



**Addendum to Underwriting Report**

TDHCA Application #: 26500\_25160 Program(s): 9% HTC

**McAdams Haven**

Address/Location: NWC Lindsey St and Bernard St

City: Denton County: Denton Zip: 76201

APPLICATION HISTORY	
Report Date	PURPOSE
05/28/26	MDL 2026-1 NHTF Award
06/16/25	Original Underwriting Report

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
MF Direct Loan Const, to Perm Deferred Payable	\$0	0.00%	0	.0 yrs	\$6,073,885	2.00%	0	16.0 yrs	1	24 mos	2nd
FHTC (9% Credit)	\$2,000,000				\$2,000,000						

**CONDITIONS STATUS**

- 1 Receipt and acceptance by Carryover:
  - Formal approval for \$7,000,000 loan from Texas Homeless Network clearly stating all terms, conditions and source of funding.
 

**Status:** Applicant replaced this funding source and therefore approval is no longer required.
- 2 Receipt and acceptance by Cost Certification:
  - a: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
  - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**Previous 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	51
60% of AMI	60% of AMI	16

**Current 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	51
60% of AMI	60% of AMI	16

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	36
80% of AMFI	High HOME	3

**ANALYSIS**

The development received an annual 9% HTC allocation of \$2,000,000 in 2025.

The Applicant is now requesting a MultiFamily Direct Deferred Payable Construction to Perm Loan for \$6,073,855 at 2% interest rate and with a 16 year term. The construction term is assumed at 24 months. The funding is from NHTF.

There will now be 36 NHTF and 3 Match units.

**Operating Pro Forma**

2026 rents are being used.

The Underwriter is using the 2026 program rents resulting in a (\$6k) decrease to effective gross income but a \$66k increase in NOI.

**0 Bedroom Units**

NHTF 30% & TC30% increased from \$616 to \$636;

TC50% increased from \$1,027 to \$1,060;

TC60% increased from \$1,233 to \$1,272;

HH80% increased from \$1,235 to \$1,358.

The deal is being underwritten with all 17 units at TC30% and 19 units at TC50% layered with NHTF for a total of 36 NHTF units.

Three HH80% are layered on the TC60% units.

Applicant amended the payroll down from \$2,977 per unit down to \$2,237 per unit and provided updated staffing plan.

Repairs and maintenance expense adjusted from \$800 to \$1,100 per unit.

First year stabilized pro forma operating expense ratio is greater than 65%. However, because the development is Supportive Housing - Rule 11.302(i)(5)(B)(iv)...Developments not meeting the requirements of one or more paragraphs(3)(A) of this subsection will be re-characterized as feasible.

**Development Cost**

The site acquisition increased by \$60k from \$1.33M to \$1.39M due to two extension fees of \$30k being included.

No change in the building cost.

The total developer fee increased \$65k from previous underwriting and \$644k in eligible basis.

Total Development Cost increased by \$722k.

**Sources of Funds**

The Texas Homeless Network grant of \$7M was replaced by the TDHCA MDL Deferred Payable Loan of \$6,073,885 construction to perm with a 2% interest during the permanent period with a 16 year term. TDHCA will be first lien during the perm period.

**The term is for 16 years however with NHTF subsidy layering, there is an expectation that the deal is financially viable for a reasonable period. At minimum, the period of affordability (30 years).**

**Per 24 CFR §93.300(b).**

Construction term is assumed to be 24 months with a 0% interest. TDHCA will be in the second lien position during construction.

No change in the Bank OZK construction loan.

Applicant added:

- Federal Home Loan (FHLB) Grant of \$1,750,000 construction to permanent funding at 0% interest rate.
- Raza Development Fund of \$919,300 construction only loan at 4% interest rate, term 24-months.
- LISC Acquisition \$1.275M Loan during construction at 8% interest rate.

The MATCH contribution is through \$402k of waived fees and \$243,584 in land sold by an unrelated third party at a price below the market value. Appraisal was provided and supports the below market value.

**Recommendation:**

Underwriter recommends a Deferred Payable Multifamily Direct Loan of \$6,073,885 at 2.00% interest with a 16 year term; 24-month construction term is assumed. The MDL funding is NHTF funds.

Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.

The original annual 9% HTC allocation of \$2,000,000 is still recommended.

Underwriter:	<u>Robert Castillo</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

**UNIT MIX/RENT SCHEDULE**

*McAdams Haven, Denton, 9% HTC #26500\_25160*

LOCATION DATA	
CITY:	Denton
COUNTY:	Denton
Area Median Income	\$121,100
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2026

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	84	100%	0	36	0	3
1	-	0%	0	0	0	0
2	-	0.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
<b>TOTAL</b>						
	<b>84</b>	<b>100.0%</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>3</b>

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	405 sf

48%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	17	-	51	16	-	-	-	84
Income	% Total	0.0%	20.2%	0.0%	60.7%	19.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																								
FEDERAL HTC		MF Direct Loan Units (HOME Rent/Inc)		MFDL NHTF Units		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	Match Units	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$636			NHTF 30%	\$636	0	17	0	1	405	\$636	\$0	\$636	\$0	\$1.57	\$636	\$10,812	\$10,812	\$636	\$1.57	\$0	\$1,265	\$3.12	\$1,265
TC 50%	\$1,060			NHTF 30%	\$636	0	19	0	1	405	\$636	\$0	\$636	\$0	\$1.57	\$636	\$12,084	\$12,084	\$636	\$1.57	\$0	\$1,265	\$3.12	\$1,265
TC 50%	\$1,060					0	32	0	1	405	\$1,060	\$0	\$1,060	\$0	\$2.62	\$1,060	\$33,920	\$33,920	\$1,060	\$2.62	\$0	\$1,265	\$3.12	\$1,265
TC 60%	\$1,272	HH/80%	\$1,358			3	3	0	1	405	\$1,272	\$0	\$1,272	(\$7)	\$3.12	\$1,265	\$3,795	\$3,795	\$1,265	\$3.12	(\$7)	\$1,265	\$3.12	\$1,265
TC 60%	\$1,272					0	13	0	1	405	\$1,272	\$0	\$1,272	(\$7)	\$3.12	\$1,265	\$16,445	\$16,445	\$1,265	\$3.12	(\$7)	\$1,265	\$3.12	\$1,265
<b>TOTALS/AVERAGES:</b>							<b>84</b>			<b>34,020</b>				<b>(\$1)</b>	<b>\$2.27</b>	<b>\$917</b>	<b>\$77,056</b>	<b>\$77,056</b>	<b>\$917</b>	<b>\$2.27</b>	<b>(\$1)</b>	<b>\$1,265</b>	<b>\$3.12</b>	<b>\$1,265</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$924,672</b>	<b>\$924,672</b>
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\*MFDL units float among Unit Types

**STABILIZED PRO FORMA**

*McAdams Haven, Denton, 9% HTC #26500\_25160*

**STABILIZED FIRST YEAR PRO FORMA**

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Supportive Housing Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$2.27	\$917	\$924,672	<b>\$931,836</b>	<b>\$931,836</b>	\$924,672	\$917	\$2.27		0.0%	\$0
late fees, app fees, retained deposits						\$30,240	30,240							
Total Secondary Income						\$30,000		30,240	\$30,240	\$30.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$954,912	\$962,076	\$962,076	\$954,912				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI (71,618)	(72,156)	(72,156)	(71,618)	7.5% PGI			0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$883,294	\$889,920	\$889,920	\$883,294				0.0%	\$0

General & Administrative	\$36,682	\$437/Unit	\$43,228	\$515	5.56%	\$1.44	\$585	\$49,151	\$49,140	\$63,961	\$43,228	\$515	\$1.27	4.89%	13.7%	5,923
Management	\$31,282	3.1% EGI	\$60,395	\$719	4.71%	\$1.22	\$495	\$41,603	\$44,496	\$44,496	\$41,603	\$495	\$1.22	4.71%	0.0%	-
Payroll & Payroll Tax	\$127,221	\$1,515/Unit	\$194,741	\$2,318	21.28%	\$5.52	\$2,237	\$187,928	\$250,050	\$250,050	\$187,928	\$2,237	\$5.52	21.28%	0.0%	-
Repairs & Maintenance	\$73,825	\$879/Unit	\$65,220	\$776	9.17%	\$2.38	\$964	\$81,000	\$81,000	\$54,600	\$92,400	\$1,100	\$2.72	10.46%	-12.3%	(11,400)
Electric/Gas	\$16,094	\$192/Unit	\$44,110	\$525	5.23%	\$1.36	\$550	\$46,200	\$46,200	\$50,874	\$44,110	\$525	\$1.30	4.99%	4.7%	2,090
Water, Sewer, & Trash	\$74,452	\$886/Unit	\$57,961	\$690	7.70%	\$2.00	\$810	\$68,040	\$68,040	\$74,452	\$57,961	\$690	\$1.70	6.56%	17.4%	10,079
Property Insurance	\$69,779	\$2.05 /sf	\$78,500	\$935	11.32%	\$2.94	\$1,190	\$100,000	\$100,000	\$100,000	\$100,000	\$1,190	\$2.94	11.32%	0.0%	-
Property Tax (@ 50%) 1.9402	\$68,951	\$821/Unit	\$36,718	\$437	1.65%	\$0.43	\$174	\$14,612	\$22,528	\$17,984	\$23,230	\$277	\$0.68	2.63%	-37.1%	(8,618)
Reserve for Replacements					2.85%	\$0.74	\$300	\$25,200	\$25,200	\$25,200	\$25,200	\$300	\$0.74	2.85%	0.0%	-
Cable TV					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Security					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.38%	\$0.10	\$40	\$3,360	\$3,360	\$3,360	\$3,360	\$40	\$0.10	0.38%	0.0%	-
TDHCA Direct Loan Compliance Fees (\$34/MDL unit)					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Bond Compliance Fee					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Bond Trustee Fees					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Issuer Ongoing Compliance Fees					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Alarm					0.18%	\$0.05	\$19	\$1,580	\$1,580	\$1,580	\$1,580	\$19	\$0.05	0.18%	0.0%	-
describe					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>70.0%</b>	<b>\$18.19</b>	<b>\$7,365</b>	<b>\$618,674</b>	<b>\$691,594</b>	<b>\$686,556</b>	<b>\$620,601</b>	<b>\$7,388</b>	<b>\$18.24</b>	<b>70.3%</b>	<b>-0.3%</b>	<b>\$ (1,927)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>29.96%</b>	<b>\$7.78</b>	<b>\$3,150</b>	<b>\$264,619</b>	<b>\$198,326</b>	<b>\$203,364</b>	<b>\$262,693</b>	<b>\$3,127</b>	<b>\$7.72</b>	<b>29.74%</b>	<b>0.7%</b>	<b>\$ 1,927</b>

<b>CONTROLLABLE EXPENSES</b>							\$5,147/Unit						\$5,067/Unit			
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*McAdams Haven, Denton, 9% HTC #26500\_25160*

DEBT / GRANT SOURCES																	
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
CASH FLOW DEBT / GRANTS	Fee	UW	App						Applicant	TDHCA						DCR	LTC
TDHCA NHTF 2026-1, Deferred Payable				-	2.00%	0	16.0	\$6,073,885	\$7,000,000	\$7,000,000	\$6,073,885	16.0	0.0	2.00%			23.7%
Federal Home Loan Bank (FHLB)					0.00%	0	40.0	\$1,750,000			\$1,750,000	40.0	0.0	0.00%			6.8%
Raza Development Fund, Inc. (RDF)					0.00%	0	0.0	\$0			\$0	0.0	0.0	0.00%			0.0%
Bank OZK					0.00%	0	0.0	\$0			\$0	0.0	0.0	0.00%			0.0%
City of Denton					0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0.0	0.00%			0.0%
				<b>\$0</b>				<b>\$8,469,969</b>	<b>\$7,000,500</b>	<b>\$7,000,500</b>	<b>\$8,469,969</b>				<b>\$0</b>		<b>33.0%</b>

<b>NET CASH FLOW</b>	\$262,693	\$264,619		<b>APPLICANT</b>	<b>NET OPERATING INCOME</b>	\$264,619	\$264,619	<b>NET CASH FLOW</b>
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EQUITY SOURCES														
		APPLICANT'S PROPOSED EQUITY STRUCTURE				Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE						
		DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES							Applicant	TDHCA						
Hunt Capital		LIHTC Equity	65.5%	\$2,000,000	\$0.84	\$16,798,320	\$16,998,300	\$16,998,300	\$16,798,320	\$0.84	\$2,000,000	65.5%	\$23,810	Applicant Request
Denton Affordable Housing Corporation		Deferred Developer Fees	1.5%	(13% Deferred)		\$381,230	\$928,263	\$928,263	\$381,230	(13% Deferred)		1.5%	<b>Total Developer Fee:</b>	<b>\$2,945,604</b>
Additional (Excess) Funds Req'd			0.0%			\$0	\$0	\$0	\$0			0.0%		
<b>TOTAL EQUITY SOURCES</b>			<b>67.0%</b>			<b>\$17,179,550</b>	<b>\$17,926,563</b>	<b>\$17,926,563</b>	<b>\$17,179,550</b>			<b>67.0%</b>		

<b>TOTAL CAPITALIZATION</b>	<b>\$25,649,519</b>	<b>\$24,927,063</b>	<b>\$24,927,063</b>	<b>\$25,649,519</b>		<b>15-Yr Cash Flow after Deferred Fee:</b>	<b>\$3,441,580</b>
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DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE		
		Eligible Basis		Total Costs	Total Costs	Prior Underwriting		Total Costs		Eligible Basis		%	\$	
Acquisition	New Const. Rehab	Applicant	TDHCA			Applicant	TDHCA	New Const. Rehab	Acquisition					
Land Acquisition				\$16,548 / Unit	\$1,390,000	\$1,330,000	\$1,330,000	\$1,390,000	\$16,548 / Unit			0.0%	\$0	
Building Acquisition	\$0			\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit			0.0%	\$0	
Carrying Costs					\$507,356	\$281,800	\$281,800	\$507,356				0.0%	\$0	
Off-Sites		\$0		\$1,607 / Unit	\$135,000	\$135,000	\$135,000	\$135,000	\$1,607 / Unit		\$0	0.0%	\$0	
Site Work		\$1,065,000		\$15,060 / Unit	\$1,265,000	\$1,265,000	\$1,265,000	\$1,265,000	\$15,060 / Unit	\$1,065,000		0.0%	\$0	
Site Amenities		\$375,000		\$4,464 / Unit	\$375,000	\$375,000	\$375,000	\$375,000	\$4,464 / Unit	\$375,000		0.0%	\$0	
Building Cost		\$9,681,928	\$284.60 /sf	\$115,261/Unit	\$9,681,928	\$9,681,928	\$8,858,034	\$8,858,034	\$105,453/Unit	\$260.38 /sf	\$8,858,034	9.3%	\$823,894	
Contingency		\$778,535	7.00%	7.00%	\$801,985	\$801,985	\$744,312	\$744,312	7.00%	7.00%	\$720,862	7.7%	\$57,673	
Contractor Fees		\$1,666,065	14.00%	14.00%	\$1,716,248	\$1,716,248	\$1,592,828	\$1,592,828	14.00%	14.00%	\$1,542,645	7.7%	\$123,419	
Soft Costs	\$0	\$4,061,060		\$54,916 / Unit	\$4,612,960	\$4,315,188	\$4,315,188	\$4,612,960	\$54,916 / Unit	\$4,061,060	\$0	0.0%	\$0	
Financing	\$0	\$1,651,420		\$22,365 / Unit	\$1,878,635	\$1,798,990	\$1,798,990	\$1,878,635	\$22,365 / Unit	\$1,651,420	\$0	0.0%	\$0	
Developer Fee	\$0	\$2,891,836	15.00%	15.00%	\$2,945,604	\$2,880,127	\$2,747,892	\$2,794,871	15.00%	15.00%	\$2,741,103	\$0	5.4%	\$150,733
Reserves				7 Months	\$339,804	\$345,797	\$345,797	\$339,804	7 Months			0.0%	\$0	
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>	<b>\$0</b>	<b>\$22,170,844</b>		<b>\$305,351 / Unit</b>	<b>\$25,649,519</b>	<b>\$24,927,063</b>	<b>\$23,789,842</b>	<b>\$24,493,800</b>	<b>\$291,593 / Unit</b>	<b>\$21,015,124</b>	<b>\$0</b>	<b>4.7%</b>	<b>\$1,155,719</b>	
Acquisition Cost	\$0				\$0	\$0								
Contingency					(\$0)	\$0	\$0							
Contractor's Fee					(\$0)	\$0	\$0							
Financing Cost					\$0									
Developer Fee	\$0	\$0			\$0	(\$0)								
Reserves					\$0	\$0								
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$22,170,843</b>		<b>\$305,351/unit</b>	<b>\$25,649,519</b>	<b>\$24,927,063</b>	<b>\$23,789,842</b>	<b>\$24,493,800</b>	<b>\$291,593/unit</b>	<b>\$21,015,124</b>	<b>\$0</b>	<b>4.7%</b>	<b>\$1,155,719</b>	
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$25,649,519</b>									

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

*McAdams Haven, Denton, 9% HTC #26500\_25160*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$22,170,843	\$0	\$21,015,124
Deduction of Federal Grants	\$0	(\$1,569,829)	\$0	(\$1,569,829)
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$20,601,014	\$0	\$19,445,295
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$26,781,319	\$0	\$25,278,884
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$26,781,319	\$0	\$25,278,884
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,410,319	\$0	\$2,275,100
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,410,319		\$2,275,100	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8399	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$2,410,319	\$20,244,652	----	----	----
<b>Needed to Fill Gap</b>	\$2,045,389	\$17,179,550	----	----	----
<b>Applicant Request</b>	\$2,000,000	\$16,798,320	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	34,020 SF	\$199.74	6,795,126
Adjustments				
Exterior Wall Finish	3.36%		6.71	\$228,316
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			7.06	240,297
Subfloor			0.28	9,611
Floor Cover			3.75	127,575
Breezeways	\$55.28	8,720	14.17	481,998
Balconies	\$47.40	2,780	3.87	131,772
Plumbing Fixtures	\$1,460	-84	-3.60	(122,640)
Rough-ins	\$715	84	1.77	60,060
Built-In Appliances	\$2,200	84	5.43	184,800
Exterior Stairs	\$4,250	6	0.75	25,500
Heating/Cooling			12.32	419,126
Storage Space	\$55.28	2,015	3.27	111,379
Carports	\$21.40	0	0.00	0
Garages	\$41.00	0	0.00	0
Common/Support Area	\$122.07	6,780	24.33	827,605
Elevators	\$150,238	1	4.42	150,238
<b>Other:</b>	Metal Fab, Gutters, Storefront windows		12.23	416,225
Fire Sprinklers	\$4.60	51,535	6.97	237,061
<b>SUBTOTAL</b>			<b>303.47</b>	<b>10,324,049</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>303.47</b>	<b>\$10,324,049</b>
Plans, specs, survey, bldg permits	3.10%		(9.41)	(\$320,046)
Contractor's OH & Profit	11.10%		(33.69)	(1,145,969)
<b>NET BUILDING COSTS</b>		\$105,453/unit	\$260.38/sf	\$8,858,034

## Long-Term Pro Forma

*McAdams Haven, Denton, 9% HTC #26500\_25160*

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
EFFECTIVE GROSS INCOME	2.00%	\$883,294	\$900,959	\$918,979	\$937,358	\$956,105	\$1,055,618	\$1,165,487	\$1,286,792	\$1,420,722	\$1,568,592
TOTAL EXPENSES	3.00%	\$618,674	\$636,818	\$655,499	\$674,731	\$694,531	\$802,666	\$927,766	\$1,072,505	\$1,239,983	\$1,433,786
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$264,619</b>	<b>\$264,141</b>	<b>\$263,480</b>	<b>\$262,628</b>	<b>\$261,574</b>	<b>\$252,951</b>	<b>\$237,721</b>	<b>\$214,287</b>	<b>\$180,740</b>	<b>\$134,806</b>
EXPENSE/INCOME RATIO		70.0%	70.7%	71.3%	72.0%	72.6%	76.0%	79.6%	83.3%	87.3%	91.4%
<b>MUST -PAY DEBT SERVICE</b>											
TDHCA NHTF 2026-1, Deferred Payable			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEBT SERVICE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT COVERAGE RATIO											
<b>ANNUAL CASH FLOW</b>		<b>\$264,619</b>	<b>\$264,141</b>	<b>\$263,480</b>	<b>\$262,628</b>	<b>\$261,574</b>	<b>\$252,951</b>	<b>\$237,721</b>	<b>\$214,287</b>	<b>\$180,740</b>	<b>\$134,806</b>
Deferred Developer Fee Balance		\$116,611	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$147,530</b>	<b>\$411,010</b>	<b>\$673,638</b>	<b>\$935,212</b>	<b>\$2,219,573</b>	<b>\$3,441,580</b>	<b>\$4,563,520</b>	<b>\$5,538,784</b>	<b>\$6,310,143</b>