



Addendum to Underwriting Report

TDHCA Application #: **24508_22228** Program(s): **9% HTC/MDL**

Trailside Estates

Address/Location: NW corner of County Road 164 and Cumberland Road

City: Tyler County: Smith Zip: 75703

APPLICATION HISTORY	
Report Date	PURPOSE
02/28/25	MDL 2024-3 NOFA TCAP-RF Award Memo
06/09/22	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%	0	0	\$7,136,489	2.00%	40	40	1
LIHTC (9% Credit)	\$1,575,000				\$1,575,000				

- * Multifamily Direct Loan Terms:
- * Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).
- * Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

- 1 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 .
- 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	8
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	51

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	23
60% of AMFI	High HOME	17

ANALYSIS

The development originally received an annual 9% HTC allocation of \$1,575,000 in 2022.

Applicant is now applying for a Multifamily Direct Loan of \$7,136,489 to help cover an increase in development costs of \$5M. The MDL will have an interest rate of 2% and longer amortization period of 40 years allowing this project to be feasible under DCR requirements.

The development name has been changed to "Trailside Estates" formerly known as "Celebration Tyler".

Operating Pro Forma

Applicant's rent schedule revised to reflect most current 2024 program rents resulting in a \$157K increase to effective gross income.

Expense items that changed from prior underwriting include:

- Payroll & Payroll Tax - increased
- Utilities - increased
- Property Tax - increased

These adjustments resulted in a total expenses net increase of \$43.5K and NOI increase of \$113K from prior underwriting.

As underwritten, the DCR is 1.17 with \$114K projected 15-year cash flow and deferred developer fee paid in year 14.

Development Cost

Building costs increased \$3.17M

Contractor fees increased by \$485K; overstated by \$73k in eligible basis.

Soft costs increased by \$727K

Financing costs increased by \$296K

These adjustments resulted in a development cost net increase of \$5.5M

Sources of Funds

Applicant using same lender but the construction loan decreased from \$12,500,000 to \$10,100,000 and the interest rate increased from 5.25% to 8.5%.

The permanent loan decreased from \$3,010,000 to \$400,000 and the interest rate increased from 5.75% to 8.5%.

TDHCA is now the first lien with a Direct Loan Construction to Perm of \$7,136,489 at 0% interest rate during construction and 2% during the permanent phase at a 40-year term / 40-year amortization.

Application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

Applicant decreased tax credit equity by \$314,937 and the credit price decreased from \$.87 to \$.85.

The deferred developer fee increased by \$794,861. The Developer Fee did not increase from the previous underwriting.

Applicant included \$536k in MFDL Direct Loan Match funds. The funds are sourced from Waived Professional Fees; \$221k Architect fees, \$156k Engineering fees, and 159k Legal fees. Commitment Letters were provided.

Recommendation

Underwriter recommends a first lien Multifamily Direct Loan in the amount of \$7,136,489 at a 2% interest rate for a 40 year term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is \$259,333. The construction term is assumed at 24 months. The MDL funding is TCAP-RF.

The original annual 9% HTC allocation of \$1,575,000 is still recommended.

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

UNIT MIX/RENT SCHEDULE

Trailside Estates, Tyler, 9% HTC/MDL #24508_22228

LOCATION DATA	
CITY:	Tyler
COUNTY:	Smith
Area Median Income	\$87,300
PROGRAM REGION:	4
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION				
# Beds	# Units	% Total	MDL Match	MDL
Eff	-	0.0%	0	0
1	24	32.4%	2	13
2	50	67.6%	4	27
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	74	100.0%	6	40

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	838 sf

	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
55%										
Average Income	# Units	-	8	-	15	51	-	-	-	74
% Total		0.0%	10.8%	0.0%	20.3%	68.9%	0.0%	0.0%	0.0%	100.0%

1/27/2025

HTC	Type	Gross Rent	MF Direct Loan Units (HOME Rent/Inc)	MDL Match	UNIT MIX			APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS			TDHCA PRO FORMA RENTS			MARKET RENTS										
					# 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%	\$491	LH/50%	\$819	0	3	1	1	750	\$491	\$86	\$405	\$0	\$0.54	\$405	\$1,215	\$1,215	\$405	\$1	\$0	\$1,372	\$1.83	\$1,372	\$1,372	\$1.83	\$1,372	\$1,372
	TC 50%	\$819	LH/50%	\$819	0	6	1	1	750	\$819	\$86	\$733	\$0	\$0.98	\$733	\$4,398	\$4,398	\$733	\$1	\$0	\$1,372	\$1.83	\$1,372	\$1,372	\$1.83	\$1,372	\$1,372
	TC 60%	\$983	HH/60%	\$1,009	0	4	1	1	750	\$983	\$86	\$897	\$0	\$1.20	\$897	\$3,588	\$3,588	\$897	\$1	\$0	\$1,372	\$1.83	\$1,372	\$1,372	\$1.83	\$1,372	\$1,372
	TC 60%	\$983			2	11	1	1	750	\$983	\$86	\$897	\$0	\$1.20	\$897	\$9,867	\$9,867	\$897	\$1	\$0	\$1,372	\$1.83	\$1,372	\$1,372	\$1.83	\$1,372	\$1,372
	TC 30%	\$589	LH/50%	\$982	0	5	2	1	880	\$589	\$113	\$476	\$0	\$0.54	\$476	\$2,380	\$2,380	\$476	\$1	\$0	\$1,484	\$1.69	\$1,484	\$1,484	\$1.69	\$1,484	\$1,484
	TC 50%	\$982	LH/50%	\$982	0	9	2	1	880	\$982	\$113	\$869	\$0	\$0.99	\$869	\$7,821	\$7,821	\$869	\$1	\$0	\$1,484	\$1.69	\$1,484	\$1,484	\$1.69	\$1,484	\$1,484
	TC 60%	\$1,179	HH/60%	\$1,235	0	13	2	1	880	\$1,179	\$113	\$1,066	\$0	\$1.21	\$1,066	\$13,858	\$13,858	\$1,066	\$1	\$0	\$1,484	\$1.69	\$1,484	\$1,484	\$1.69	\$1,484	\$1,484
	TC 60%	\$1,179			4	23	2	1	880	\$1,179	\$113	\$1,066	\$0	\$1.21	\$1,066	\$24,518	\$24,518	\$1,066	\$1	\$0	\$1,484	\$1.69	\$1,484	\$1,484	\$1.69	\$1,484	\$1,484
TOTALS/AVERAGES:						74			62,000					\$0	\$914	\$67,645	\$67,645	\$914	\$1.09	\$0	\$1,448	\$1.73	\$1,448	\$1,448	\$1.73	\$1,448	\$1,448

ANNUAL POTENTIAL GROSS RENT:

\$811,740

\$811,740

STABILIZED PRO FORMA

Trailside Estates, Tyler, 9% HTC/MDL #24508_22228

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				PRIOR REPORT				TDHCA				VARIANCE	
	Database	Smith County	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$		
POTENTIAL GROSS RENT																
Late rent, forfeited deposits, app fees, vending				\$1.09	\$914	\$811,740	\$641,964	\$641,964	\$811,740	\$914	\$1.09		0.0%	\$0		
Total Secondary Income					\$20.00	\$17,760	17,760	17,760	\$17,760				0.0%	\$0		
POTENTIAL GROSS INCOME					\$20.00	\$829,500	\$659,724	\$659,724	\$829,500				0.0%	\$0		
Vacancy & Collection Loss					7.5% PGI	(62,213)	(49,479)	(49,479)	(62,213)			7.5% PGI	0.0%	-		
EFFECTIVE GROSS INCOME						\$767,288	\$610,245	\$610,245	\$767,288				0.0%	\$0		
General & Administrative	\$29,174	\$394/Unit	\$348	\$0.48	3.90%	\$404	\$29,900	\$29,174	\$29,174	\$394	\$0.47	3.80%	2.5%	726		
Management	\$39,285	7.3% EGI	\$431	\$0.57	4.61%	\$480	\$35,520	\$35,516	\$35,403	\$478	\$0.57	4.61%	0.3%	117		
Payroll & Payroll Tax	\$77,646	\$1,049/Unit	\$1,295	\$1.65	13.35%	\$1,384	\$102,425	\$92,650	\$102,425	\$1,384	\$1.65	13.35%	0.0%	-		
1/27/2025	\$50,675	\$685/Unit	\$664	\$0.78	6.32%	\$655	\$48,500	\$48,100	\$48,100	\$650	\$0.78	6.27%	0.8%	400		
Electric/Gas	\$12,820	\$173/Unit	\$135	\$0.21	1.67%	\$173	\$12,820	\$12,820	\$12,820	\$173	\$0.21	1.67%	0.0%	0		
Water, Sewer, & Trash	\$40,818	\$552/Unit	\$521	\$0.66	5.30%	\$550	\$40,700	\$40,818	\$40,818	\$552	\$0.66	5.32%	-0.3%	(118)		
Property Insurance	\$28,166	\$0.45/sf	\$646	\$0.76	6.15%	\$638	\$47,220	\$47,220	\$47,220	\$638	\$0.76	6.15%	0.0%	-		
Property Tax (@100%)	\$33,226	\$449/Unit	\$726	\$1.34	10.85%	\$1,125	\$83,267	\$48,669	\$74,196	\$1,003	\$1.20	9.67%	12.2%	9,071		
Reserve for Replacements				\$0.30	2.41%	\$250	\$18,500	\$18,500	\$18,500	\$250	\$0.30	2.41%	0.0%	-		
Cable TV				\$0.01	0.12%	\$12	\$900	\$900	\$900	\$12	\$0.01	0.12%	0.0%	-		
Supportive Services				\$0.00	0.00%	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-		
TDHCA Compliance fees (\$40/HTC unit)				\$0.05	0.39%	\$40	\$2,960	\$2,960	\$2,960	\$40	\$0.05	0.39%	0.0%	-		
Security				\$0.01	0.08%	\$8	\$600	\$600	\$600	\$8	\$0.01	0.08%	0.0%	-		
TOTAL EXPENSES				\$6.83	55.17%	\$5,720	\$423,312	\$377,928	\$413,116	\$5,683	\$6.66	53.84%	2.5%	\$ 10,196		
NET OPERATING INCOME ("NOI")				\$5.55	44.83%	\$4,648	\$343,976	\$232,317	\$354,171	\$4,786	\$5.71	46.16%	-2.9%	\$ (10,196)		
CONTROLLABLE EXPENSES						\$3,167/Unit					\$3,153/Unit					

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Trailside Estates, Tyler, 9% HTC/MDL #24508_22228

DEBT / GRANT SOURCES										
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE					AS UNDERWRITTEN DEBT/GRANT STRUCTURE					
CUMULATIVE DCR	App		Rate	Term	Principal	Prior Underwriting		Term	Rate	Pmt
	UW	Fee				Applicant	TDHCA			
1.37	1.33	259,333	2.00%	40	\$7,136,489	\$3,010,610	\$3,010,610	40	2.00%	\$259,333
1.20	1.17	\$35,849	8.50%	35	\$400,000	\$3,010,000	\$3,010,000	18	8.50%	\$35,849
CASH FLOW DEBT / GRANTS										
1.20	1.17		0.00%	0	\$0	\$500	\$500	0	0.00%	
1.20	1.17		0.00%	0	\$536,400		\$536,400	0	0.00%	
					TOTAL DEBT / GRANT SOURCES	\$8,072,889	\$3,010,610	\$8,072,889		
					TOTAL DEBT SERVICE	\$295,182	\$295,183			
NET CASH FLOW					\$55,969	\$48,794	\$343,976	\$48,793	NET CASH FLOW	

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE						
DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Credit Price	Annual Credit	% Cost	Annual Credits per Unit	
					Applicant	TDHCA					
LIHTC Equity	59.9%	\$1,575,000	\$0.85	\$13,384,823	\$13,699,760	\$13,699,760	\$0.8498	\$1,575,000	59.9%	\$21,284	
Equity Contribution	0.0%			\$110	\$110	\$110			0.0%		
JES Dev Co. Inc.	4.0%	(47% Deferred)		\$902,472	\$107,811	\$107,811			4.0%		
Additional (Excess) Funds Rec'd	0.0%			\$0	\$0	\$0			0.0%		
TOTAL EQUITY SOURCES	63.9%			\$14,287,405	\$13,806,871	\$13,806,871			63.9%	Total Developer Fee: \$1,935,435	
TOTAL CAPITALIZATION					\$16,817,981	\$16,817,481	\$22,360,294	15-Yr Cash Flow after Deferred Fee:			\$113,950

DEVELOPMENT COST / ITEMIZED BASIS										
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					
Eligible Basis	New Const. Rehab	Acquisition	Total Costs	Prior Underwriting	Total Costs		Total Costs	New Const. Rehab	Acquisition	COST VARIANCE
					Applicant	TDHCA				
Land Acquisition			\$1,285,000	\$1,285,000	\$1,285,000	\$1,285,000	\$17,365 / Unit			\$0
Closing costs & acq. legal fees			\$182,000	\$182,000	\$182,000	\$182,000				\$0
Off-Sites	\$0		\$295,271	\$295,271	\$295,271	\$295,271	\$3,990 / Unit			\$0
Site Work	\$1,491,794		\$2,220,331	\$1,491,794	\$2,220,331	\$3,004 / Unit		\$1,491,794		\$0
Site Amenities	\$381,000		\$381,000	\$235,462	\$381,000	\$5,149 / Unit		\$381,000		\$0
Building Cost	\$10,661,137		\$10,661,137	\$7,488,180	\$10,661,137	\$144,069/Unit		\$10,661,137		\$0
Contingency	\$500,000		\$500,000	\$582,163	\$500,000	3.69%		\$500,000		\$0
Contractor Fees	\$1,898,082		\$1,898,082	\$1,413,001	\$1,898,082	13.50%		\$1,824,750		\$0
Soft Costs	\$0	\$842,227	\$21,299 / Unit	\$849,023	\$849,023	\$1,576,123	\$21,299 / Unit	\$842,227		\$0
Financing	\$0	\$1,052,227	\$17,241 / Unit	\$979,414	\$979,414	\$1,275,798	\$17,241 / Unit	\$1,052,227		\$0
Developer Fee	\$0	\$1,935,435	11.50%	\$1,935,345	\$1,935,345	\$1,935,435	10.89%	\$1,935,435		\$0
Reserves				\$262,828	\$262,828	\$150,117	3 Months	\$150,117		\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	\$0	\$18,761,898		\$16,817,481	\$22,360,294	\$302,166 / Unit		\$18,688,566	\$0	\$0
Acquisition Cost	\$0	\$0		\$0	\$0			\$0		\$0
Contingency	\$0	\$0		\$0	\$0			\$0		\$0
Contractor's Fee		(\$73,332)		\$0	\$0			\$0		\$0
Financing Cost	\$0	\$0		\$0	\$0			\$0		\$0
Developer Fee	\$0	\$0		\$0	\$0			\$0		\$0
Reserves	\$0	\$0		\$0	\$0			\$0		\$0
ADJUSTED BASIS / COST	\$0	\$18,688,566		\$16,817,481	\$22,360,294	\$302,166/Unit		\$18,688,566	\$0	\$0
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$22,360,294					

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Trailside Estates, Tyler, 9% HTC/MDL #24508_22228

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$18,688,566	\$0	\$18,688,566
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$18,688,566	\$0	\$18,688,566
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$24,295,136	\$0	\$24,295,136
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$24,295,136	\$0	\$24,295,136
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,186,562	\$0	\$2,186,562
CREDITS ON QUALIFIED BASIS	\$2,186,562		\$2,186,562	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION	
	Annual Credits	Proceeds	Credit Price	Variance to Request
Eligible Basis	\$2,186,562	\$18,562,063	Credit Allocation	Proceeds
Needed to Fill Gap	\$1,681,194	\$14,287,295		
Previous Allocation	\$1,575,000	\$13,394,823	\$1,575,000	\$0

Long-Term Pro Forma

Trailside Estates, Tyler, 9% HTC/MDL #24508_22228

Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40	
EFFECTIVE GROSS INCOME	\$767,288	\$782,633	\$798,286	\$814,252	\$830,537	\$847,147	\$864,090	\$881,372	\$899,000	\$916,980	\$1,012,420	\$1,117,793	\$1,234,134	\$1,362,583	\$1,504,402	\$1,660,982	
TOTAL EXPENSES	\$423,312	\$435,536	\$448,241	\$461,320	\$474,784	\$488,645	\$502,913	\$517,602	\$532,723	\$548,290	\$633,283	\$731,571	\$845,244	\$976,727	\$1,128,824	\$1,304,785	
NET OPERATING INCOME ("NOI")	\$343,976	\$347,097	\$350,044	\$352,931	\$355,752	\$358,503	\$361,177	\$363,770	\$366,276	\$368,690	\$379,136	\$386,222	\$388,890	\$385,857	\$375,578	\$356,196	
EXPENSE/INCOME RATIO	55.2%	55.7%	56.2%	56.7%	57.2%	57.7%	58.2%	58.7%	59.3%	59.8%	62.6%	65.4%	68.5%	71.7%	75.0%	78.6%	
MUST -PAY DEBT SERVICE																	
TOTAL DEBT SERVICE	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	\$295,183	
DEBT COVERAGE RATIO	1.17	1.18	1.19	1.20	1.21	1.21	1.22	1.23	1.24	1.25	1.28	1.31	1.32	1.31	1.27	1.21	
ANNUAL CASH FLOW	\$48,793	\$51,914	\$54,862	\$57,749	\$60,570	\$63,320	\$65,995	\$68,588	\$71,094	\$73,507	\$83,954	\$91,040	\$93,707	\$90,674	\$80,395	\$61,013	
Deferred Developer Fee Balance	\$853,679	\$801,765	\$746,903	\$689,155	\$628,585	\$565,265	\$499,271	\$430,683	\$359,589	\$286,082	\$0	\$0	\$0	\$0	\$0	\$0	
CUMULATIVE NET CASH FLOW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,950	\$556,517	\$1,021,723	\$1,483,726	\$1,909,505	\$2,257,393	

22228 Celebration Tyler - Application Summary

PROPERTY IDENTIFICATION

Application #	22228
Development	Celebration Tyler
City / County	Tyler / Smith
Region/Area	4 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended
LIHTC (9% Credit)	\$1,575,000	\$1,284/Unit \$0.87

KEY PRINCIPALS / SPONSOR

JES Dev Co. Inc.
Jeffrey Walker Smith

Related Parties	Contractor -	Yes	Seller -	No
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TYPICAL BUILDING ELEVATION/PHOTO

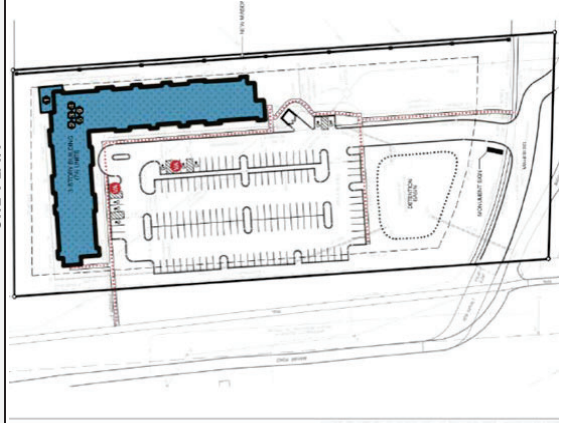


UNIT DISTRIBUTION		INCOME DISTRIBUTION	
# Beds	# Units	% Total	% Total
Eff	-	0%	0%
1	24	32%	11%
2	50	68%	40%
3	-	0%	0%
4	-	0%	0%
TOTAL	74	100%	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	Applicant's Pro Forma
Debt Coverage	1.15 Expense Ratio 62.2%
Breakeven Occ.	87.9% Breakeven Rent \$686
Average Rent	\$723 B/E Rent Margin 37
Property Taxes	\$730/unit Exemption/PILOT 0%
Total Expense	\$5.132/unit Controllable \$2,974/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	4.1%
Highest Unit Capture Rate	17% 2 BR/60% 36
Dominant Unit Cap. Rate	17% 2 BR/60% 36
Premiums (±60% Rents)	N/A
Rent Assisted Units	N/A

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs
Avg. Unit Size	838 SF Density 14.6/acre
Acquisition	\$17K/unit \$1,285K
Building Cost	\$120.78/SF \$101K/unit \$7,488K
Hard Cost	\$136K/unit \$10,093K
Total Cost	\$227K/unit \$16,817K
Developer Fee	\$1.935K (6% Deferral) Paid Year 4
Contractor Fee	\$1.413K 30% Boost Yes

DEBT (Must Pay)				CASH FLOW DEBT / GRANT FUNDS				EQUITY / DEFERRED FEES					
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount		
STERLING BANK	18/35	5.75%	\$3,010,000	1.15	JES PARTNERSHIPS-CELEBRATION, L.L.C.	0/0	0.00%	\$110	1.15	Affordable Equity Partners, Inc.	\$13,699,760		
										JES Dev Co, Inc.	\$107,111		
TOTAL DEBT (Must Pay)				\$3,010,000	CASH FLOW DEBT / GRANTS				\$110	TOTAL EQUITY SOURCES			\$13,806,871
										TOTAL DEBT SOURCES			\$3,010,110
										TOTAL CAPITALIZATION			\$16,816,981

CONDITIONS

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 IDHCA funds may be warranted.

RISK PROFILE

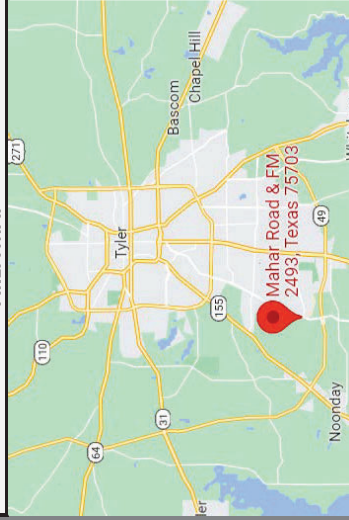
STRENGTHS/MITIGATING FACTORS

- Developer Experience
- Low gross capture rate
- Attractive elevator-served design should enhance leasing

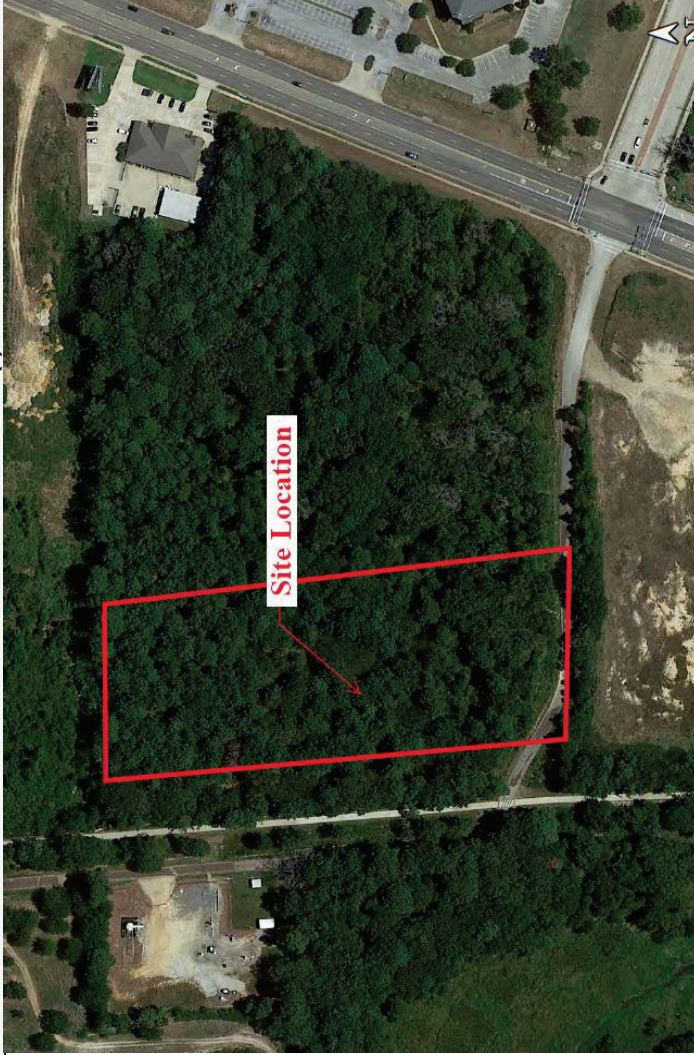
WEAKNESSES/RISKS

- High expense ratio (62%)
- Debt coverage tight at 1.15 times
- Low visibility with single point of access

AREA MAP



AERIAL PHOTOGRAPH(S)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22228** Program(s): **9% HTC**

Celebration Tyler

Address/Location: NW corner of County Road 164 and Cumberland Road

City: Tyler County: Smith Zip: 75703

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

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 4

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$1,575,000				\$1,575,000				

CONDITIONS

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	8
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	51

DEVELOPMENT SUMMARY

Celebration Tyler is a 74 unit elderly limitation development comprised of a 3-story, elevator served building. Unit mix will be 24 one-bedroom and 50 two-bedroom units that will serve the 30%, 50%, and 60% AMI.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Developer Experience
▫	Low gross capture rate
▫	Attractive elevator-served design should enhance leasing

WEAKNESSES/RISKS	
▫	High expense ratio (62%)
▫	Debt coverage right at 1.15 times
▫	Low visibility with single point of access

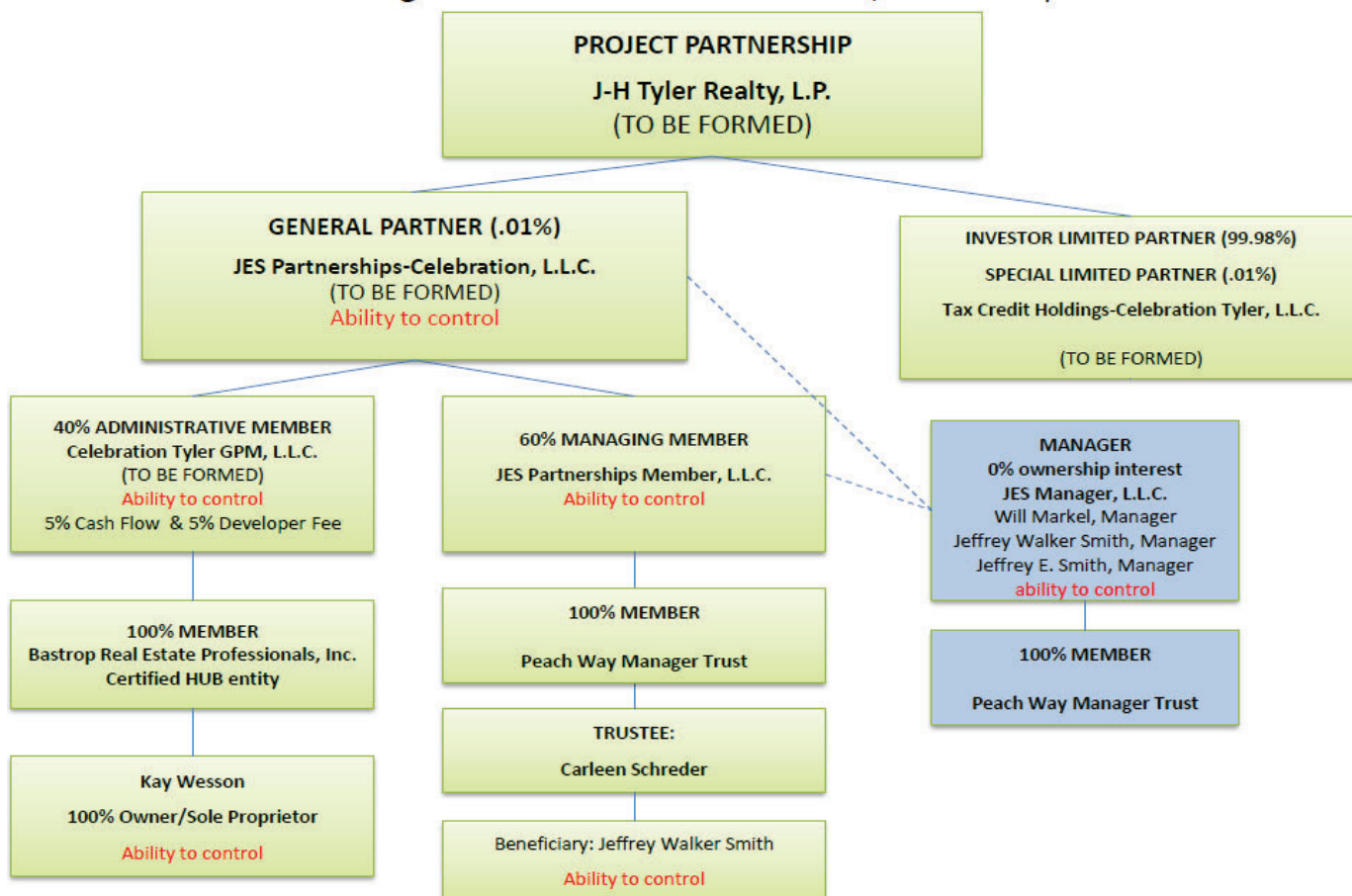
DEVELOPMENT TEAM

PRIMARY CONTACTS

Name: Brian Kimes
 Phone: (573) 443-2021
 Relationship: Developer

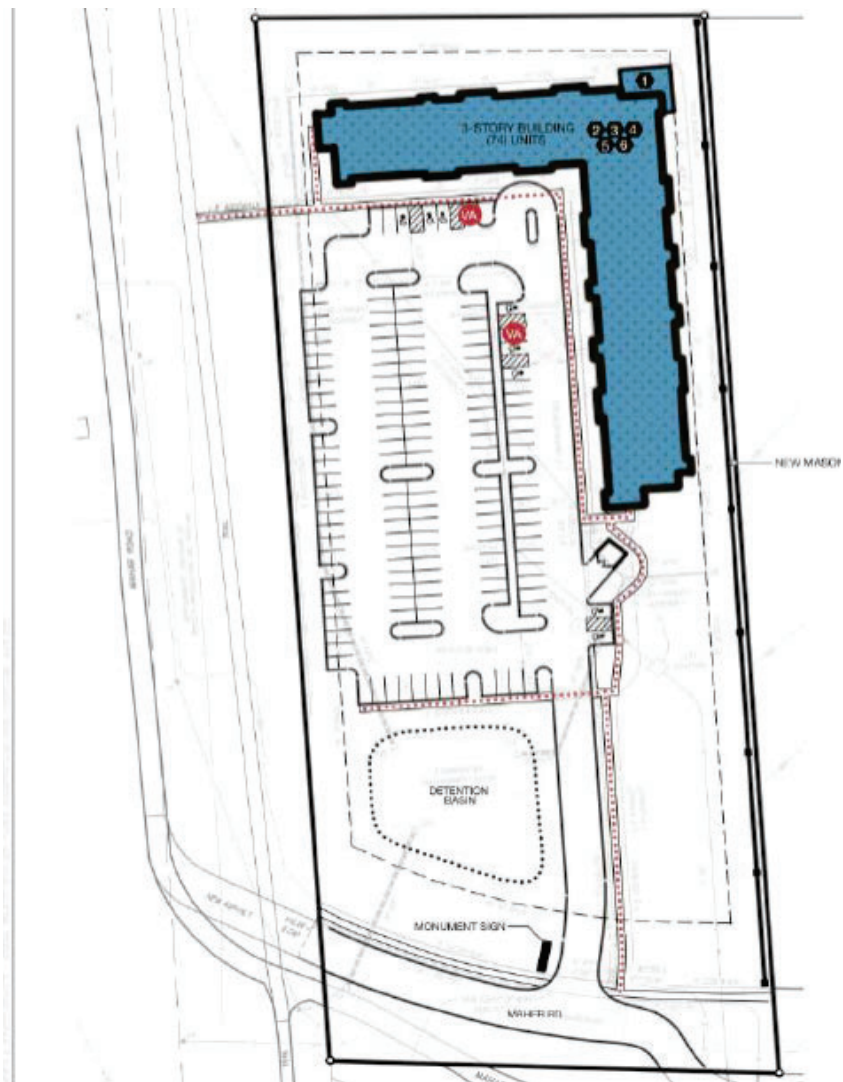
Name: Jim Markel
 Phone: (404) 841-2227
 Relationship: Developer

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN





Comments:

The site topography is relatively flat. Ingress/Egress will be from a north-south driveway that connects the site and Mahar Road. Site amenities include an office, community room, multi-purpose room, computer room, library, and fitness area.

The City's zoning ordinance requires a parking ratio of 1.5 spaces per 1-bedroom unit and 2.0 spaces per two-bedroom unit. Five-percent (5%) of total spaces will be added for visitors. The minimum number of required parking spaces is 143. Site Plan reflects a total of 144 open surface spaces, which will be provided at no charge to the residents.

BUILDING PLAN (Typical)



Comments:

General unit features include 9 ft. ceilings and walk-in closets. Two-bedroom units have island kitchens. The building is elevator-served with full-length, conditioned corridors, requiring multiple plumbing runs and additional structural costs.

BUILDING ELEVATION



Comments:

Standard building articulation. Roof has a 6/12 pitch with composition shingles. Exterior plans show an average combination of 45% stone veneer and 55% fiber cement lap siding. L-shaped building contributes to cost.

BUILDING CONFIGURATION

Building Type	1											Total Buildings
Floors/Stories	3											1
Number of Bldgs	1											
Units per Bldg	74											
Total Units	74											74
Avg. Unit Size (SF)		838 sf		Total NRA (SF)		62,000		Common Area (SF)*		14,410		

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.08 acres Density: 14.6 units/acre
Site Control: 5.13 **Site Plan:** 5.08 **Appraisal:** NA **ESA:** 5.13
Feasibility Report Survey: 5.08 **Feasibility Report Engineer's Plan:** 5.08

Control Type: Commercial Contract - Unimproved Property

Development Site: 5.08 acres Cost: \$1,285,000 \$17,365 per unit

Seller: Kittrells Village LLC

Buyer: The Javelin Group, LLC

Assignee: JES Dev Co, Inc.

Related-Party Seller/Identity of Interest: No

Comments:

The survey concluded a somewhat smaller tract size than anticipated in the purchase agreement. The LURA will encumber 5.08 acres.

SITE INFORMATION

Flood Zone:	<u>X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>C-1 Light Commercial</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>Yes</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>N/A</u>	Title Issues?	<u>No</u>

Current Uses of Subject Site:

Undeveloped parcel of land that is covered by trees.

Surrounding Uses:

North: Undeveloped land, with residential properties located further north.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: NewFields Date: 2/23/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- None.

Comments:

During the performance of the site reconnaissance, designated wetlands were not observed on or adjacent to the subject property. NewFields reviewed the U.S. Fish and Wildlife National Wetlands Inventory Wetlands Mapper that identified a freshwater emergent wetland within 500 feet to the west of the subject property. If future development will encroach or disturb a wetlands area, persons should seek the advice of appropriate Federal, State, or local agencies concerning specified agency regulatory programs and proprietary jurisdictions that may affect such activities.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC

Date: 3/20/2022

Contact: Darrell G Jack

Phone: (210) 530-0040

Primary Market Area (PMA): 53.05 sq. miles 4 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Smith County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	\$9,480	\$9,480	\$11,376	\$11,376	---	---	---
	Max	\$14,760	\$16,860	\$18,960	\$21,060	---	---	---
50% AMGI	Min	\$15,792	\$15,792	\$18,960	\$18,960	---	---	---
	Max	\$24,600	\$28,100	\$31,600	\$35,100	---	---	---
60% AMGI	Min	\$18,960	\$18,960	\$22,752	\$22,752	---	---	---
	Max	\$29,520	\$33,720	\$37,920	\$42,120	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
19225	Rosewood Senior Villas	No	New	Elderly	86	92
Other Affordable Developments in PMA since 2017						
	None	#N/A	#N/A	n/a	#N/A	
Stabilized Affordable Developments in PMA					Total Units	892
					Total Developments	6
					Average Occupancy	99.6%

Proposed, Under Construction, and Unstabilized Competitive Supply:

Rosewood Senior Villas (THDCA #19225) is located just outside the PMA. This project is nearing completion and will be leasing up in 2022. Rosewood Senior Villas was included in the capture rate.

OVERALL DEMAND ANALYSIS			
	Market Analyst		
	HTC	Assisted	
Total Households in the Primary Market Area	28,616		
Senior Households in the Primary Market Area	12,673		
Potential Demand from the Primary Market Area	3,548		
10% External Demand	355		
Potential Demand from Other Sources			
GROSS DEMAND	3,903		

Subject Affordable Units	74			
Unstabilized Competitive Units	86			
RELEVANT SUPPLY	160			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE				
	4.1%			

Population:	Elderly Limitation	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND										
AMGI Band	Market Analyst					Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	624	62	8	9	2%					
50% AMGI	741	74	15	18	4%					
60% AMGI	1,691	169	51	59	6%					

Demand Analysis:

Minimum eligible income is calculated at 50% rent to income for Elderly developments. Gross demand includes all household sizes and both renter and owner households. Elderly is assumed age 55 and up.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
Unit Type	Market Analyst					Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	274	27	3	5	3%					
1 BR/50%	384	38	6	11	4%					
1 BR/60%	716	72	15	34	6%					
2 BR/30%	91	9	5	4	9%					
2 BR/50%	158	16	9	7	9%					
2 BR/60%	317	32	36	25	17%					

Market Analyst Comments:

There have been no affordable senior projects constructed and absorbed within the past two decades. Villas of Pine Ridge (TDHCA #95138) is the only affordable senior project built in the PMA. The 148-unit project was built in 1997 and is currently 100% occupied. (p.13)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$230,495	Avg. Rent:	\$723	Expense Ratio:	62.2%
Debt Service:	\$199,924	B/E Rent:	\$686	Controllable Expenses:	\$2,974
Net Cash Flow:	\$30,570	UW Occupancy:	92.5%	Property Taxes/Unit:	\$730
Aggregate DCR:	1.15	B/E Occupancy:	87.9%	Program Rent Year:	2021

The project is 100% HTC restricted and all units are expected to achieve full program rents.

Breakeven occupancy occurs with 9 units vacant (underwritten at 6).

The deferred developer fee pays off in year 4 with residual 15 year cash flow of \$431K.

Pro Forma exhibits feasibility for 23 years at a permanent loan rate of 5.75% fixed, but rate cannot increase without first year DCR dropping below the 1.15 threshold.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$252,953/ac	\$17,365/unit	\$1,285,000	Contractor Fee	\$1,413,001
Off-site + Site Work		\$27,331/unit	\$2,022,527	Soft Cost + Financing	\$1,828,437
Building Cost	\$120.78/sf	\$101,192/unit	\$7,488,180	Developer Fee	\$1,935,345
Contingency	6.12%	\$7,867/unit	\$582,163	Reserves	\$262,828
Total Development Cost	\$227,263/unit	\$16,817,481		Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?	High Opportunity Index [9% only]				

Off-site:

\$295K in Off-site costs include the extension of force main sewer and storm water utilities westwards to the site boundaries. The existing asphalt pavement of Mahar Road will be removed and resurfaced.

Site Work:

Certified \$1.5M (\$20K/unit) for detention, grading, paving, concrete and utility costs. Amenity cost of \$235K (\$3.1K/unit) was not included in certification, but is comprised of \$198K for landscaping and \$20K for fencing.

CPA letter provided to include all site work in basis.

Building Cost:

Applicant reports that \$7.4M building cost estimate is consistent with the costs they are seeing from their third party contractor. TDHCA's common pricing methodology using Marshall & Swift's ("M&S") cost model for average quality multifamily construction results in an estimated building cost of \$7.1M after adjusting for the small number of units.

For scoring purposes, Applicant limited their eligible building cost to \$106.28/sf (vs. \$120.78/sf budgeted actual cost).

Developer Fee:

The developer fee meets the 15% limit.

Reserves:

Applicant's total capital reserves represent approximately 5 months of operating expenses and debt service.

Comments:

Applicant's total cost is within 5% of Underwriter's estimate. Therefore, the recommended capital structure is based on Applicant's cost schedule.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$16,817,481	\$13,464,444	\$1,575,340

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Sterling Bank	Conventional Loan	\$12,500,000	5.25%	82%
Affordable Equity Partners, Inc.	HTC	\$2,739,952	\$0.87	18%
City of Tyler-fee waiver	§11.9(d)(2)LPS Contribution	\$500	0.00%	0%
JES Partnerships-Celebration, L.L.C.	Equity Contribution	\$110	0.00%	0%
		\$15,240,562	Total Sources	

Comments:

Construction for Celebration Tyler will be financed with a conventional construction loan provided by Sterling Bank in the amount of \$12,500,000.

Contribution of \$500 in fee waivers from the City of Tyler was obtained for scoring purposes and represents the minimum amount required for an urban development.

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Sterling Bank	\$3,010,000	5.75%	35	18	\$3,010,000	5.75%	35	18	18%
City of Tyler-fee waiver	\$500	0.00%	0	0	\$500	0.00%	0	0	0%
JES Partnerships-Celebration, L.L.C.	\$110	0.00%	0	0	\$110	0.00%	0	0	0%
Total	\$3,010,610				\$3,010,610				

Comments:

Permanent Financing will include a conventional loan provided by Sterling Bank in the amount of \$3,010,000 (35 year amortization, 18 year term, 5.75% rate). A nominal \$110 equity contribution will be made by the General Partner, JES Partnerships-Celebration, LLC.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Affordable Equity Partners, Inc.	\$13,699,760	\$0.87		\$13,699,760	\$0.87	81%	
JES Dev Co, Inc.	\$107,611		6%	\$107,111		1%	6%
Total	\$13,807,371			\$13,806,871			
				\$16,817,481	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.877	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.842	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$16,817,481
Permanent Sources (debt + non-HTC equity)	\$3,010,610
Gap in Permanent Financing	\$13,806,871

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$13,702,717	\$1,575,340
Needed to Balance Sources & Uses	\$13,806,871	\$1,587,314
Requested by Applicant	\$13,699,760	\$1,575,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$13,699,760	\$1,575,000
Deferred Developer Fee	\$107,111	(6% deferred)
Repayable in	4 years	

Comments:

Credit recommendation is limited to \$1,575,000 as requested by Applicant.

Underwriter:

Deborah Willson

Manager of Real Estate Analysis:

Gregg Kazak

Director of Real Estate Analysis:

Jeanna Adams

UNIT MIX/RENT SCHEDULE

Celebration Tyler, Tyler, 9% HTC #22228

LOCATION DATA

CITY:	Tyler
COUNTY:	Smith
Area Median Income	\$72,900
PROGRAM REGION:	4
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	24	32.4%	0	0
2	50	67.6%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	74	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	838 sf

	55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income		-	8	-	15	51	-	-	-	-	74
% Total		0.0%	10.8%	0.0%	20.3%	68.9%	0.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC	Type	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS			TDHCA PRO FORMA RENTS			MARKET RENTS			
		# 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%	3	1	1	750	\$395	\$81	\$314	\$0	\$0.42	\$314	\$942	\$314	\$0	\$0	\$1.372	\$1.83	\$1.372
	TC 50%	6	1	1	750	\$658	\$81	\$577	\$0	\$0.77	\$577	\$3,462	\$577	\$1	\$0	\$1.372	\$1.83	\$1.372
	TC 60%	15	1	1	750	\$790	\$81	\$709	\$0	\$0.95	\$709	\$10,635	\$709	\$1	\$0	\$1.372	\$1.83	\$1.372
	TC 30%	5	2	1	880	\$474	\$103	\$371	\$0	\$0.42	\$371	\$1,855	\$371	\$0	\$0	\$1.484	\$1.69	\$1.484
	TC 50%	9	2	1	880	\$790	\$103	\$687	\$0	\$0.78	\$687	\$6,183	\$687	\$1	\$0	\$1.484	\$1.69	\$1.484
	TC 60%	36	2	1	880	\$948	\$103	\$845	\$0	\$0.96	\$845	\$30,420	\$845	\$1	\$0	\$1.484	\$1.69	\$1.484
	TOTALS/AVERAGES:	74			62,000				\$0	\$0.86	\$723	\$53,497	\$723	\$0.86	\$0	\$1,448	\$1.73	\$1,448

ANNUAL POTENTIAL GROSS RENT:

\$641,964

\$641,964

STABILIZED PRO FORMA

Celebration Tyler, Tyler, 9% HTC #22228

	STABILIZED FIRST YEAR PRO FORMA										VARIANCE	
	COMPARABLES		APPLICANT				TDHCA					
	Database	Local Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT												
Late rent, forfeited deposits, app fees, vend						\$641,964	\$641,964	\$723	\$0.86		0.0%	\$0
Total Secondary Income						\$17,760	\$17,760				0.0%	\$0
POTENTIAL GROSS INCOME						\$659,724	\$659,724				0.0%	\$0
Vacancy & Collection Loss						(49,479)	(49,479)				0.0%	-
EFFECTIVE GROSS INCOME						\$610,245	\$610,245				0.0%	\$0
General & Administrative	\$29,174	\$34,735	\$469	\$0.48	\$404	\$29,900	\$29,174	\$394	\$0.47	4.78%	2.5%	726
Management	\$39,285	\$33,556	\$453	\$0.57	\$480	\$35,520	\$35,516	\$480	\$0.57	5.82%	0.0%	4
Payroll & Payroll Tax	\$77,646	\$96,352	\$1,302	\$1.49	\$1,252	\$92,650	\$92,650	\$1,252	\$1.49	15.18%	0.0%	-
Repairs & Maintenance	\$50,675	\$55,966	\$756	\$0.78	\$655	\$48,500	\$48,100	\$650	\$0.78	7.88%	0.8%	400
Electric/Gas	\$12,820	\$9,004	\$122	\$0.19	\$162	\$12,000	\$12,820	\$173	\$0.21	2.10%	-6.4%	(820)
Water, Sewer, & Trash	\$40,818	\$28,879	\$390	\$0.60	\$500	\$37,000	\$40,818	\$552	\$0.66	6.69%	-9.4%	(3,818)
Property Insurance	\$28,166	\$26,609	\$360	\$0.76	\$638	\$47,220	\$47,220	\$638	\$0.76	7.74%	0.0%	-
Property Tax (@ 100%)	\$33,226	\$34,868	\$471	\$0.87	\$730	\$54,000	\$48,669	\$658	\$0.78	7.98%	11.0%	5,331
Reserve for Replacements				\$0.30	\$250	\$18,500	\$18,500	\$250	\$0.30	3.03%	0.0%	-
Cable TV				\$0.01	\$12	\$900	\$900	\$12	\$0.01	0.15%	0.0%	-
Supportive Services				\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)				\$0.05	\$40	\$2,960	\$2,960	\$40	\$0.05	0.49%	0.0%	-
Security				\$0.01	\$8	\$600	\$600	\$8	\$0.01	0.10%	0.0%	-
TOTAL EXPENSES			62.23%	\$6.13	\$5,132	\$379,750	\$377,928	\$5,107	\$6.10	61.93%	0.5%	\$ 1,822
NET OPERATING INCOME ("NOI")			37.77%	\$3.72	\$3,115	\$230,495	\$232,317	\$3,139	\$3.75	38.07%	-0.8%	\$ (1,822)
CONTROLLABLE EXPENSES												

		\$2,974/Unit	\$3,021/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
Celebration Tyler, Tyler, 9% HTC #22228

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE						AS UNDERWRITTEN DEBT/GRANT STRUCTURE								
Cumulative DCR	UW	App	Fee	Pmt	Rate	Amort	Term	Principal	Principal	Term	Rate	Pmt	Cumulative	
													DCR	LTC
1.16	1.15			199,924	5.75%	35	18	\$3,010,000	\$3,010,000	18	5.75%	\$199,924	1.15	17.9%
CASH FLOW DEBT / GRANTS														
1.16	1.15			0	0.00%	0	0	\$500	\$500	0	0.00%	0	1.15	0.0%
1.16	1.15			0	0.00%	0	0	\$110	\$110	0	0.00%	0	1.15	0.0%
TOTAL DEBT / GRANT SOURCES												\$199,924	\$199,924	
NET CASH FLOW												\$32,393	\$30,570	
APPLICANT NET OPERATING INCOME												\$230,495	\$30,570	NET CASH FLOW

EQUITY SOURCES															
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE									
DESCRIPTION	Amount	Credit Price	Annual Credit	% Cost	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	Applicant Request				
												Amount	Amount	Amount	Amount
LIHTC Equity	\$13,699,760	\$0.87	\$1,575,000	81.5%	\$13,699,760	\$0.8698	\$1,575,000	81.5%	\$21,284		\$1,935,345				
Deferred Developer Fees	\$107,611		(6% Deferred)	0.6%	\$107,611		(6% Deferred)	0.6%							
Additional (Excess) Funds Req'd	\$0			0.0%	\$0			0.0%							
TOTAL EQUITY SOURCES												\$13,807,371	\$13,806,871		
TOTAL CAPITALIZATION												\$16,817,981	\$16,817,481	15-Yr Cash Flow after Deferred Fee:	\$430,672

DEVELOPMENT COST / ITEMIZED BASIS	APPLICANT COST / BASIS ITEMS		Total Costs	TDHCA COST / BASIS ITEMS		Total Costs	Eligible Basis		COST VARIANCE							
	Acquisition	New Const Rehab		Acquisition	New Const Rehab		Acquisition	%								
										Acquisition	%					
Land Acquisition	\$0	\$17,365 / Unit	\$17,365 / Unit	\$1,285,000	\$17,365 / Unit	\$1,285,000		0.0%	\$0							
Off-Sites	\$0	\$3,990 / Unit	\$3,990 / Unit	\$295,271	\$3,990 / Unit	\$295,271		0.0%	\$0							
Site Work	\$1,491,794	\$20,159 / Unit	\$20,159 / Unit	\$1,491,794	\$20,159 / Unit	\$1,491,794		0.0%	\$0							
Site Amenities	\$235,462	\$3,182 / Unit	\$3,182 / Unit	\$235,462	\$3,182 / Unit	\$235,462		0.0%	\$0							
Building Cost	\$6,589,360	\$120.78 /sf	\$101,192/Unit	\$7,145,571	\$96,562/Unit	\$115.25 /sf	\$6,589,360	4.8%	\$342,609							
Contingency	\$582,163	7.00%	6.12%	\$582,163	6.35%	7.00%	\$582,163	0.0%	\$0							
Contractor Fees	\$1,245,830	14.00%	14.00%	\$1,413,001	14.00%	14.00%	\$1,245,829	3.5%	\$47,965							
Soft Costs	\$0	\$809,023	\$11,473 / Unit	\$849,023	\$11,473 / Unit	\$809,023	\$0	0.0%	\$0							
Financing	\$0	\$754,582	\$13,235 / Unit	\$979,414	\$13,235 / Unit	\$754,582	\$0	0.0%	\$0							
Developer Fee	\$0	\$1,756,231	15.00%	\$1,935,345	15.00%	15.00%	\$1,756,231	2.7%	\$51,391							
Reserves	\$0		5 Months	\$262,828	5 Months	\$262,828	\$0	0.0%	\$0							
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)										\$0	\$13,464,444	\$16,817,481	\$221,291 / Unit	\$0	2.7%	\$441,965
Acquisition Cost	\$0			\$0		\$0										
Contingency	\$0			\$0		\$0										
Contractor's Fee	(\$1)			\$0		\$0										
Financing Cost	\$0			\$0		\$0										
Developer Fee	\$0			\$0		\$0										
Reserves	\$0			\$0		\$0										
ADJUSTED BASIS / COST										\$0	\$13,464,444	\$16,817,481	\$221,291/unit	\$0	2.7%	\$441,965
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):											\$16,817,481					

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Celebration Tyler, Tyler, 9% HTC #22228

CREDIT CALCULATION ON QUALIFIED BASIS			
Applicant	TDHCA		Construction
	Acquisition	Rehabilitation	
ADJUSTED BASIS	\$0	\$13,464,444	\$13,464,444
Deduction of Federal Grants	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$13,464,444	\$13,464,444
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS	\$0	\$17,503,777	\$17,503,777
Applicable Fraction	100.00%	100.00%	100%
TOTAL QUALIFIED BASIS	\$0	\$17,503,777	\$17,503,777
Applicable Percentage	4.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,575,340	\$1,575,340
CREDITS ON QUALIFIED BASIS	\$1,575,340		\$1,575,340

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION	
	Annual Credits	Proceeds	Credit Price \$0.8698	Variance to Request
Eligible Basis	\$1,575,340	\$13,702,717		
Needed to Fill Gap	\$1,587,314	\$13,806,871		
Applicant Request	\$1,575,000	\$13,699,760	\$1,575,000	\$0

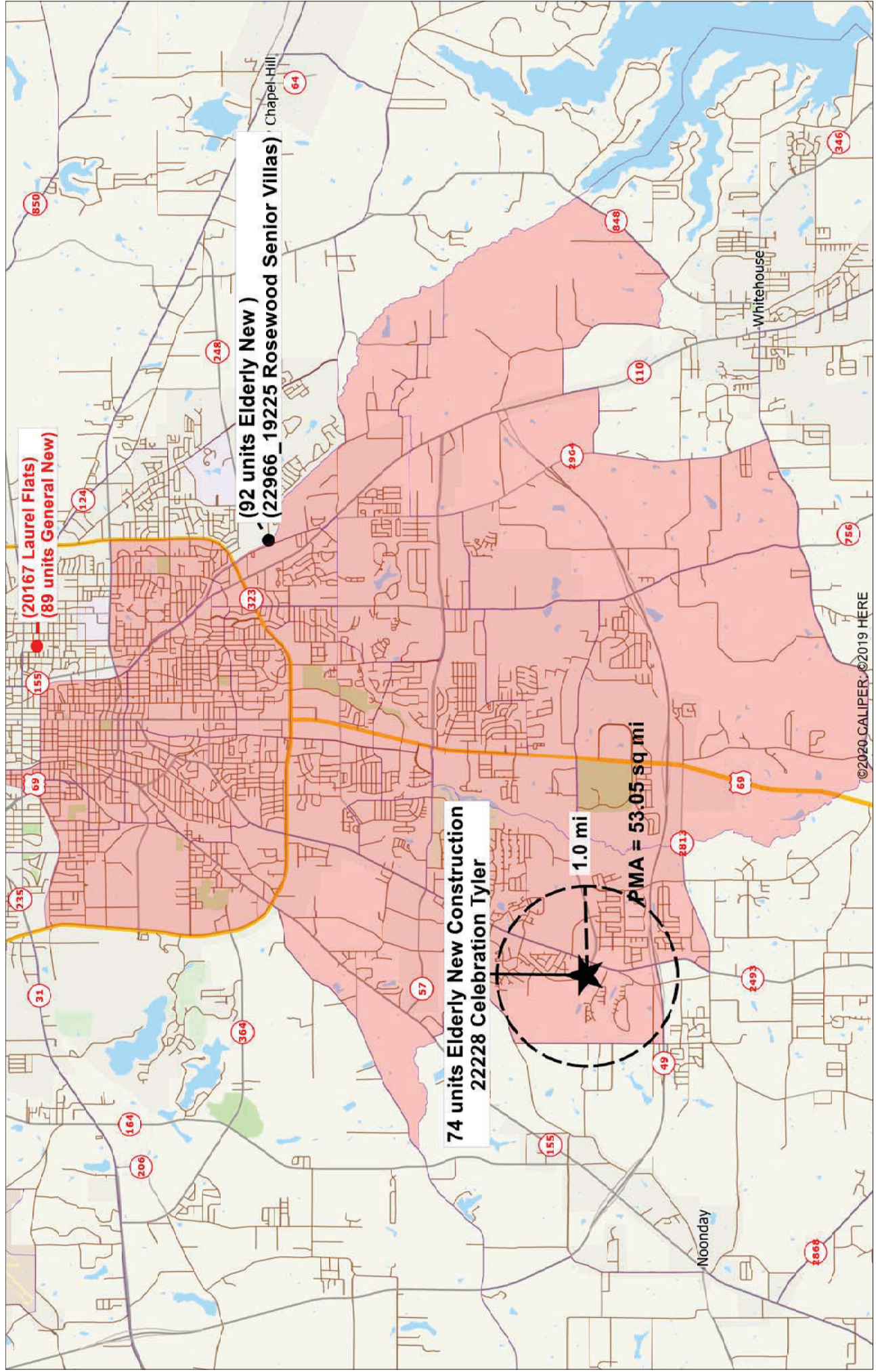
BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	62,000 SF	\$78.19	4,847,656
Adjustments				
Exterior Wall Finish	3.60%		2.81	\$174,516
Elderly	3.00%		2.35	145,430
9-Ft. Ceilings	3.45%		2.70	167,244
Roof Adjustment(s)			1.19	74,000
Subfloor			(0.16)	(9,920)
Floor Cover			2.82	174,840
Enclosed Corridors	\$69.74	9,378	10.55	664,003
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$1,090	150	2.64	163,500
Rough-ins	\$635	148	1.28	79,180
Built-In Appliances	\$1,880	74	2.24	139,120
Exterior Stairs	\$2,460	2	0.08	4,920
Heating/Cooling			2.37	146,940
Storage Space	\$69.74	0	0.00	0
Carports	\$13.00	0	0.00	0
Garages			0.00	0
Common/Support Area	\$87.42	14,410	20.32	1,259,722
Elevators	\$118,600	1	1.91	118,600
Other:			0.00	0
Fire Sprinklers	\$2.88	85,788	3.98	247,069
SUBTOTAL			135.27	8,386,820
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS				135.27
Plans, specs, survey, bldg permits	3.30%		(4.46)	(8276,765)
Contractor's OH & Profit	11.50%		(15.56)	(964,484)
NET BUILDING COSTS				\$7,145,571

Long-Term Pro Forma

Celebration Tyler, Tyler, 9% HTC #22228

	Growth Rate		Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%		\$610,245	\$622,450	\$634,899	\$647,597	\$660,548	\$729,299	\$805,205	\$889,011	\$981,540	\$1,083,700	\$1,196,492
TOTAL EXPENSES	3.00%		\$379,750	\$390,787	\$402,149	\$413,844	\$425,882	\$491,592	\$567,547	\$655,355	\$756,880	\$874,279	\$1,010,047
NET OPERATING INCOME ("NOI")			\$230,495	\$231,662	\$232,750	\$233,753	\$234,667	\$237,707	\$237,658	\$233,656	\$224,660	\$209,421	\$186,445
EXPENSE/INCOME RATIO			62.2%	62.8%	63.3%	63.9%	64.5%	67.4%	70.5%	73.7%	77.1%	80.7%	84.4%
MUST - PAY DEBT SERVICE													
TOTAL DEBT SERVICE			\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924	\$199,924
DEBT COVERAGE RATIO			1.15	1.16	1.16	1.17	1.17	1.19	1.19	1.17	1.12	1.05	0.93
ANNUAL CASH FLOW			\$30,570	\$31,738	\$32,826	\$33,829	\$34,742	\$37,783	\$37,734	\$33,732	\$24,735	\$9,497	(\$13,479)
Deferred Developer Fee Balance			\$76,541	\$44,803	\$11,977	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW			\$0	\$0	\$0	\$21,851	\$56,593	\$240,508	\$430,672	\$609,109	\$753,009	\$833,747	\$815,731

22228 Celebration Tyler PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.