Real Estate Analysis Division
July 14, 2025

Addendum to Underwriting Report

TDHCA Application #: **25505_24146** Program(s): **9% HTC/MDL**

Stella Haven

Address/Location: 3300 Sundown Blvd

City: Denton County: Denton Zip: 76210

	APPLICATION HISTORY
Report Date	**PURPOSE**
07/14/25	**MDL Award / Amendment Memo**
06/17/24	New Application-Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	**Amort**	**Term**	**Amount**	**Int. Rate**	**Amort**	**Perm. Term**	**Perm. Lien**	**Const. Term**	**Const. Lien**
MFDL	$0	0.00%	0	.0 yrs	**$4,800,000**	**2.00%**	**40**	**15.5 yrs**	**2**	**24 mos**	**2**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents.

CONDITIONS STATUS

1 **Receipt and acceptance before Direct Loan Contract:**

- Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2 **Receipt and acceptance before Direct Loan Closing:**

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders.

d: Substantially final draft of limited partnership agreement.

e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR, or 1.0 if subordinate to FHA financing.

f: **Per 10 TAC 11.302(g)(4), if at Direct Loan Closing the DCR exceeds 1.50 any year during the longer of the term of the Direct Loan or the Federal Affordability Period, the Applicant must elect to commit 25% of annual Cash Flow to a special reserve account, in accordance with §10.404(d).**
Annual Cash Flow will be calculated after deducting any payment due to the Developer on a deferred developer fee loan and any scheduled payments on cash flow loans. The Department will calculate the total special reserve amount based on the Cash Flow at Direct Loan Closing underwriting. The deposits into the special reserve account must be made annually from 25% of remaining annual cash flow until the total special reserve amount is reached. Alternatively, Applicant may request the Direct Loan interest rate be increased by Underwriter at Direct Loan Closing underwriting if financially feasibility is still met.

3 **Receipt and acceptance by Cost Certification:**

a: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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.

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	20
60% of AMI	60% of AMI	32
80% of AMI	80% of AMI	15

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	21

ANALYSIS

The development originally received an annual 9% HTC allocation of $2,000,000 in 2024. Applicant is now requesting a second lien $4,800,000 TDHCA-NHTF loan at a 2.00% interest rate, 40 year amortization and 15 year term. Along with $360,000 in Home Match sources, the TDHCA loan would replace $1.5M of the original first lien permanent financing as well as replacing an originally contemplated $3.5M cash flow loan from the Local Initiatives Support Corporation ("LISC"). Applicant reallocated Set Aside units to meet requirements of the MDL loan by increasing the number of 30% units (+9) and 80% units (+6) while decreasing 50% units (-15). Income averaging is now at 54%.

On May 22, 2025, the Applicant also requested an Amendment. The original site plan layout did not consider the location of existing trees on the property. Since then, the City of Denton has asked that the developer preserve as many of the existing trees as possible. Additionally, since the application was awarded, affordability reductions have been published to reduce the parking requirement to 1 parking space per unit. As a result, Applicant requested that the overall building footprint be reduced, which preserves as many trees as possible while meeting the current 1 parking space per unit parking requirement. At original application, the development was to have 139 parking spaces. The amendment proposes to reduce the number of parking spaces to 88 total spaces (including 7 accessible spaces), which complies with the new City of Denton parking requirement.

Originally, Stella Haven was approved with 24,007 SF of common area. The proposed change to the common area space would decrease the square footage to 21,264 SF, an approximately 11.43% decrease. The majority of this decrease is due to the 20% decrease in breezeway square footage due to a reduction in the overall building footprint. The only other common areas to experience a decrease in square footage are the entry reception, manager office, coffee bar and restrooms. All other common area spaces will either stay the same or increase slightly in size. In total, if the changes to the breezeway areas are disregarded, the common area space is increased by 269 square feet.

Also at original Application, Stella Haven was approved with 72,900 SF of NRA. This NRA included twenty-two (22) 600 SF one-bedroom units, forty-eight (48) 850 SF two-bedroom units and eighteen (18) 1,050 SF three-bedroom units. The proposed building layout changes also impacted the unit square footages. The square footages of the one and two-bedrooms would remain the same, but six (6) of the three-bedrooms would be increased to 1,148 SF. Overall, this proposed change would increase the NRA to 73,488 SF, an approximately 0.81% increase. In summation, the proposed unit sizes would be as follows; twenty-two (22) 600 SF one-bedroom units, forty-eight (48) 850 SF two-bedroom units, twelve (12) 1,050 SF three-bedroom units and six (6) 1,148 SF three-bedrooms units. This proposed change would provide tenants with larger living spaces.

Operating Pro Forma

Analysis uses the most recent 2025 published LIHTC and NHTF rents. TC 80% rents are underwritten at the market rents stated in the Market Study dated 3/5/2025 since those rents are lower than 80% max program limits. Underwriter removed compliance fees for Direct Loan units on Applicant's proforma as developments with both HTCs and Direct Loan only pay one fee equal to $40 per low income unit. Underwriter utilized Applicant's budgeted expense for Salary and for Insurance that were both increased since original underwriting in 2024.

Since the overall variance is under 5%, Applicant's revised operating Pro Forma is being used for the underwriting analysis. Underwritten DCR is 1.19, with a residual 15-year cash flow of $1.4M after deferred developer fee is paid off in year 8. In the original underwriting report, residual 15-year cash flow was $1.15M after deferred developer fee was paid off in year 10.

Development Cost

Since original underwriting, Applicant's total housing development cost has increased by $932k or 3.2%.

Underwriter updated TDHCA's building cost estimate and increased structured parking costs by 5%. However, since the overall development cost variance remained under 5%, Applicant's revised development costs were used for the underwriting analysis.

Applicant's Contractor Fees were overstated by $75k, but eligible Contractor Fees are within the 14% threshold.

Sources of Funds

Applicant reduced the first lien permanent financing from $7M to $5.5M and replaced the LISC cash flow loan of $3.5M at 0.5% interest with the requested MFDL loan of $4.8M. HOME Match of $360k was also included as a new Source. Tax credit equity increased as a result of the equity price increasing from $0.86 to $0.91. Annual credits remain unchanged from the 2024 9% allocation.

The $360k in HOME Match pledged is comprised of $185k in reduced legal fees and construction management fees, $75k in waived predevelopment guarantee fee and $100k in donated real property. Applicant provided an Appraisal from BBG Real Estate Services dated 6-17-2024 supporting a market land value of $1.6M which is $100k more than the Applicant paid in an arms length transaction.

Per the NOFA 2025-01, the overall developer fee did not increase from the last approved underwriting report.

Recommendation

Underwriter recommends Applicant's requests for a second lien MFDL-NHTF loan in the amount of $4,800,000 at a 2.00% interest rate for a 15.5-year term with payments based on a 40-year amortization. Under these terms, the annualized monthly debt service payment is $398,216. The construction term is assumed at 24 Months. the special reserve condition will be required.

Furthermore, an annual 9% tax credit allocation of $2,000,000 is still being recommended.

Underwriter:	*Eric Weiner*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Stella Haven, Denton, 9% HTC/MDL #24146

LOCATION DATA	
CITY:	Denton
COUNTY:	Denton
Area Median Income	$117,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	22	25.0%	0	5	0	1
2	48	54.5%	0	11	0	1
3	18	20.5%	0	5	0	1
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**88**	**100.0%**	**-**	**21**	**-**	**3**

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	835 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	21	-	20	32	-	15	-	**88**
	% Total	0.0%	23.9%	0.0%	22.7%	36.4%	0.0%	17.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		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	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%	$660	NHTF 30%	$621		5	1	1	600	$621	$88	$533	$0	$0.89	$533	**$2,665**	**$2,665**	$533	$0.89	$0	$1,325	$2.21	$1,325
TC 50%	$1,100			1	5	1	1	600	$1,100	$88	$1,012	$0	$1.69	$1,012	**$5,060**	**$5,060**	$1,012	$1.69	$0	$1,325	$2.21	$1,325
TC 60%	$1,320				8	1	1	600	$1,320	$88	$1,232	$0	$2.05	$1,232	**$9,856**	**$9,856**	$1,232	$2.05	$0	$1,325	$2.21	$1,325
TC 80%	$1,761				4	1	1	600	$1,413	$88	$1,325	$0	$2.21	$1,325	**$5,300**	**$5,300**	$1,325	$2.21	$0	$1,325	$2.21	$1,325
TC 30%	$792	NHTF 30%	$745		11	2	2	850	$745	$114	$631	$0	$0.74	$631	**$6,941**	**$6,941**	$631	$0.74	$0	$1,707	$2.01	$1,707
TC 50%	$1,320			1	13	2	2	850	$1,320	$114	$1,206	$0	$1.42	$1,206	**$15,678**	**$15,678**	$1,206	$1.42	$0	$1,707	$2.01	$1,707
TC 60%	$1,584				18	2	2	850	$1,584	$114	$1,470	$0	$1.73	$1,470	**$26,460**	**$26,460**	$1,470	$1.73	$0	$1,707	$2.01	$1,707
TC 80%	$2,112				6	2	2	850	$1,841	$114	$1,727	$0	$2.03	$1,727	**$10,362**	**$10,362**	$1,727	$2.03	$0	$1,727	$2.03	$1,727
TC 30%	$915	NHTF 30%	$860		3	3	2	1,050	$860	$139	$721	$0	$0.69	$721	**$2,163**	**$2,163**	$721	$0.69	$0	$2,100	$2.00	$2,100
TC 50%	$1,525			1	1	3	2	1,050	$1,525	$139	$1,386	$0	$1.32	$1,386	**$1,386**	**$1,386**	$1,386	$1.32	$0	$2,100	$2.00	$2,100
TC 60%	$1,830				4	3	2	1,050	$1,830	$139	$1,691	$0	$1.61	$1,691	**$6,764**	**$6,764**	$1,691	$1.61	$0	$2,100	$2.00	$2,100
TC 80%	$2,440				4	3	2	1,050	$2,239	$139	$2,100	$0	$2.00	$2,100	**$8,400**	**$8,400**	$2,100	$2.00	$0	$2,100	$2.00	$2,100
TC 30%	$915	NHTF 30%	$860		2	3	2	1,148	$860	$139	$721	$0	$0.63	$721	**$1,442**	**$1,442**	$721	$0.63	$0	$2,100	$1.83	$2,100
TC 50%	$1,525				1	3	2	1,148	$1,525	$139	$1,386	$0	$1.21	$1,386	**$1,386**	**$1,386**	$1,386	$1.21	$0	$2,100	$1.83	$2,100
TC 60%	$1,830				2	3	2	1,148	$1,830	$139	$1,691	$0	$1.47	$1,691	**$3,382**	**$3,382**	$1,691	$1.47	$0	$2,100	$1.83	$2,100
TC 80%	$2,440				1	3	2	1,148	$2,239	$139	$2,100	$0	$1.83	$2,100	**$2,100**	**$2,100**	$2,100	$1.83	$0	$2,100	$1.83	$2,100
TOTALS/AVERAGES:					**88**			**73,488**				**$0**	**$1.49**	**$1,243**	**$109,345**	**$109,345**	**$1,243**	**$1.49**	**$0**	**$1,693**	**$2.03**	**$1,693**

ANNUAL POTENTIAL GROSS RENT:	**$1,312,140**	**$1,312,140**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Stella Haven, Denton, 9% HTC/MDL #24146

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Local Comps			% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.49	$1,243	$1,312,140	$1,241,196	$1,233,972	$1,312,140	$1,243	$1.49		0.0%	$0
late fees, app fees, retained deposits							$30.00	$31,680	24,372							
Total Secondary Income							$30.00			24,372	$31,680	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,343,820	$1,265,568	$1,258,344	$1,343,820				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(100,787)	(94,918)	(94,376)	(100,787)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,243,034	$1,170,650	$1,163,968	$1,243,034				0.0%	$0
General & Administrative	$49,957	$568/Unit	$83,960	$954	3.85%	$0.65	$544	$47,900	$47,900	$49,757	$49,957	$568	$0.68	4.02%	-4.1%	(2,057)
Management	$40,577	3.1% EGI	$47,075	$535	4.00%	$0.68	$565	$49,721	$57,952	$57,616	$51,819	$589	$0.71	4.17%	-4.0%	(2,098)
Payroll & Payroll Tax	$127,167	$1,445/Unit	$124,774	$1,418	11.10%	$1.88	$1,568	$138,000	$124,600	$124,600	$138,000	$1,568	$1.88	11.10%	0.0%	-
Repairs & Maintenance	$70,909	$806/Unit	$102,689	$1,167	4.94%	$0.84	$698	$61,400	$61,400	$57,200	$57,200	$650	$0.78	4.60%	7.3%	4,200
Electric/Gas	$23,540	$268/Unit	$13,399	$152	1.24%	$0.21	$175	$15,400	$11,000	$13,399	$13,399	$152	$0.18	1.08%	14.9%	2,001
Water, Sewer, & Trash	$75,504	$858/Unit	$59,554	$677	4.81%	$0.81	$680	$59,840	$59,200	$59,554	$59,554	$677	$0.81	4.79%	0.5%	286
Property Insurance	$59,616	$0.81 /sf	$51,828	$589	6.44%	$1.09	$909	$80,000	$75,000	$75,000	$80,000	$909	$1.09	6.44%	0.0%	-
Property Tax (@ 100%) 1.9094	$97,442	$1,107/Unit	$101,862	$1,158	6.11%	$1.03	$863	$75,939	$70,000	$70,000	$75,939	$863	$1.03	6.11%	0.0%	-
Reserve for Replacements					2.12%	$0.36	$300	$26,400	$26,400	$26,400	$26,400	$300	$0.36	2.12%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.28%	$0.05	$40	$3,520	$3,520	$3,520	$3,520	$40	$0.05	0.28%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)					0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Alarm/Utility Consultant					0.13%	$0.02	$18	$1,580	$1,580	$1,580	$1,580	$18	$0.02	0.13%	0.0%	-
TOTAL EXPENSES					**45.03%**	**$7.62**	**$6,360**	**$559,700**	**$538,552**	**$538,626**	**$557,367**	**$6,334**	**$7.58**	**44.84%**	**0.4%**	**$ 2,333**
NET OPERATING INCOME ("NOI")					**54.97%**	**$9.30**	**$7,765**	**$683,334**	**$632,098**	**$625,342**	**$685,666**	**$7,792**	**$9.33**	**55.16%**	**-0.3%**	**$ (2,333)**
CONTROLLABLE EXPENSES							$3,665/Unit					$3,615/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Stella Haven, Denton, 9% HTC/MDL #24146

DEBT / GRANT SOURCES

DEBT (Must Pay)	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE: Cumulative DCR UW	Cumulative DCR App	Pmt	Rate	Amort	Term	Principal	Prior Underwriting: Applicant	Prior Underwriting: TDHCA	AS UNDERWRITTEN DEBT/GRANT STRUCTURE: Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
Capital One		1.72	1.72	$398,216	6.75%	40	15	$5,500,000	$7,000,000	$7,000,000	$5,500,000	15	40	6.75%	$398,216	1.72	18.3%
TDCHA		1.20	1.19	$174,428	2.00%	40	16	$4,800,000	$0	$0	$4,800,000	16	40	2.00%	$174,428	1.19	16.0%
CASH FLOW DEBT / GRANTS																	
LISC		1.20	1.19	$0	0.00%	0	0	$0	$3,500,000	$3,500,000	$0	0	0	0.00%	$0	1.19	0.0%
HOME Match		1.20	1.19		0.00%	0	0.0	$360,000	$0	$0	$360,000	0.0	0.0	0.00%		1.19	1.2%
				$572,644	**TOTAL DEBT / GRANT SOURCES**			**$10,660,000**	**$10,500,000**	**$10,500,000**	**$10,660,000**	**TOTAL DEBT SERVICE**			**$572,643**	**1.19**	35.6%

NET CASH FLOW	$113,022	$110,690	APPLICANT	NET OPERATING INCOME	$683,334	$110,690	NET CASH FLOW

EQUITY SOURCES

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE: DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting: Applicant	Prior Underwriting: TDHCA	AS UNDERWRITTEN EQUITY STRUCTURE: Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Hudson - LIHTC	LIHTC Equity	60.7%	$2,000,000	$0.91	$18,198,180	$17,298,270	$17,298,270	$18,198,180	$0.91	$2,000,000	60.7%	$22,727	Applicant Request
Across LLC and AZ Morse LLC	Deferred Developer Fees	4.0%	(35% Deferred)		$1,197,337	$1,324,859	$1,324,859	$1,122,838	(33% Deferred)		3.7%	**Total Developer Fee:**	**$3,405,200**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		64.7%			$19,395,517	$18,623,129	$18,623,129	$19,321,018			64.4%		

TOTAL CAPITALIZATION	**$30,055,517**	**$29,123,129**	**$29,123,129**	**$29,981,018**		**15-Yr Cash Flow after Deferred Fee:**	**$1,438,911**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS: Eligible Basis Acquisition	Eligible Basis New Const. Rehab	Total Costs		Prior Underwriting: Applicant	Prior Underwriting: TDHCA	TDHCA COST / BASIS ITEMS: Total Costs			Eligible Basis New Const. Rehab	Eligible Basis Acquisition	COST VARIANCE %	COST VARIANCE $
Land Acquisition			$18,182 / Unit	$1,600,000	$1,500,000	$1,500,000	$1,600,000	$18,182 / Unit				0.0%	$0
Carry Costs since 2024 Closing				$281,800	$75,000	$75,000	$281,800					0.0%	$0
Off-Sites		$0	$ / Unit	$0	$0	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,360,000	$17,216 / Unit	$1,515,000	$1,440,000	$1,440,000	$1,515,000	$17,216 / Unit		$1,360,000		0.0%	$0
Site Amenities		$75,000	$852 / Unit	$75,000	$75,000	$75,000	$75,000	$852 / Unit		$75,000		0.0%	$0
Structured Parking			0			$3,520,900	$3,696,945	$42,011/Unit	$50.31 /sf	$3,696,945		5.6%	$780,369
Building Cost		$14,625,540	$199.02 /sf	$166,199/Unit	$14,625,540	$14,625,540	$9,941,642	$10,148,226	$115,321/Unit	$138.09 /sf	$10,148,226		
Contingency		$985,657	6.14%	6.11%	$990,249	$807,027	$807,027	$990,249	6.42%	6.45%	$985,657	0.0%	$0
Contractor Fees		$2,386,468	14.00%	14.43%	$2,483,310	$2,372,659	$2,209,840	$2,299,559	14.00%	14.00%	$2,277,216	8.0%	$183,751
Soft Costs	$0	$2,047,980		$28,531 / Unit	$2,510,720	$2,245,719	$2,245,719	$2,510,720	$28,531 / Unit		$2,047,980	$0	0.0%	$0
Financing	$0	$1,813,116		$23,758 / Unit	$2,090,686	$2,217,633	$2,217,633	$2,090,686	$23,758 / Unit		$1,813,116	$0	0.0%	$0
Developer Fee	$0	$3,405,200	14.62%	14.52%	$3,405,200	$3,405,200	$3,230,750	$3,384,560	15.00%	15.00%	$3,360,621	$0	0.6%	$20,640
Reserves				5 Months	$478,013	$359,351	$1,078,054	$478,013	5 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$26,698,961**		$341,540 / Unit	**$30,055,518**	**$29,123,129**	**$28,341,565**	**$29,070,757**	$330,350 / Unit		**$25,764,760**	**$0**	**3.4%**	**$984,761**
Acquisition Cost	$0				$0	$0								
Contingency		$0			$0	$0								
Contractor's Fee		($0)			($74,500)	$0								
Financing Cost		$0												
Developer Fee	$0	$0			$0	($0)								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$26,698,960**		$340,693/unit	**$29,981,018**	**$29,123,129**	**$28,341,565**	**$29,070,757**	$330,350/unit		**$25,764,760**	**$0**	**3.1%**	**$910,261**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$29,981,018**	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Stella Haven, Denton, 9% HTC/MDL #24146

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$26,698,960	$0	$25,764,760
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$26,698,960	$0	$25,764,760
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$34,708,648	$0	$33,494,188
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$34,708,648	$0	$33,494,188
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$3,123,778	$0	$3,014,477
CREDITS ON QUALIFIED BASIS	$3,123,778		$3,014,477	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9099	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$3,123,778	$28,423,540	----	----	----
Needed to Fill Gap	$2,123,401	$19,321,018	----	----	----
Applicant Request	$2,000,000	$18,198,180	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		73,488 SF	$103.23	7,586,075
Adjustments				
Exterior Wall Finish	2.80%		2.89	$212,410
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			1.80	132,000
Subfloor			0.30	21,679
Floor Cover			3.68	270,436
Enclosed Corridors	$91.88	14,850	18.57	1,364,399
Balconies	$36.23	273	0.13	9,891
Plumbing Fixtures	$2,130	180	5.22	383,400
Rough-ins	$790	176	1.89	139,040
Built-In Appliances	$3,675	88	4.40	323,400
Exterior Stairs	$3,550	2	0.10	7,100
Heating/Cooling			3.12	229,283
Storage Space	$91.88	990	1.24	90,960
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$136.29	3,674	6.81	500,733
Elevators	$150,400	2	4.09	300,800
Other:			0.00	0
Fire Sprinklers	$3.65	93,002	4.62	339,457
SUBTOTAL			**162.08**	**11,911,063**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**162.08**	**$11,911,063**
Plans, specs, survey, bldg permits	3.30%		(5.35)	($393,065)
Contractor's OH & Profit	11.50%		(18.64)	(1,369,772)
NET BUILDING COSTS		$115,321/unit	$138.09/sf	$10,148,226

Long-Term Pro Forma

Stella Haven, Denton, 9% HTC/MDL #24146

	Growth Rate	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	2.00%	$1,243,034	$1,267,894	$1,293,252	$1,319,117	$1,345,499	$1,485,540	$1,640,156	$1,810,865	$1,999,341	$2,207,434	$2,437,186	$2,690,850
TOTAL EXPENSES	3.00%	$559,700	$575,994	$592,766	$610,032	$627,805	$724,828	$836,995	$966,685	$1,116,655	$1,290,096	$1,490,701	$1,722,751
NET OPERATING INCOME ("NOI")		**$683,334**	**$691,900**	**$700,486**	**$709,085**	**$717,694**	**$760,712**	**$803,162**	**$844,180**	**$882,686**	**$917,339**	**$946,485**	**$968,100**
EXPENSE/INCOME RATIO		45.0%	45.4%	45.8%	46.2%	46.7%	48.8%	51.0%	53.4%	55.9%	58.4%	61.2%	64.0%
MUST -PAY DEBT SERVICE													
Capital One		$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216	$398,216
TDCHA		$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428	$174,428
TOTAL DEBT SERVICE		$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643	$572,643
DEBT COVERAGE RATIO		1.19	1.21	1.22	1.24	1.25	1.33	1.40	1.47	1.54	1.60	1.65	1.69
ANNUAL CASH FLOW		**$110,690**	**$119,257**	**$127,843**	**$136,442**	**$145,051**	**$188,069**	**$230,518**	**$271,537**	**$310,043**	**$344,696**	**$373,842**	**$395,457**
Deferred Developer Fee Balance		$1,012,148	$892,890	$765,048	$628,606	$483,555	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$370,832	$1,438,911	$2,715,329	$4,189,783	$5,845,803	$7,659,297	$9,596,821

24146 Stella Haven - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 17, 2024

PROPERTY IDENTIFICATION

Application #	**24146**
Development	**Stella Haven**
City / County	**Denton / Denton**
Region/Area	**3 / Urban**
Population	**General**
Set-Aside	**Non-Profit**
Activity	**New Construction**

RECOMMENDATION

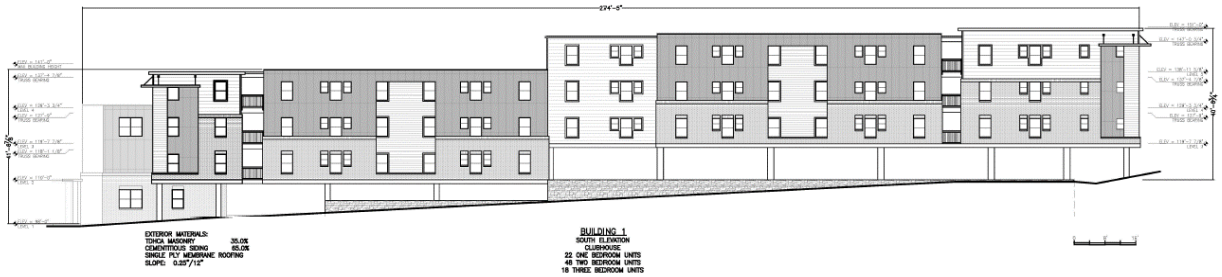
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	**$2,000,000**	**$22,727/Unit**	**$0.86**

KEY PRINCIPALS / SPONSOR

AZ Morse Development LLC (45%) - Abigail Penner
Across LLC (45%) - Alice Cruz
Denton Affordable Housing Corporation (10%)

Related Parties	Contractor - TBD	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	22	25%
2	48	55%
3	18	20%
4	-	0%
TOTAL	88	100%

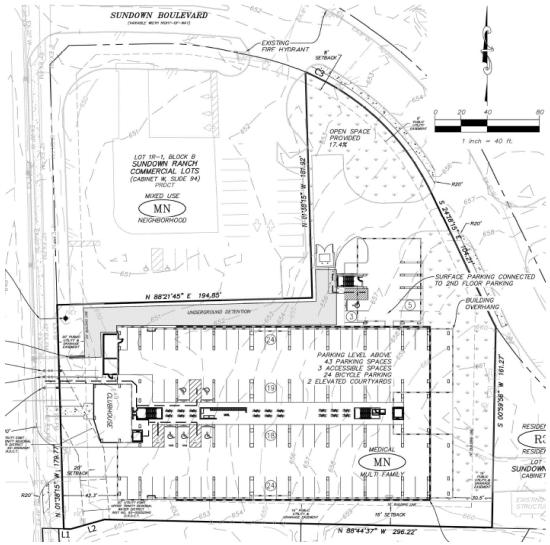
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	12	14%
40%	-	0%
50%	35	40%
60%	32	36%
70%	-	0%
80%	9	10%
MR	-	0%
TOTAL	88	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	**Expense Ratio**	46.0%
Breakeven Occ.	85.2%	**Breakeven Rent**	$1,081
Average Rent	$1,175	**B/E Rent Margin**	$95
Property Taxes	$795/unit	**Exemption/PILOT**	0%
Total Expense	$6,120/unit	**Controllable**	$3,456/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			5.0%
Highest Unit Capture Rate	23%	3 BR/60%	6
Dominant Unit Cap. Rate	7%	2 BR/50%	19
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	828 SF	**Density**	51.4/acre
Acquisition		$18K/unit	$1,575K
Building Cost	$200.62/SF	$166K/unit	$14,626K
Hard Cost		$193K/unit	$16,948K
Total Cost		$331K/unit	$29,123K
Developer Fee	$3,405K	(39% Deferred)	Paid Year: 10
Contractor Fee	$2,373K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Stellar Bank	15/40	7.00%	$7,000,000	1.21
TOTAL DEBT (Must Pay)			$7,000,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
LISC	40/0	0.50%	$3,500,000	1.17
CASH FLOW DEBT / GRANTS			$3,500,000	

EQUITY / DEFERRED FEES	
Source	Amount
Hudson - LIHTC	$17,298,270
Across LLC	$1,324,859
TOTAL EQUITY SOURCES	$18,623,129
TOTAL DEBT SOURCES	$10,500,000
TOTAL CAPITALIZATION	$29,123,129

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

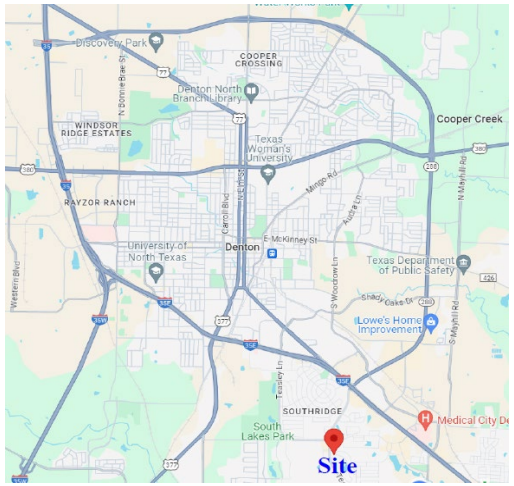
b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ 5% Gross Capture Rate
▫ Low Expense Ratio
▫ New construction & attractive design should enhance leasing
WEAKNESSES/RISKS
▫ Unforeseen costs for podium structure

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 17, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24146** Program(s): **9% HTC**

Stella Haven

Address/Location: 3300 Sundown Blvd

City: Denton County: Denton Zip: 76210

Population: General Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	**Amort**	**Term**	**Amount**	**Int. Rate**	**Amort**	**Perm. Term**	**Perm Lien**	**Const. Term**	**Const Lien**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**						

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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.

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	35
60% of AMI	60% of AMI	32
80% of AMI	80% of AMI	9

DEVELOPMENT SUMMARY

This subject property is a new construction of 88 affordable units in Denton TX serving the general population. All units and common area will be contained in one 4 story elevator-served building with structured parking.

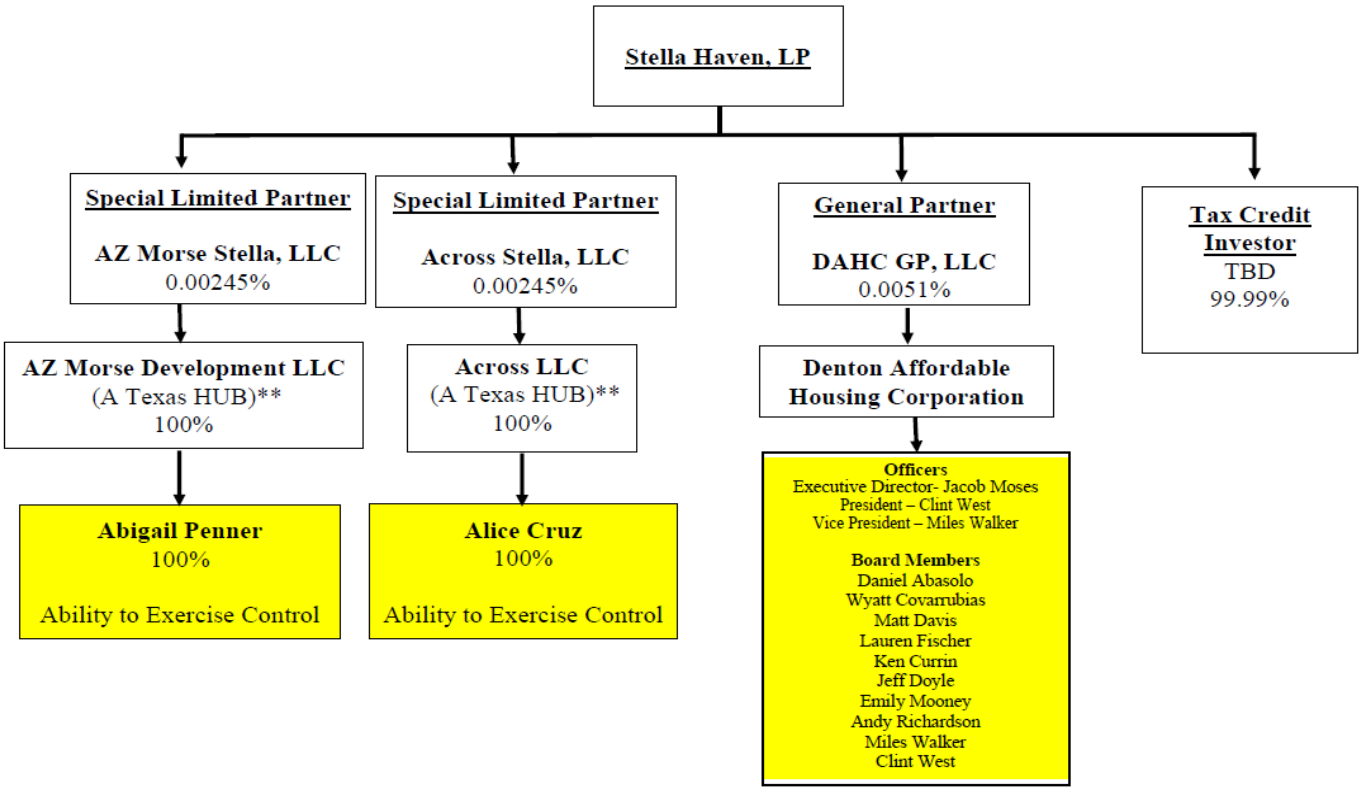
RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ 5% Gross Capture Rate
▫ Low Expense Ratio
▫ New construction & attractive design should enhance leasing

WEAKNESSES/RISKS
▫ Unforeseen costs for podium structure
▫
▫

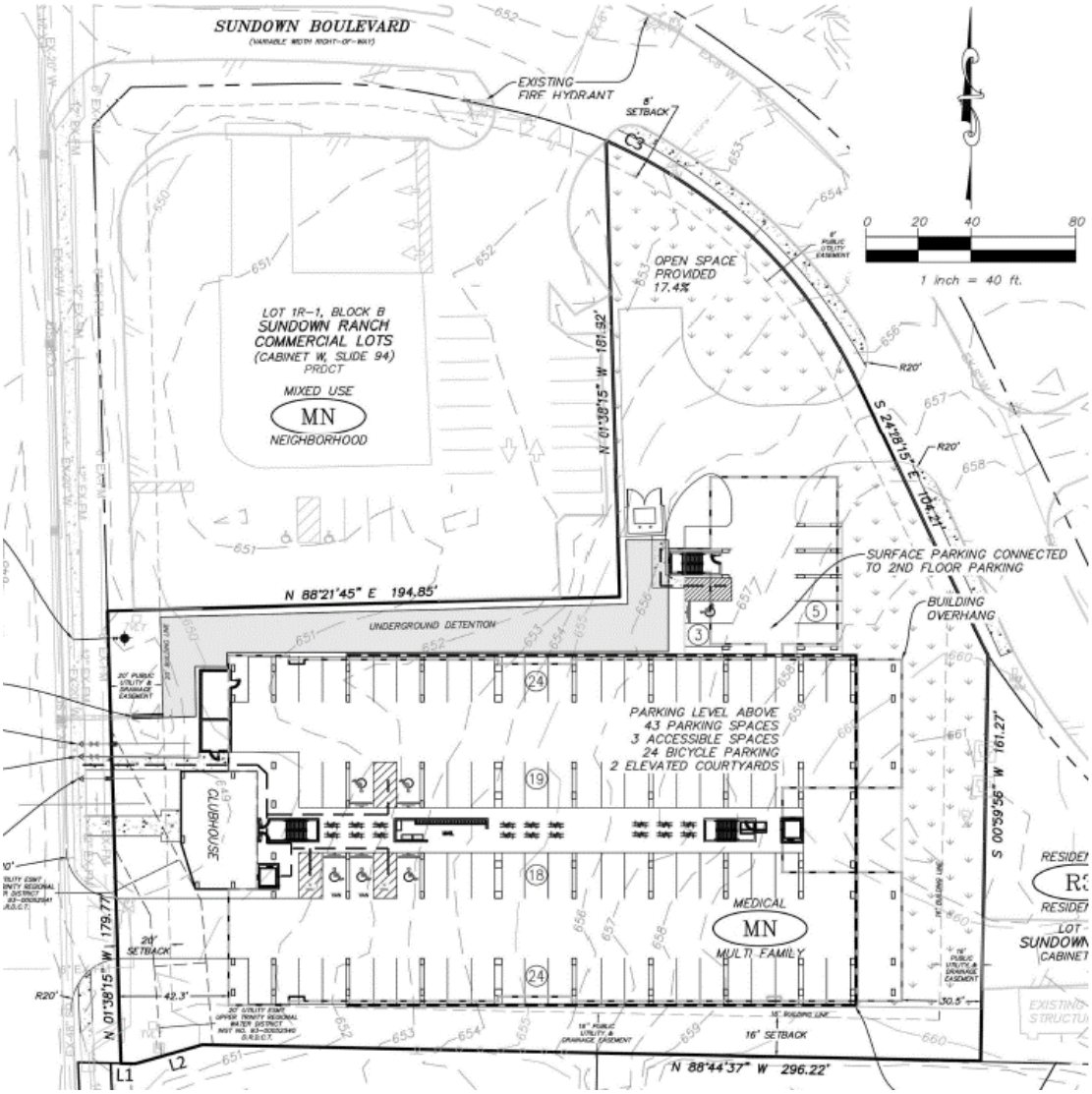
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



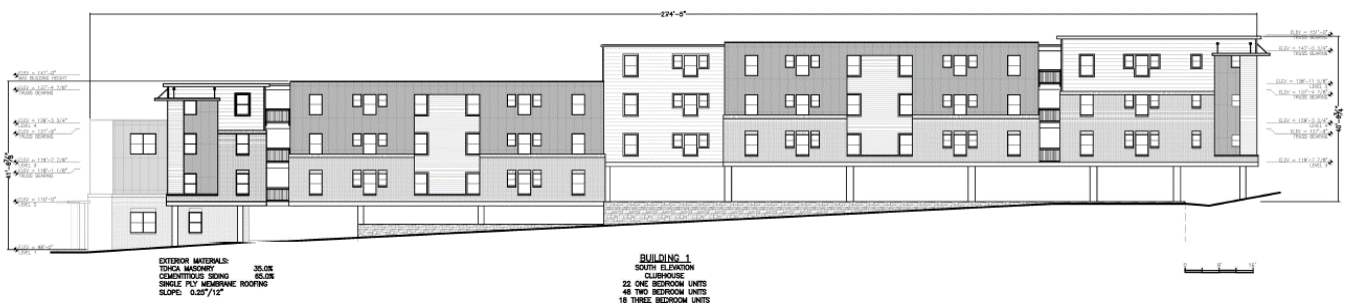
AERIAL

Parking	No Fee		Tenant-Paid		Total	
Open Surface	0	--	0	--	0	--
Carport	0	--	0	--	0	--
Garage	139	*1.6/unit*	0	--	139	*1.6/unit*
Total Parking	**139**	*1.6/unit*	**0**	--	**139**	*1.6/unit*

Comments:

Under local Code, the development qualifies for reduced parking that totals 137 spaces. The project will have 139 spaces (1.6/unit) on the ground floor of the podium style structure, provided at no charge to the residents.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	3												
Number of Bldgs	1												**1**
Units per Bldg	88												
Total Units	88												**88**

Avg. Unit Size (SF)	**828 sf**	**Total NRA (SF)**	**72,900**	**Common Area (SF)***	**24,007**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.712 acres Density: 51.4 units/acre

Site Control: NA **Site Plan:** 1.7 **Appraisal:** NA **ESA:** 1.712

Feasibility Report Survey: 1.712 **Feasibility Report Engineer's Plan:** 1.712 **Existing LURA:** NA

Control Type: Assignment and Assumption of Commercial Contract - Improved Property

Development Site: 1.71 acres Cost: $1,500,000 $17,045 per unit

Seller: DBC Sundown Investments, L.P.

Buyer: Across, LLC and Stella Haven, LLC

Related-Party Seller/Identity of Interest: No

Comments:

O-SDA Industries, LLC was the original Buyer who assigned their interest in the contract to Across, LLC and Stella Haven, LLC.

Denton Affordable Housing Corporation ("DAHC") is the non-profit sponsor, GP and Co-Developer. DAHC will partner with Across LLC and AZ Morse Development LLC and assist in predevelopment, development and post-development.

The LURA will encumber 1.712 acres.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	MN (Mixed-Use Neighborhood)	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

Current Uses of Subject Site:

There is currently a one-story structure on the property of single-family design that was converted to commercial use and is currently being leased on a month-to-month basis by the Texas Center for Educational Training. That lease will be terminated and the structure will be demolished.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 1/30/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- The onsite building was constructed in the 1960s, thus a visual asbestos inspection was conducted by Phase Engineering, LLC. Potential ACBMs in the form of wall material, ceiling material and miscellaneous building materials in good non-friable condition were observed at the subject property. No potential suspect damaged friable ACBMs were observed. No asbestos sampling was performed as part of this ESA and no previous asbestos inspection reports or abatement reports were provided to Phase Engineering, LLC.
- Since the subject property consists of a commercial building that was built prior to 1978, lead-based paint may be present on painted surfaces of the building. No paint chips were noted on the ground during the site inspection. 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, LLC.
- Due to proximity to a major roadway, a noise study is recommended for the proposed development. It is likely noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/26/2024

Primary Market Area (PMA): 29.84 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21474	Denton Grove Apartment Homes	Yes	New Constructi	General	272	276
21478	Pebblebrook Parkside	Yes	New Constructi	General	162	216
22257	The Reserves at Magnolia	Yes	New Constructi	General	54	60
22432	Pathway on Woodrow	Yes	New Constructi	General	267	285

Stabilized Affordable Developments in PMA		
	Total Units	2,122
	Total Developments	11
	Average Occupancy	98%

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	38,838			
Potential Demand from the Primary Market Area	15,187			
10% External Demand	1,519			
Potential Demand from Other Sources				
GROSS DEMAND	16,706			
Subject Affordable Units	88			
Unstabilized Competitive Units	755			
RELEVANT SUPPLY	843			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**5.0%**			

Population: General **Market Area:** Urban **Maximum Gross Capture Rate:** 10%

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND											
		Market Analyst									
AMGI Band		Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI		2,976	298	12	58	2.1%					
50% AMGI		1,585	159	35	79	6.5%					
60% AMGI		8,004	800	32	618	7.4%					
80% AMGI		2,623	262	9	0	0.3%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE											
		Market Analyst									
Unit Type		Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%		705	71	2	22	3.1%					
1 BR/50%		846	85	10	21	3.3%					
1 BR/60%		1,408	141	8	221	14.8%					
1 BR/80%		1,199	120	2	0	0.2%					
2 BR/30%		654	65	7	20	3.8%					
2 BR/50%		641	64	19	29	6.8%					
2 BR/60%		1,656	166	18	272	15.9%					
2 BR/80%		1,276	128	4	0	0.3%					
3 BR/30%		235	24	3	16	7.4%					
3 BR/50%		242	24	6	29	13.1%					
3 BR/60%		517	52	6	125	23.0%					
3 BR/80%		581	58	3	0	0.5%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$632,098	Avg. Rent:	$1,175	Expense Ratio:	46.0%
Debt Service:	$539,502	B/E Rent:	$1,081	Controllable Expenses:	$3,456
Net Cash Flow:	$92,596	UW Occupancy:	92.5%	Property Taxes/Unit:	$795
Aggregate DCR:	1.17	B/E Occupancy:	85.2%	Program Rent Year:	2023

The Applicant assumed max program rents for the 80% units, whereas the underwriter used the market analyst rents, which were less. The difference did not cause a significant variance in the pro forma.

Average rent is $95 above breakeven rent. Project is underwritten at 7 units vacant.

Break-even vacancy is 13 units.

Cumulative 15-year cash flow is $1,15M after repayment of the deferred developer fee in year 10.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$876,168/ac	$17,898/unit	**$1,575,000**	Contractor Fee	**$2,372,659**
Off-site + Site Work		$17,216/unit	**$1,515,000**	Soft Cost + Financing	**$4,463,352**
Building Cost	$200.62/sf	$166,199/unit	**$14,625,540**	Developer Fee	**$3,405,200**
Contingency	5.00%	$9,171/unit	**$807,027**	Reserves	**$359,351**

Total Development Cost	$330,945/unit	**$29,123,129**	**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Located in a Small Area Difficult Development Area (SADDA)

Site Work:

$1.4M ($16K/unit) for demolition, grading, paving, concrete, and utility costs. Cost includes $100K for underground detention and $40K for erosion control.

Building Cost:

There will be one (1) podium-style building with the parking on the ground floor and three stories of residential units above. The slab will be conventional post-tensioned slab on grade construction. The building has 88 units with a net rentable area of 72,900 SF. The community building is a separate one-story building (2,800 sq ft). Units will have 8-ft ceilings, exterior cladding will be a combination of stone and cementitious siding. Roof will be flat with a thermoplastic polyolefin (TPO) covering.

Underwriter estimated building cost using Marshall and Swift's "Good" Base Cost adjusted for inflation. Underwriter also separated out an estimated cost for the podium structured parking. Underwriter's overall Building Cost estimate compares favorably at design with parking that could cost of $49,339/unit combined with building costs for an aggregate estimate of $182.67/sf.

For scoring purposes, Applicant limited their Eligible Building Cost to $144.66/SF (vs. $200.62/SF budgeted actual cost).

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$29,123,129	**$21,083,330**	**$2,466,750**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Stellar Bank	Construction/Perm Loan	$15,600,000	7.00%	54%
Hudson - LIHTC	HTC	$6,919,308	$0.87	24%
LISC	Soft Cash Flow Loan	$3,500,000	0.50%	12%
Across LLC	Fee	$2,758,000	0.00%	10%
		$28,777,308	**Total Sources**	

PERMANENT SOURCES

Debt Source	PROPOSED Amount	PROPOSED Interest Rate	PROPOSED Amort	PROPOSED Term	UNDERWRITTEN Amount	UNDERWRITTEN Interest Rate	UNDERWRITTEN Amort	UNDERWRITTEN Term	UNDERWRITTEN LTC
Stellar Bank	$7,000,000	7.00%	40	15.0	$7,000,000	7.00%	40	15.0	24%
LISC	$3,500,000	0.50%	0	40.0	$3,500,000	0.50%	0	40.0	12%
Total	**$10,500,000**				**$10,500,000**				

Equity & Deferred Fees	PROPOSED Amount	PROPOSED Rate	PROPOSED % Def	UNDERWRITTEN Amount	UNDERWRITTEN Rate	UNDERWRITTEN % TC	UNDERWRITTEN % Def
Hudson - LIHTC	$17,298,270	$0.86		$17,298,270	$0.86	59%	
Across LLC	$1,324,859		39%	$1,324,859		5%	39%
Total	**$18,623,129**			**$18,623,129**			
				$29,123,129	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.931	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.807	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$29,123,129
Permanent Sources (debt + non-HTC equity)	$10,500,000
Gap in Permanent Financing	$18,623,129

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$21,335,251	$2,466,750
Needed to Balance Sources & Uses	$18,623,129	$2,153,178
Requested by Applicant	$17,298,270	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$17,298,270**	**$2,000,000**

Deferred Developer Fee	**$1,324,859**	**(39% deferred)**
Repayable in	**10 years**	

Recommendation:

Recommended tax credit allocation is limited to $2,000,000 as requested by the Applicant.

Underwriter: *Deborah Willson*

Manager of Real Estate Analysis: *Gregg Kazak*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Stella Haven, Denton, 9% HTC #24146

LOCATION DATA	
CITY:	Denton
COUNTY:	Denton
Area Median Income	$105,600
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	22	25.0%	0	0	0	0
2	48	54.5%	0	0	0	0
3	18	20.5%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**88**	**100.0%**	**-**	**-**	**-**	**-**

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	828 sf

54% Average Income	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
	# Units	-	12	-	35	32	-	9	-	**88**
	% Total	0.0%	13.6%	0.0%	39.8%	36.4%	0.0%	10.2%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# 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%	$580	2	1	1	600	$580	$51	$529	$0	$0.88	$529	**$1,058**	**$1,058**	$529	$0.88	$0	$1,325	$2.21	$1,325
TC 50%	$966	10	1	1	600	$966	$51	$915	$0	$1.53	$915	**$9,150**	**$9,150**	$915	$1.53	$0	$1,325	$2.21	$1,325
TC 60%	$1,160	8	1	1	600	$1,160	$51	$1,109	$0	$1.85	$1,109	**$8,872**	**$8,872**	$1,109	$1.85	$0	$1,325	$2.21	$1,325
TC 80%	$1,547	2	1	1	600	$1,547	$51	$1,496	$0	$2.49	$1,496	**$2,992**	**$2,650**	$1,325	$2.21	($171)	$1,325	$2.21	$1,325
TC 30%	$696	7	2	2	850	$696	$64	$632	$0	$0.74	$632	**$4,424**	**$4,424**	$632	$0.74	$0	$1,707	$2.01	$1,707
TC 50%	$1,160	19	2	2	850	$1,160	$64	$1,096	$0	$1.29	$1,096	**$20,824**	**$20,824**	$1,096	$1.29	$0	$1,707	$2.01	$1,707
TC 60%	$1,392	18	2	2	850	$1,392	$64	$1,328	$0	$1.56	$1,328	**$23,904**	**$23,904**	$1,328	$1.56	$0	$1,707	$2.01	$1,707
TC 80%	$1,856	4	2	2	850	$1,856	$64	$1,792	$0	$2.11	$1,792	**$7,168**	**$6,908**	$1,727	$2.03	($65)	$1,727	$2.03	$1,727
TC 30%	$804	3	3	2	1,050	$804	$83	$721	$0	$0.69	$721	**$2,163**	**$2,163**	$721	$0.69	$0	$2,100	$2.00	$2,100
TC 50%	$1,340	6	3	2	1,050	$1,340	$83	$1,257	$0	$1.20	$1,257	**$7,542**	**$7,542**	$1,257	$1.20	$0	$2,100	$2.00	$2,100
TC 60%	$1,608	6	3	2	1,050	$1,608	$83	$1,525	$0	$1.45	$1,525	**$9,150**	**$9,150**	$1,525	$1.45	$0	$2,100	$2.00	$2,100
TC 80%	$2,145	3	3	2	1,050	$2,145	$83	$2,062	$0	$1.96	$2,062	**$6,186**	**$6,186**	$2,062	$1.96	$0	$2,100	$2.00	$2,100
TOTALS/AVERAGES:		**88**			**72,900**				**$0**	**$1.42**	**$1,175**	**$103,433**	**$102,831**	**$1,169**	**$1.41**	**($7)**	**$1,693**	**$2.04**	**$1,693**

ANNUAL POTENTIAL GROSS RENT:	**$1,241,196**	**$1,233,972**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Stella Haven, Denton, 9% HTC #24146

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.42	$1,175	$1,241,196	$1,233,972	$1,169	$1.41		0.6%	$7,224
late fees, app fees, retained deposits							$23.08	$24,372						
Total Secondary Income							$23.08		$24,372	$23.08			0.0%	$0
POTENTIAL GROSS INCOME								$1,265,568	$1,258,344				0.6%	$7,224
Vacancy & Collection Loss							7.5% PGI	(94,918)	(94,376)	7.5% PGI			0.6%	(542)
EFFECTIVE GROSS INCOME								$1,170,650	$1,163,968				0.6%	$6,682
General & Administrative	$49,757	$565/Unit	$83,960	$954	4.09%	$0.66	$544	$47,900	$49,757	$565	$0.68	4.27%	-3.7%	(1,857)
Management	$40,414	3.1% EGI	$47,075	$535	4.95%	$0.79	$659	$57,952	$57,616	$655	$0.79	4.95%	0.6%	336
Payroll & Payroll Tax	$127,167	$1,445/Unit	$124,774	$1,418	10.64%	$1.71	$1,416	$124,600	$124,600	$1,416	$1.71	10.70%	0.0%	-
Repairs & Maintenance	$70,909	$806/Unit	$102,689	$1,167	5.24%	$0.84	$698	$61,400	$57,200	$650	$0.78	4.91%	7.3%	4,200
Electric/Gas	$23,443	$266/Unit	$13,399	$152	0.94%	$0.15	$125	$11,000	$13,399	$152	$0.18	1.15%	-17.9%	(2,399)
Water, Sewer, & Trash	$75,504	$858/Unit	$59,554	$677	5.06%	$0.81	$673	$59,200	$59,554	$677	$0.82	5.12%	-0.6%	(354)
Property Insurance	$59,616	$0.82 /sf	$51,828	$589	6.41%	$1.03	$852	$75,000	$75,000	$852	$1.03	6.44%	0.0%	-
Property Tax (@ 100%) 1.9094	$97,058	$1,103/Unit	$101,862	$1,158	5.98%	$0.96	$795	$70,000	$70,000	$795	$0.96	6.01%	0.0%	-
Reserve for Replacements					2.26%	$0.36	$300	$26,400	$26,400	$300	$0.36	2.27%	0.0%	-
Cable TV					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Supportive Services					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.30%	$0.05	$40	$3,520	$3,520	$40	$0.05	0.30%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Bond Compliance Fee					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Bond Trustee Fees					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Issuer Ongoing Compliance 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%	-
alarm					0.13%	$0.02	$18	$1,580	$1,580	$18	$0.02	0.14%	0.0%	-
TOTAL EXPENSES					**46.00%**	**$7.39**	**$6,120**	**$538,552**	**$538,626**	**$6,121**	**$7.39**	**46.27%**	**0.0%**	**$ (74)**
NET OPERATING INCOME ("NOI")					**54.00%**	**$8.67**	**$7,183**	**$632,098**	**$625,342**	**$7,106**	**$8.58**	**53.73%**	**1.1%**	**$ 6,756**
CONTROLLABLE EXPENSES							$3,456/Unit			$3,460/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Stella Haven, Denton, 9% HTC #24146

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Stellar Bank		1.20	1.21	$522,002	7.00%	40	15.0	$7,000,000	$7,000,000	15.0	40.0	7.00%	$522,002	1.21	24.0%
CASH FLOW DEBT / GRANTS															
LISC		1.16	1.17	$17,500	0.50%	0	40.0	$3,500,000	$3,500,000	40.0	0.0	0.50%	$17,500	1.17	12.0%
				$539,502		TOTAL DEBT / GRANT SOURCES		$10,500,000	$10,500,000		TOTAL DEBT SERVICE		$539,502	1.17	36.1%
NET CASH FLOW		$85,840	$92,596						APPLICANT	NET OPERATING INCOME		$632,098	$92,596	NET CASH FLOW	

EQUITY SOURCES

		APPLICANT'S PROPOSED EQUITY STRUCTURE				AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Hudson - LIHTC	LIHTC Equity	59.4%	$2,000,000	$0.86	$17,298,270	$17,298,270	$0.8649	$2,000,000	59.4%	$22,727	Applicant Request	
Across LLC	Deferred Developer Fees	4.5%	(39% Deferred)		$1,324,859	$1,324,859	(39% Deferred)		4.5%	Total Developer Fee:		$3,405,200
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		63.9%			$18,623,129	$18,623,129			63.9%			
TOTAL CAPITALIZATION					$29,123,129	$29,123,129				15-Yr Cash Flow after Deferred Fee:		$1,148,826

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$17,045 / Unit	$1,500,000	$1,500,000	$17,045 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
					$75,000	$75,000					0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,360,000		$16,364 / Unit	$1,440,000	$1,440,000	$16,364 / Unit		$1,360,000		0.0%	$0
Site Amenities		$75,000		$852 / Unit	$75,000	$75,000	$852 / Unit		$75,000		0.0%	$0
Structured Parking				0		$3,520,900	$40,010/Unit	$48.30 /sf	$3,520,900		8.6%	$1,162,998
Building Cost		$10,545,540	$200.62 /sf	$166,199/Unit	$14,625,540	$9,941,642	$112,973/Unit	$136.37 /sf	$9,941,642			
Contingency		$599,027	5.00%	5.00%	$807,027	$807,027	5.39%	4.02%	$599,027		0.0%	$0
Contractor Fees		$1,761,139	14.00%	14.00%	$2,372,659	$2,209,840	14.00%	11.36%	$1,761,139		7.4%	$162,820
Soft Costs	$0	$2,059,979		$25,520 / Unit	$2,245,719	$2,245,719	$25,520 / Unit		$2,059,979	$0	0.0%	$0
Financing	$0	$1,932,645		$25,200 / Unit	$2,217,633	$2,217,633	$25,200 / Unit		$1,932,645	$0	0.0%	$0
Developer Fee	$0	$2,750,000	15.00%	15.00%	$3,405,200	$3,230,750	15.00%	12.94%	$2,750,000	$0	5.4%	$174,450
Reserves				4 Months	$359,351	$1,078,054	12 Months				-66.7%	($718,703)
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	$0	$21,083,330		$330,945 / Unit	$29,123,129	$28,341,565	$322,063 / Unit		$24,000,332	$0	2.8%	$781,565
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	($0)	15.00%	15.00%	($0)							
Reserves					$0							
ADJUSTED BASIS / COST	$0	$21,083,330		$330,945/unit	$29,123,129	$28,341,565	$322,063/unit		$24,000,332	$0	2.8%	$781,565

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): $29,123,129

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Stella Haven, Denton, 9% HTC #24146

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$21,083,330	$0	$24,000,332
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$21,083,330	$0	$24,000,332
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$27,408,329	$0	$31,200,432
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$27,408,329	$0	$31,200,432
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,466,750	$0	$2,808,039
CREDITS ON QUALIFIED BASIS	$2,466,750		$2,808,039	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8649	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$2,466,750	$21,335,251	----	----	----
Needed to Fill Gap	$2,153,178	$18,623,129	----	----	----
Applicant Request	$2,000,000	$17,298,270	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		72,900 SF	$101.30	7,384,817
Adjustments				
Exterior Wall Finish	2.80%		2.84	$206,775
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			1.81	132,000
Subfloor			(0.21)	(15,552)
Floor Cover			3.68	268,272
Enclosed Corridors	$89.95	14,850	18.32	1,335,767
Balconies	$36.23	273	0.14	9,891
Plumbing Fixtures	$2,130	198	5.79	421,740
Rough-ins	$790	176	1.91	139,040
Built-In Appliances	$3,675	88	4.44	323,400
Exterior Stairs	$3,550	2	0.10	7,100
Heating/Cooling			3.12	227,448
Storage Space	$89.95	990	1.22	89,051
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$136.29	3,674	6.87	500,733
Elevators	$150,400	2	4.13	300,800
Other:			0.00	0
Fire Sprinklers	$3.65	92,414	4.63	337,311
SUBTOTAL			**160.06**	**11,668,594**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**160.06**	**$11,668,594**
Plans, specs, survey, bldg permits	3.30%		(5.28)	($385,064)
Contractor's OH & Profit	11.50%		(18.41)	(1,341,888)
NET BUILDING COSTS		$112,973/unit	$136.37/sf	$9,941,642

Long-Term Pro Forma

Stella Haven, Denton, 9% HTC #24146

	Growth Rate	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	2.00%	$1,170,650	$1,194,063	$1,217,945	$1,242,304	$1,267,150	$1,399,036	$1,544,648	$1,705,417	$1,882,918	$2,078,893	$2,295,266	$2,534,159
TOTAL EXPENSES	3.00%	$538,552	$554,129	$570,162	$586,664	$603,649	$696,332	$803,417	$927,160	$1,070,173	$1,235,479	$1,426,579	$1,647,524
NET OPERATING INCOME ("NOI")		**$632,098**	**$639,934**	**$647,783**	**$655,640**	**$663,501**	**$702,704**	**$741,231**	**$778,256**	**$812,745**	**$843,414**	**$868,687**	**$886,635**
EXPENSE/INCOME RATIO		46.0%	46.4%	46.8%	47.2%	47.6%	49.8%	52.0%	54.4%	56.8%	59.4%	62.2%	65.0%
MUST -PAY DEBT SERVICE													
Stellar Bank		$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002
TOTAL DEBT SERVICE		$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002	$522,002
DEBT COVERAGE RATIO		1.21	1.23	1.24	1.26	1.27	1.35	1.42	1.49	1.56	1.62	1.66	1.70
ANNUAL CASH FLOW		**$110,096**	**$117,932**	**$125,781**	**$133,638**	**$141,499**	**$180,701**	**$219,229**	**$256,254**	**$290,742**	**$321,412**	**$346,685**	**$364,633**
Deferred Developer Fee Balance		$1,214,763	$1,096,831	$971,051	$837,413	$695,914	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$129,315	$1,148,826	$2,356,838	$3,742,825	$5,290,365	$6,975,760	$8,766,395