



**Addendum to Underwriting Report**

TDHCA Application #: **24076** Program(s): **9% HTC**

**New Faith Senior Village Apartments**

Address/Location: 4315 W. Fuqua Street

City: Houston County: Harris Zip: 77045

APPLICATION HISTORY	
Report Date	PURPOSE
03/17/26	Amendment
07/15/24	Initial Underwriting

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION						
	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 STATUS**

- 1 Receipt and acceptance by Carryover:
  - Formal approval for \$3,000,000 FHLB loan from Amegy clearly stating all terms, conditions and source of funding.
  - Status:** FHLB loan has been removed from the list of sources
- 2 Receipt and acceptance by Cost Certification:
  - Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.
  - Status:** Pending
- 3 Receipt and acceptance by 10%:
  - **NEW CONDITION:** Formal approval for \$4,000,000 City of Houston HOME loan clearly stating all terms, conditions and source of funding.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	20
50% of AMI	50% of AMI	40
60% of AMI	60% of AMI	38

**ANALYSIS**

The applicant submitted a material amendment for the subject development that involves a reduction to the number of market rate units, revisions to the design plans, and changes to the financing structure.

**Operating Pro Forma**

Unit Mix changes from 128 to 105 units has resulted in a \$305k reduction to effective gross income. Comparables from the applicant's previous participation were used to update expenses. The current anticipated first year DCR is 1.30, based on TDHCA's proforma.

**Development Cost**

Development cost has decreased approximately \$4M. Increases to Soft Costs & Financing Costs are offset by reductions in Building Cost & Developer Fees. \$99k in Soft Cost Contingency was reallocated to Contingency per 11.302(e)(5). Maximum Eligible Interest was exceeded by \$236k. The net changes to Development Cost did not effect the amount of annual credits.

**Sources of Funds**

Total debt has decreased from \$12M to \$8.7M. Amegy Bank has reduced their loan to \$4.7M. Equity rate from NEF decreased from \$0.90 to \$0.87, resulting in a \$600K decrease in proceeds. The development has been selected to receive a recommendation of award by the City of Houston Housing and Community Development Department for \$4M.

Underwriter recommends \$2,000,000 in annual federal tax credits as previously awarded to the applicant.

Underwriter: Beau Fannon  
Manager of Real Estate Analysis: Diamond Unique Thompson  
Director of Real Estate Analysis: Jeanna Adams



**STABILIZED PRO FORMA**

*New Faith Senior Village Apartments, Houston, 9% HTC #24076*

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Harris County		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.27	\$968	\$1,219,200	\$1,522,320	\$1,522,320	\$1,219,200	\$968	\$1.27		0.0%	\$0
late fees, app fees, pet fees,					\$25.00	\$31,500	46,080							
retained deposits & interest income					\$0.00	\$0	0							
Total Secondary Income					\$25.00			46,080	\$31,500	\$25.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$1,250,700	\$1,568,400	\$1,568,400	\$1,250,700				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(93,803)	(117,630)	(117,630)	(93,803)	7.5% PGI			0.0%	-
TDHCA HOME ARP COCA						-	0	0	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$1,156,898	\$1,450,770	\$1,450,770	\$1,156,898				0.0%	\$0

General & Administrative	\$52,279	\$498/Unit	\$56,165	\$535	5.14%	\$0.74	\$567	\$59,500	\$45,056	\$45,056	\$59,500	\$567	\$0.74	5.14%	0.0%	-
Management	\$48,396	3.5% EGI	\$49,740	\$474	4.00%	\$0.58	\$441	\$46,276	\$58,031	\$58,031	\$46,276	\$441	\$0.58	4.00%	0.0%	0
Payroll & Payroll Tax	\$155,434	\$1,480/Unit	\$178,088	\$1,696	14.55%	\$2.10	\$1,603	\$168,318	\$163,213	\$163,213	\$168,318	\$1,603	\$2.10	14.55%	0.0%	-
Repairs & Maintenance	\$83,007	\$791/Unit	\$115,675	\$1,102	8.14%	\$1.18	\$897	\$94,200	\$84,056	\$83,200	\$68,250	\$650	\$0.85	5.90%	38.0%	25,950
Electric/Gas	\$29,888	\$285/Unit	\$22,550	\$215	3.03%	\$0.44	\$333	\$35,000	\$23,680	\$23,680	\$35,000	\$333	\$0.44	3.03%	0.0%	-
Water, Sewer, & Trash	\$80,786	\$769/Unit	\$104,251	\$993	8.51%	\$1.23	\$937	\$98,432	\$80,540	\$85,924	\$104,251	\$993	\$1.30	9.01%	-5.6%	(5,819)
Property Insurance	\$85,658	\$1.07 /sf	\$79,520	\$757	8.89%	\$1.28	\$979	\$102,816	\$89,863	\$89,863	\$102,816	\$979	\$1.28	8.89%	0.0%	-
Property Tax (@ 100%) 2.1448	\$93,335	\$889/Unit	\$92,596	\$882	8.64%	\$1.25	\$952	\$100,000	\$115,968	\$116,307	\$93,335	\$889	\$1.17	8.07%	7.1%	6,665
Reserve for Replacements					2.72%	\$0.39	\$300	\$31,500	\$38,400	\$32,000	\$31,500	\$300	\$0.39	2.72%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.34%	\$0.05	\$37	\$3,920	\$3,920	\$3,920	\$3,920	\$37	\$0.05	0.34%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>63.99%</b>	<b>\$9.25</b>	<b>\$7,051</b>	<b>\$740,337</b>	<b>\$702,727</b>	<b>\$701,193</b>	<b>\$713,542</b>	<b>\$6,796</b>	<b>\$8.91</b>	<b>61.68%</b>	<b>3.8%</b>	<b>\$ 26,795</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>36.01%</b>	<b>\$5.20</b>	<b>\$3,967</b>	<b>\$416,561</b>	<b>\$748,043</b>	<b>\$749,577</b>	<b>\$443,356</b>	<b>\$4,222</b>	<b>\$5.54</b>	<b>38.32%</b>	<b>-6.0%</b>	<b>\$ (26,795)</b>

<b>CONTROLLABLE EXPENSES</b>							\$4,338/Unit						\$4,146/Unit			
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*New Faith Senior Village Apartments, Houston, 9% HTC #24076*

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	
Amegy Bank		1.30	1.22	340,655	6.75%	40	18.0	\$4,705,000	\$9,132,423	\$9,132,423	\$4,705,000	18.0	40.0	6.75%	\$340,655	1.30	17.3%	
<b>CASH FLOW DEBT / GRANTS</b>																		
COH HOME		1.30	1.22		0.00%	0	20.0	\$4,000,000	\$3,000,000	\$3,000,000	\$4,000,000	20.0	0.0	0.00%		1.30	14.7%	
				<b>\$340,655</b>	<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$8,705,000</b>	<b>\$12,132,923</b>	<b>\$12,132,923</b>	<b>\$8,705,000</b>	<b>TOTAL DEBT SERVICE</b>			<b>\$340,655</b>	<b>1.30</b>	<b>32.0%</b>	
<b>NET CASH FLOW</b>		\$102,701	\$75,906											<b>TDHCA</b>	<b>NET OPERATING INCOME</b>	\$443,356	\$102,701	<b>NET CASH FLOW</b>

EQUITY SOURCES																
APPLICANT'S PROPOSED EQUITY STRUCTURE										AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method			
						Applicant	TDHCA									
NEF	LIHTC Equity	64.0%	\$2,000,000	\$0.87	\$17,398,260	\$17,998,200	\$17,998,200	\$17,398,260	\$0.8699	\$2,000,000	64.0%	\$19,048	Applicant Request			
GP, LLC		0.0%			\$100	\$0					0.0%					
DWR Development	Deferred Developer Fees	4.0%	(34% Deferred)		\$1,100,214	\$1,245,932	\$1,245,932	\$1,100,314	(34% Deferred)		4.0%		Total Developer Fee: \$3,218,489			
<b>TOTAL EQUITY SOURCES</b>		<b>68.0%</b>			<b>\$18,498,574</b>	<b>\$19,244,132</b>	<b>\$19,244,132</b>	<b>\$18,498,574</b>			<b>68.0%</b>					
<b>TOTAL CAPITALIZATION</b>						<b>\$27,203,574</b>	<b>\$31,377,055</b>	<b>\$31,377,055</b>	<b>\$27,203,574</b>	<b>15-Yr Cash Flow after Deferred Fee:</b>			<b>\$585,883</b>			

DEVELOPMENT COST / ITEMIZED BASIS																		
APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS							COST VARIANCE	
Eligible Basis	Acquisition	New Const. Rehab	Total Costs		Prior Underwriting		Total Costs			Eligible Basis		%	\$					
					Applicant	TDHCA				New Const. Rehab	Acquisition							
Land Acquisition			\$14,286 / Unit	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$14,286 / Unit				0.0%	\$0					
Site Work		\$1,851,093	\$17,629 / Unit	\$1,851,093	\$1,851,093	\$1,851,093	\$1,851,093	\$17,629 / Unit	\$1,851,093			0.0%	\$0					
Site Amenities		\$592,828	\$5,646 / Unit	\$592,828	\$235,000	\$235,000	\$592,828	\$5,646 / Unit	\$592,828			0.0%	\$0					
Building Cost		\$12,793,042	\$159.82 /sf	\$121,838/Unit	\$12,793,042	\$16,595,397	\$16,855,314	\$13,310,157	\$126,763/Unit	\$166.28 /sf	\$12,793,042	-3.9%	(\$517,115)					
Contingency		\$801,150	5.26%	5.65%	\$861,589	\$1,307,704	\$1,307,704	\$861,589	5.47%	5.26%	\$801,150	0.0%	\$0					
Contractor Fees		\$1,592,585	9.93%	10.14%	\$1,633,175	\$2,798,487	\$2,798,487	\$1,633,175	9.83%	9.93%	\$1,592,585	0.0%	\$0					
Soft Costs		\$0	\$1,993,816	\$18,998 / Unit	\$1,994,816	\$1,144,889	\$1,144,889	\$1,994,816	\$18,998 / Unit		\$1,993,816	\$0	0.0%	\$0				
Financing		\$0	\$1,973,092	\$20,577 / Unit	\$2,160,542	\$1,521,054	\$1,521,054	\$2,160,542	\$20,577 / Unit		\$1,736,429	\$0	0.0%	\$0				
Developer Fee		\$0	\$3,091,963	14.32%	14.86%	\$3,218,489	\$3,746,971	\$3,746,971	\$3,218,489	14.67%	14.47%	\$3,091,963	\$0	0.0%	\$0			
Reserves			7 Months		\$598,000	\$676,459	\$676,459	\$598,000	7 Months				0.0%	\$0				
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>			<b>\$0</b>	<b>\$24,689,569</b>	\$259,082 / Unit	<b>\$27,203,574</b>	<b>\$31,377,055</b>	<b>\$31,636,972</b>	<b>\$27,720,689</b>	\$264,007 / Unit	<b>\$24,452,907</b>	<b>\$0</b>	<b>-1.9%</b>	<b>(\$517,115)</b>				
Acquisition Cost		\$0			\$0													
Contingency		\$0			\$0													
Contractor's Fee		\$0			\$0													
Financing Cost			(\$236,663)															
Developer Fee		\$0	\$0		\$0													
Reserves					\$0													
<b>ADJUSTED BASIS / COST</b>			<b>\$0</b>	<b>\$24,452,907</b>	\$259,082/unit	<b>\$27,203,574</b>	<b>\$31,377,055</b>	<b>\$31,636,972</b>	<b>\$27,720,689</b>	\$264,007/unit	<b>\$24,452,907</b>	<b>\$0</b>	<b>-1.9%</b>	<b>(\$517,115)</b>				
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>							<b>\$27,203,574</b>											

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

*New Faith Senior Village Apartments, Houston, 9% HTC #24076*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
	<b>ADJUSTED BASIS</b>	\$0	\$24,452,907	\$0
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$24,452,907	\$0	\$24,452,907
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$31,788,778	\$0	\$31,788,778
Applicable Fraction	93.33%	93.33%	93.33%	93.33%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$29,669,527	\$0	\$29,669,527
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,670,257	\$0	\$2,670,257
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,670,257		\$2,670,257	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
				Credits	Proceeds
<b>Eligible Basis</b>	\$2,670,257	\$23,228,916	----	----	----
<b>Needed to Fill Gap</b>	\$2,126,486	\$18,498,574	----	----	----
<b>Applicant Request</b>	\$2,000,000	\$17,398,260	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	80,046 SF	\$129.42	10,359,739
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	9.00%		11.65	932,376
9-Ft. Ceilings	3.00%		3.88	310,792
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(17,076)
Floor Cover			9.91	793,616
Breezeways	\$39.95	16,468	8.22	657,897
Balconies	\$39.95	6,686	3.34	267,106
Plumbing Fixtures	\$1,420	66	1.17	93,720
Rough-ins	\$700	210	1.84	147,000
Built-In Appliances	\$2,280	105	2.99	239,400
Exterior Stairs	\$3,550	10	0.44	35,500
Heating/Cooling			3.12	249,744
Storage Space	\$39.95	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$120.98	7,216	10.91	873,023
Elevators	\$150,400	2	3.76	300,800
<b>Other:</b>			0.00	0
Fire Sprinklers	\$3.65	103,730	4.73	378,615
<b>SUBTOTAL</b>			<b>195.17</b>	<b>15,622,250</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>195.17</b>	<b>\$15,622,250</b>
Plans, specs, survey, bldg permits	3.30%		(6.44)	(\$515,534)
Contractor's OH & Profit	11.50%		(22.44)	(1,796,559)
<b>NET BUILDING COSTS</b>		\$126,763/unit	\$166.28/sf	\$13,310,157

## Long-Term Pro Forma

*New Faith Senior Village Apartments, Houston, 9% HTC #24076*

	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%	\$1,156,898	\$1,180,035	\$1,203,636	\$1,227,709	\$1,252,263	\$1,382,600	\$1,526,502	\$1,685,381	\$1,860,797	\$2,054,470	\$2,268,301	\$2,504,388
TOTAL EXPENSES	3.00%	\$713,542	\$734,485	\$756,048	\$778,248	\$801,104	\$925,934	\$1,070,359	\$1,237,470	\$1,430,846	\$1,654,634	\$1,913,639	\$2,213,424
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$443,356</b>	<b>\$445,550</b>	<b>\$447,589</b>	<b>\$449,461</b>	<b>\$451,159</b>	<b>\$456,665</b>	<b>\$456,142</b>	<b>\$447,912</b>	<b>\$429,951</b>	<b>\$399,836</b>	<b>\$354,663</b>	<b>\$290,964</b>
EXPENSE/INCOME RATIO		61.7%	62.2%	62.8%	63.4%	64.0%	67.0%	70.1%	73.4%	76.9%	80.5%	84.4%	88.4%
<b>MUST -PAY DEBT SERVICE</b>													
Amegy Bank		\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655
TOTAL DEBT SERVICE		\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655	\$340,655
DEBT COVERAGE RATIO		1.30	1.31	1.31	1.32	1.32	1.34	1.34	1.31	1.26	1.17	1.04	0.85
<b>ANNUAL CASH FLOW</b>		<b>\$102,701</b>	<b>\$104,895</b>	<b>\$106,933</b>	<b>\$108,806</b>	<b>\$110,504</b>	<b>\$116,010</b>	<b>\$115,487</b>	<b>\$107,256</b>	<b>\$89,296</b>	<b>\$59,181</b>	<b>\$14,007</b>	<b>(\$49,691)</b>
Deferred Developer Fee Balance		\$997,614	\$892,719	\$785,785	\$676,979	\$566,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,677</b>	<b>\$585,883</b>	<b>\$1,142,086</b>	<b>\$1,628,832</b>	<b>\$1,990,372</b>	<b>\$2,157,428</b>	<b>\$2,044,552</b>