24078 Pebble Hills Seniors - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 9, 2024

PROPERTY IDENTIFICATION

Application #	**24078**
Development	**Pebble Hills Seniors**
City / County	**El Paso / El Paso**
Region/Area	**13 / Urban**
Population	**Elderly Limitation**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,600,000	$1,600,000	$26,667/Unit	$0.85

KEY PRINCIPALS / SPONSOR

Investment Builders Inc./Ike Monty
Owner/Developer/Guarantor/Contractor

Consultant/Robbye Meyer

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

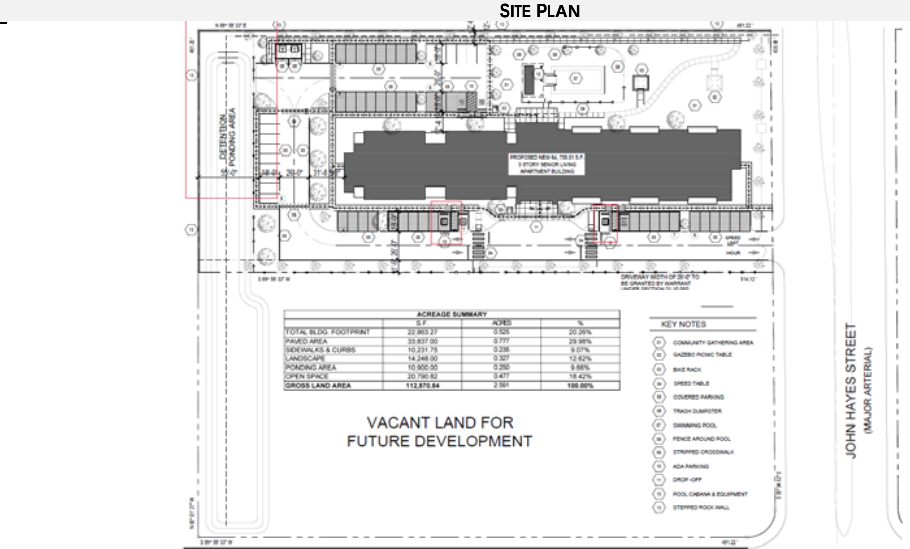
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	34	57%	30%	6	10%
2	26	43%	40%	-	0%
3	-	0%	50%	12	20%
4	-	0%	60%	42	70%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	60	100%	TOTAL	60	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.24	Expense Ratio	59.2%
Breakeven Occ.	85.2%	Breakeven Rent	$663
Average Rent	$722	B/E Rent Margin	$59
Property Taxes	$570/unit	Exemption/PILOT	0%
Total Expense	$4,879/unit	Controllable	$3,055/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			2.0%
Highest Unit Capture Rate	6%	1 BR/60%	20
Dominant Unit Cap. Rate	5%	2 BR/60%	22
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	789 SF	Density	23.2/acre
Acquisition		$11K/unit	$658K
Building Cost	$151.95/SF	$120K/unit	$7,192K
Hard Cost		$163K/unit	$9,772K
Total Cost		$265K/unit	$15,919K
Developer Fee	$1,917K	(7% Deferred)	Paid Year: 4
Contractor Fee	$1,368K	30% Boost	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Sterling Bank	15/40	7.00%	$2,178,000	1.24
TOTAL DEBT (Must Pay)			**$2,178,000**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
CASH FLOW DEBT / GRANTS			**$0**	

EQUITY / DEFERRED FEES

Source	Amount
Affordable Equity Partners, Inc	$13,598,640
Investment Builders, Inc	$142,274
TOTAL EQUITY SOURCES	**$13,740,914**
TOTAL DEBT SOURCES	**$2,178,000**
TOTAL CAPITALIZATION	**$15,918,914**

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - b: Evidence that the units and buildings have met the requirements for use of an Energy Efficient Utility Allowance.

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.

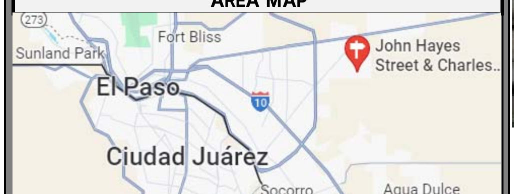
RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Developer experience with LIHTC properties
- Low gross capture rate

WEAKNESSES/RISKS

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 9, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24078** Program(s): **9% HTC**

Pebble Hills Seniors

Address/Location: NWC Charles Foster Avenue and John Hayes Street

City: El Paso County: El Paso Zip: 79938

Population: Elderly Limitation Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 13

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)	$1,600,000				**$1,600,000**						

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - b: Evidence that the units and buildings have met the requirements for use of an Energy Efficient Utility Allowance.

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	6
50% of AMI	50% of AMI	12
60% of AMI	60% of AMI	42

DEVELOPMENT SUMMARY

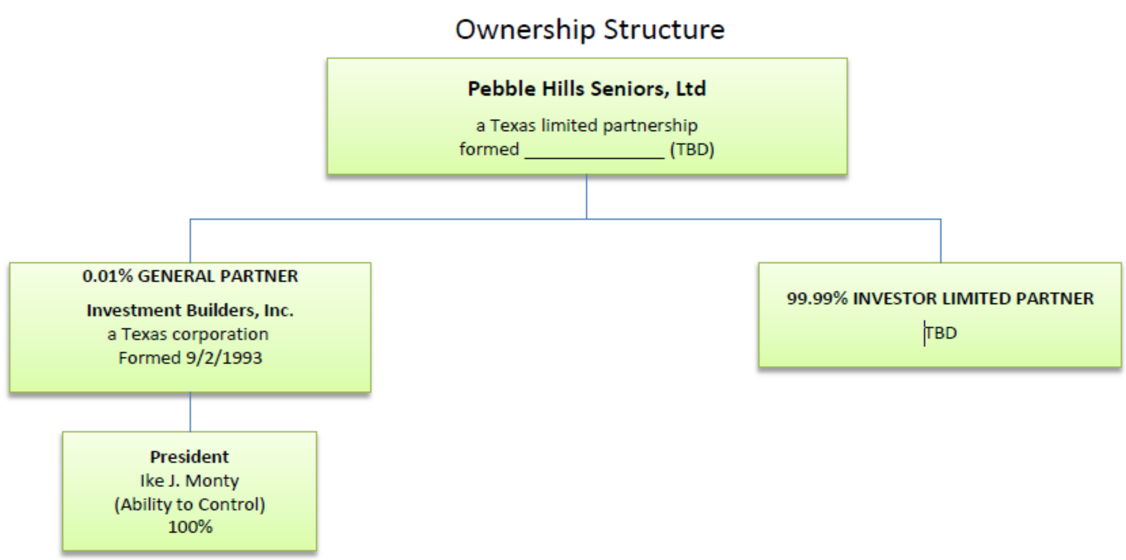
Pebble Hills Seniors is an elderly new construction consisting of 60 total units with 1 and 2 bedroom units. The property will be located in El Paso.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Developer experience with LIHTC properties	▫
▫ Low gross capture rate	▫

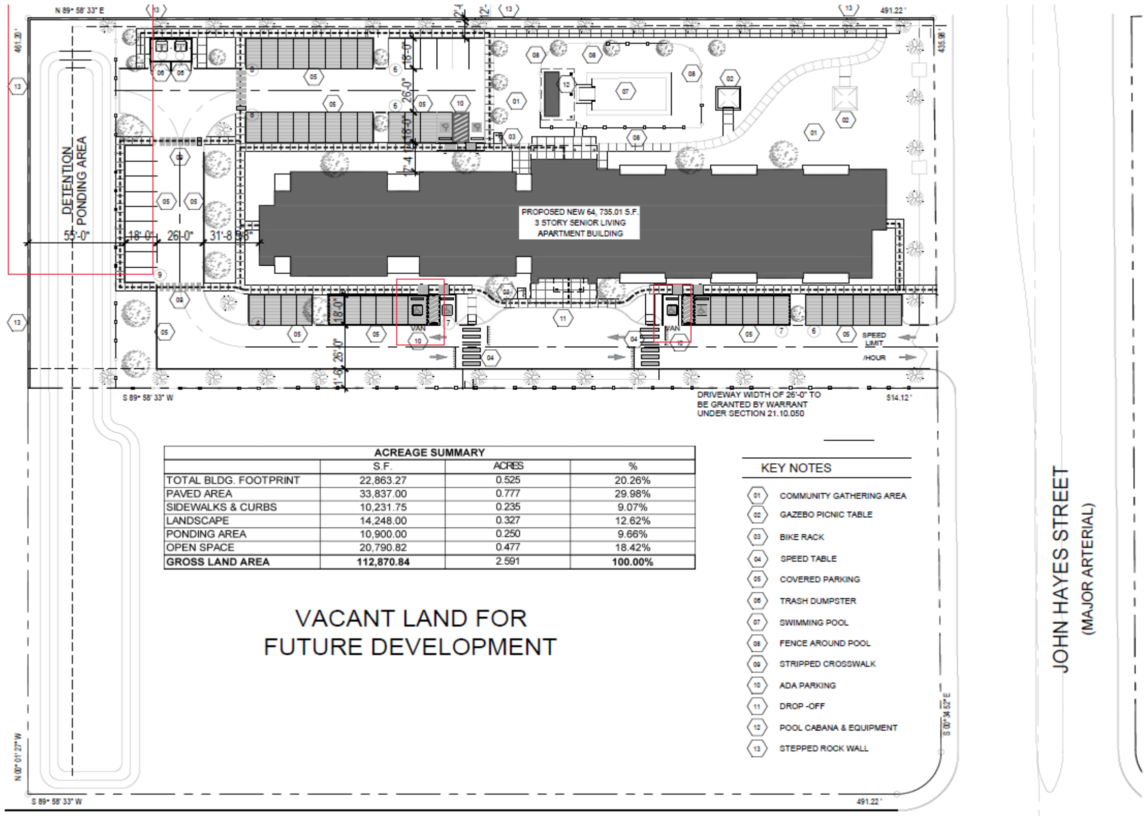
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



ACREAGE SUMMARY	S.F.	ACRES	%
TOTAL BLDG. FOOTPRINT	22,863.27	0.525	20.26%
PAVED AREA	33,837.00	0.777	29.98%
SIDEWALKS & CURBS	10,231.75	0.235	9.07%
LANDSCAPE	14,248.00	0.327	12.62%
PONDING AREA	10,900.00	0.250	9.66%
OPEN SPACE	20,790.82	0.477	18.42%
GROSS LAND AREA	**112,870.84**	2.591	**100.00%**

Parking	No Fee		Tenant-Paid		Total	
Open Surface	19	*0.3/unit*	0	--	19	*0.3/unit*
Carport	42	*0.7/unit*	0	--	42	*0.7/unit*
Garage	0	--	0	--	0	--
Total Parking	**61**	*1.0/unit*	**0**	--	**61**	*1.0/unit*

Comments:

Provided parking of 61 spaces is compliant with local regulations.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	A	**Total Buildings**
Floors/Stories	3	
Number of Bldgs	1	**1**
Units per Bldg	60	
Total Units	60	**60**

Avg. Unit Size (SF)	**789 sf**	**Total NRA (SF)**	**47,332**	**Common Area (SF)***	**17,797**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 2.59 acres   Density: 23.2 units/acre

Site Control: 5.441 **Site Plan:** 2.59 **Appraisal:** NA **ESA:** 5.44

Feasibility Report Survey: 2.827 **Feasibility Report Engineer's Plan:** 2.827 **Existing LURA:** NA

Control Type: Real Estate Contract

Total Acquisition:	5.44	acres	Cost:	$1,197,900		
Development Site:	2.59	acres	Cost:	$620,790	$10,347	per unit

Seller:	Rancho Real Investment Properties, LLC
Buyer:	Davis Street Corporation

Related-Party Seller/Identity of Interest: No

Comments:

The Applicant purchased the full 5.44 acre site, but will only use 2.59 acres for this portion of the development. They are leaving the other portion of the site empty for future developments.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	C-2	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Construction & Environmental Consultants, Inc. Date: 2/28/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- A noise study is recommended due to the site's proximity to airports.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/20/2024

Primary Market Area (PMA): 15 sq. miles 2 mile equivalent radius

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units

Stabilized Affordable Developments in PMA		
	Total Units	761
	Total Developments	7
	Average Occupancy	97%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	30,689			
Senior Households in the Primary Market Area	10,270			
Potential Demand from the Primary Market Area	2,717			
10% External Demand	272			
Potential Demand from Other Sources	0			
GROSS DEMAND	2,989			
Subject Affordable Units	60			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	60			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**2.0%**			

Population:	**Elderly Limitation**	**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	943	94	6	0	1%					
50% AMGI	532	53	12	0	2%					
60% AMGI	1,242	124	42	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%	302	30	5	0	2%					
1 BR/50%	266	27	9	0	3%					
1 BR/60%	304	30	20	0	6%					
2 BR/30%	317	32	1	0	0%					
2 BR/50%	316	32	3	0	1%					
2 BR/60%	373	37	22	0	5%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$201,403	Avg. Rent:	$722	Expense Ratio:	59.2%
Debt Service:	$162,417	B/E Rent:	$663	Controllable Expenses:	$3,055
Net Cash Flow:	$38,986	UW Occupancy:	92.5%	Property Taxes/Unit:	$570
Aggregate DCR:	1.24	B/E Occupancy:	85.2%	Program Rent Year:	2023

The Applicant provided an insurance quote at the request of the Underwriter that had a total cost $10K higher than the Applicant's assumption. Including the additional costs in the Applicant's pro forma reduces the DCR to a 1.17 but does not impact the credits awarded.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$239,595/ac	$10,970/unit	**$658,190**	Contractor Fee	**$1,368,123**
Off-site + Site Work		$32,350/unit	**$1,941,000**	Soft Cost + Financing	**$2,102,830**
Building Cost	$151.95/sf	$119,867/unit	**$7,192,000**	Developer Fee	**$1,917,461**
Contingency	7.00%	$10,655/unit	**$639,310**	Reserves	**$100,000**
Total Development Cost	$265,315/unit	**$15,918,914**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]

Contractor Fee:

Applicant overstated total contractor fees by $1.

Developer Fee:

Applicant overstated total developer fees by $339.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$15,918,914	**$14,700,534**	**$1,719,963**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Sterling Bank	Conventional Loan	$11,470,000	7.50%	73%
Affordable Equity Partners, Inc	HTC	$2,719,728	$0.85	17%
Investment Builders, Inc	Deferred Developer Fee	$1,530,000	0.00%	10%
		$15,719,728	**Total Sources**	

PERMANENT SOURCES

Debt Source	PROPOSED Amount	Interest Rate	Amort	Term	UNDERWRITTEN Amount	Interest Rate	Amort	Term	LTC
Sterling Bank	$2,178,000	7.00%	40	15.0	$2,178,000	7.00%	40	15.0	14%
Total	**$2,178,000**				**$2,178,000**				

Equity & Deferred Fees	PROPOSED Amount	Rate	% Def	UNDERWRITTEN Amount	Rate	% TC	% Def
Affordable Equity Partners, Inc	$13,598,640	$0.85		$13,598,640	$0.85	85%	
Investment Builders, Inc	$142,614		7%	$142,274		1%	7%
Total	**$13,741,254**			**$13,740,914**			
				$15,918,914	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.859	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.815	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$15,918,914
Permanent Sources (debt + non-HTC equity)	$2,178,000
Gap in Permanent Financing	$13,740,914

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$14,618,220	$1,719,963
Needed to Balance Sources & Uses	$13,740,914	$1,616,740
Requested by Applicant	$13,598,640	$1,600,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$13,598,640**	**$1,600,000**

Deferred Developer Fee	**$142,274**	**(7% deferred)**
Repayable in	**4 years**	

Recommendation:

Underwriter recommends an annual tax credit allocation of $1,600,000 per the Applicant's request.

Underwriter:	*Jeffrey Price*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Pebble Hills Seniors, El Paso, 9% HTC #24078

LOCATION DATA

CITY:	El Paso
COUNTY:	El Paso
Area Median Income	$63,000
PROGRAM REGION:	13
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	34	56.7%	0	0	0	0
2	26	43.3%	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
TOTAL	**60**	**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	789 sf

55%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	6	-	12	42	-	-	-	**60**
	% Total	0.0%	10.0%	0.0%	20.0%	70.0%	0.0%	0.0%	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%	$405	5	1	1	710	$405	$82	$323	$0	$0.45	$323	**$1,615**	**$1,615**	$323	$0.45	$0	$1,130	$1.59	$1,130
TC 50%	$676	9	1	1	710	$676	$82	$594	$0	$0.84	$594	**$5,346**	**$5,346**	$594	$0.84	$0	$1,130	$1.59	$1,130
TC 60%	$811	20	1	1	710	$811	$82	$729	$0	$1.03	$729	**$14,580**	**$14,580**	$729	$1.03	$0	$1,130	$1.59	$1,130
TC 30%	$486	1	2	1	892	$486	$98	$388	$0	$0.43	$388	**$388**	**$388**	$388	$0.43	$0	$1,283	$1.44	$1,283
TC 50%	$811	3	2	1	892	$811	$98	$713	$0	$0.80	$713	**$2,139**	**$2,139**	$713	$0.80	$0	$1,283	$1.44	$1,283
TC 60%	$973	22	2	1	892	$973	$98	$875	$0	$0.98	$875	**$19,250**	**$19,250**	$875	$0.98	$0	$1,283	$1.44	$1,283
TOTALS/AVERAGES:		**60**			**47,332**				**$0**	**$0.92**	**$722**	**$43,318**	**$43,318**	**$722**	**$0.92**	**$0**	**$1,196**	**$1.52**	**$1,196**

ANNUAL POTENTIAL GROSS RENT:	**$519,816**	**$519,816**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Pebble Hills Seniors, El Paso, 9% HTC #24078

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.92	$722	$519,816	$519,816	$722	$0.92		0.0%	$0
Late-NSF-Cleaning-Damages fees							$18.00	$12,960						
Application fees, Vending							$2.00	$1,440						
Total Secondary Income							$20.00		$14,400	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$534,216	$534,216				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(40,066)	(40,066)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$494,150	$494,150				0.0%	$0
General & Administrative	$26,351	$439/Unit	$15,430	$257	4.92%	$0.51	$405	$24,320	$26,351	$439	$0.56	5.33%	-7.7%	(2,031)
Management	$26,018	5.1% EGI	$26,607	$443	5.00%	$0.52	$412	$24,707	$24,707	$412	$0.52	5.00%	0.0%	(0)
Payroll & Payroll Tax	$72,214	$1,204/Unit	$73,504	$1,225	14.87%	$1.55	$1,225	$73,500	$73,504	$1,225	$1.55	14.87%	0.0%	(4)
Repairs & Maintenance	$40,201	$670/Unit	$45,653	$761	7.29%	$0.76	$600	$36,000	$39,000	$650	$0.82	7.89%	-7.7%	(3,000)
Electric/Gas	$14,054	$234/Unit	$37,937	$632	2.61%	$0.27	$215	$12,900	$14,054	$234	$0.30	2.84%	-8.2%	(1,154)
Water, Sewer, & Trash	$37,493	$625/Unit	$32,928	$549	7.41%	$0.77	$610	$36,600	$32,928	$549	$0.70	6.66%	11.2%	3,672
Property Insurance	$33,135	$0.70 /sf	$49,201	$820	6.10%	$0.64	$502	$30,120	$40,950	$683	$0.87	8.29%	-26.4%	(10,830)
Property Tax (@ 100%) 2.8788	$30,895	$515/Unit			6.92%	$0.72	$570	$34,200	$30,895	$515	$0.65	6.25%	10.7%	3,305
Reserve for Replacements					3.64%	$0.38	$300	$18,000	$15,000	$250	$0.32	3.04%	20.0%	3,000
TDHCA Compliance fees ($40/HTC unit)					0.49%	$0.05	$40	$2,400	$2,400	$40	$0.05	0.49%	0.0%	-
TOTAL EXPENSES					**59.24%**	**$6.18**	**$4,879**	**$292,747**	**$299,790**	**$4,996**	**$6.33**	**60.67%**	**-2.3%**	**$ (7,043)**
NET OPERATING INCOME ("NOI")					**40.76%**	**$4.26**	**$3,357**	**$201,403**	**$194,360**	**$3,239**	**$4.11**	**39.33%**	**3.6%**	**$ 7,043**

CONTROLLABLE EXPENSES	$3,055/Unit		$3,097/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Pebble Hills Seniors, El Paso, 9% HTC #24078

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
Sterling Bank		1.20	1.24	162,417	7.00%	40	15.0	$2,178,000	$2,178,000	15.0	40.0	7.00%	$162,417	1.24	13.7%
CASH FLOW DEBT / GRANTS															
				$162,417			**TOTAL DEBT / GRANT SOURCES**	**$2,178,000**	**$2,178,000**			**TOTAL DEBT SERVICE**	**$162,417**	**1.24**	13.7%
NET CASH FLOW		$31,943	$38,986						**APPLICANT**	**NET OPERATING INCOME**		**$201,403**	**$38,986**	**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	
Affordable Equity Partners, Inc	LIHTC Equity	85.4%	$1,600,000	$0.85	$13,598,640	$13,598,640	$0.8499	$1,600,000	85.4%	$26,667	Applicant Request	
Investment Builders, Inc	Deferred Developer Fees	0.9%	(7% Deferred)		$142,614	$142,274	(7% Deferred)		0.9%	**Total Developer Fee:**		**$1,917,461**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		86.3%			$13,741,254	$13,740,914			86.3%			
TOTAL CAPITALIZATION					**$15,919,254**	**$15,918,914**			**15-Yr Cash Flow after Deferred Fee:**			**$554,484**

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				$10,347 / Unit	$620,790	$620,790	$10,347 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees, RE Brokerage Fees					$37,400	$37,400					0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,197,000		$19,950 / Unit	$1,197,000	$1,197,000	$19,950 / Unit		$1,197,000		0.0%	$0
Site Amenities		$744,000		$12,400 / Unit	$744,000	$744,000	$12,400 / Unit		$744,000		0.0%	$0
Building Cost		$7,192,000	$151.95 /sf	$119,867/Unit	$7,192,000	$7,958,284	$132,638/Unit	$168.14 /sf	$7,192,000		-9.6%	($766,284)
Contingency		$639,310	7.00%	7.00%	$639,310	$639,310	6.46%	7.00%	$639,310		0.0%	$0
Contractor Fees		$1,368,124	14.00%	14.00%	$1,368,124	$1,368,124	12.98%	14.00%	$1,368,123		0.0%	$0
Soft Costs	$0	$603,300		$10,305 / Unit	$618,300	$618,300	$10,305 / Unit		$603,300	$0	0.0%	$0
Financing	$0	$1,039,340		$24,742 / Unit	$1,484,530	$1,484,530	$24,742 / Unit		$1,039,340	$0	0.0%	$0
Developer Fee	$0	$1,917,800	15.00%	15.00%	$1,917,800	$1,917,461	14.15%	15.00%	$1,917,461	$0	0.0%	$339
Reserves				3 Months	$100,000	$100,000	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$14,700,874**		$265,321 / Unit	**$15,919,254**	**$16,685,199**	$278,087 / Unit		**$14,700,534**	**$0**	**-4.6%**	**($765,945)**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		($1)			($1)							
Financing Cost		$0										
Developer Fee	$0	($339)	15.00%	15.00%	($339)							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$14,700,534**		$265,315/unit	**$15,918,914**	**$16,685,199**	$278,087/unit		**$14,700,534**	**$0**	**-4.6%**	**($766,285)**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): **$15,918,914**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Pebble Hills Seniors, El Paso, 9% HTC #24078

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$14,700,534	$0	$14,700,534
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$14,700,534	$0	$14,700,534
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$19,110,695	$0	$19,110,695
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$19,110,695	$0	$19,110,695
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,719,963	$0	$1,719,963
CREDITS ON QUALIFIED BASIS	$1,719,963		$1,719,963	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8499	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,719,963	$14,618,220	----	----	----
Needed to Fill Gap	$1,616,740	$13,740,914	----	----	----
Applicant Request	$1,600,000	$13,598,640	**$1,600,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	47,332 SF	$124.60	5,897,605
Adjustments				
Exterior Wall Finish	0.96%		1.20	$56,617
Elderly	9.00%		11.21	530,784
9-Ft. Ceilings	3.12%		3.89	184,005
Roof Adjustment(s)			1.90	90,000
Subfloor			(0.21)	(10,097)
Floor Cover			3.68	174,182
Enclosed Corridors	$113.25	9,809	23.47	1,110,877
Balconies	$39.96	4,963	4.19	198,309
Plumbing Fixtures	$1,420	0	0.00	0
Rough-ins	$700	120	1.77	84,000
Built-In Appliances	$2,280	60	2.89	136,800
Exterior Stairs	$3,550	9	0.68	31,950
Heating/Cooling			3.12	147,676
Storage Space	$113.25	0	0.00	0
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$136.78	2,615	7.56	357,691
Elevators	$132,200	1	2.79	132,200
Other:			0.00	0
Fire Sprinklers	$3.65	59,756	4.61	218,109
SUBTOTAL			**197.34**	**9,340,709**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**197.34**	**$9,340,709**
Plans, specs, survey, bldg permits	3.30%		(6.51)	($308,243)
Contractor's OH & Profit	11.50%		(22.69)	(1,074,182)
NET BUILDING COSTS		$132,638/unit	$168.14/sf	$7,958,284

Long-Term Pro Forma

Pebble Hills Seniors, El Paso, 9% HTC #24078

	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%	$494,150	$504,033	$514,113	$524,396	$534,884	$590,555	$652,020	$719,883	$794,809	$877,533	$968,868	$1,069,708
TOTAL EXPENSES	3.00%	$292,747	$301,282	$310,069	$319,114	$328,425	$379,259	$438,035	$506,003	$584,610	$675,530	$780,702	$902,374
NET OPERATING INCOME ("NOI")		**$201,403**	**$202,750**	**$204,045**	**$205,282**	**$206,459**	**$211,296**	**$213,985**	**$213,880**	**$210,199**	**$202,004**	**$188,165**	**$167,334**
EXPENSE/INCOME RATIO		59.2%	59.8%	60.3%	60.9%	61.4%	64.2%	67.2%	70.3%	73.6%	77.0%	80.6%	84.4%
MUST -PAY DEBT SERVICE													
Sterling Bank		$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417
TOTAL DEBT SERVICE		$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417	$162,417
DEBT COVERAGE RATIO		1.24	1.25	1.26	1.26	1.27	1.30	1.32	1.32	1.29	1.24	1.16	1.03
ANNUAL CASH FLOW		**$38,986**	**$40,333**	**$41,627**	**$42,865**	**$44,041**	**$48,879**	**$51,568**	**$51,462**	**$47,782**	**$39,586**	**$25,748**	**$4,917**
Deferred Developer Fee Balance		$103,289	$62,956	$21,328	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$21,536	$65,578	$301,042	$554,484	$813,270	$1,061,146	$1,277,485	$1,436,412	$1,505,757