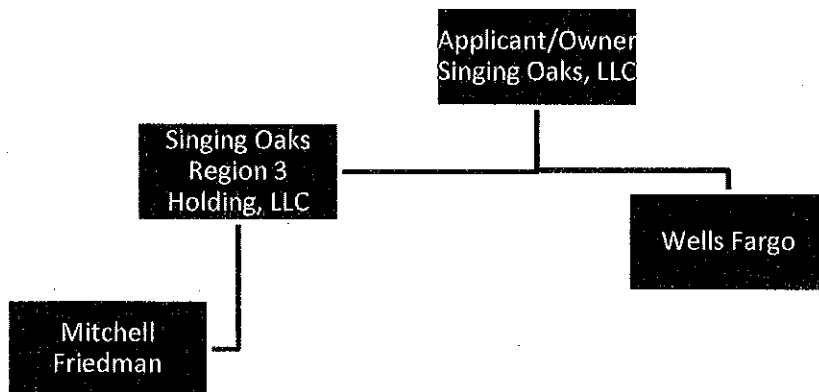
Name: <u>Mitchell Friedman</u> Email: <u>mfriedman@pinnaclehousing.com</u>	Relationship: <u>Developer</u> Phone: <u>(305) 854-7100</u> Fax: <u>(305) 859-9858</u>
Name: <u>Alyssa Carpenter</u> Email: <u>ajcarpen@gmail.com</u>	Consultant: <u>S2A Development Consulting</u> Phone: <u>(512) 789-1295</u> Fax: <u>(512) 233-2269</u>

### IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest:           No          

- The Mitchell Friedman is the General Partner and owner of the Developer for the transaction. Mr. Friedman is a principal with Pinnacle Housing Group which is involved in a 2010 transaction that received an allocation. Pinnacle Housing Group's other partners are sponsoring other applications in the 2011 cycle.

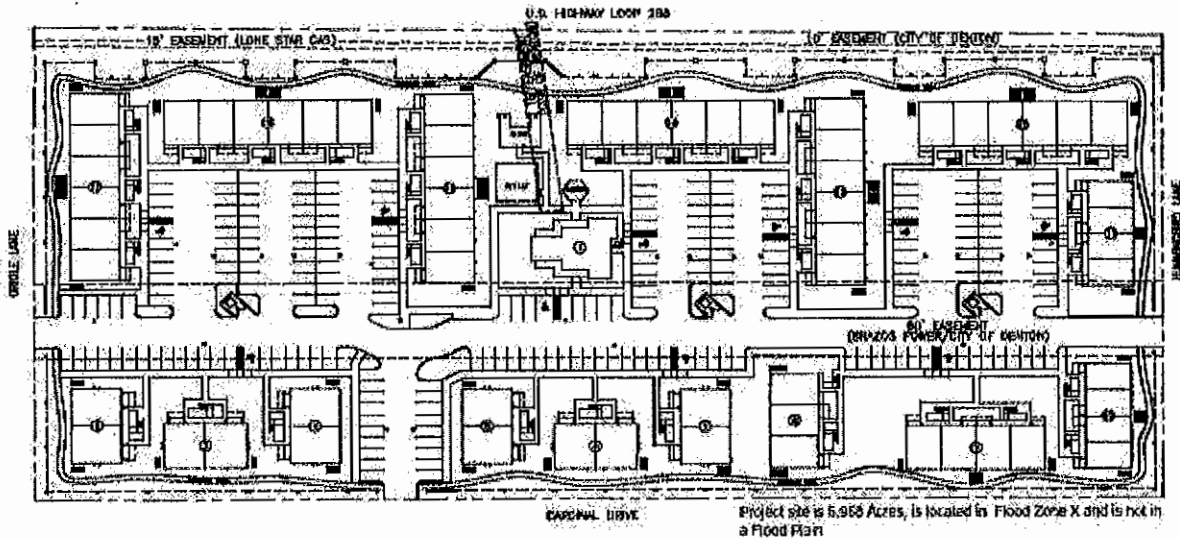
### OWNERSHIP STRUCTURE





## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	Club	2-7	8	9	10-11	12-17		Total Buildings
Floors/Stories	2	2	2	2	2	2		
Number of Bldgs		6	1	1	2	6		
Units per Bldg		4	6	8	8	12		
<b>Total Units</b>		<b>24</b>	<b>6</b>	<b>8</b>	<b>16</b>	<b>72</b>		<b>126</b>

### GENERAL INFORMATION

Total Size:	<u>6.968</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>NRMU - Residential</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>18.0827</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

The site is bounded on the North by Oriole Lane and a multifamily apartment complex. To the East is North Loop 288, undeveloped land, Murray Appliance & Lighting, Alpha Christian Academy, Simmons Floor Supply and Denton County Clinical Nursing facility. To the South is Hummingbird Lane, Dairy Queen, Sonic, AJ Donuts, 7-Eleven a church, and undeveloped land. Finally, to the West is Cardinal Drive and single family residences.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc Date: 2/15/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

- "Potential asbestos containing building materials (ACBMs) in the form of wall material, ceiling material, floor material and miscellaneous building materials in good condition were observed at the subject site... In the event of renovation and / or demolition, sampling may be required of suspect asbestos containing materials prior to these activities to satisfy the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA) and the Texas Department of State Health Services (TDSHS) rules and regulations at that time." (pg 23)

- No lead based paint sampling was performed as part of this ESA and no previous lead based paint inspection reports or abatement reports were provided to Phase Engineering, Inc. In the event of government funding, renovation and or demolition, further sampling may be required prior to these activities to satisfy the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA) and Texas Department of Health (TDH) rules and regulations at that time." (pg 24)
- "Testing the on site drinking water would be necessary to determine lead in the drinking water."(pg 24)

Comments:

Any funding recommendation will be subject to documentation of comprehensive identification and abatement of asbestos-containing materials, lead-based paint, and potential sources of lead in the drinking water.

**MARKET ANALYSIS**

Provider: Apartment MarketData Date: 3/29/2011  
 Contact: Darrell Jack Phone: 210-530-0040  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 82.7 sq. miles 5 mile equivalent radius  
 The Primary Market Area is defined by 15 census tracts in Denton within Denton County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Denton County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$13,166	\$14,370	---	---	\$21,977	\$23,950	---	---
2	\$13,166	\$16,410	---	---	\$21,977	\$27,350	\$31,611	\$32,820
3	\$15,806	\$18,450	---	---	\$26,331	\$30,750	\$31,611	\$36,900
4	---	---	---	---	\$30,446	\$34,150	\$36,514	\$40,980
5	---	---	---	---	\$30,446	\$36,900	\$36,514	\$44,280
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	7		Total Units	1,412

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 There are no proposed, under construction, or unstabilized comparable supply.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	43,701		43,701	
Potential Demand from the Primary Market Area	11,690		10,166	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	<b>11,690</b>		<b>10,166</b>	
Subject Affordable Units	126		122	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>126</b>		<b>122</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>1.08%</b>		<b>1.20%</b>	

#### Demand Analysis:

The Market Analyst's demand calculation is overstated because it includes all household sizes. The Market Analyst also assumes the subject will place in service in 2012. This results in Gross Demand for 11,690 units, and a Gross Capture Rate of 1.08% for the proposed 126 units. The Underwriter limits demand to households of 5 or less and assumes the subject will place in service in 2013, resulting in Gross Demand for 10,166 units. The Underwriter calculates a Gross Capture Rate of 1.2% for the Relevant Supply of 122 units since 4 of the subject units will be Market Rate Units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	908	11	0	1%	451	10	0	2%
1 BR/50%	1240	4	0	0%	616	5	0	1%
2 BR/30%	389	3	0	1%	378	3	0	1%
2 BR/50%	578	29	0	5%	560	29	0	5%
2 BR/60%	772	52	0	7%	327	52	0	16%
3 BR/50%	287	10	0	3%	177	10	0	6%
3 BR/60%	441	13	0	3%	203	13	0	6%

#### Primary Market Occupancy Rates:

"The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 1,653 affordable units within the PMA, and 649 conventional units ... the overall average occupancy for income restricted units is 92.9%. All of the existing LIHTC projects are at least 92% occupied with the one exception being McKinney Park. This property has historically trailed the market in terms of occupancy over the years." (pg 106)

#### Absorption Projections:

If this were a new project the Market Analyst estimates "that a new 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." (pd 53)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer family units have been easily absorbed. This demonstrates that the demand for affordable rental housing is high ... The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer family units have been easily absorbed." (pg 12)

"The proposed renovations will be done in phases in order to maintain a certain level of occupancy and income during construction. In cases like this, many of the residents of newly renovated units come from not-yet-renovated apartments within the property. Renovated units would thus be easily pre-leased before they are ready for occupancy." (pg 53)

Comments:

The Market Analysis provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$438,123	Avg. Rent:	\$682	Expense Ratio:	55.4%
Debt Service:	\$380,980	B/E Rent:	\$654	Controllable Expenses:	\$2,519
Net Cash Flow:	\$57,143	Occupancy:	92.50%	Property Taxes/Unit:	\$853
Aggregate DCR:	1.15:1	B/E Occupancy:	87.12%	Program Rent Year:	2010

Income: Number of Revisions: 4 Date of Last Applicant Revision: 6/21/2011

The Underwriter utilized the lesser of the Market Analyst's market rents or the maximum program rents. Tenants will be responsible for all electric utilities as of August 1, 2010 and administered by the Denton Housing Authority. The Applicant originally included rents for the 1 and 3 bedroom units that were lower than the Market Analyst's market rents by \$5 and \$105 respectively.

To support these rents, the Applicant submitted a market survey report for May, 2011, prepared by the proposed management company. The survey reported rents currently being achieved on 10 direct comps. Of the 10, only 4 were identified in the submitted third party Market Study; however, none of these developments were utilized in the determination of the concluded market rents. Additionally, the 3 developments that were ultimately utilized to determine market rents were aged at 11-14 years old with units that are 50-120 s.f. larger than the Subject's 1BR units & units 150-300 s.f. larger than the Subject's 3 BR units.

The market survey supports the rents originally submitted by the Applicant. However, the Applicant subsequently revised the rent schedule and moved to the Market Analyst's market rent levels. The Underwriter remains comfortable with the market survey report and the original rent levels. The impact on potential gross income is only \$1,260 annually due to the small number of units affected by this change.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

Expense: Number of Revisions: 5 Date of Last Applicant Revision: 6/19/2011

The Applicant's total annual operating expense projection at \$4,317 per unit is within 5% of the Underwriter's estimate of \$4,432 derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Underwriter considered historical operating expenses for the development from January 2010 to December 2010. The subject property will be converting from an All-Bills-Paid utility structure to tenant paid, so the Underwriter made adjustments to the utility costs to account for this change.

The Applicant indicates that current plans are to partner with non profit organizations who will provide supportive services as outlined in the Application at no charge to the tenants or the Applicant. No such contracts for these services have been negotiated as of the date of this report. Supportive services will be required under the tax credit LURA, and if the Applicant is unable to secure donated services then the transaction will be required to bear the burden of additional operating costs.

**Conclusion:**

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) below the current underwriting minimum guideline of 1.15. Therefore, the recommended financing structure reflects a decrease in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the "Financing Structure Analysis" section (below).

Debt service on the Denton cash flow loan has not been included in the DCR calculation but is projected to be repayable from residual cash flow.

**Feasibility:**

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type: Purchase & Sale Agreement Acreage: 6.968  
 Acquisition Cost: \$4,050,000 Contract Expiration: 8/31/2011  
 Cost Per Unit: \$32,143  
 Seller: Price Singing Oaks, Ltd. Related to Development Team?  Yes  No

**Comments:**

The site cost of \$32,143 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. Of note, the Applicant has included an additional \$421K to the stated purchase price to account for 50% of a prepayment penalty they will share with the Seller & a 3% broker fee.

The total acquisition cost, including the prepayment penalty, is \$4,471,500. The Applicant also estimated closing costs of \$24,806. Eligible building basis is \$3,560,500, which is equal to \$4,471,500 less the appraised land value of \$911,000.

**DEVELOPMENT COST EVALUATION**

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

**Sitework Cost:**

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

**Comments:**

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant's estimated sitework costs of \$2,274 is consistent with the estimate in the proposed work write-up/Property Condition Assessment (PCA).

#### Direct Construction Cost:

The Applicant's direct construction cost estimate is consistent with the estimate provided in the Property Condition Assessment (PCA). The underwriting analysis will reflect the PCA value. The proposed rehabilitation is very extensive and includes the following:

**SITE:** Repair patio wood fences; Replace site, building and unit signage; Upgrade landscaping; Repair irrigation system; Install dumpster screening fences; Upgrade playground equipment; Install outdoor cooking grills and picnic tables with stationary seats; Construct new gazebo; Construct new 2,000 square foot leasing office/community center; Repair failed and severely cracked pavement, resurface with an asphalt overlay course and restripe spaces, access aisles and fire lanes. **EXTERIORS:** Inspect each of the crawl spaces for framing damage or moisture infiltration; Repair damaged or deteriorated floor framing and subfloors; Replace stairs with new steel-framed stairs equipped with precast concrete treads; Replace deteriorated balcony planks; Replace deteriorated wood trim and siding with cementitious hardboard (Hardy Plank) and trim; Paint siding, trim, balconies and stucco; Replace entry doors and frames with thermally and draft efficient doors; Replace sliding glass door; provide type with insulated, low-e glazing; Replace windows; provide type with insulated low-e glazing; Repair crawl space and soffit vent screens as needed; Repair gutters and downspouts as needed; Install thermal insulation over existing insulation in attics to attain R-30 minimum value.

**INTERIORS:** Demolish kitchen cabinets, doors and frames, appliances, floor coverings, plumbing fixtures, and select drywall. Dispose of demolished materials; Install new kitchen cabinets and countertops, sinks and faucets; Replace refrigerators with Energy Star rated models with icemakers; Replace kitchen ranges; Install over-the-range vented microwave oven; Replace dishwashers with Energy Star-rated product; Replace waste-food disposers; Install laundry appliances in each apartment; Install new bathtubs and shower pans, mixing valves, low-flow shower heads; Replace ceramic tile wall finish at bathtubs and showers; Install new WaterSense certified water saving toilets; Install vanity cabinet, lavatory and faucet set in each bathroom; Replace stop valves at all fixtures in the apartments; Remove and replace gypsum board and apply texture; Replace all interior doors and wall base trim; Paint all wall, ceilings, doors and trim in each apartment; Install underlayment and new sheet- and/or strip-vinyl floor covering throughout each apartment.

**MECHANICAL:** Demolish and dispose of all HVAC equipment at central plant; Install 14 SEER, split-system air conditioning and heating system and programmable thermostats at each apartment; Repair or replace access panel at fan-coil units in apartments; Replace all bathroom exhaust fans; Replace HVAC registers and grilles. **ELECTRICAL:** Replace all electrical service, distribution, branch wiring, panel boards, and wiring devices to and/or within the apartment buildings and dwelling units. **PLUMBING:** Replace shut-off valves on cold water supply at each building; Install electric water heater in each apartment; Modify water piping in apartment for adding water heater and laundry washer; Install submeter on cold water supply to each apartment; Install wastewater drain piping for adding laundry washers in apartments.

**FIRE PROTECTION:** Install battery-powered smoke detector in each bedroom of two- and three-bedroom units. **CODE COMPLIANCE/ACCESSIBILITY:** Modify structure of seven apartments (5%) as needed for alteration of dwelling to a fully accessible type per USAF standards and Texas Accessibility Standards; Purchase hearing and visual impaired equipment kits for three (2%) apartments; Provide accessible parking spaces, aisles and curb ramps for seven accessible apartments and leasing center. **ENVIRONMENTAL:** Asbestos abatement – remove vinyl floor covering and floor mastic; Allowance for other asbestos containment or lead-based paint abatement during renovation.

#### Contingency & Fees:

The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, per the REA Rules, the developer fee is allocated proportionally between the acquisition cost and the rehabilitation costs. Therefore, the Underwriter has reduced the Applicant's adjusted acquisition eligible basis by \$4,439 and re-allocated it to the adjusted rehabilitation eligible basis.

Conclusion:

The Underwriter's development cost schedule was used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$14,981,730 supports annual tax credits of \$1,371,680. This figure was compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

While the rehab scope is extensive, the Applicant's total hard costs of \$77/ft (\$66K/unit) are very high for an acquisition/rehab transaction and is comparable to other new construction transactions in the 2011 cycle. When the value of the existing buildings is added to this cost, the application effectively proposes investing \$110/ft (\$95K/unit) in the improvements. This is a higher cost per ft and per unit than any 2011 new construction transaction underwritten to date.

The unit interiors will be effectively new; however, the building exteriors and roof lines are not being structurally modified and the property will continue to look like 1970s product that has been rehabilitated.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 2 Last Update: 5/9/2011

Interim Sources	Amount	Rate	Term	LTC
Wells Fargo	\$4,854,397	7.50%	24 Months	33%
Adam Rubin	\$350,000	AFR	12 Months	2%
Wells Fargo	\$9,083,470	HTC Equity		61%
City of Denton CDBG/HOME Funds	\$568,000	0.00%	TBD	4%
<b>Total</b>	<b>\$14,855,867</b>			

Comments:

The Interim Rate Index on the \$4.85M Wells Fargo loan is LIBOR+ 500 bps, with a 7.5% floor.

A commitment for the \$350K in private funds have been received. The interest rate will be Applicable Federal Rate at the time of closing and a repayment term of the latter of 1 year or placed in service. Of note, interim interest from this source was not used to justify the Applicant's claimed eligible interim interest.

The Applicant has applied for the \$568K City funds; however, as of the date of this underwriting report, no award has been made. Of note, interim interest from this source was not used to justify the Applicant's claimed eligible interim interest.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Wells Fargo	\$4,540,569	7.50%	30	18 Years	26%
City of Denton CDBG/HOME Funds	\$568,000	0.00%	20	20 Years	3%
<b>Total</b>	<b>\$5,108,569</b>				

Comments:

The Permanent Rate Index will be based on 10-Year Treasury + 150 bps, underwritten at 7.50%. The term on the permanent loan will be 18 years. At the committed loan amount, the underwritten proforma yielded a DCR of 1.14. Therefore, the Underwritten loan amount was reduced by \$40K in order to bring the DCR to a 1.15.

As stated previously, the Applicant has applied for the \$568K City funds but no award has been made as of the date of this report. Additionally, an email dated March 30, 2011 from the City indicates if ultimately awarded, these funds could be structured as a 20 year deferred forgivable loan at 0% interest. A deferred forgivable loan structure would require this source to be removed from eligible basis and would have a significant impact on the underwriting and conclusions. Receipt, review, and acceptance, by Commitment, of a firm loan commitment from Denton with the terms specified, including a statement indicating whether the loan documents will include any forgiveness provisions and indicating an amortization period of not less than 30 years, is a condition of this report.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Wells Fargo	\$11,354,341	\$0.83	66%	
Deferred Developer Fee	\$696,668		4%	36%
<b>Total</b>	<b>\$12,051,009</b>			
<b>Total Sources</b>	<b>\$17,159,577</b>			

Comments:

Deferred developer fee is anticipated to be repayable from development cashflow within 11 years of stabilized operation.

## CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. Therefore, the current underwriting analysis assumes a decrease in the permanent loan amount to \$4,540,569 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.

The Underwriter's total development cost estimate less the adjusted permanent loan of \$4,540,569 and \$568K City funds indicates the need for \$12,051,009 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,452,074 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,371,680
Allocation determined by gap in financing:	\$1,452,074
<b>Allocation requested by the Applicant:</b>	<b>\$1,368,129</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,368,129 per year for 10 years results in total equity proceeds of \$11,354,341 at a syndication rate of \$0.83 per tax credit dollar.

Underwriter:	<u>Diamond Unique Thompson</u>
Reviewing Underwriter:	<u>Thomas Cavanagh</u>
Manager of Real Estate Analysis:	<u>Cameron Dorsey</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>



**UNIT RENT SCHEDULE**  
Singing Oaks, Denton, 9% HTC #11248

LOCATION DATA	
CITY:	Denton
COUNTY:	Denton
PROGRAM REGION:	3
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	16	12.7%
2	86	68.3%
3	24	19.0%
4		
<b>TOTAL</b>	<b>126</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	96.83%
APP % - ACQUISITION:	3.48%
APP % - CONSTRUCTION:	9.00%

UNIT MIX / MONTHLY RENT SCHEDULE																							
UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS						
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Current Market Rent (Rent Paid)	Market Rent	Rent per NRA	TDHCA Savings to Market			
TC30%	\$384	11	1	1	650	\$384	\$116	\$268	\$0	\$0.41	\$268	\$2,948	\$2,948	\$268	\$0.41	\$0	\$595	\$630	0.97	\$362			
TC50%	\$641	4	1	1	650	\$641	\$116	\$525	\$0	\$0.81	\$525	\$2,100	\$2,100	\$525	\$0.81	\$0	\$595	\$630	0.97	\$105			
MR		1	1	1	650	\$0	\$116		NA	\$0.97	\$630	\$630	\$630	\$0.97	NA		\$595	\$630	0.97	\$0			
TC30%	\$461	3	2	2	850	\$461	\$148	\$313	\$0	\$0.37	\$313	\$939	\$939	\$313	\$0.37	\$0	\$750	\$790	0.93	\$477			
TC50%	\$768	29	2	2	850	\$768	\$148	\$620	\$0	\$0.73	\$620	\$17,980	\$17,980	\$620	\$0.73	\$0	\$750	\$790	0.93	\$170			
TC60%	\$922	52	2	2	850	\$922	\$148	\$774	\$0	\$0.91	\$774	\$40,248	\$40,248	\$774	\$0.91	\$0	\$750	\$790	0.93	\$16			
MR		2	2	2	850	\$0	\$148		NA	\$0.93	\$790	\$1,580	\$1,580	\$790	\$0.93	NA	\$750	\$790	0.93	\$0			
TC50%	\$888	10	3	2	1,050	\$888	\$182	\$706	\$0	\$0.67	\$706	\$7,060	\$7,060	\$706	\$0.67	\$0	\$850	\$995	0.95	\$289			
TC60%	\$1,065	13	3	2	1,050	\$1,065	\$182	\$883	\$0	\$0.84	\$883	\$11,479	\$11,479	\$883	\$0.84	\$0	\$850	\$995	0.95	\$112			
MR		1	3	2	1,050	\$0	\$182		NA	\$0.95	\$995	\$995	\$890	\$890	\$0.85	NA	\$850	\$995	0.95	\$105			
<b>TOTALS/AVERAGE</b>		<b>126</b>			<b>108,700</b>				<b>\$0</b>	<b>\$0.79</b>	<b>\$682</b>	<b>\$85,959</b>	<b>\$85,854</b>	<b>\$681</b>	<b>\$0.79</b>	<b>\$0</b>	<b>\$749</b>	<b>\$809</b>	<b>\$0.94</b>	<b>\$127</b>			
<b>ANNUAL POTENTIAL GROSS RENT:</b>												<b>\$1,031,508</b>	<b>\$1,030,248</b>										

**STABILIZED PROFORMA**

**Singing Oaks, Denton, 9% HTC #11248**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	Actual 12 mos	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>		\$1,133,040		\$0.79	\$682	\$1,031,508	\$1,030,248	\$681	\$0.79		-0.1%	(\$1,260)	
Laundry		\$61,872			\$15.00	\$22,680					0.0%	(22,680)	
Fees		\$17,025			\$5.00	\$7,560					0.0%	(7,560)	
Gain/Loss to Old Lease		(\$45,657)			\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$30,240	\$20.00			100.0%	30,240	
<b>POTENTIAL GROSS INCOME</b>		\$1,166,280				\$1,061,748	\$1,060,488				-0.1%	(\$1,260)	
Vacancy & Collection Loss		(\$155,258)			7.5% PGI	(79,631)	(79,537)	7.5% PGI			-0.1%	95	
Non-Rental Units/Concessions		(\$22,599)				-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>		\$988,423				\$982,117	\$980,951				-0.1%	(\$1,166)	
General & Administrative	\$43,787	\$348/Unit	38,829	3.79%	\$0.34	\$295	\$37,200	\$43,787	\$348	\$0.40	4.46%	-15.0%	(6,587)
Management	\$40,753	4.7% EGI	49,037	5.01%	\$0.45	\$390	\$49,200	\$49,048	\$389	\$0.45	5.00%	0.3%	152
Payroll & Payroll Tax	\$131,309	\$1.042/Unit	139,226	12.46%	\$1.13	\$971	\$122,380	\$131,309	\$1.042	\$1.21	13.39%	-6.8%	(8,929)
Repairs & Maintenance	\$73,953	\$587/Unit	71,841	7.19%	\$0.65	\$580	\$70,620	\$73,953	\$587	\$0.68	7.54%	-4.5%	(3,333)
Utilities	\$44,210	\$351/Unit	175,152	3.93%	\$0.35	\$306	\$38,560	\$38,754	\$308	\$0.36	3.95%	-0.5%	(194)
Water, Sewer, & Trash	\$66,066	\$524/Unit	105,597	4.96%	\$0.45	\$386	\$48,680	\$52,878	\$420	\$0.49	5.39%	-7.9%	(4,198)
Property Insurance	\$26,031	\$0.24 SF	35,686	2.75%	\$0.25	\$214	\$27,000	\$26,031	\$207	\$0.24	2.55%	3.7%	969
Property Tax 2.4063	\$85,361	\$677/Unit	57,569	10.95%	\$0.99	\$853	\$107,514	\$100,055	\$794	\$0.92	10.20%	7.5%	7,459
Reserve for Replacements	\$34,044	\$270/Unit	-	3.85%	\$0.35	\$300	\$37,800	\$37,800	\$300	\$0.35	3.85%	0.0%	-
TDHCA Compliance Fees			-	0.51%	\$0.05	\$40	\$5,040	\$4,880	\$39	\$0.04	0.50%	3.3%	160
Supportive service contract fees			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>		\$ 672,937		55.39%	\$5.00	\$4,317	\$ 543,994	\$ 558,495	\$4,432	\$5.14	56.93%	-2.6%	\$ (14,501)
<b>NET OPERATING INCOME ("NOI")</b>		\$ 315,486		44.61%	\$4.03	\$3,477	\$438,123	\$422,457	\$3,353	\$3.89	43.07%	3.7%	\$15,666
<b>CONTROLLABLE EXPENSES</b>		\$2,852/Unit	\$4,211/Unit			\$2,519/Unit			\$2,704/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$982,117	\$1,001,759	\$1,021,794	\$1,042,230	\$1,063,075	\$1,173,721	\$1,295,882	\$1,430,759	\$1,579,673	\$1,744,087	\$1,925,613	\$2,128,032
<b>LESS: TOTAL EXPENSES</b>	543,994	559,822	576,115	592,886	610,151	704,392	813,339	939,299	1,084,949	1,253,386	1,448,196	1,673,531
<b>NET OPERATING INCOME</b>	\$438,123	\$441,937	\$445,680	\$449,344	\$452,924	\$469,328	\$482,544	\$491,459	\$494,724	\$490,701	\$477,417	\$452,501
<b>LESS: DEBT SERVICE</b>	380,980	380,980	380,980	380,980	380,980	380,980	380,980	380,980	380,980	380,980	380,980	380,980
<b>NET CASH FLOW</b>	\$57,143	\$60,958	\$64,700	\$68,364	\$71,944	\$88,348	\$101,564	\$110,480	\$113,744	\$109,721	\$96,438	\$71,521
<b>CUMULATIVE NET CASH FLOW</b>	\$57,143	\$118,101	\$182,801	\$251,165	\$323,110	\$733,123	\$1,215,993	\$1,752,531	\$2,317,288	\$2,877,223	\$3,390,125	\$3,802,749
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$696,668	\$635,710	\$571,010	\$502,646	\$430,702	\$20,688	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.15	1.16	1.17	1.18	1.19	1.23	1.27	1.29	1.30	1.29	1.25	1.19
<b>EXPENSE/EGI RATIO</b>	55.39%	55.88%	56.38%	56.89%	57.39%	60.01%	62.76%	65.65%	68.68%	71.86%	75.21%	78.72%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Singing Oaks, Denton, 9% HTC #11248*

DEBT / GRANT SOURCES														
DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmnt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmnt	Cumulative	
	UW	App											DCR	LTC
Wells Fargo	1.10	1.14	\$384,367	7.50%	30	18	\$4,580,937	\$4,540,569	18	30	7.50%	\$380,980	1.15	26.5%
<b>CASH FLOW DEBT / GRANTS</b>														
City of Denton CDBG/HOME Funds	1.10	1.14		0.00%	0	0	\$568,000	\$568,000					1.15	3.3%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$384,367				\$5,148,937	\$5,108,569				\$380,980		29.8%
<b>NET CASH FLOW</b>			\$53,756									\$41,477		

EQUITY SOURCES												
EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Annual Credit per Unit:	Total Developer Fee:	
Wells Fargo	LIHTC Equity	66.2%	\$1,368,129	0.83	\$11,354,338	\$11,354,341	0.83	\$1,368,129	66.2%	Annual Credit per Unit:	\$90,114	
Deferred Developer Fee	Deferred Developer Fees	3.7%	(33% Deferred)		\$634,303	\$636,668	(36% Deferred)		4.1%	Total Developer Fee:	\$1,940,000	
Additional (Excess) Funds Req'd		0.0%			(\$1)	\$0			0.0%	15-Year Cash Flow:	\$1,215,993	
<b>TOTAL EQUITY SOURCES</b>		69.9%			\$11,988,640	\$12,051,009			70.2%	15-Yr Cash Flow after Fee:	\$519,325	
<b>TOTAL CAPITALIZATION</b>					\$17,137,577	\$17,159,577						

DEVELOPMENT COST / ITEMIZED BASIS												
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$				
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition			\$7,230 / Unit	\$911,000	\$911,000	\$7,230 / Unit		0.0%	\$0			
Building Acquisition	\$3,560,500		\$28,455 / Unit	\$3,585,306	\$3,585,306	\$28,455 / Unit	\$3,560,500	0.0%	\$0			
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0			
Sitework		\$286,490	\$2,274 / Unit	\$286,490	\$286,490	\$2,274 / Unit	\$286,490	0.0%	\$0			
Direct Construction		\$6,744,615	\$62.05 SF	\$6,744,615	\$6,744,615	\$53,529/Unit	\$62.05 SF	\$6,744,615	0.0%	\$0		
Contingency		\$351,245	5.00%	\$351,245	\$351,245	5.00%	\$351,245	0.0%	\$0			
Contractor's Fees		\$984,355	13.33%	\$984,355	\$984,355	13.33%	\$984,355	0.0%	\$0			
Indirect Construction		\$707,200	\$5,613 / Unit	\$707,200	\$707,200	\$5,613 / Unit	\$707,200	0.0%	\$0			
Ineligible Costs			\$5,171 / Unit	\$851,551	\$673,551	\$5,346 / Unit		3.3%	\$22,000			
Developer's Fees	\$534,075	\$1,405,925	14.88%	\$1,940,000	\$1,940,000	14.88%	\$1,410,364	0.0%	\$0			
Interim Financing		\$407,326	\$3,233 / Unit	\$407,326	\$407,326	\$3,233 / Unit	\$407,326	0.0%	\$0			
Reserves			\$4,512 / Unit	\$568,490	\$568,490	\$4,512 / Unit		0.0%	\$0			
<b>UNADJUSTED BASIS / COST</b>	<b>\$4,094,575</b>	<b>\$10,887,155</b>	<b>\$136,013 / Unit</b>	<b>\$17,137,577</b>	<b>\$17,159,577</b>	<b>\$136,187 / Unit</b>	<b>\$10,891,594</b>	<b>\$4,090,136</b>	<b>0.1%</b>	<b>\$22,000</b>		
Acquisition Cost for Identity of Interest Seller				\$0								
Developer's Fee	(\$4,439)	\$4,439										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$4,090,136</b>	<b>\$10,887,155</b>	<b>\$136,013 / Unit</b>	<b>\$17,137,577</b>	<b>\$17,159,577</b>	<b>\$136,187 / Unit</b>	<b>\$10,891,594</b>	<b>\$4,090,136</b>				
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>				<b>\$17,137,577</b>	<b>\$17,159,577</b>							

**CAPITALIZATION, DEVELOPMENT COST, BUDGET ITEMIZED BASIS ITEMS**

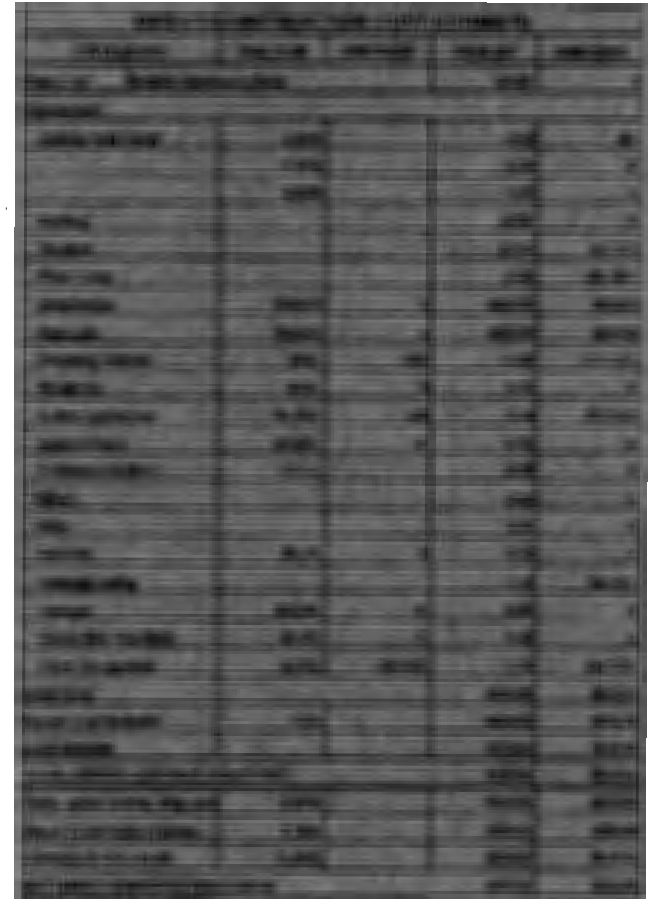
*Singing Oaks, Denton, 9% HTC #11248*

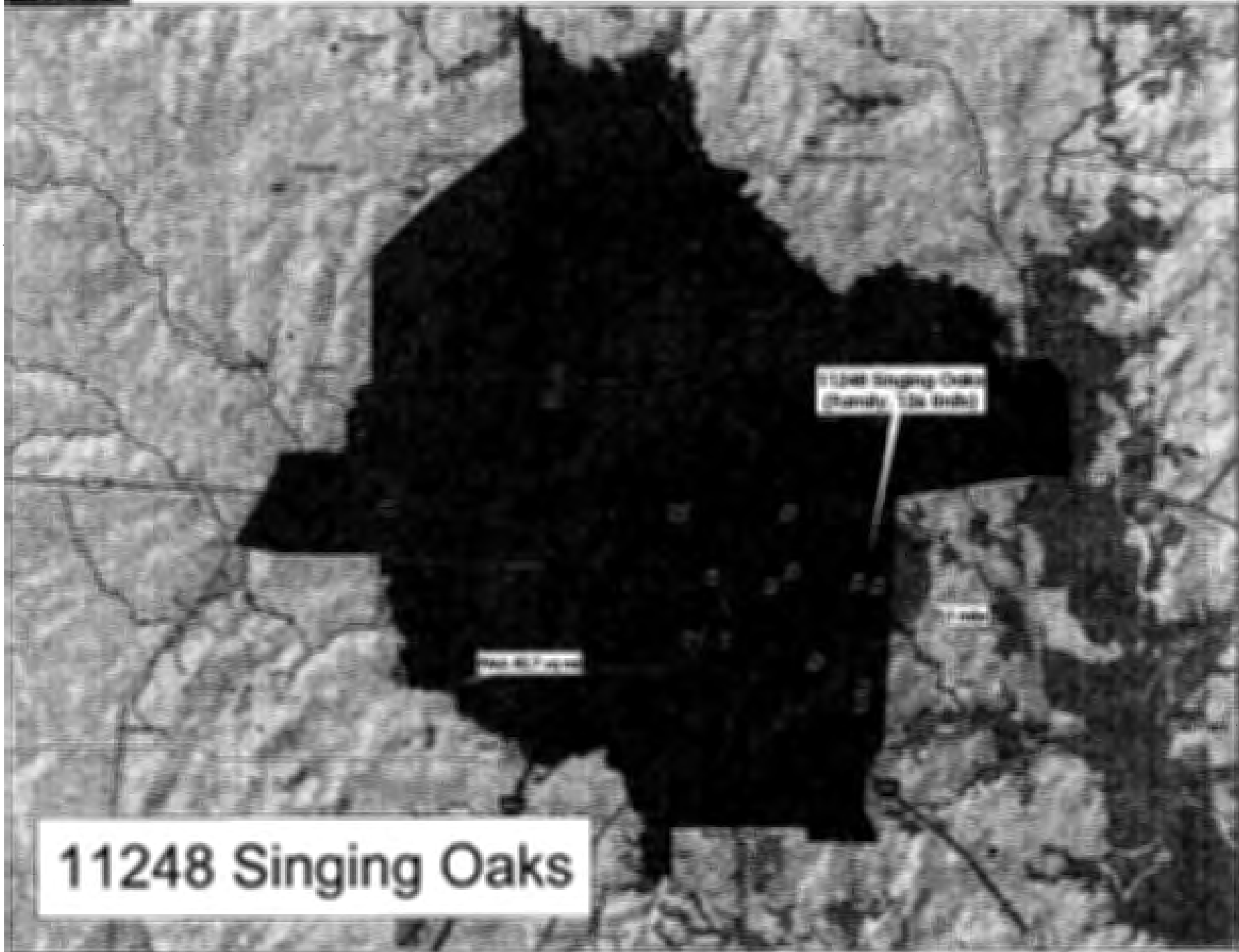
CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$4,090,136	\$10,887,155	\$4,090,136	\$10,891,594
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$4,090,136	\$10,887,155	\$4,090,136	\$10,891,594
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$4,090,136	\$14,153,302	\$4,090,136	\$14,159,073
Applicable Fraction	96.83%	96.83%	96.83%	96.83%
TOTAL QUALIFIED BASIS	\$3,960,290	\$13,703,991	\$3,960,290	\$13,709,578
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
ANNUAL CREDIT ON BASIS	\$137,818	\$1,233,359	\$137,818	\$1,233,862
CREDITS ON QUALIFIED BASIS	\$1,371,177		\$1,371,680	

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$1,371,680	\$11,383,810
Gap	\$1,452,074	\$12,051,009
Request	\$1,368,129	\$11,354,341

FINAL ANNUAL LIHTC ALLOCATION	
Method	Request
Credits	\$1,368,129
Underwritten Proceeds	\$11,354,341

TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$67.91	\$58,590	\$7,382,350	\$7,382,350	\$58,590	\$67.91
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$76.97	\$66,402	\$8,366,704	\$8,366,704	\$66,402	\$76.97





11248 Singing Oaks

11249

Silvercreek I Apts

Urban, Region 6



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Silvercreek I Apts, TDHCA Number 11249**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 3200 Mangum Development #: 11249  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77092 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Houston Silvercreek I Apartments, LP  
 Owner Contact and Phone: Michael Robinson, (713) 850-7168  
 Developer: Robinson Capital & Investment, Inc.  
 Housing General Contractor: RCI Construction, LLC  
 Architect: Hill & Frank Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Hudson Housing Capital, LLC  
 Supportive Services: Southwestern Housing Resources, Inc.  
 Consultant and Contact: Alyssa Carpenter,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	128
	14	0	45	69	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	110	18	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	128
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	10
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,712,569	\$1,712,569			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Silvercreek I Apts, TDHCA Number 11249

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Whitmire, District 15, S

US Representative: Jackson Lee, District 18,

TX Representative: Farrar, District 148, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

Silvercreek I Residents, Bernadette Lenahan

Letter Score: 24 S or O: S

Improvement to community, neighborhood revitalization.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Silvercreek I Apts, TDHCA Number 11249**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **194**  Meeting a Required Set-Aside Credit Amount\*: \$1,712,569

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11250

Cypress Creek at Four Seasons

Urban, Region 7



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Cypress Creek at Four Seasons, TDHCA Number 11250**

**BASIC DEVELOPMENT INFORMATION**

Site Address: approx. 0.1 miles E of FM 150 & Lehman Rd. on Lehman Rd.      Development #: 11250  
 City: Kyle      Region: 7      Population Served: General  
 County: Hays      Zip Code: 78640      Allocation: Urban  
 HTC Set Asides:  At-Risk    Nonprofit    USDA    Rural Rescue   HTC Housing Activity\*: NC  
 HOME Set Asides:    CHDO    Preservation    General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Cypress Creek Four Seasons LP  
 Owner Contact and Phone: Stuart Shaw, (512) 220-8000  
 Developer: SSFP Cypress Creek Four Seasons LLC  
 Housing General Contractor: Bonner Carrington Construction LLC  
 Architect: Kelly Grosman Architects LLC dba Chiles Architects  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: RBC Capital Markets  
 Supportive Services: TBD  
 Consultant and Contact: State Street Housing Advisors, LP, Jeff Spicer

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156
	16	0	56	84	Market Rate Units:	4
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	36	60	56	8	0

Type of Building:	Total Development Units:	160
<input type="checkbox"/> Duplex	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	8
<input type="checkbox"/> Triplex	HOME High Total Units:	18
<input type="checkbox"/> Fourplex	HOME Low Total Units:	18
<input type="checkbox"/> Townhome		
<input type="checkbox"/> Detached Residence		
<input type="checkbox"/> Single Room Occupancy		
<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,060,759	\$2,060,759			
HOME Activity Fund Amount:	\$1,250,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Cypress Creek at Four Seasons, TDHCA Number 11250

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Wentworth, District 25, NC

US Representative: Doggett, District 25,

TX Representative: Isaac, District 45, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Hays-Caldwell Women's Center, S, Elva Gonzalez, Director of Programs and Services

CASA of Central Texas, Inc., S, Norma Blackwell, Executive Director

CARES by Apartment Life, S, Todd Robison, Regional Vice President, SW Texas

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Cypress Creek at Four Seasons, TDHCA Number 11250**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: **185**  Meeting a Required Set-Aside Credit Amount\*: \$2,060,759  
**Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
<b>Recommendation:</b>		

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11251

Bluebonnet Village / Primrose  
Park

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program**

**Development Information, Public Input and Board Summary**

**Bluebonnet Village / Primrose Park, TDHCA Number 11251**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 3100 Blessing Crt. Development #: 11251  
 City: Bedford Region: 3 Population Served: Elderly  
 County: Tarrant Zip Code: 76021 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: AC/RH  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Blessing Court Senior Housing LP  
 Owner Contact and Phone: Michelle Norris, (614) 451-2151  
 Developer: National Church Residences  
 Housing General Contractor: ICI Construction, Inc.  
 Architect: Gailer Tolson French Design Group  
 Market Analyst: Vogt Santer Insights. Ltd  
 Syndicator: NHT Equity, LLC  
 Supportive Services: Incare, Inc.  
 Consultant and Contact: Diana McIver & Associates, Inc., JoeEllen Smith

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	103
	12	0	37	54	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	103	1	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	104
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	11
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$984,991	\$984,991			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Bluebonnet Village / Primrose Park, TDHCA Number 11251

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Davis, District 10, NC

US Representative: Marchant, District 24,

TX Representative: Smith, District 92, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 3 In Opposition 0

**Quantifiable Community Participation Input:**

Bluebonnet/Primrose Residents Association, Jeanne Owers

Letter Score: 24 S or O: S

This building is 20 yrs old and in need of several renovations such as a new entry way to the building. We would like to see energy-efficient renovations to help all residents reduce heating and air conditioning costs which continue to rise and cause the majority of residents serious burdens.

**Community Input Other than Quantifiable Community Participation Input:**

The Hurst Euless Bedford Chamber of Commerce, S, Mary Martin Frazier, IOM, President and CEO

Emmanuel Presbyterian Church, S, Reverend Robin Lyn Valdez, Pastor

United Way of Tarrant County, S, Tim McKinney, President and CEO

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Bluebonnet Village / Primrose Park, TDHCA Number 11251

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio: 4
- Total # Monitored: 4

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 214  Meeting a Required Set-Aside Credit Amount\*: \$984,991

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

11255

Justice Park Senior Villas

Urban, Region 6





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Justice Park Senior Villas, TDHCA Number 11255

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Patrick, District 7, NC

US Representative: Jackson Lee, District 18,

TX Representative: Bohac, District 138, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

O, Jerry Eversole, County Commissioner Precinct 4

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

Central Northwest Super Neighborhood Council, Mark Klein

Letter Score: 24 S or O: S

The Central Northwest Super Neighborhood Council believes the project to be well-conceived, potentially able to serve the needs of neighborhood elderly residents and designed appropriately for the neighborhood it will be located in.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
Justice Park Senior Villas, TDHCA Number 11255

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
Previous Participation Review not completed at this time
Total # Developments in Portfolio:
Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: [checked] Score: 207 [ ] Meeting a Required Set-Aside Credit Amount\*: \$1,799,961
Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0
HOME CHDO Operating Expense Grant: Grant Amount: \$0
Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11257**

**Brazos Senior Villas**

**Rural, Region 6**



**MULTIFAMILY FINANCE DIVISION**

**July 28, 2011**

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Brazos Senior Villas, TDHCA Number 11257**

**BASIC DEVELOPMENT INFORMATION**

Site Address: SEC of FM 2218 and Reading Rd. Development #: 11257  
 City: Rosenberg Region: 6 Population Served: Elderly  
 County: Fort Bend Zip Code: 77471 Allocation: Rural  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Brazos Seniors LP  
 Owner Contact and Phone: Les Kilday, (713) 914-9400  
 Developer: Kilday Partners LLC  
 Housing General Contractor: Blazer Building, Inc.  
 Architect: Mucasey & Associates  
 Market Analyst: Apartment Market Data, LLC  
 Syndicator: NA  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	8	0	28	44	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	32	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,047,374	\$1,047,374			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

Brazos Senior Villas, TDHCA Number 11257

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Hegar, District 18, NC

US Representative: Olson, District 22,

TX Representative: Reynolds, District 27, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

O, Thomas Randle, Superintendent of Schools

**Individuals and Businesses:** In Support: 1 In Opposition 0

**Quantifiable Community Participation Input:**

Brazos Master Maintenance Association, Inc., Angelia Wosnitzky Letter Score: 24 S or O: S

Will provide needed affordable rental housing units to seniors in the Rosenberg area; in addition to bringing an attractive addition to the Brazos Town Center development.

**Community Input Other than Quantifiable Community Participation Input:**

Greater Fort Bend Economic Development Council, S, Jeffrey C. Wiley, President

**General Summary of Comment:**

Support - Developer reached out to the community and garnered support for the development.

**CONDITIONS OF COMMITMENT**





MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Brazos Senior Villas, TDHCA Number 11257**

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **207**  Meeting a Required Set-Aside Credit Amount\*: \$1,047,374

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**11260**

**Bissonnet Gardens Apts**

**Urban, Region 6**



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**Bissonnet Gardens Apts, TDHCA Number 11260**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 7500 Bissonnet Development #: 11260  
 City: Houston Region: 6 Population Served: General  
 County: Harris Zip Code: 77074 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: AC/RH/RC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Braeburn Residential Partners, LP  
 Owner Contact and Phone: Amay Inamdar, (713) 540-0122  
 Developer: VTT Logistics, LLC  
 Housing General Contractor: Galaxy Builders, Ltd.  
 Architect: Hill & Frank Architects, Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	140
	21	0	42	77	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	42	77	21	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	140
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$18,398,798
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	2
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$1,630,932	\$1,627,811			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Bissonnet Gardens Apts, TDHCA Number 11260

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Huffman, District 17, NC

US Representative: Green, District 9,

TX Representative: Hochberg, District 137, S

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government [ ]

Individuals and Businesses: In Support: 0 In Opposition 0

Quantifiable Community Participation Input:

Sharpstown Super Neighborhood, Justin Segal

Letter Score: 24 S or O: S

The complex is within the Sharpstown Super Neighborhood which is in dire need of quality low-income housing.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Support - Support of rehabilitation project rather than new construction.

CONDITIONS OF COMMITMENT

- 1. Receipt and acceptance by Carryover: of a commitment from the City of Houston clearly stating all terms of the proposed HOME loan.
2. Receipt and acceptance by Cost Certification: Documentation clearing environmental issues contained in the ESA report, specifically: That appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of asbestos-containing-materials or lead-based paint. An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation may be warranted.



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

**Bissonnet Gardens Apts, TDHCA Number 11260**

**COMPLIANCE EVALUATION SUMMARY:**

- No unresolved issues of material non-compliance or audit findings
- Previous Participation Review not completed at this time

Total # Developments in Portfolio: 1

Total # Monitored: 0

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Competitive Housing Tax Credits:  Score: 211  Meeting a Required Set-Aside Credit Amount\*: \$1,627,811

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

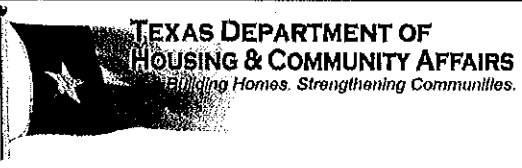
Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11260 Program(s): 9% HTC

**Bissonnet Gardens Apartments**

Address/Location: 7500 Bissonnet Street

City: Houston County: Harris Zip: 77074

Population: Family Program Set-Aside: General Area: Urban

Activity: Reconstruction Construction Type: Wrap/(3 or 4 Story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,630,932				\$1,627,811				

**CONDITIONS**

- 1 Receipt and acceptance by Carryover:
  - of a commitment from the City of Houston clearly stating all terms of the proposed HOME loan.
- 2 Receipt and acceptance by Cost Certification:
  - Documentation clearing environmental issues contained in the ESA report, specifically:
    - That appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of asbestos-containing-materials or lead-based paint.
  - An architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
  - Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	21
50% of AMI	50% of AMI	42
60% of AMI	60% of AMI	77

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Will be superior to any existing product in market
▫	1.3% gross capture rate and low capture rates for each unit type
▫	Underwritten at 1.35 debt coverage and 16% deferred fee

WEAKNESSES/RISKS	
▫	Overall occupancy in the market is 84%
▫	Achievable rents in the market are \$30-36 below the 60% HTC rent
▫	Pioneering deal with no good rent comps in the market area
▫	High concentration of existing multifamily in immediate area
▫	No new or recent retail/commercial development or job growth in area
▫	Located in the floodplain

## DEVELOPMENT TEAM

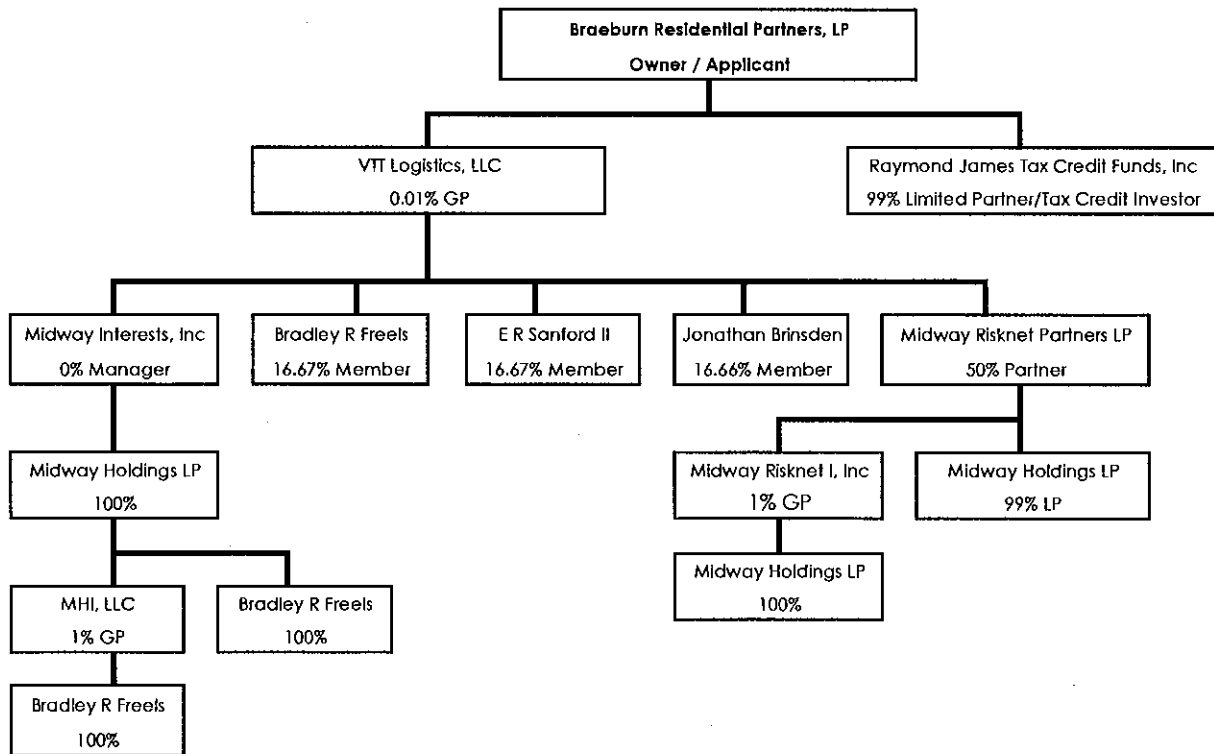
### PRIMARY CONTACTS

Name: Amay Inamdar Relationship: Co-Developer  
 Email: amay@banyanlg.com Phone: (713) 540-0122 Fax: (713) 513-5854

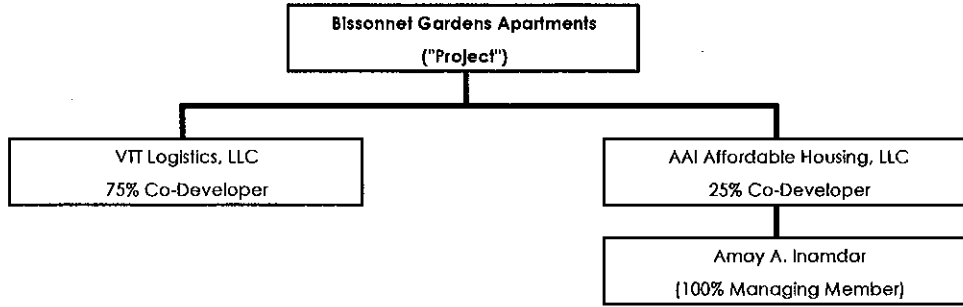
### IDENTITIES OF INTEREST

Related-Party Seller/Identity of Interest: No  
 The Applicant and Developer are related entities.

## OWNERSHIP STRUCTURE

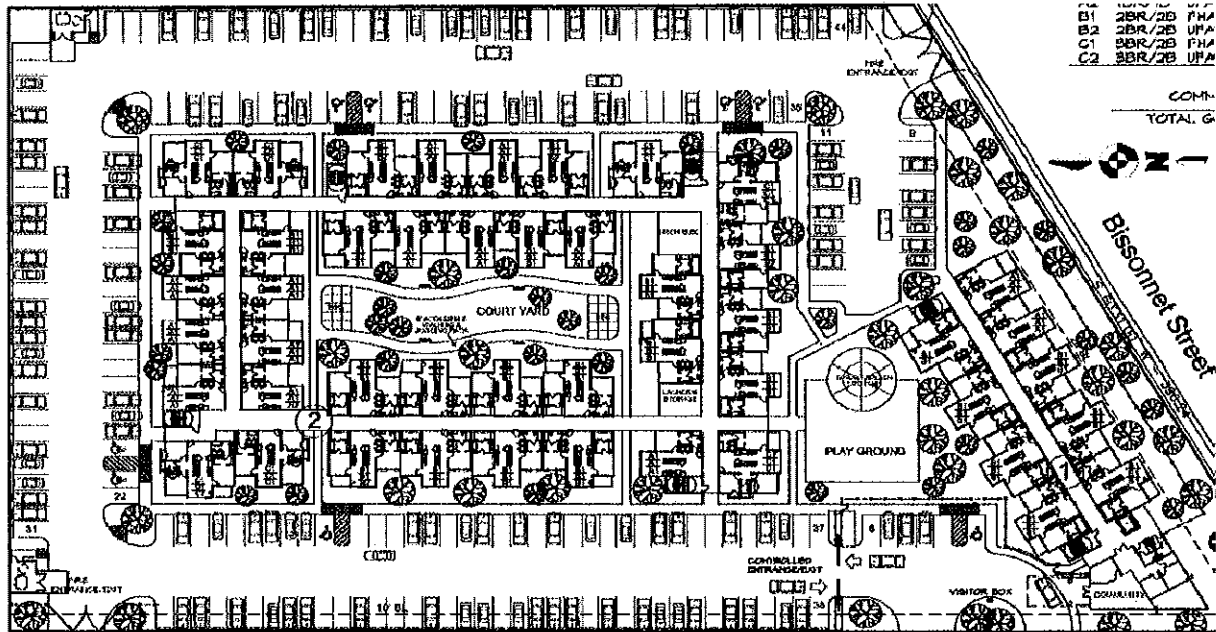


**DEVELOPER STRUCTURE**



**DEVELOPMENT SUMMARY**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	1	2		<b>Total Buildings</b>
Floors/Stories	3	3		<b>2</b>
Number of Bldgs	1	1		
Units per Bldg	26	114		
<b>Total Units</b>	<b>26</b>	<b>114</b>		<b>140</b>

**GENERAL INFORMATION**

Total Size:	<u>4.564</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Zoning:	<u>N / A</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Density:	<u>30.67</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	



**Surrounding Uses:**

There is a high school to the west, an elementary school to the north, multifamily housing to the east, and to the south, across Bissonnet Street, is retail followed by single family and multifamily residential.

There are numerous apartment complexes within a few blocks of the subject. The market study reports 112 properties in the market area with more than 25,000 units.

**Other Observations:**

The site is located in the 100-year floodplain. The Applicant has indicated that the development will be constructed as required by the QAP.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Criterium-Farrell Engineers Date: 2/18/2011

**Recognized Environmental Conditions (RECs) and Other Concerns:**

Due to the age of the buildings, Asbestos Containing Materials (ACMs), lead solder on the fixtures and pipes, and lead based paint were likely used during the original construction of the buildings. Therefore, we have recommended that a separate asbestos, water and lead paint survey be conducted as outlined in the TDHCA guidelines." (p 1-2)

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 3/8/2011  
 Contact: Bob Coe Phone: 281-387-7552  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 12 sq. miles 2 mile equivalent radius  
 The Primary Market Area is defined by 13 census tracts within southwest Houston in Harris County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,549	\$13,680	---	---	\$20,914	\$22,800	\$25,097	\$27,360
2	\$12,549	\$15,630	---	---	\$20,914	\$26,050	\$25,097	\$31,260
3	\$15,051	\$17,580	---	---	\$25,097	\$29,300	\$30,137	\$35,160
4	\$17,417	\$19,530	---	---	\$29,006	\$32,550	\$34,834	\$39,060
5	\$17,417	\$21,120	---	---	\$29,006	\$35,200	\$34,834	\$42,240
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None			0	
Other Affordable Developments in PMA since 2007					
	None			n/a	
Stabilized Affordable Developments in PMA ( pre-2007 )					
	Total Properties ( pre-2007 )	2	Total Units	493	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
None.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	37,362		37,362	
Potential Demand from the Primary Market Area	7,900		10,657	
Potential Demand from Other Sources	302		0	
<b>GROSS DEMAND</b>	<b>8,201</b>		<b>10,657</b>	
Subject Affordable Units	140		140	
Unstabilized Comparable Units	0		0	
<b>RELEVANT SUPPLY</b>	<b>140</b>		<b>140</b>	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>1.7%</b>		<b>1.3%</b>	

**Demand Analysis:**

The Market Analyst reports Gross Demand for 8,201 units and a Gross Capture Rate of 1.7% for the 140 subject units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a higher concentration of eligible renter households in the target income range. The Underwriter calculates Gross Demand for 10,657 units, resulting in a Gross Capture Rate of 1.3%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	396	6	0	2%	227	6	0	3%
1 BR/50%	667	13	0	2%	487	13	0	3%
1 BR/60%	920	23	0	3%	541	23	0	4%
2 BR/30%	346	12	0	3%	266	12	0	5%
2 BR/50%	810	23	0	3%	514	23	0	4%
2 BR/60%	699	42	0	6%	581	42	0	7%
3 BR/30%	247	3	0	1%	147	3	0	2%
3 BR/50%	537	6	0	1%	319	6	0	2%
3 BR/60%	664	12	0	2%	352	12	0	3%

**Primary Market Occupancy Rates:**

The market study indicates more than 25,000 apartment units in the PMA with overall average occupancy of 84%. The detailed data shows Class C properties at 80% while Class A, B, and D properties are all reported to be approximately 90% occupied. And the quarterly trend data shows the occupancy at Class A and B properties having increased significantly over the course of 2010.

The Market Analyst also provided the following current data as of May 2011:

May 2011	Class A	Class B	Class C	Class D	total
<b>Overall Market Area</b>					
Number of Units	1,197	8,110	16,656	2,071	28,034
Occupancy	93.7%	90.3%	80.6%	90.2%	
<b>HTC Properties</b>					
Number of Units	N / A	358	1,113	314	1,785
Occupancy	N / A	92.6%	86.2%	93.0%	

The higher-end Class A properties in the overall market have shown continued improvement while the rest of the market has held steady. More importantly, the Tax Credit properties are outperforming the market in all categories. As a new property following reconstruction, the subject will be competitive with the Class B Tax Credit properties that are currently 92.6% occupied.

**Absorption Projections:**

"The most recent HTC project which came on-line was HomeTowne at Missouri City (Seniors HTC)... (which) attained stabilized occupancy in 4 months, which equates to an average absorption of approximately 26 units per month. Wynhaven at Towne West is a 396-unit conventional family complex which was completed in November 2009, and attained stabilized occupancy in September 2010, which equates to an average absorption of approximately 34 units per month... I project absorption at 10 to 20 units a month and the property should stabilize within 8 to 15 months of opening." (p 12)

**Market Impact:**

"I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration." (p 12)

**Comments:**

The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA**

<b>SUMMARY - AS UNDERWRITTEN</b>					
NOI:	\$398,826	Avg. Rent:	\$669	Expense Ratio:	62.5%
Debt Service:	\$295,768	B/E Rent:	\$638	Controllable Expenses:	\$2,654
Net Cash Flow:	\$103,058	Occupancy:	92.50%	Property Taxes/Unit:	\$737
Aggregate DCR:	1.35:1	B/E Occupancy:	85.72%	Program Rent Year:	2010

Income:      Number of Revisions:      none      Date of Last Applicant Revision:      N / A

The Applicant's proposed rents for the 30% and 50% units are equal to the maximum net HTC program rents. The Applicant indicated that the 60% HTC rents are not achievable. The Market Analyst's market rents were evaluated by the Underwriter and determined to be derived from poor comparables. The Market Analyst provided additional information regarding current collected rents at other HTC properties in the area.

The underwriting estimate for the one-bedroom rent is based on the average current collected rents at several HTC properties in the general area but outside the market area. This rent is 9% higher than the Applicant's proposed rent. The Underwriter has accepted the Applicant's proposed two-bedroom rent, which is slightly higher than the average of the area HTC properties. The Underwriter's rent for the three-bedroom is equal to the area HTC average, and is slightly higher than the Applicant's proposed rent. The HTC properties used to derive the Underwriter's rents are unlikely to be direct comparables for the subject; however, due to the lack of any development activity in the market area during the last 20 years, the achievable rents for the subject are difficult to determine.

The immediate neighborhood includes many very old market rate properties. There is no job growth or new development in the area and the tenant base for the subject is most likely to be those households occupying these very old properties. The Underwriter surveyed the current rents at these existing properties and did some sensitivity testing to determine how much additional rent these households must be willing to pay for the subject property to continue to be economically viable. The average of the reported rents for one- and two-bedroom units at these older properties are \$90 to 100 lower than the rents being underwritten for the 60% units (3 bedroom rents were not reliable, but there are only twelve 60% 3-bedroom units proposed). Following reconstruction the subject property will be completely new and the highest quality property in the neighborhood. The subject property would only need to achieve rents for the one and two bedroom units that are \$40 to \$50 higher than rents at existing properties. This is a reasonable expectation in the Underwriter's estimation.

The Applicant's proposed non-rental income of \$15 per unit is consistent with underwriting guidelines. But the Applicant proposes losses to vacancy and collection equal to 10% of EGI, citing the average occupancy of 84% in the market area. As discussed above, as a new property following reconstruction, the subject will be competitive with the Class B Tax Credit properties that are currently 92.6% occupied. The underwriting analysis assumes stabilized operations with 7.5% losses to vacancy and collection. The low occupancy rates at these other properties in the market are the result of their poor condition and the subject will have a significant advantage over these deals.

The Applicant's projected income is 1% lower than the underwriting estimate, but the Applicant's projected losses to vacancy and collection are higher by 2.5%. Overall, the Applicant's effective gross income is 4% lower than the underwriting estimate.

Expense:    Number of Revisions:        1        Date of Last Applicant Revision:        5/12/2011    

The underwriting estimate for total operating expenses is based primarily on the TDHCA database of properties in Region 6 and underwriting guidelines; the management fee is calculated as 5% of EGI; and property tax is based on a 10% capitalization of NOI. Property insurance is based on an estimate of \$0.50 per square foot for property, liability, and flood coverage from the Applicant's insurance provider.

The Applicant's proposed total annual operating expenses are equal to \$4,733 per unit, equivalent to the underwriting estimate of \$4,743. The most significant variances are general & administrative (the Applicant's value is 30% higher than the underwriting estimate); utilities (the Applicant's figure is 20% higher); and water, sewer, & trash (the Applicant's figure is 35% lower).

**Conclusion:**

The Underwriter's pro forma and the proposed financing structure provide first year debt coverage of 1.45, exceeding the maximum 1.35. As underwritten, the permanent first lien debt amount was increased to bring the DCR to a 1.35.

**Feasibility:**

The Underwriter's estimates and the recommended financing structure are used to generate a 30-year operating pro forma, assuming that income and expenses grow at rates of 2% and 3% respectively. This analysis indicates continued positive cash flow and debt coverage that remains above 1.15. The development is therefore characterized as feasible.

**ACQUISITION INFORMATION**

## APPRAISED VALUE

Appraiser: Affordable Housing Analysts Date: 1/26/2011

Land Only: 4.54 acres	<u>\$990,000</u>	Per Unit: <u>7,071</u>
Existing Buildings: (as-is)	<u>\$2,410,000</u>	Per Unit: <u>17,214</u>
Total Development: (as-is)	<u>\$3,400,000</u>	Per Unit: <u>24,286</u>

## SITE CONTROL

Type: Commercial Contract - Improved Property Acreage: 4.564Acquisition Cost: \$3,100,000 Contract Expiration: 9/30/2011Cost Per Unit: \$22,143Seller: Kingsford Garden LP Related to Development Team?  Yes  No

## Comments:

The cost schedule reflects the contract price and \$31K in closing costs.

**DEVELOPMENT COST EVALUATION**COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N/A

## Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

## Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

## Comments:

Budget includes \$518K for demolition costs, reallocated from sitework to ineligible costs, but does not specifically identify costs for asbestos abatement.

## Direct Construction Cost:

The Applicant's proposed direct construction cost is \$7.99M. This is 7% higher than the underwriting estimate of \$7.5M, derived with the Marshall &amp; Swift Residential Cost Handbook.

## Interim Interest Expense:

REA Rules limit eligible interim interest to one year of interest on the fully-drawn construction financing. As explained below, the Applicant overstated the interest rate on the construction tranche of the Amegy Bank loan. As a result, the Applicant's total proposed eligible interest exceeds the limit by \$23,197. The Underwriter has adjusted the Applicant's eligible interim financing cost and included the difference with ineligible cost.

## Contingency &amp; Fees:

As a result of the overstated eligible interim interest, the Applicant's developer fee is overstated by \$3,479.

## Conclusion:

The Applicant's proposed total development cost is \$18,398,798. This is within 5% of the underwriting estimate of \$17,762,271. The Applicant's cost is therefore used to determine eligible basis and the need for permanent financing. An eligible basis of \$13,912,916 would support a tax credit allocation of \$1,627,811.

## UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: none Last Update: N / A

Interim Sources	Amount	Rate	Term	LTC
Amegy Bank	\$4,903,230	6.03%	24 Months	28%
City of Houston - HOME	\$2,500,000	2.50%	TBD	14%
Raymond James Tax Credit Funds, Inc.	\$10,321,424	tax credit equity		58%
<b>Total</b>	<b>\$17,724,654</b>			

**Comments:**

The Applicant lists the interest rate for the Amegy Bank loan as 6.8%, but the commitment indicates this loan will be priced in two tranches. The first tranche of \$1.99M (equal to the permanent loan amount) has a current indicative rate of 6.8%. The second tranche of \$2.9M will bear interest at 30-day LIBOR + 3.0%, with a floor of 5.5%. The weighted average rate (using 6.8% and 5.5%) for the construction phase is 6.03%.

The Applicant has applied to the City of Houston for \$2,500,000 in HOME funds. Terms are not defined. If the actual interest rate during construction is lower than 2.5% it could impact the total eligible interim interest, and thereby reduce eligible basis. The recommended financing structure indicates the impact could be absorbed through additional deferred developer fee.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Amegy Bank	\$2,265,490	6.80%	30	18	12%
City of Houston - HOME	\$2,500,000	2.50%	30	15	14%
<b>Total</b>	<b>\$4,765,490</b>				

**Comments:**

The primary mortgage will be fixed at the FHLB rate plus 2.5%, underwritten by the bank at 6.8%.

The Applicant has applied to the City of Houston for \$2,500,000 in HOME funds. The Applicant states the terms are expected to be a 15 year term at 2.5% amortized over 30 years.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Raymond James Tax Credit Funds, Inc.	\$13,346,720	\$0.82	73%	
Deferred Developer Fee	\$286,588		2%	16%
<b>Total</b>	<b>\$13,633,308</b>			
<b>Total Sources</b>	<b>\$18,398,798</b>			

**Comments:**

The Applicant proposed deferral of \$527K of developer fees. The recommended increase in permanent debt results in the need to defer only \$287K.

## CONCLUSIONS

**Recommended Financing Structure:**

As stated above, the pro forma analysis results in a debt coverage ratio above the Department's maximum guideline of 1.35. The underwriting analysis assumes an increase in the permanent loan amount to \$2,265,490 based on the terms reflected in the application materials. As a result the development's gap in financing decreases.

The Applicant's total development cost estimate, less the adjusted permanent loan of \$2,265,490 and the second lien of \$2,500,000, indicates the need for \$13,633,308 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,662,764 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<b>Allocation determined by eligible basis:</b>	<b>\$1,627,811</b>
Allocation determined by gap in financing:	\$1,662,764
Allocation requested by the Applicant:	\$1,630,932

The allocation amount determined by eligible basis is recommended. A tax credit allocation of \$1,627,811 per year for 10 years results in total equity proceeds of \$13,346,720 at a syndication rate of \$0.82 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$286,588 in additional permanent funds. Deferred developer fees in this amount are repayable from development cash flow within three years of stabilized operation.

Based on the underwriting analysis, the actual credit price could fall as low as \$0.735 and the required deferred developer fee could be repaid within 15 years.

Underwriter: Thomas Cavanagh

Manager of Real Estate Analysis: Cameron Dorsey

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX RENT SCHEDULE**

**Bissonnet Gardens Apartments, Houston, 9% HTC #11260**

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
PROGRAM REGION:	6
RURAL RENT USED:	No
IREM REGION:	Houston

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	42	30.0%
2	77	55.0%
3	21	15.0%
4		
<b>TOTAL</b>	<b>140</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP.% - ACQUISITION:	3.48%
APP.% - CONSTRUCTION:	9.00%

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	Rent per NRA	TDHCA Savings to Market
TC30%	\$366	6	1	1	720	\$366	\$49	\$317	\$0	\$0.44	\$317	\$1,902	\$1,902	\$317	\$0.44	\$0	\$653	0.91	\$336
TC50%	\$610	13	1	1	720	\$610	\$49	\$561	\$0	\$0.78	\$561	\$7,293	\$7,293	\$561	\$0.78	\$0	\$653	0.91	\$92
TC60%	\$732	23	1	1	720	\$732	\$49	\$683	(\$83)	\$0.83	\$600	\$13,800	\$15,016	\$653	\$0.91	(\$30)	\$653	0.91	\$0
TC30%	\$439	12	2	2	975	\$439	\$63	\$376	\$0	\$0.39	\$376	\$4,612	\$4,612	\$376	\$0.39	\$0	\$780	0.80	\$404
TC50%	\$732	23	2	2	975	\$732	\$63	\$669	\$0	\$0.69	\$669	\$15,387	\$15,387	\$669	\$0.69	\$0	\$780	0.80	\$111
TC60%	\$879	42	2	2	975	\$879	\$63	\$816	(\$36)	\$0.80	\$780	\$32,760	\$32,760	\$780	\$0.80	(\$36)	\$780	0.80	\$0
TC30%	\$508	3	3	2	1,070	\$508	\$76	\$432	\$0	\$0.40	\$432	\$1,296	\$1,296	\$432	\$0.40	\$0	\$905	0.85	\$473
TC50%	\$846	6	3	2	1,070	\$846	\$76	\$770	\$0	\$0.72	\$770	\$4,620	\$4,620	\$770	\$0.72	\$0	\$905	0.85	\$135
TC60%	\$1,016	12	3	2	1,070	\$1,016	\$76	\$940	(\$40)	\$0.84	\$900	\$10,800	\$10,860	\$905	\$0.85	(\$35)	\$905	0.85	\$0
<b>TOTALS/AVERAGES:</b>		<b>140</b>			<b>127,785</b>				<b>(\$28)</b>	<b>\$0.72</b>	<b>\$660</b>	<b>\$92,370</b>	<b>\$93,646</b>	<b>\$669</b>	<b>\$0.73</b>	<b>(\$19)</b>	<b>\$761</b>	<b>\$0.83</b>	<b>\$92</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,108,440</b>	<b>\$1,123,750</b>
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**STABILIZED PROFORMA**

**Bissonnet Gardens Apartments, Houston, 9% HTC #11260**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA			VARIANCE		
	Database		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$0.72	\$660	\$1,108,440	\$1,123,750	\$669	\$0.73		1.4%	\$15,310
Cable, Telephone, Vending, Laundry						\$15.00	\$25,200				0.0%	(25,200)
Underwriter's Total Secondary Income							\$25,200	\$15.00			100.0%	25,200
<b>POTENTIAL GROSS INCOME</b>						\$1,133,640	\$1,148,950				1.3%	\$15,310
Vacancy & Collection Loss					10.0% PGI	(113,364)	(86,171)		7.5% PGI		-31.6%	27,193
Non-Rental Units/Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$1,020,276	\$1,062,779				4.0%	\$42,503
General & Administrative	\$50,056	\$358/Unit	6.31%	\$0.50	\$460	\$64,400	\$50,056	\$358	\$0.39	4.71%	28.7%	14,344
Management	\$44,045	4.9% EGI	5.00%	\$0.40	\$364	\$51,014	\$53,139	\$380	\$0.42	5.00%	-4.0%	(2,125)
Payroll & Payroll Tax	\$143,015	\$1,022/Unit	14.68%	\$1.17	\$1,070	\$149,800	\$143,015	\$1,022	\$1.12	13.46%	4.7%	6,785
Repairs & Maintenance	\$77,834	\$556/Unit	7.07%	\$0.56	\$515	\$72,100	\$77,834	\$556	\$0.61	7.32%	-7.4%	(5,734)
Utilities	\$42,636	\$305/Unit	5.01%	\$0.40	\$365	\$51,100	\$42,636	\$305	\$0.33	4.01%	19.9%	8,464
Water, Sewer, & Trash	\$58,079	\$415/Unit	3.70%	\$0.30	\$270	\$37,800	\$58,079	\$415	\$0.45	5.46%	-34.9%	(20,279)
Property Insurance	\$46,364	\$0.36 SF	6.31%	\$0.50	\$460	\$64,400	\$63,893	\$458	\$0.50	6.01%	0.8%	508
Property Tax 2.5842	\$81,880	\$585/Unit	9.79%	\$0.78	\$714	\$99,923	\$103,201	\$737	\$0.81	9.71%	-3.2%	(3,278)
Reserve for Replacements	\$35,877	\$256/Unit	3.43%	\$0.27	\$250	\$35,000	\$35,000	\$250	\$0.27	3.29%	0.0%	-
TDHCA Compliance Fees			0.55%	\$0.04	\$40	\$5,600	\$5,600	\$40	\$0.04	0.53%	0.0%	-
Cable TV			1.03%	\$0.08	\$75	\$10,500	\$10,500	\$75	\$0.08	0.99%	0.0%	-
Supportive service contract fees			1.37%	\$0.11	\$100	\$14,000	\$14,000	\$100	\$0.11	1.32%	0.0%	-
Security			0.69%	\$0.05	\$50	\$7,000	\$7,000	\$50	\$0.05	0.66%	0.0%	-
Describe			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe			0.00%	\$0.00	\$0	-	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			64.95%	\$5.19	\$4,733	\$ 662,637	\$ 663,953	\$4,743	\$5.20	62.47%	-0.2%	\$ (1,316)
<b>NET OPERATING INCOME ("NOI")</b>			35.05%	\$2.80	\$2,555	\$357,639	\$398,826	\$2,849	\$3.12	37.53%	-10.3%	(\$41,187)
<b>CONTROLLABLE EXPENSES</b>	\$2,654/Unit				\$2,680/Unit			\$2,654/Unit				

**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$1,062,779	\$1,084,035	\$1,105,715	\$1,127,830	\$1,150,386	\$1,270,119	\$1,402,315	\$1,548,269	\$1,709,414	\$1,887,331	\$2,083,766	\$2,300,646
LESS: TOTAL EXPENSES	663,953	683,340	703,299	723,845	744,996	860,480	994,027	1,148,480	1,327,130	1,533,790	1,772,875	2,049,498
<b>NET OPERATING INCOME</b>	\$398,826	\$400,694	\$402,417	\$403,985	\$405,390	\$409,639	\$408,287	\$399,789	\$382,283	\$353,540	\$310,890	\$251,148
LESS: DEBT SERVICE	295,768	295,768	295,768	295,768	295,768	295,768	295,768	295,768	295,768	295,768	295,768	295,768
<b>NET CASH FLOW</b>	\$103,058	\$104,926	\$106,649	\$108,217	\$109,622	\$113,871	\$112,519	\$104,021	\$86,515	\$57,772	\$15,123	(\$44,620)
<b>CUMULATIVE NET CASH FLOW</b>	\$103,058	\$207,984	\$314,633	\$422,850	\$532,473	\$1,095,298	\$1,663,128	\$2,203,434	\$2,675,041	\$3,026,382	\$3,193,454	\$3,097,387
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$286,588	\$181,662	\$75,013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.35	1.35	1.36	1.37	1.37	1.39	1.38	1.35	1.29	1.20	1.05	0.85
<b>EXPENSE/EGI RATIO</b>	62.47%	63.04%	63.61%	64.18%	64.76%	67.75%	70.88%	74.18%	77.64%	81.27%	85.08%	89.08%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

**Bissonnet Gardens Apartments, Houston, 9% HTC #11260**

	DEBT / GRANT SOURCES													
	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
UW	App	DCR											LTC	
<b>DEBT (Must Pay):</b>														
Amegy Bank - 1st Lien	2.55	2.29	\$156,392	6.80%	30	18	\$1,998,104	\$2,265,490	18	30	6.80%	\$177,232	2.25	12.3%
City of Houston- Housing and Community Development D	1.45	1.30	\$118,538	2.50%	30	15	\$2,500,000	\$2,500,000	15	30	2.50%	\$118,538	1.35	13.6%
<b>CASH FLOW DEBT / GRANTS</b>														
<b>TOTAL DEBT / GRANT SOURCES</b>			\$274,928				\$4,499,104	\$4,765,490				\$295,768		25.9%
<b>NET CASH FLOW</b>			\$82,711									\$103,058		

	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost		
<b>EQUITY / DEFERRED FEES</b>											
Raymond James Tax Credit Funds, Inc.	LHTC Equity	72.7%	\$1,630,932	0.82	\$13,372,308	\$13,346,720	0.8199	\$1,627,811	72.5%	Annual Credit per Unit:	\$95,334
VTT Logistics, LLC and AAI Affordable Housing, LLC	Deferred Developer Fees	2.9%	(29% Deferred)		\$527,386	\$286,588	(16% Deferred)		1.6%	Total Developer Fee:	\$1,814,728
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$1,663,128
<b>TOTAL EQUITY SOURCES</b>		75.5%			\$13,899,694	\$13,633,308			74.1%	15-Yr Cash Flow after Fee:	\$1,378,540
<b>TOTAL CAPITALIZATION</b>						\$18,398,798	\$18,398,798				

	DEVELOPMENT COST / ITEMIZED BASIS											
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$				
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition		\$22,143 / Unit	\$3,100,000	\$3,100,000	\$22,143 / Unit		0.0%	\$0				
Closing Costs	\$0	\$221 / Unit	\$31,000	\$31,000	\$221 / Unit	\$0	0.0%	\$0				
Off-Sites		\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0				
Sitework		\$700,000	\$5,000 / Unit	\$700,000	\$700,000	\$5,000 / Unit	\$700,000	0.0%	\$0			
Direct Construction		\$7,991,400	\$62.54 /sf	\$57,081/Unit	\$7,991,400	\$7,494,561	\$53.593/Unit	\$58.65 /sf	\$7,494,561	-6.6%	(\$496,839)	
Contingency		\$434,570	5.00%	\$434,570	\$434,570	\$434,570	5.30%	\$434,570	0.0%	\$0		
Contractor's Fees		\$1,216,796	13.33%	\$1,216,796	\$1,208,078	\$1,208,078	14.00%	\$1,208,078	-0.7%	(\$8,718)		
Indirect Construction		\$1,098,497	\$7,846 / Unit	\$1,098,497	\$1,098,497	\$7,846 / Unit	\$1,098,497	0.0%	\$0			
Ineligible Costs		\$8,304 / Unit	\$882,504	\$882,504	\$8,304 / Unit			0.0%	\$0			
Developer's Fees	\$0	\$1,818,207	15.03%	\$1,818,207	\$1,738,895	\$1,738,895	15.00%	\$1,738,895	\$0	-4.6%	(\$79,312)	
Interim Financing		\$656,925	\$4,692 / Unit	\$656,925	\$656,925	\$4,692 / Unit	\$656,925	0.0%	\$0			
Reserves		\$3,349 / Unit	\$468,899	\$417,241	\$2,980 / Unit					-12.4%	(\$51,658)	
<b>UNADJUSTED BASIS / COST</b>	\$0	\$13,916,395	\$131,420 / Unit	\$18,398,798	\$17,762,271	\$126,873 / Unit	\$13,331,526	\$0		-3.6%	(\$636,527)	
Acquisition Cost for Identity of Interest Seller				\$0								
Developer's Fee	\$0	(\$3,479)										
Contractor's Fee		\$0										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	\$0	\$13,912,916	\$131,420 / Unit	\$18,398,798	\$17,762,271		\$13,331,526	\$0				
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						\$18,398,798						

**CAPITALIZATION/DEVELOPMENT COST BUDGET ITEMIZED BASIS ITEMS**

**Bissonnet Gardens Apartments, Houston, 9% HTC #11260**

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$13,912,916	\$0	\$13,331,528
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$13,912,916	\$0	\$13,331,528
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$18,086,791	\$0	\$17,330,984
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$18,086,791	\$0	\$17,330,984
Applicable Percentage	3.48%	9.00%	3.48%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,627,811	\$0	\$1,559,789
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,627,811		\$1,559,789	

**ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS**

Method	Annual Credits	Proceeds
Eligible Basis	\$1,627,811	\$13,346,720
Gap	\$1,662,764	\$13,633,308
Request	\$1,630,932	\$13,372,310

**FINAL ANNUAL LIHTC ALLOCATION**

Method	Eligible Basis
Credits	\$1,627,811
Underwritten Proceeds	\$13,346,720

**TOTAL HARD COST COMPARISON**

	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$71.42	\$65,186	\$9,125,970	\$8,629,131	\$61,637	\$67.53
Applicant's Cost/SF Point Election	\$85.00					
Hard Costs plus Contractor Fees	\$80.94	\$73,877	\$10,342,796	\$9,837,209	\$70,266	\$76.98

**DIRECT CONSTRUCTION COST ESTIMATE**

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost: Multiple Residence Basis			\$54.74	6,994,835
<b>Adjustments</b>				
Exterior Wall Finish	2.40%		1.31	\$187,876
	0.00%		0.00	0
9-Ft. Ceilings	3.30%		1.81	230,830
Roofing			0.00	0
Subfloor			(0.11)	(13,630)
Floor Cover			2.41	307,962
Breezeways	\$23.03	30,247	5.45	696,619
Balconies	\$25.96	3,564	0.72	92,534
Plumbing Fixtures	\$845	294	1.94	248,430
Rough-ins	\$420	280	0.92	117,600
Built-In Appliances	\$1,850	140	2.03	259,000
Exterior Stairs	\$1,900	12	0.18	22,800
Enclosed Corridors	\$41.87	0	0.00	0
Other:			0.00	0
Other: elevator	\$80,325	1	0.63	80,325
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.83	233,847
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$66.74	6,007	3.23	412,923
Other: fire sprinkler	\$2.25	127,765	2.25	287,516
<b>SUBTOTAL</b>			<b>79.35</b>	<b>10,139,486</b>
Current Cost Multiplier	1.03		2.38	304,184
Local Multiplier	0.88		-9.52	(1,216,736)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>72.21</b>	<b>\$9,226,914</b>
Plans, specs, survey, bldg permits	3.90%		-2.82	(5359,850)
Interim Construction Interest	3.38%		-2.44	(311,408)
Contractor's OH & Profit	11.90%		-8.30	(1,061,095)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>58.65</b>	<b>\$7,494,561</b>

# 11260 Bissonnet Garden Apts

11260 Bissonnet Garden Apts  
(cont'd) (see intro)

11260 Bissonnet Garden Apts  
(cont'd) (see intro)

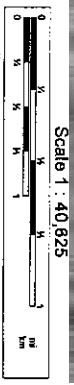
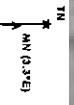
11260 Bissonnet Garden Apts  
(cont'd) (see intro)

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11260 Bissonnet Garden Apts  
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11261

North Angelo Housing Estates

Urban, Region 12



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**North Angelo Housing Estates, TDHCA Number 11261**

**BASIC DEVELOPMENT INFORMATION**

Site Address: various scattered sites Development #: 11261  
 City: San Angelo Region: 12 Population Served: General  
 County: Tom Green Zip Code: 76902 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: NoAH Estates Properties, LLC  
 Owner Contact and Phone: Terry Shaner, (325) 655-6700  
 Developer: Galilee Community Development Corp.  
 Housing General Contractor: G.G. MacDonald, Inc.  
 Architect: G & W Architects  
 Market Analyst: Mark C. Temple & Associates, LLC  
 Syndicator: Raymond James Tax Credit Funds, Inc.  
 Supportive Services: NA  
 Consultant and Contact: MacDonald & Associates, Inc., Carrie Adams

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36
	4	0	13	19	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	0	9	27	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	36
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$494,376	\$494,376			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

North Angelo Housing Estates, TDHCA Number 11261

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Duncan, District 28, NC

US Representative: Conaway, District 11,

TX Representative: Darby, District 72, S

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 7 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

- West Texas Organizing Strategy, S, Craig Meyers, Director
- Southside Lions Club, S, Monette Molinar, President
- Bible Way Ministries, S, Rev. Lonnie Green III, Pastor
- St. Paul Presbyterian Church, S, Glenda Herbert, Pastor
- City of San Angelo, S, Robert Salas, Director of Community Development

**General Summary of Comment:**

Support - Development coincides with the city's five year consolidated plan and neighborhood revitalization strategy.

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

North Angelo Housing Estates, TDHCA Number 11261

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **181**  Meeting a Required Set-Aside Credit Amount\*: \$494,376

Recommendation: **Not Recommended: Does not have a competitive score within its allocation type and region.**

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



11262

The Millennium - McKinney

Urban, Region 3



**MULTIFAMILY FINANCE DIVISION**

July 28, 2011

**Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary**

**The Millennium - McKinney, TDHCA Number 11262**

**BASIC DEVELOPMENT INFORMATION**

Site Address: McKinney Ranch Rd. and Stacy Rd. Development #: 11262  
 City: McKinney Region: 3 Population Served: General  
 County: Collin Zip Code: 75070 Allocation: Urban  
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides: CHDO Preservation General

\*HTC Housing Activity: AC=Acquisition, RC=Reconstruction, Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: VDC McKinney Reserve I, LP  
 Owner Contact and Phone: Brandon Bolin, (214) 991-8331  
 Developer: GFD Opportunity III, LLC  
 Housing General Contractor: Galaxy Builders, Ltd.  
 Architect: Architettura Inc.  
 Market Analyst: Affordable Housing Analysts  
 Syndicator: TBD  
 Supportive Services: TBD  
 Consultant and Contact: NA,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	172
	18	0	61	93	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	92	32	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	172
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	9
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Millennium - McKinney, TDHCA Number 11262

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Shapiro, District 8, NC

US Representative: Johnson, District 3,

TX Representative: Paxton, District 70, NC

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

July 28, 2011

Competitive Housing Tax Credit Program  
Development Information, Public Input and Board Summary

The Millennium - McKinney, TDHCA Number 11262

COMPLIANCE EVALUATION SUMMARY:

- No unresolved issues of material non-compliance or audit findings
  - Previous Participation Review not completed at this time
- Total # Developments in Portfolio:
- Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: 165  Meeting a Required Set-Aside Credit Amount\*: \$2,000,000

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).