



Real Estate Analysis Division

November 17, 2023

Addendum to Underwriting Report

TDHCA Application #: 22609

Program(s): 4% HTC/MDL

380 Villas

Address/Location: 1003 Throckmorton Street

City: McKinney

County: Collin

Zip: 75069

	APPLICATION HISTORY
Report Date	PURPOSE
11/17/23	Material Amendment and MDL Award Update
06/10/22	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Soft Repayable)	\$4,000,000	0.00%	0	18	\$4,000,000	0.00%	0	16	3
Private Activity Bonds	\$33,555,000				\$33,555,000				
LIHTC (4% Credit)	\$2,606,120				\$3,187,017				

* Multifamily Direct Loan Terms:

* 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 Contract

- Before Contract execution, the Owner will obtain building permits from the City that allow construction of the accessible route over the waterway.

Status: To be cleared at direct loan contract by program staff.

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(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

g: 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.

3 Receipt and acceptance before Determination Notice:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

Status: Condition has been cleared.

4 Receipt and acceptance by Cost Certification:

- 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	39
60% of AMI	60% of AMI	221

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	6
60% of AMFI	High HOME	20
80% of AMFI	High HOME	1

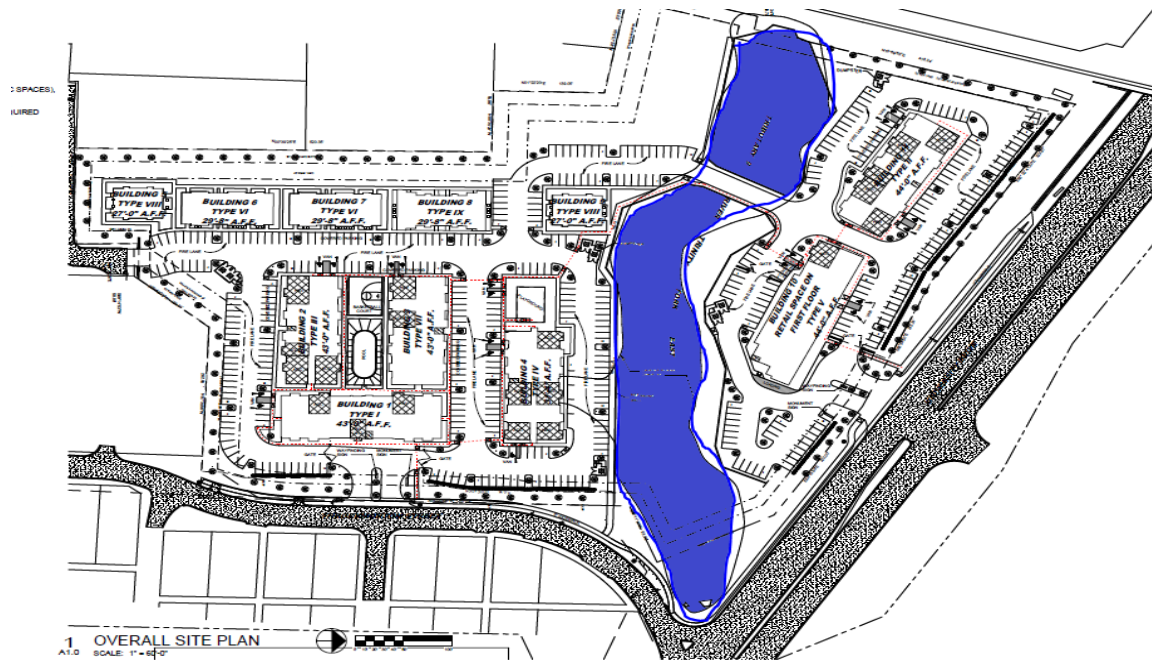
ANALYSIS

On June 12, 2022, 380 Villas was awarded an annual Housing Tax Credit allocation of \$2,606,120 and a \$4M deferred payable Multifamily Direct Loan with an annual payment of \$87,500, at 0% interest, 18 year permanent term and 36 month construction term. In September 2023, the Applicant requested an amendment to the Application in order to increase the total number of units from 220 to 260. Originally, the application included 12,000 SF of retail space which the Applicant has changed to residential space to accommodate the additional units. The City approved this change in July 2022.

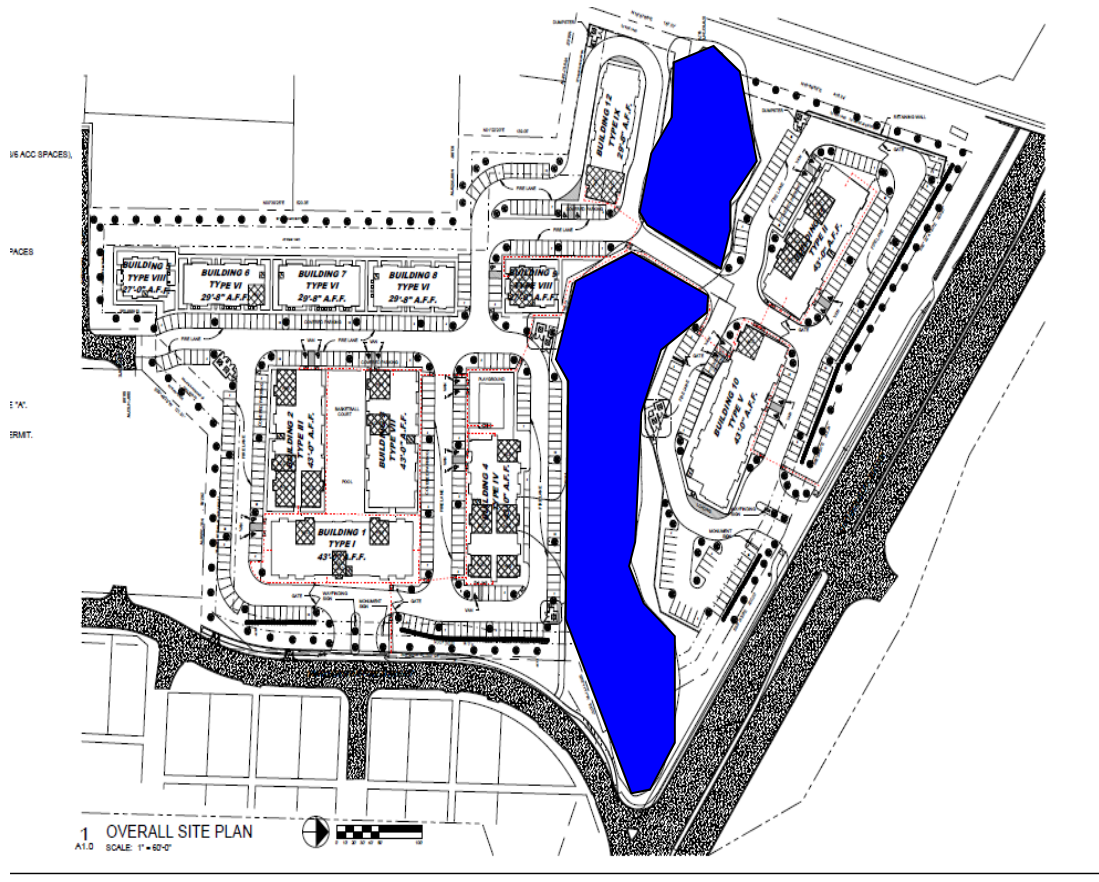
The increase in units has increased the HTC 30% units by 7 and the 60% units by 33. The Direct Loan 50%, 60% units have each increased by 1, and 80% units have decreased by 2.

Architect Drawings

Original Site Plan



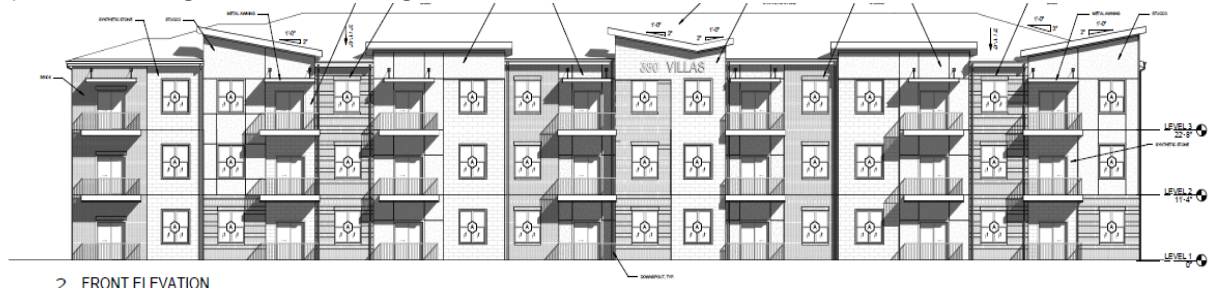
New Site Plan



Original Building Elevation (Building 5)



Updated Building Elevation (Building 5)



Operating Pro Forma

Income has increased by \$659K due to the increase in units, while expenses have increased by \$268K. The overall Net Operating Income has increased by \$391K.

Rents have been updated to 2023 limits.

Development Cost

Total development cost has increased by \$11M. Site work costs increased by \$2.47M with increases in paving, grading, and utility work. Building costs increased by \$4.57M and contingency and contractor fees added an additional \$1.6M to those line items. Total Developer Fees increased by \$1.39M.

Sources of Funds

Citi Bank N.A. will continue to provide the financing for the development. Construction period Tranche C financing has increased by \$8M and the interest rate has increased from 4.31% to 8.18%. They have added a Tranche B tax exempt permanent loan of \$6.09M, bringing the total permanent debt from Citi Bank to \$29,706,000. The interest rate of Tranche A has dropped from 5.34% to 5.22% and the interest rate of Tranche B is 5.37%.

Affordable Housing Partners has added \$4.79M to their equity contribution. Total developer fee has increased by \$1.39M and deferred developer fee has increased by \$123K. The Applicant has overstated the total developer fee by \$810.

The underwriting analysis assumes a decrease in the Tranche A permanent loan amount from \$23,616,000 to \$23,391,000 to achieve the minimum combined 1.15x debt coverage ratio.

The Underwriter recommends an annual Housing Tax Credit allocation of \$3,187,017 and a \$4M deferred payable Multifamily Direct Loan with an annual payment of \$87,500, at 0% interest, 16 year permanent term and an up to 36 month construction term, coterminus with the senior construction loan.

Underwriter:	<u>Jeffrey Price</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
380 Villas, McKinney, 4% HTC/MDL #22609

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

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	36	13.8%	0	4
1	82	31.5%	0	8
2	120	46.2%	1	12
3	22	8.5%	0	3
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	260	100.0%	1	27

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	865 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	39	-	-	221	-	-	-	260
Income	% Total	0.0%	15.0%	0.0%	0.0%	85.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																						
HTC		MF Direct Loan Units (HOME Rent/Inc)			UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match	# 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	Mkt Analyst	
TC 30%	\$541	LH/50%	\$902		1	0	1	556	\$541	\$45	\$496	\$0	\$0.89	\$496	\$496	\$496	\$496	\$0.89	\$0	\$989	\$1.78	\$989
TC 30%	\$541				6	0	1	556	\$541	\$45	\$496	\$0	\$0.89	\$496	\$2,976	\$2,976	\$496	\$0.89	\$0	\$989	\$1.78	\$989
TC 60%	\$1,083	HH/60%	\$1,153		3	0	1	556	\$1,083	\$45	\$1,038	(\$49)	\$1.78	\$989	\$2,967	\$2,967	\$989	\$1.78	(\$49)	\$989	\$1.78	\$989
TC 60%	\$1,083				26	0	1	556	\$1,083	\$45	\$1,038	(\$49)	\$1.78	\$989	\$25,714	\$25,714	\$989	\$1.78	(\$49)	\$989	\$1.78	\$989
TC 30%	\$580	LH/50%	\$966		2	1	1	717	\$580	\$52	\$528	\$0	\$0.74	\$528	\$1,056	\$1,056	\$528	\$0.74	\$0	\$1,328	\$1.85	\$1,328
TC 30%	\$580	HH/60%	\$1,236		6	1	1	717	\$580	\$52	\$528	\$0	\$0.74	\$528	\$3,168	\$3,168	\$528	\$0.74	\$0	\$1,328	\$1.85	\$1,328
TC 30%	\$580				15	1	1	717	\$580	\$52	\$528	\$0	\$0.74	\$528	\$7,920	\$7,920	\$528	\$0.74	\$0	\$1,328	\$1.85	\$1,328
TC 60%	\$1,160				27	1	1	717	\$1,160	\$52	\$1,108	\$0	\$1.55	\$1,108	\$29,916	\$29,916	\$1,108	\$1.55	\$0	\$1,328	\$1.85	\$1,328
TC 60%	\$1,160			Match	1	1	1	725	\$1,160	\$52	\$1,108	\$0	\$1.53	\$1,108	\$1,108	\$1,108	\$1,108	\$1.53	\$0	\$1,328	\$1.83	\$1,328
TC 60%	\$1,160				31	1	1	725	\$1,160	\$52	\$1,108	\$0	\$1.53	\$1,108	\$34,348	\$34,348	\$1,108	\$1.53	\$0	\$1,328	\$1.83	\$1,328
TC 30%	\$696	LH/50%	\$1,160		1	2	2	946	\$696	\$68	\$628	\$0	\$0.66	\$628	\$628	\$628	\$628	\$0.66	\$0	\$1,328	\$1.40	\$1,328
TC 30%	\$696	HH/60%	\$1,486		7	2	2	946	\$696	\$68	\$628	\$0	\$0.66	\$628	\$4,396	\$4,396	\$628	\$0.66	\$0	\$1,468	\$1.55	\$1,468
TC 60%	\$1,392				16	2	2	946	\$1,392	\$68	\$1,324	\$0	\$1.40	\$1,324	\$21,184	\$21,184	\$1,324	\$1.40	\$0	\$1,468	\$1.55	\$1,468
TC 60%	\$1,392			Match	1	2	2	952	\$1,392	\$68	\$1,324	\$0	\$1.39	\$1,324	\$1,324	\$1,324	\$1,324	\$1.39	\$0	\$1,468	\$1.54	\$1,468
TC 60%	\$1,392	HH/80%	\$1,486		1	2	2	952	\$1,392	\$68	\$1,324	\$0	\$1.39	\$1,324	\$1,324	\$1,324	\$1,324	\$1.39	\$0	\$1,468	\$1.54	\$1,468
TC 60%	\$1,392				62	2	2	952	\$1,392	\$68	\$1,324	\$0	\$1.39	\$1,324	\$82,088	\$82,088	\$1,324	\$1.39	\$0	\$1,468	\$1.54	\$1,468
TC 60%	\$1,392	LH/50%	\$1,160		1	2	2.5	1,108	\$1,160	\$68	\$1,092	\$0	\$0.99	\$1,092	\$1,092	\$1,092	\$1,092	\$0.99	\$0	\$1,468	\$1.32	\$1,468
TC 60%	\$1,392	HH/60%	\$1,486		2	2	2.5	1,108	\$1,392	\$68	\$1,324	\$0	\$1.19	\$1,324	\$2,648	\$2,648	\$1,324	\$1.19	\$0	\$1,468	\$1.32	\$1,468
TC 60%	\$1,392				27	2	2.5	1,108	\$1,392	\$68	\$1,324	\$0	\$1.19	\$1,324	\$35,748	\$35,748	\$1,324	\$1.19	\$0	\$1,626	\$1.47	\$1,626
TC 60%	\$1,392				2	2	2.5	1,176	\$1,392	\$68	\$1,324	\$0	\$1.13	\$1,324	\$2,648	\$2,648	\$1,324	\$1.13	\$0	\$1,626	\$1.38	\$1,626
TC 30%	\$804	LH/50%	\$1,340		1	3	2	1,158	\$804	\$84	\$720	\$0	\$0.62	\$720	\$720	\$720	\$720	\$0.62	\$0	\$1,648	\$1.42	\$1,648
TC 60%	\$1,608				5	3	2	1,158	\$1,608	\$84	\$1,524	\$0	\$1.32	\$1,524	\$7,620	\$7,620	\$1,524	\$1.32	\$0	\$1,648	\$1.42	\$1,648
TC 60%	\$1,608	HH/60%	\$1,709		2	3	2.5	1,236	\$1,608	\$84	\$1,524	\$0	\$1.23	\$1,524	\$3,048	\$3,048	\$1,524	\$1.23	\$0	\$1,648	\$1.33	\$1,648
TC 60%	\$1,608				14	3	2.5	1,236	\$1,608	\$84	\$1,524	\$0	\$1.23	\$1,524	\$21,336	\$21,336	\$1,524	\$1.23	\$0	\$1,648	\$1.33	\$1,648
TOTALS/AVERAGES:					260			225,014				(\$5)	\$1.31	\$1,136	\$295,473	\$295,473	\$1,136	\$1.31	(\$5)	\$1,390	\$1.61	\$1,390

ANNUAL POTENTIAL GROSS RENT:	\$3,545,676	\$3,545,676
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STABILIZED PRO FORMA
380 Villas, McKinney, 4% HTC/MDL #22609

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Collin County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.31	\$1,136	\$3,545,676	\$2,847,300	\$2,846,112	\$3,545,676	\$1,136	\$1.31		0.0%	\$0
Appl Fees, Late Fees, Pet Fees, Cable, St					\$30.00	\$93,600	79,200							
Total Secondary Income					\$30.00			79,200	\$93,600	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$3,639,276	\$2,926,500	\$2,925,312	\$3,639,276				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(272,946)	(219,488)	(219,398)	(272,946)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$3,366,330	\$2,707,013	\$2,705,914	\$3,366,330				0.0%	\$0

General & Administrative	\$124,218	\$478/Unit	\$100,343	\$386	2.87%	\$0.43	\$372	\$96,700	\$71,000	\$71,000	\$100,343	\$386	\$0.45	2.98%	-3.6%	(3,643)
Management	\$116,224	3.7% EGI	\$147,316	\$567	4.02%	\$0.60	\$520	\$135,300	\$108,200	\$108,237	\$135,300	\$520	\$0.60	4.02%	0.0%	-
Payroll & Payroll Tax	\$348,179	\$1,339/Unit	\$375,028	\$1,442	10.14%	\$1.52	\$1,313	\$341,275	\$308,000	\$294,613	\$375,028	\$1,442	\$1.67	11.14%	-9.0%	(33,753)
Repairs & Maintenance	\$187,899	\$723/Unit	\$118,211	\$455	5.27%	\$0.79	\$682	\$177,400	\$126,311	\$143,000	\$169,000	\$650	\$0.75	5.02%	5.0%	8,400
Electric/Gas	\$62,149	\$239/Unit	\$60,531	\$233	0.92%	\$0.14	\$119	\$31,000	\$25,000	\$25,000	\$31,000	\$119	\$0.14	0.92%	0.0%	-
Water, Sewer, & Trash	\$202,587	\$779/Unit	\$179,223	\$689	5.29%	\$0.79	\$685	\$178,000	\$114,000	\$153,819	\$179,223	\$689	\$0.80	5.32%	-0.7%	(1,223)
Property Insurance	\$118,120	\$0.52 /sf	\$161,539	\$621	4.63%	\$0.69	\$600	\$156,000	\$95,700	\$99,948	\$156,000	\$600	\$0.69	4.63%	0.0%	-
Property Tax (@ 0%) 2.1237	\$267,222	\$1,028/Unit	\$111,179	\$428	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.93%	\$0.29	\$250	\$65,000	\$55,000	\$55,000	\$65,000	\$250	\$0.29	1.93%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.31%	\$0.05	\$40	\$10,400	\$8,800	\$8,800	\$10,400	\$40	\$0.05	0.31%	0.0%	-
TDHCA MDL Compliance (\$34/MDL unit)					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Bond Compliance Fee					0.19%	\$0.03	\$25	\$6,500	\$5,500	\$5,500	\$6,500	\$25	\$0.03	0.19%	0.0%	-
Bond Trustee Fees					0.12%	\$0.02	\$15	\$4,000	\$4,000	\$4,000	\$4,000	\$15	\$0.02	0.12%	0.0%	-
Security					0.00%	\$0.00	\$0	\$0	\$10,000	\$10,000	\$0	\$0	\$0.00	0.00%	0.0%	-
Fire Safety					0.00%	\$0.00	\$0	\$0	\$2,000	\$2,000	\$0	\$0	\$0.00	0.00%	0.0%	-
TOTAL EXPENSES					35.69%	\$5.34	\$4,621	\$1,201,575	\$933,511	\$980,917	\$1,231,794	\$4,738	\$5.47	36.59%	-2.5%	\$ (30,219)
NET OPERATING INCOME ("NOI")					64.31%	\$9.62	\$8,326	\$2,164,755	\$1,773,502	\$1,724,997	\$2,134,537	\$8,210	\$9.49	63.41%	1.4%	\$ 30,219

CONTROLLABLE EXPENSES	\$3,171/Unit		\$3,287/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

380 Villas, McKinney, 4% HTC/MDL #22609

		DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
Citi Bank N.A. (Tranche A)	0.10%	1.48	1.51	1,437,500	5.22%	40	16.0	\$23,616,000	\$23,616,000	\$23,616,000	\$23,616,000	16.0	40	5.22%	\$1,431,670	1.51	35.0%
Adjustment to Debt Per §11.302(c)(2)	0.10%									\$0	(\$225,000)	16.0	40	5.22%	(\$13,640)	1.53	-0.3%
TDHCA (soft repayable)		1.40	1.42	\$87,750	0.00%	0	16.0	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	16.0	0	0.00%	\$87,500	1.44	5.9%
Citi Bank N.A. (Tranche B)	0.10%	1.12	1.14	\$376,572	5.37%	40	16.0	\$6,090,000	\$0	\$0	\$6,090,000	16.0	40	5.37%	\$376,572	1.15	9.0%
CASH FLOW DEBT / GRANTS																	
Housing Services Inc. (MDL Match)		1.12	1.14		0.00%	0	0	\$300,000	\$300,000	\$300,000	\$300,000	0	0	0.00%		1.15	0.4%
				\$1,901,822	TOTAL DEBT / GRANT SOURCES			\$34,006,000	\$27,916,000	\$27,916,000	\$33,781,000	TOTAL DEBT SERVICE			\$1,882,102	1.15	50.1%
NET CASH FLOW		\$232,714	\$262,933					APPLICANT		NET OPERATING INCOME		\$2,164,755		\$282,653	NET CASH FLOW		

EQUITY / DEFERRED FEES	EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Applicant						TDHCA							
Affordable Housing Partners	LIHTC Equity	40.9%	\$3,187,059	\$0.86	\$27,562,548	\$22,771,772	\$22,540,680	\$27,562,185	\$0.8648	\$3,187,017	40.9%	\$12,258	Eligible Basis
Sphinx Development Corporation	Deferred Developer Fees	8.7%	(74% Deferred)		\$5,886,051	\$5,762,420	\$5,993,512	\$6,111,415	(76% Deferred)		9.1%	Total Developer Fee: \$7,995,000	
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		49.6%			\$33,448,599	\$28,534,192	\$28,534,192	\$33,673,600			49.9%		
TOTAL CAPITALIZATION					\$67,454,599	\$56,450,192	\$56,450,192	\$67,454,600	15-Yr Cash Flow after Deferred Fee:			\$1,725,060	

DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE		
Eligible Basis		Total Costs			Prior Underwriting		Total Costs			Eligible Basis		%	\$	
Acquisition	New Const. Rehab				Applicant	TDHCA				New Const. Rehab	Acquisition			
Land Acquisition		\$7,615 / Unit	\$1,980,000		\$1,980,000	\$1,980,000	\$1,980,000	\$7,615 / Unit				0.0%	\$0	
Off-Sites		\$577 / Unit	\$150,000		\$150,000	\$150,000	\$150,000	\$577 / Unit				0.0%	\$0	
Site Work	\$5,434,000	\$20,900 / Unit	\$5,434,000		\$2,960,450	\$2,960,450	\$5,434,000	\$20,900 / Unit	\$5,434,000			0.0%	\$0	
Site Amenities	\$1,378,000	\$5,300 / Unit	\$1,378,000		\$1,275,000	\$1,275,000	\$1,378,000	\$5,300 / Unit	\$1,378,000			0.0%	\$0	
Commerical Space (12,000 sf retail)		\$ / Unit	\$0		\$360,000	\$360,000	\$0	\$ / Unit	\$0			0.0%	\$0	
Building Cost	\$27,747,000	\$123.31 /sf	\$106,719/Unit	\$27,747,000	\$23,176,140	\$24,902,655	\$27,933,373	\$107,436/Unit	\$124.14 /sf	\$27,747,000		-0.7%	(\$186,373)	
Contingency	\$2,044,600	5.92%	5.89%	\$2,044,600	\$1,593,889	\$1,593,889	\$2,044,600	5.86%	5.92%	\$2,044,600		0.0%	\$0	
Contractor Fees	\$5,123,000	14.00%	13.97%	\$5,133,000	\$3,971,200	\$3,971,200	\$5,133,000	13.90%	14.00%	\$5,123,000		0.0%	\$0	
Soft Costs	\$0	\$5,477,000	\$22,027 / Unit	\$5,727,000	\$5,243,600	\$5,243,600	\$5,727,000	\$22,027 / Unit		\$5,477,000	\$0	0.0%	\$0	
Financing	\$0	\$6,091,000	\$33,742 / Unit	\$8,773,000	\$8,236,645	\$8,236,645	\$8,773,000	\$33,742 / Unit		\$6,091,000	\$0	0.0%	\$0	
Developer Fee	\$0	\$7,995,000	15.00%	\$7,995,000	\$6,605,000	\$6,605,000	\$7,995,000	14.91%	15.00%	\$7,994,190	\$0	0.0%	\$0	
Reserves			4 Months	\$1,093,000	\$898,268	\$898,268	\$1,093,000	4 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$61,289,600	\$259,441 / Unit	\$67,454,600	\$56,450,192	\$58,176,707	\$67,640,973	\$260,158 / Unit	\$61,288,790	\$0	-0.3%	(\$186,373)	
Acquisition Cost	\$0			\$0	\$0									
Contingency		\$0		\$0	\$0									
Contractor's Fee		\$0		\$0	\$0									
Financing Cost	\$0													
Developer Fee	\$0	(\$810)	15.00%	\$0	\$0									
Reserves				\$0	\$0									
ADJUSTED BASIS / COST		\$0	\$61,288,790	\$259,441/unit	\$67,454,600	\$56,450,192	\$58,176,707	\$67,640,973	\$260,158/unit	\$61,288,790	\$0	-0.3%	(\$186,373)	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$67,454,600									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

380 Villas, McKinney, 4% HTC/MDL #22609

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$61,288,790	\$0	\$61,288,790
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$61,288,790	\$0	\$61,288,790
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$79,675,427	\$0	\$79,675,427
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$79,675,427	\$0	\$79,675,427
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,187,017	\$0	\$3,187,017
CREDITS ON QUALIFIED BASIS	\$3,187,017		\$3,187,017	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Method	Annual Credits	Proceeds	Credit Price \$0.8648	Variance to Request
				Credit Allocation	Credits Proceeds
Eligible Basis		\$3,187,017	\$27,562,185	\$3,187,017	(\$42) (\$363)
Needed to Fill Gap		\$3,893,680	\$33,673,600	----	----
Applicant Request		\$3,187,059	\$27,562,548	----	----

50% Test for Bond Financing for 4% Tax Credits			
Tax-Exempt Bond Amount	\$	33,555,000	
		Applicant	TDHCA
Land Cost	\$	1,980,000	\$1,980,000
Depreciable Bldg Cost **	\$	61,449,600	\$61,449,600
Aggregate Basis for 50% Test	\$	63,429,600	\$63,429,600
Percent Financed by Tax-Exempt Bonds		52.90%	52.9% 52.7%

**Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Combination	225,014 SF	\$109.72	24,687,515
Adjustments				
Exterior Wall Finish	7.20%		7.90	\$1,777,501
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.90%		4.28	962,813
Roof Adjustment(s)			(0.25)	(56,254)
Subfloor			(0.33)	(74,390)
Floor Cover			3.31	745,719
Breezeways	\$30.33	20,845	2.81	632,138
Balconies	\$30.01	12,595	1.68	377,961
Plumbing Fixtures	\$1,090	492	2.38	536,280
Rough-ins	\$535	520	1.24	278,200
Built-In Appliances	\$1,880	260	2.17	488,800
Exterior Stairs	\$2,460	34	0.37	83,640
Heating/Cooling			2.37	533,283
Storage Space	\$30.33	0	0.00	0
Carports	\$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$87.42	12,230	4.75	1,069,147
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$2.88	258,089	3.30	743,296
SUBTOTAL			145.70	\$32,785,649
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			145.70	\$32,785,649
Plans, specs, survey, bldg permits	3.30%		(4.81)	(\$1,081,926)
Contractor's OH & Profit	11.50%		(16.76)	(3,770,350)
NET BUILDING COSTS		\$107,436/unit	\$124.14/sf	\$27,933,373

Long-Term Pro Forma

380 Villas, McKinney, 4% HTC/MDL #22609

	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%	\$3,366,330	\$3,433,657	\$3,502,330	\$3,572,377	\$3,643,824	\$4,023,076	\$4,441,801	\$4,904,108	\$5,414,531	\$5,978,080	\$6,600,283	\$7,287,246
TOTAL EXPENSES	3.00%	\$1,201,575	\$1,236,269	\$1,271,977	\$1,308,729	\$1,346,555	\$1,552,943	\$1,791,362	\$2,066,826	\$2,385,139	\$2,753,019	\$3,178,242	\$3,669,812
NET OPERATING INCOME ("NOI")		\$2,164,755	\$2,197,388	\$2,230,353	\$2,263,648	\$2,297,269	\$2,470,133	\$2,650,439	\$2,837,281	\$3,029,392	\$3,225,061	\$3,422,041	\$3,617,434
EXPENSE/INCOME RATIO		35.7%	36.0%	36.3%	36.6%	37.0%	38.6%	40.3%	42.1%	44.1%	46.1%	48.2%	50.4%
MUST -PAY DEBT SERVICE													
Citi Bank N.A. (Tranche A)		\$1,431,670	\$1,431,490	\$1,431,301	\$1,431,102	\$1,430,892	\$1,429,662	\$1,428,065	\$1,425,994	\$1,423,306	\$1,419,819	\$1,415,294	\$1,409,423
TDHCA (soft repayable)		\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500	\$87,500
TOTAL DEBT SERVICE		\$1,882,102	\$1,881,923	\$1,881,734	\$1,881,534	\$1,881,324	\$1,880,094	\$1,878,497	\$1,876,426	\$1,873,738	\$1,870,251	\$1,865,726	\$1,859,855
DEBT COVERAGE RATIO		1.15	1.17	1.19	1.20	1.22	1.31	1.41	1.51	1.62	1.72	1.83	1.95
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$5,828,762	\$5,513,297	\$5,164,678	\$4,782,564	\$4,366,619	\$1,767,858	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$1,725,060	\$6,148,904	\$11,535,495	\$17,909,853	\$25,287,950	\$33,674,015