



Real Estate Analysis Division

May 27, 2025

Addendum to Underwriting Report

TDHCA Application #: 25501_24030 Program(s): 9% HTC / MDL

2910 Motley Senior Living

Address/Location: 2910 Motley Drive

City: Mesquite County: Dallas Zip: 75150

	APPLICATION HISTORY
Report Date	PURPOSE
05/08/25	Amendment & MDL Award - 2025-1 NOFA - NHTF
07/19/24	Initial Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
MF Direct Loan Const. to Perm. (Repayable)					\$5,331,291	2.0%	40	40.0 yrs	2	24M	2
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

* Multifamily Direct Loan and HOME ARP Terms:

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

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

CONDITIONS STATUS

- Receipt and acceptance before Direct Loan Closing:
 - a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
 - b: Substantially final construction contract with Schedule of Values.
 - c: Updated term sheets with substantially final terms from all lenders.
 - d: Substantially final draft of limited partnership agreement.
 - e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR if subordinate to FHA financing.

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.

Previous Set-Asides

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

NEW SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	29
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	23

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	29

ANALYSIS

The development originally received an annual 9% HTC allocation of \$2,000,000 in July 2024.

The applicant is requesting an amendment approval to change the minimum set-aside election from an Average Income election to a 40-60 election. With a change to the 40-60 set-aside, the number of Market Rate units can remain the same, the development can be eligible for MFDL funds and receive support from the City of Mesquite.

Since application in March 2024, Total Development Costs for this project have increased (potential tariffs and inflation), Equity pricing has decreased, and interest rates continue to rise. These factors resulted in a need to fill a funding gap, which the applicant has worked to fill through MFDL funding.

The applicant is now applying for a MDL 2025-1 NHTF loan of \$5,331,291 to remain financially feasible. The MDL loan will have a lower interest rate of 2% and longer amortization period of 40 years allowing this Project to be feasible under DCR requirements.

The common area square footage changed from 36,576 S.F. to 36,498 S.F. (Club decreased from 6,485 s.f. to 6,408 s.f., Laundry decreased from 494 s.f. to 0 s.f. and Storage increased from 3,320 s.f. to 3,813 s.f.)

The LURA will encompass all 5.841 acres of the site.

Operating Pro Forma

Using TDHCA ProForma. Underwriter used comparable Dallas county properties to estimate expenses. Underwriter is using the most current 2025 program rent limits for 9% HTC and 2025 limits for NHTF. The Applicant submitted a rent schedule using the 2024 program rent limits for 9% HTC however, the Underwriter updated the Applicant's rent schedule with the 2025 HTC rents.

The Utility Allowances for the one bedroom units decreased by \$5.00 and the two bedroom units decreased by \$7.00 from previous underwriting.

Effective Gross Income decreased by \$19k, Total Expenses increased by \$28k and as a result, Net Operating Income (NOI) decreased by \$47k. Expense per unit increased from \$6,195 to \$6,408.

The Applicant is not expecting to collect the full market rate for their market rents (MR). Underwrote the 45 MR units to the rents they expect to collect (1-BR at \$1,602 and 2-BR at \$1,865).

Development Cost

The applicant's Building Costs have increased by \$412,280 and Total Housing Development Costs have increased by \$767,707.

No change to the Developer Fee from previous underwriting.

A Schedule of Values or contract bid was not provided, therefore, the Underwriter recosted out the building using the Architectural Drawings provided in the application with the 2025 Marshall and Swift's costs.

Sources of Funds

The construction loan lender did not change (Regions Bank - HUD 221(d)4).

Construction loan decreased from \$15,785,400 to \$11,430,000 and the interest rate increased from 5.25% to 5.80%.

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%.

The permanent loan lender did not change (Regions Bank - HUD 221(d)4). Permanent loan amount decreased from \$15,785,400 to \$11,430,000 and the interest increased from 5.25% to 5.80%. This loan remains in the first lien position.

The senior financing is a PNC FHA 221(d)4 construction-to-permanent loan and has a separate MIP fee of 0.25%.

Applicant is now including \$5,331,291 MDL NHTF loan construction to permanent loan 0% during construction and 2% in the permanent period. The construction period is in the **second** lien position and the permanent period is in the second lien position.

The Debt Coverage Ratio on the senior debt is 1.34 times. The Combined DCR for a Multifamily Direct Loan subordinate to FHA debt is determined based on 75% of Surplus Cash remaining after the senior debt service. The Combined DCR is 1.00 as required by the QAP.

The equity bridge loan lender did not change (Regions Bank). Equity bridge loan decreased from \$14,502,272 to \$13,850,061 and the interest increased from 5.00% to 6.78%.

The Equity Investor is still Regions Bank. The capital contribution decreased by \$399,960 and the credit price decreased from \$0.91 to \$0.89.

The Deferred Developer Fee increased by \$191,776 and pays off in 14 years.

Recommendation

Underwriter recommends a second lien, fully amortized Multifamily Direct Loan of \$5,331,291 at 2.00% interest, 40 year term, and a 40 year amortization period. Under these terms, the annualized debt service payment is \$193,734. The construction term is assumed at 24 months. The MDL funding is 2025-1 NHTF funds.

In addition, Underwriter recommends that the 9% LIHTC allocation of \$2,000,000 remains the same.

Underwriter: Mario Castellanos

Manager of Real Estate Analysis: Robert Castillo

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE
2910 Motley Senior Living, Mesquite, 9% HTC / MDL #25501_24030

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

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	62	46.6%	0	13	0	5
2	71	53.4%	0	16	0	6
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	133	100.0%	-	29	-	11

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	64.41%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	855 sf

46%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	29	-	36	23	-	-	45	133
Income	% Total	0.0%	21.8%	0.0%	27.1%	17.3%	0.0%	0.0%	33.8%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																						
HTC		MFDL NHTF Units		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	\$660	NHTF 30%	\$660	0	13	1	1	706	\$660	\$64	\$596	\$0	\$0.84	\$596	\$7,748	\$7,748	\$596	\$0.84	\$0	\$1,602	\$2.27	\$1,780
TC 50%	\$1,100			2	32	1	1	706	\$1,100	\$64	\$1,036	\$0	\$1.47	\$1,036	\$33,152	\$33,152	\$1,036	\$1.47	\$0	\$1,602	\$2.27	\$1,780
TC 60%	\$1,320			3	3	1	1	706	\$1,320	\$64	\$1,256	\$0	\$1.78	\$1,256	\$3,768	\$3,768	\$1,256	\$1.78	\$0	\$1,602	\$2.27	\$1,780
MR				0	14	1	1	706	\$0	\$64		NA	\$2.27	\$1,602	\$22,428	\$22,428	\$1,602	\$2.27	NA	\$1,602	\$2.27	\$1,780
TC 30%	\$792	NHTF 30%	\$792	0	16	2	2	984	\$792	\$84	\$708	\$0	\$0.72	\$708	\$11,328	\$11,328	\$708	\$0.72	\$0	\$1,865	\$1.90	\$2,072
TC 50%	\$1,320			0	4	2	2	984	\$1,320	\$84	\$1,236	\$0	\$1.26	\$1,236	\$4,944	\$4,944	\$1,236	\$1.26	\$0	\$1,865	\$1.90	\$2,072
TC 60%	\$1,584			6	20	2	2	984	\$1,584	\$84	\$1,500	\$0	\$1.52	\$1,500	\$30,000	\$30,000	\$1,500	\$1.52	\$0	\$1,865	\$1.90	\$2,072
MR				0	18	2	2	984	\$0	\$84		NA	\$1.90	\$1,865	\$33,570	\$33,570	\$1,865	\$1.90	NA	\$1,865	\$1.90	\$2,072
MR				0	13	2	2	990	\$0	\$84		NA	\$1.88	\$1,865	\$24,245	\$24,245	\$1,865	\$1.88	NA	\$1,865	\$1.88	\$2,080
TOTALS/AVERAGES:					133	113,714						\$0	\$1.51	\$1,287	\$171,183	\$171,183	\$1,287	\$1.51	\$0	\$1,742	\$2.04	\$1,937

ANNUAL POTENTIAL GROSS RENT:	\$2,054,196	\$2,054,196	
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*MFDL units float among Unit Types

** Match Units will be restricted at 50 percent income/Low HOME rents, and 60 percent income/High HOME rents.

STABILIZED PRO FORMA

2910 Motley Senior Living, Mesquite, 9% HTC / MDL #25501_24030

		STABILIZED FIRST YEAR PRO FORMA															
		COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE		
		Database	County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT						\$1.51	\$1,287	\$2,054,196	\$2,074,944	\$2,074,944	\$2,054,196	\$1,287	\$1.51		0.0%	\$0	
Application, Pet, Late and NSF Fees							\$15.90	\$25,380	25,152								
Laundry, Vending, Cable							\$9.10	\$14,520	14,520								
Total Secondary Income							\$25.00			39,672	\$39,900	\$25.00					0.0%
POTENTIAL GROSS INCOME							\$2,094,096	\$2,114,616	\$2,114,616	\$2,094,096					0.0%	\$0	
Vacancy & Collection Loss						7.5% PGI	(157,057)	(158,596)	(158,596)	(157,057)	7.5% PGI				0.0%	-	
EFFECTIVE GROSS INCOME							\$1,937,039	\$1,956,020	\$1,956,020	\$1,937,039					0.0%	\$0	

General & Administrative	\$76,402	\$574/Unit	\$54,426	\$409	4.47%	\$0.76	\$651	\$86,554	\$54,726	\$54,426	\$76,402	\$574	\$0.67	3.94%	13.3%	10,152
Management	\$62,061	3.1% EGI	\$67,151	\$505	4.00%	\$0.68	\$583	\$77,482	\$97,801	\$97,801	\$77,482	\$583	\$0.68	4.00%	0.0%	-
Payroll & Payroll Tax	\$192,196	\$1,445/Unit	\$188,450	\$1,417	10.06%	\$1.71	\$1,465	\$194,838	\$194,838	\$188,450	\$188,450	\$1,417	\$1.66	9.73%	3.4%	6,388
Repairs & Maintenance	\$107,169	\$806/Unit	\$109,560	\$824	4.43%	\$0.75	\$645	\$85,788	\$85,788	\$86,450	\$86,450	\$650	\$0.76	4.46%	-0.8%	(662)
Electric/Gas	\$36,014	\$271/Unit	\$32,097	\$241	1.31%	\$0.22	\$191	\$25,450	\$25,451	\$32,097	\$32,097	\$241	\$0.28	1.66%	-20.7%	(6,647)
Water, Sewer, & Trash	\$114,114	\$858/Unit	\$93,802	\$705	4.44%	\$0.76	\$646	\$85,977	\$69,177	\$93,802	\$93,802	\$705	\$0.82	4.84%	-8.3%	(7,825)
Property Insurance	\$90,101	\$0.79 /sf	\$91,085	\$685	4.81%	\$0.82	\$700	\$93,100	\$93,100	\$91,085	\$91,085	\$685	\$0.80	4.70%	2.2%	2,015
Property Tax (@ 100%) 2.334446	\$148,998	\$1,120/Unit	\$219,536	\$1,651	8.58%	\$1.46	\$1,250	\$166,250	\$166,250	\$148,998	\$237,430	\$1,785	\$2.09	12.26%	-30.0%	(71,180)
Reserve for Replacements					1.72%	\$0.29	\$250	\$33,250	\$33,250	\$33,250	\$33,250	\$250	\$0.29	1.72%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.18%	\$0.03	\$26	\$3,520	\$3,520	\$3,520	\$3,520	\$26	\$0.03	0.18%	0.0%	-
TOTAL EXPENSES					44.00%	\$7.49	\$6,408	\$852,209	\$823,901	\$829,879	\$919,968	\$6,917	\$8.09	47.49%	-7.4%	\$ (67,759)
NET OPERATING INCOME ("NOI")					56.00%	\$9.54	\$8,157	\$1,084,830	\$1,132,119	\$1,126,141	\$1,017,071	\$7,647	\$8.94	52.51%	6.7%	\$ 67,759

CONTROLLABLE EXPENSES							\$3,599/Unit						\$3,588/Unit			
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<div>CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS</div> <div>2910 Motley Senior Living, Mesquite, 9% HTC / MDL #25501_24030</div>

		DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
											Cumulative DCR		Pmt	Rate	Amort	Term	Principal
DEBT (Must Pay)	Fee	UW	App	Applicant	TDHCA	DCR	LTC										
Regions Bank - HUD 221(d)4	0.25%	1.33	1.42	764,214	5.80%	40	40.0	\$11,430,000	\$15,785,400	\$15,785,400	\$11,430,000	40.0	40.0	5.80%	\$764,214	1.33	31.4%
TDHCA MDL - 2025-1 NHTF		1.06	1.13	\$193,734	2.00%	40	40.0	\$5,331,291			\$5,331,291	40.0	40.0	2.00%	\$193,734	1.00	14.6%
CASH FLOW DEBT / GRANTS																	
City of Mesquite		1.06	1.13		0.00%	0	0.0	\$500			\$500	0.0	0.0	0.00%		1.00	0.0%
City of Mesquite		1.06	1.13		0.00%	0	0.0	\$0	\$500	\$500	\$0	0.0	0.0	0.00%		1.00	0.0%
GP Equity		1.06	1.13		0.00%	0	0.0	\$0	\$100	\$100	\$0	0.0	0.0	0.00%		1.00	0.0%
				\$957,948	TOTAL DEBT / GRANT SOURCES			\$16,761,791	\$15,786,000	\$15,786,000	\$16,761,791	TOTAL DEBT SERVICE			\$957,948	1.00	46.0%
NET CASH FLOW		\$59,123	\$126,882					TDHCA		NET OPERATING INCOME		\$1,017,071		\$59,123	NET CASH FLOW		

	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							
EQUITY / DEFERRED FEES													
Regions Bank	LIHTC Equity	48.9%	\$2,000,000	\$0.89	\$17,798,220	\$18,198,180	\$18,198,180	\$17,798,220	\$0.8899	\$2,000,000	48.9%	\$15,038	Previous Allocation
GP Equity		0.0%			\$100			\$100			0.0%		
RIVA/The Land Experts	Deferred Developer Fees	5.1%	(50% Deferred)		\$1,865,941	\$1,674,165	\$1,674,165	\$1,865,941	(50% Deferred)		5.1%	Total Developer Fee: \$3,708,278	
TOTAL EQUITY SOURCES		54.0%			\$19,664,261	\$19,872,345	\$19,872,345	\$19,664,261			54.0%		
TOTAL CAPITALIZATION					\$36,426,052	\$35,658,345	\$35,658,345	\$36,426,052			15-Yr Cash Flow after Deferred Fee:		\$279,303

		DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS								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				\$31,579 / Unit	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000	\$31,579 / Unit			0.0%	\$0		
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit		\$0	0.0%	\$0		
Broker Fees					\$126,000	\$126,000	\$126,000	\$126,000				0.0%	\$0		
Off-Sites				\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit		\$0	0.0%	\$0		
Site Work			\$1,579,473	\$11,876 / Unit	\$1,579,473	\$1,579,474	\$1,579,474	\$1,579,473	\$11,876 / Unit	\$1,579,473		0.0%	\$0		
Site Amenities			\$962,239	\$7,235 / Unit	\$962,239	\$935,923	\$935,923	\$962,239	\$7,235 / Unit	\$962,239		0.0%	\$0		
Building Cost			\$15,552,581	\$136.77 /sf	\$116,937/Unit	\$15,552,581	\$15,140,301	\$16,904,829	\$15,054,753	\$113,194/Unit	\$132.39 /sf	\$15,054,753	3.3%	\$497,828	
Contingency			\$802,775	4.44%	4.44%	\$802,775	\$690,666	\$690,666	\$802,775	4.56%	4.56%	\$802,775	0.0%	\$0	
Contractor Fees			\$2,533,202	13.41%	13.41%	\$2,533,202	\$2,471,798	\$2,471,798	\$2,533,202	13.77%	13.77%	\$2,533,202	0.0%	\$0	
Soft Costs		\$0	\$2,747,523		\$22,115 / Unit	\$2,941,273	\$2,543,038	\$2,543,038	\$2,941,273	\$22,115 / Unit		\$2,747,523	\$0	0.0%	\$0
Financing		\$0	\$1,387,725		\$20,647 / Unit	\$2,746,110	\$2,717,277	\$2,717,277	\$2,746,110	\$20,647 / Unit		\$1,387,725	\$0	0.0%	\$0
Developer Fee			\$0	\$3,708,278	14.50%	14.50%	\$3,708,278	\$3,708,278	\$3,708,278	14.79%	14.79%	\$3,708,278	\$0	0.0%	\$0
Reserves					8 Months	\$1,274,121	\$1,545,590	\$1,545,590	\$1,274,121	8 Months				0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$29,273,796		\$273,880 / Unit	\$36,426,052	\$35,658,345	\$37,422,873	\$35,928,224	\$270,137 / Unit		\$28,775,968	\$0	1.4%	\$497,828
Acquisition Cost		\$0				\$0	\$0								
Contingency			\$0			\$0	\$0								
Contractor's Fee			\$0			\$0	\$0								
Financing Cost			\$0												
Developer Fee		\$0	\$0			\$0	\$0								
Reserves						\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$29,273,796		\$273,880/unit	\$36,426,052	\$35,658,345	\$37,422,873	\$35,928,224	\$270,137/unit		\$28,775,968	\$0	1.4%	\$497,828
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$36,426,052									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

2910 Motley Senior Living, Mesquite, 9% HTC / MDL #25501_24030

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$29,273,796	\$0	\$28,775,968
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$29,273,796	\$0	\$28,775,968
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$38,055,935	\$0	\$37,408,758
Applicable Fraction	64.41%	64.41%	64%	64%
TOTAL QUALIFIED BASIS	\$0	\$24,513,438	\$0	\$24,096,564
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,206,209	\$0	\$2,168,691
CREDITS ON QUALIFIED BASIS	\$2,206,209		\$2,168,691	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS			FINAL ANNUAL LIHTC ALLOCATION		
Method	Annual Credits	Proceeds	Credit Price \$0.8899	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,206,209	\$19,633,300	----	----	----
Needed to Fill Gap	\$2,209,677	\$19,664,161	----	----	----
Previous Allocation	\$2,000,000	\$17,798,220	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	113,714 SF	\$90.93	10,340,333
Adjustments				
Exterior Wall Finish	2.80%		2.55	\$289,529
Elderly	9.00%		8.18	930,630
9-Ft. Ceilings	3.35%		3.05	346,401
Roof Adjustment(s)			(0.25)	(28,429)
Subfloor			(0.21)	(24,259)
Floor Cover			3.75	426,428
Breezeways	\$54.04	21,696	10.31	1,172,555
Balconies	\$53.36	9,446	4.43	503,999
Plumbing Fixtures	\$1,460	346	4.44	505,160
Rough-ins	\$715	266	1.67	190,190
Built-In Appliances	\$2,200	133	2.57	292,600
Exterior Stairs	\$4,250	10	0.37	42,500
Heating/Cooling			4.11	467,365
Storage Space	\$54.04	3,813	1.81	206,073
Carports	\$21.40	13,608	2.56	291,211
Garages	\$41.00	0	0.00	0
Common/Support Area	\$122.99	6,408	6.93	788,108
Elevators	\$129,800	2	2.28	259,600
Other:			0.00	0
Fire Sprinklers	\$4.60	145,631	5.89	669,903
SUBTOTAL			155.39	17,669,898
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			155.39	\$17,669,898
Plans, specs, survey, bldg permits	3.30%		(5.13)	(\$583,107)
Contractor's OH & Profit	11.50%		(17.87)	(2,032,038)
NET BUILDING COSTS		\$113,194/unit	\$132.39/sf	\$15,054,753

Long-Term Pro Forma

2910 Motley Senior Living, Mesquite, 9% HTC / MDL #25501_24030

	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%	\$1,937,039	\$1,975,780	\$2,015,295	\$2,055,601	\$2,096,713	\$2,314,941	\$2,555,882	\$2,821,900	\$3,115,605	\$3,439,880	\$3,797,906	\$4,193,195
TOTAL EXPENSES	3.00%	\$919,968	\$946,792	\$974,405	\$1,002,831	\$1,032,094	\$1,191,851	\$1,376,571	\$1,590,180	\$1,837,225	\$2,122,968	\$2,453,508	\$2,835,903
NET OPERATING INCOME ("NOI")		\$1,017,071	\$1,028,988	\$1,040,890	\$1,052,770	\$1,064,619	\$1,123,090	\$1,179,311	\$1,231,720	\$1,278,381	\$1,316,912	\$1,344,398	\$1,357,291
EXPENSE/INCOME RATIO		47.5%	47.9%	48.4%	48.8%	49.2%	51.5%	53.9%	56.4%	59.0%	61.7%	64.6%	67.6%
MUST -PAY DEBT SERVICE													
Regions Bank - HUD 221(d)4		\$764,214	\$764,027	\$763,830	\$763,620	\$763,398	\$762,073	\$760,303	\$757,940	\$754,784	\$750,569	\$744,939	\$737,422
TDHCA MDL - 2025-1 NHTF		\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734	\$193,734
TOTAL DEBT SERVICE		\$957,948	\$957,762	\$957,564	\$957,354	\$957,132	\$955,807	\$954,037	\$951,674	\$948,518	\$944,303	\$938,674	\$931,156
DEBT COVERAGE RATIO		1.0	1.01	1.01	1.02	1.03	1.08	1.13	1.17	1.21	1.24	1.27	1.29
ANNUAL CASH FLOW													
ANNUAL CASH FLOW		\$59,123	\$71,226	\$83,326	\$95,416	\$107,487	\$167,283	\$225,273	\$280,045	\$329,863	\$372,609	\$405,724	\$426,135
Deferred Developer Fee Balance		\$1,806,818	\$1,735,592	\$1,652,266	\$1,556,850	\$1,449,363	\$732,065	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$279,303	\$1,571,594	\$3,123,649	\$4,904,506	\$6,871,322	\$8,966,944

24030 2910 Motley Senior Living - Application Summary

REAL ESTATE ANALYSIS DIVISION

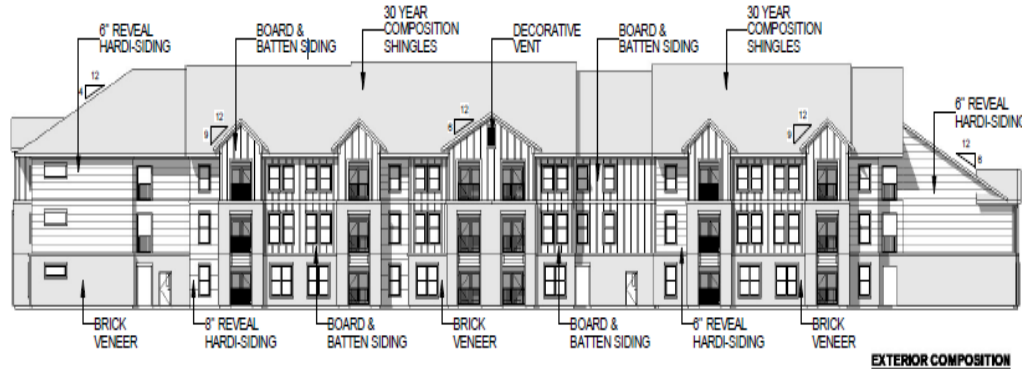
July 19, 2024

PROPERTY IDENTIFICATION	
Application #	24030
Development	2910 Motley Senior Living
City / County	Mesquite / Dallas
Region/Area	3 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$15,038/Unit	\$0.91

KEY PRINCIPALS / SPONSOR		
2910 Motley Senior Living Development, LLC/Cody Hunt Owner/Developer/Guarantor		
Brownstone Construction/Larry Counce II General Contractor		
Consultant/Thomas Huth		
Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

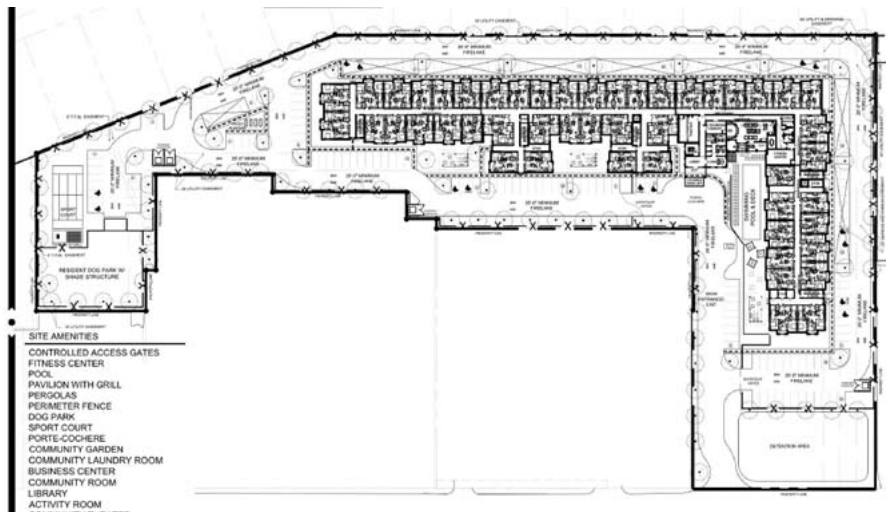


UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	62	47%	30%	9	7%
2	71	53%	40%	-	0%
3	-	0%	50%	36	27%
4	-	0%	60%	35	26%
			70%	6	5%
			80%	2	2%
			MR	45	34%
TOTAL	133	100%	TOTAL	133	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	42.1%
Breakeven Occ.	85.5%	Breakeven Rent	\$1,200
Average Rent	\$1,300	B/E Rent Margin	\$100
Property Taxes	\$1,250/unit	Exemption/PILOT	0%
Total Expense	\$6,195/unit	Controllable	\$3,233/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	2.5%
Highest Unit Capture Rate	8% 2 BR/60%
Dominant Unit Cap. Rate	5% 1 BR/50%
Premiums (↑80% Rents)	Yes \$84/Avg.
Rent Assisted Units	N/A

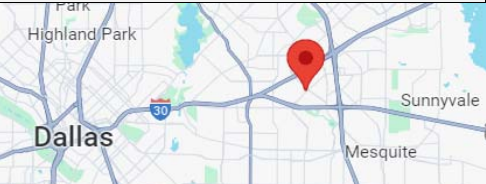
DEVELOPMENT COST SUMMARY


Costs Underwritten		Applicant's Costs	
Avg. Unit Size	855 SF	Density	22.8/acre
Acquisition		\$33K/unit	\$4,326K
Building Cost	\$133.14/SF	\$114K/unit	\$15,140K
Hard Cost		\$138K/unit	\$18,346K
Total Cost		\$268K/unit	\$35,658K
Developer Fee	\$3,708K	(45% Deferred)	Paid Year: 9
Contractor Fee	\$2,472K	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
Regions Bank	40/40	5.25%	\$15,785,400	1.15	City of Mesquite	0/0	0.00%	\$500	1.15	Regions Bank	\$18,198,180
					GP Equity	0/0	0.00%	\$100	1.15	0	\$0
										RIVA/The Land Experts	\$1,674,165
TOTAL DEBT (Must Pay)			\$15,785,400		CASH FLOW DEBT / GRANTS			\$600		TOTAL EQUITY SOURCES	\$19,872,345
										TOTAL DEBT SOURCES	\$15,786,000
										TOTAL CAPITALIZATION	\$35,658,345

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.

RISK PROFILE
STRENGTHS/MITIGATING FACTORS
Low gross capture rate
WEAKNESSES/RISKS
1.15 DCR

AREA MAP


AERIAL PHOTOGRAPH(s)




DEVELOPMENT IDENTIFICATION

TDHCA Application #: 24030 Program(s): 9% HTC

2910 Motley Senior Living

Address/Location: 2910 Motley Drive

City: Mesquite County: Dallas Zip: 75150

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

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

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				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

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	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

DEVELOPMENT SUMMARY

2910 Motley Senior Living is a development targeting the Elderly Population with 1 and 2-bedroom units using income averaging. The development will serve incomes at 30% AMI to 80% AMI and will include market rate units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

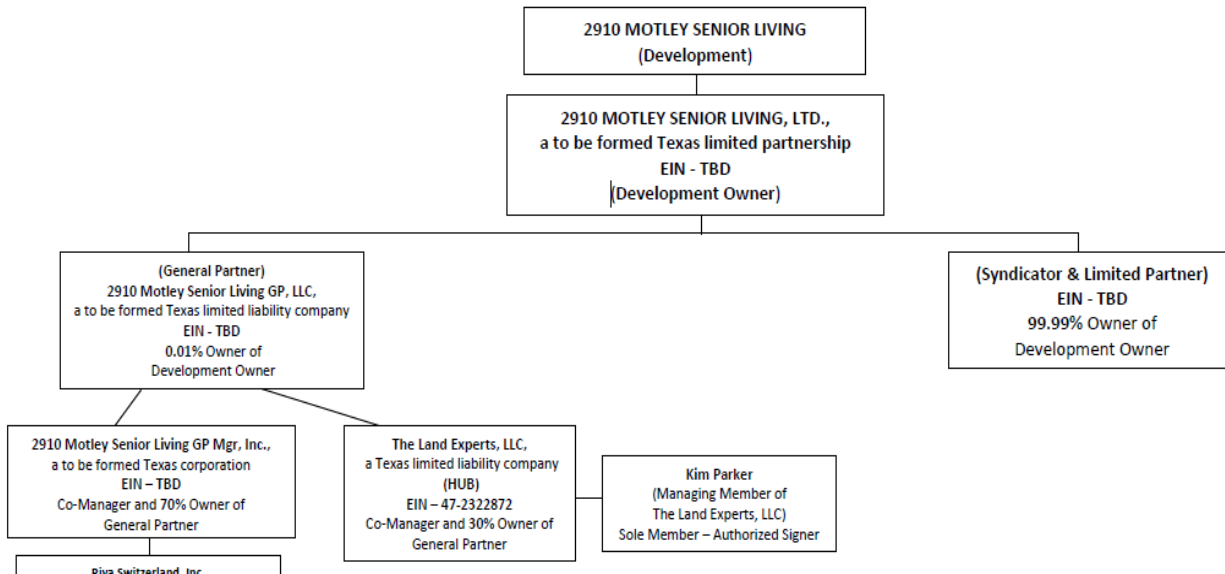
- Low gross capture rate

WEAKNESSES/RISKS

- 1.15 DCR

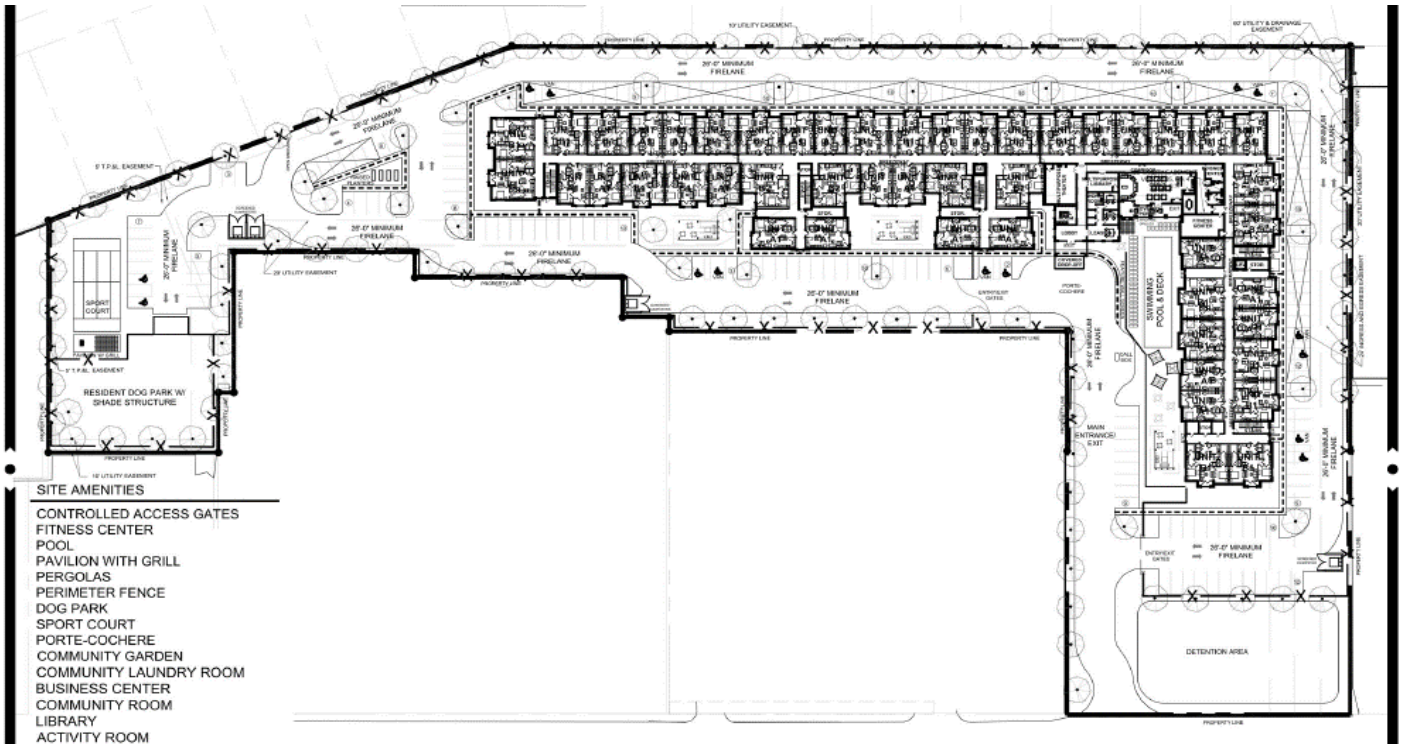
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



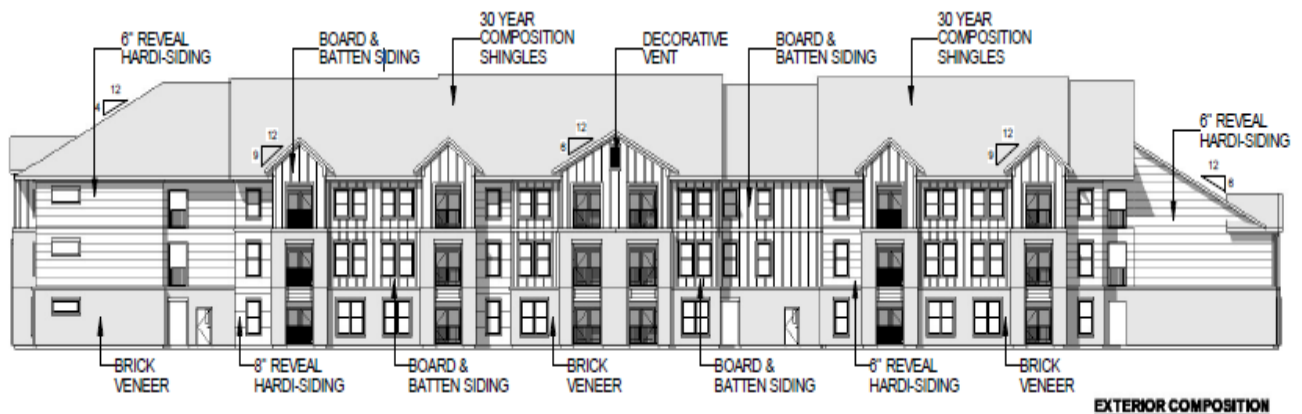


Parking	No Fee		Tenant-Paid		Total	
Open Surface	103	0.8/unit	0	--	103	0.8/unit
Carport	84	0.6/unit	0	--	84	0.6/unit
Garage	0	--	0	--	0	--
Total Parking	187	1.4/unit	0	--	187	1.4/unit

Comments:

Provided parking of 187 spaces is compliant with local requirements.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1													Total Buildings
Floors/Stories	3													
Number of Bldgs	1													1
Units per Bldg	133													
Total Units	133													133
Avg. Unit Size (SF)		855 sf		Total NRA (SF)		113,714		Common Area (SF)*		36,576				

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.84 acres Density: 22.8 units/acre
Site Control: 5.841 **Site Plan:** 5.841 **Appraisal:** NA **ESA:** 5.841
Feasibility Report Survey: 5.841 **Feasibility Report Engineer's Plan:** 5.841 **Existing LURA:** NA

Control Type: Commercial Contract

Development Site: 5.84 acres Cost: \$4,200,000 \$31,579 per unit

Seller: Ink and Sons, LLC

Buyer: Palladium USA International, Inc.

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

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

Other Observations:

The Applicant has applied to the city to amend the existing zoning to allow for Multifamily use.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 1/30/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

▫ None

MARKET ANALYSIS

Provider: Apartment MarketData

Date: 3/20/2024

Primary Market Area (PMA): 19 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
23139	Town East Trails	Yes	New	Elderly	76	76

Stabilized Affordable Developments in PMA

Total Units	1,945
Total Developments	10
Average Occupancy	97%

OVERALL DEMAND ANALYSIS

		Market Analyst		
		HTC	Assisted	
Total Households in the Primary Market Area		36,438		
Senior Households in the Primary Market Area		9,698		
Potential Demand from the Primary Market Area		5,958		
10% External Demand		596		
Potential Demand from Other Sources		0		
GROSS DEMAND		6,554		
Subject Affordable Units		88		
Unstabilized Competitive Units		76		
RELEVANT SUPPLY		164		
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		2.5%		

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

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

AMGI Band	Market Analyst									
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	1,122	112	9	8	1%					
50% AMGI	1,795	180	36	31	3%					
60% AMGI	1,880	188	35	37	3%					
70% AMGI	625	63	6	0	1%					
80% AMGI	536	54	2	0	0%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

Unit Type	Market Analyst									
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	646	65	6	4	1%					
1 BR/50%	654	65	27	10	5%					
1 BR/60%	750	75	13	12	3%					
1 BR/70%	381	38	1	0	0%					
1 BR/80%	263	26	1	0	0%					
2 BR/30%	440	44	3	4	1%					
2 BR/50%	498	50	9	21	5%					
2 BR/60%	549	55	22	25	8%					
2 BR/70%	309	31	5	0	1%					
2 BR/80%	266	27	1	0	0%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$1,132,119	Avg. Rent:	\$1,300	Expense Ratio:	42.1%
Debt Service:	\$984,448	B/E Rent:	\$1,200	Controllable Expenses:	\$3,233
Net Cash Flow:	\$147,671	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,250
Aggregate DCR:	1.15	B/E Occupancy:	85.5%	Program Rent Year:	2023

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$719,055/ac	\$32,526/unit	\$4,326,000	Contractor Fee	\$2,471,798
Off-site + Site Work		\$18,913/unit	\$2,515,397	Soft Cost + Financing	\$5,260,315
Building Cost	\$133.14/sf	\$113,837/unit	\$15,140,301	Developer Fee	\$3,708,278
Contingency	3.91%	\$5,193/unit	\$690,666	Reserves	\$1,545,590
Total Development Cost		\$268,108/unit	\$35,658,345	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		High Opportunity Index [9% only]			

Contingency:

Contingency understated at 3.91%. \$2.03M of additional repayable developer fee is available for deferral as additional contingency for any potential cost overruns.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$35,658,345	\$28,430,133	\$2,142,627

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Regions Bank	HUD 221(d)4	\$15,785,400	5.25%	44%
Regions Bank	Equity Bridge Loan	\$14,502,272	5.00%	41%
Regions Bank	HTC	\$2,678,851	\$0.91	8%
City of Mesquite	Fee Reduction	\$500	0.00%	0%
RIVA/The Land Experts	Deferred Developer Fee	\$2,691,222	0.00%	8%
GP Equity	GP Equity	\$100	0.00%	0%
		\$35,658,345	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions Bank	\$15,785,400	5.25%	40	40.0	\$15,785,400	5.25%	40	40.0	44%
City of Mesquite	\$500	Fee Waiver			\$500	Fee Waiver			0%
GP Equity	\$100	0.00%	0	0.0	\$100	0.00%	0	0.0	0%
Total	\$15,786,000				\$15,786,000				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions Bank	\$18,198,180	\$0.91		\$18,198,180	\$0.91	51%	
RIVA/The Land Experts	\$1,674,165		45%	\$1,674,165		5%	45%
	Total	\$19,872,345		\$19,872,345			
				\$35,658,345	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.994	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.808	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$35,658,345
Permanent Sources (debt + non-HTC equity)	\$15,786,000
Gap in Permanent Financing	\$19,872,345

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$19,495,957	\$2,142,627
Needed to Balance Sources & Uses	\$19,872,345	\$2,183,993
Requested by Applicant	\$18,198,180	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$18,198,180	\$2,000,000

Deferred Developer Fee	\$1,674,165	(45% deferred)
Repayable in	9 years	

Recommendation:

Undewriter recommends an annual tax credit allocation of \$2,000,000 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
<i>2910 Motley Senior Living, Mesquite, 9% HTC #24030</i>

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

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	62	46.6%	0	0	0	0
2	71	53.4%	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	133	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	64.41%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	855 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	9	-	36	35	6	2	45	133
Income	% Total	0.0%	6.8%	0.0%	27.1%	26.3%	4.5%	1.5%	33.8%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$580	6	1	1	706	\$580	\$69	\$511	\$0	\$0.72	\$511	\$3,066	\$3,066	\$511	\$0.72	\$0	\$1,547	\$2.19	\$1,780
TC 50%	\$966	27	1	1	706	\$966	\$69	\$897	\$0	\$1.27	\$897	\$24,219	\$24,219	\$897	\$1.27	\$0	\$1,547	\$2.19	\$1,780
TC 60%	\$1,160	13	1	1	706	\$1,160	\$69	\$1,091	\$0	\$1.55	\$1,091	\$14,183	\$14,183	\$1,091	\$1.55	\$0	\$1,547	\$2.19	\$1,780
TC 70%	\$1,353	1	1	1	706	\$1,353	\$69	\$1,284	\$0	\$1.82	\$1,284	\$1,284	\$1,284	\$1,284	\$1.82	\$0	\$1,547	\$2.19	\$1,780
TC 80%	\$1,547	1	1	1	706	\$1,547	\$69	\$1,478	\$0	\$2.09	\$1,478	\$1,478	\$1,478	\$1,478	\$2.09	\$0	\$1,547	\$2.19	\$1,780
MR		14	1	1	706	\$0	\$69		NA	\$2.19	\$1,547	\$21,658	\$21,658	\$1,547	\$2.19	NA	\$1,547	\$2.19	\$1,780
TC 30%	\$696	3	2	2	984	\$696	\$91	\$605	\$0	\$0.61	\$605	\$1,815	\$1,815	\$605	\$0.61	\$0	\$1,856	\$1.89	\$2,072
TC 50%	\$1,160	9	2	2	984	\$1,160	\$91	\$1,069	\$0	\$1.09	\$1,069	\$9,621	\$9,621	\$1,069	\$1.09	\$0	\$1,856	\$1.89	\$2,072
TC 60%	\$1,392	22	2	2	984	\$1,392	\$91	\$1,301	\$0	\$1.32	\$1,301	\$28,622	\$28,622	\$1,301	\$1.32	\$0	\$1,856	\$1.89	\$2,072
TC 70%	\$1,624	5	2	2	984	\$1,624	\$91	\$1,533	\$0	\$1.56	\$1,533	\$7,665	\$7,665	\$1,533	\$1.56	\$0	\$1,856	\$1.89	\$2,072
TC 80%	\$1,856	1	2	2	984	\$1,856	\$91	\$1,765	\$0	\$1.79	\$1,765	\$1,765	\$1,765	\$1,765	\$1.79	\$0	\$1,856	\$1.89	\$2,072
MR		18	2	2	984	\$0	\$91		NA	\$1.89	\$1,856	\$33,408	\$33,408	\$1,856	\$1.89	NA	\$1,856	\$1.89	\$2,072
MR		13	2	2	990	\$0	\$91		NA	\$1.87	\$1,856	\$24,128	\$24,128	\$1,856	\$1.87	NA	\$1,856	\$1.87	\$2,080
TOTALS/AVERAGES:		133			113,714				\$0	\$1.52	\$1,300	\$172,912	\$172,912	\$1,300	\$1.52	\$0	\$1,712	\$2.00	\$1,937

ANNUAL POTENTIAL GROSS RENT:	\$2,074,944	\$2,074,944	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

2910 Motley Senior Living, Mesquite, 9% HTC #24030

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			\$1.52	\$1,300	\$2,074,944	\$2,074,944	\$1,300	\$1.52		0.0%	\$0
Application, Pet, Late and NSF Fees				\$15.76	\$25,152						
Laundry, Vending, Cable				\$9.10	\$14,520						
Total Secondary Income				\$24.86		\$39,672	\$24.86			0.0%	\$0
POTENTIAL GROSS INCOME					\$2,114,616	\$2,114,616				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI	(158,596)	(158,596)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME					\$1,956,020	\$1,956,020				0.0%	\$0

General & Administrative	\$76,402	\$574/Unit	\$54,426	\$409	2.80%	\$0.48	\$411	\$54,726	\$54,426	\$409	\$0.48	2.78%	0.6%	300
Management	\$62,061	3.1% EGI	\$67,151	\$505	5.00%	\$0.86	\$735	\$97,801	\$97,801	\$735	\$0.86	5.00%	0.0%	-
Payroll & Payroll Tax	\$192,196	\$1,445/Unit	\$188,450	\$1,417	9.96%	\$1.71	\$1,465	\$194,838	\$188,450	\$1,417	\$1.66	9.63%	3.4%	6,388
Repairs & Maintenance	\$107,169	\$806/Unit	\$109,560	\$824	4.39%	\$0.75	\$645	\$85,788	\$86,450	\$650	\$0.76	4.42%	-0.8%	(662)
Electric/Gas	\$36,014	\$271/Unit	\$32,097	\$241	1.30%	\$0.22	\$191	\$25,451	\$32,097	\$241	\$0.28	1.64%	-20.7%	(6,646)
Water, Sewer, & Trash	\$114,114	\$858/Unit	\$93,802	\$705	3.54%	\$0.61	\$520	\$69,177	\$93,802	\$705	\$0.82	4.80%	-26.3%	(24,625)
Property Insurance	\$90,101	\$0.79 /sf	\$91,085	\$685	4.76%	\$0.82	\$700	\$93,100	\$91,085	\$685	\$0.80	4.66%	2.2%	2,015
Property Tax (@ 100%) 2.3344	\$148,998	\$1,120/Unit	\$219,536	\$1,651	8.50%	\$1.46	\$1,250	\$166,250	\$148,998	\$1,120	\$1.31	7.62%	11.6%	17,252
Reserve for Replacements					1.70%	\$0.29	\$250	\$33,250	\$33,250	\$250	\$0.29	1.70%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.18%	\$0.03	\$26	\$3,520	\$3,520	\$26	\$0.03	0.18%	0.0%	-
TOTAL EXPENSES					42.12%	\$7.25	\$6,195	\$823,901	\$829,879	\$6,240	\$7.30	42.43%	-0.7%	\$ (5,978)
NET OPERATING INCOME ("NOI")					57.88%	\$9.96	\$8,512	\$1,132,119	\$1,126,141	\$8,467	\$9.90	57.57%	0.5%	\$ 5,978

CONTROLLABLE EXPENSES		\$3,233/Unit		\$3,423/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>2910 Motley Senior Living, Mesquite, 9% HTC #24030</i>

		DEBT / GRANT SOURCES													
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
DEBT (Must Pay)	Fee	UW	App											DCR	LTC
Regions Bank	0.25%	1.14	1.15	984,448	5.25%	40	40.0	\$15,785,400	\$15,785,400	40.0	40.0	5.25%	\$984,448	1.15	44.3%
CASH FLOW DEBT / GRANTS															
City of Mesquite		1.14	1.15		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.15	0.0%
GP Equity		1.14	1.15		0.00%	0	0.0	\$100	\$100	0.0	0.0	0.00%		1.15	0.0%
				\$984,448	TOTAL DEBT / GRANT SOURCES			\$15,786,000	\$15,786,000	TOTAL DEBT SERVICE			\$984,448	1.15	44.3%
NET CASH FLOW		\$141,693	\$147,671	APPLICANT NET OPERATING INCOME \$1,132,119 \$147,671 NET CASH FLOW											

		EQUITY SOURCES										
		APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
		DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES	Regions Bank	LIHTC Equity	51.0%	\$2,000,000	\$0.91	\$18,198,180	\$18,198,180	\$0.9099	\$2,000,000	51.0%	\$15,038	Applicant Request
	RIVA/The Land Experts	Deferred Developer Fees	4.7%	(45% Deferred)		\$1,674,165	\$1,674,165	(45% Deferred)		4.7%	Total Developer Fee:	
	Additional (Excess) Funds Req'd		0.0%				\$0			0.0%	\$3,708,278	
TOTAL EQUITY SOURCES			55.7%			\$19,872,345	\$19,872,345			55.7%		
TOTAL CAPITALIZATION						\$35,658,345	\$35,658,345			15-Yr Cash Flow after Deferred Fee:		\$2,229,276

		DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
		Eligible Basis		Total Costs				Total Costs				Eligible Basis		%	\$
		Acquisition	New Const. Rehab									New Const. Rehab	Acquisition		
Land Acquisition				\$31,579 / Unit	\$4,200,000	\$4,200,000	\$31,579 / Unit						0.0%	\$0	
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0			0.0%	\$0	
Broker Fees					\$126,000	\$126,000							0.0%	\$0	
Off-Sites				\$ / Unit	\$0	\$0	\$ / Unit			\$0			0.0%	\$0	
Site Work			\$1,579,474	\$11,876 / Unit	\$1,579,474	\$1,579,474	\$11,876 / Unit			\$1,579,474			0.0%	\$0	
Site Amenities			\$935,923	\$7,037 / Unit	\$935,923	\$935,923	\$7,037 / Unit			\$935,923			0.0%	\$0	
Building Cost			\$15,140,301	\$133.14 /sf	\$113,837/Unit	\$15,140,301	\$16,904,829	\$127,104/Unit	\$148.66 /sf	\$15,140,301			-10.4%	(\$1,764,528)	
Contingency			\$690,666	3.91%	3.91%	\$690,666	\$690,666	3.56%	3.91%	\$690,666			0.0%	\$0	
Contractor Fees			\$2,471,798	13.47%	13.47%	\$2,471,798	\$2,471,798	12.29%	13.47%	\$2,471,798			0.0%	\$0	
Soft Costs		\$0	\$2,436,788		\$19,121 / Unit	\$2,543,038	\$2,543,038	\$19,121 / Unit		\$2,436,788	\$0		0.0%	\$0	
Financing		\$0	\$1,466,905		\$20,431 / Unit	\$2,717,277	\$2,717,277	\$20,431 / Unit		\$1,466,905	\$0		0.0%	\$0	
Developer Fee		\$0	\$3,708,278	15.00%	15.00%	\$3,708,278	\$3,708,278	14.00%	15.00%	\$3,708,278	\$0		0.0%	\$0	
Reserves					10 Months	\$1,545,590	\$1,545,590	10 Months					0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$28,430,133		\$268,108 / Unit	\$35,658,345	\$37,422,873	\$281,375 / Unit		\$28,430,133	\$0		-4.7%	(\$1,764,528)	
Acquisition Cost		\$0				\$0									
Contingency			\$0			\$0									
Contractor's Fee			\$0			\$0									
Financing Cost			\$0												
Developer Fee		\$0	\$0			\$0									
Reserves						\$0									
ADJUSTED BASIS / COST		\$0	\$28,430,133		\$268,108/unit	\$35,658,345	\$37,422,873	\$281,375/unit		\$28,430,133	\$0		-4.7%	(\$1,764,528)	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$35,658,345									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
2910 Motley Senior Living, Mesquite, 9% HTC #24030

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$28,430,133	\$0	\$28,430,133
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$28,430,133	\$0	\$28,430,133
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$36,959,173	\$0	\$36,959,173
Applicable Fraction	64.41%	64.41%	64%	64%
TOTAL QUALIFIED BASIS	\$0	\$23,806,967	\$0	\$23,806,967
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,142,627	\$0	\$2,142,627
CREDITS ON QUALIFIED BASIS	\$2,142,627		\$2,142,627	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.9099	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,142,627	\$19,495,957	----	----	----
Needed to Fill Gap	\$2,183,993	\$19,872,345	----	----	----
Applicant Request	\$2,000,000	\$18,198,180	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	113,714 SF	\$118.21	13,442,282
Adjustments				
Exterior Wall Finish	3.20%		3.78	\$430,153
Elderly	9.00%		10.64	1,209,805
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			(0.25)	(28,429)
Subfloor			(0.21)	(24,259)
Floor Cover			3.68	418,468
Breezeways	\$39.76	21,696	7.59	862,659
Balconies	\$39.40	9,446	3.27	372,126
Plumbing Fixtures	\$1,420	346	4.32	491,320
Rough-ins	\$700	266	1.64	186,200
Built-In Appliances	\$2,280	133	2.67	303,240
Exterior Stairs	\$3,550	15	0.47	53,250
Heating/Cooling			3.12	354,788
Storage Space	\$39.76	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$122.99	6,408	6.93	788,108
Elevators	\$232,000	2	4.08	464,000
Other:			0.00	0
Fire Sprinklers	\$3.65	141,818	4.55	517,636
SUBTOTAL			174.48	\$19,841,348
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			174.48	\$19,841,348
Plans, specs, survey, bldg permits	3.30%		(5.76)	(\$654,764)
Contractor's OH & Profit	11.50%		(20.07)	(2,281,755)
NET BUILDING COSTS		\$127,104/unit	\$148.66/sf	\$16,904,829

Long-Term Pro Forma

2910 Motley Senior Living, Mesquite, 9% HTC #24030

	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%	\$1,956,020	\$1,995,140	\$2,035,043	\$2,075,744	\$2,117,259	\$2,337,625	\$2,580,927	\$2,849,551	\$3,146,135	\$3,473,587	\$3,835,121	\$4,234,284
TOTAL EXPENSES	3.00%	\$823,901	\$847,640	\$872,072	\$897,216	\$923,095	\$1,064,277	\$1,227,338	\$1,415,698	\$1,633,319	\$1,884,782	\$2,175,392	\$2,511,292
NET OPERATING INCOME ("NOI")		\$1,132,119	\$1,147,500	\$1,162,971	\$1,178,528	\$1,194,164	\$1,273,348	\$1,353,589	\$1,433,853	\$1,512,817	\$1,588,806	\$1,659,729	\$1,722,991
EXPENSE/INCOME RATIO		42.1%	42.5%	42.9%	43.2%	43.6%	45.5%	47.6%	49.7%	51.9%	54.3%	56.7%	59.3%
MUST -PAY DEBT SERVICE													
Regions Bank		\$984,448	\$984,150	\$983,836	\$983,506	\$983,157	\$981,113	\$978,457	\$975,006	\$970,521	\$964,693	\$957,121	\$947,281
TOTAL DEBT SERVICE		\$984,448	\$984,150	\$983,836	\$983,506	\$983,157	\$981,113	\$978,457	\$975,006	\$970,521	\$964,693	\$957,121	\$947,281
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.30	1.38	1.47	1.56	1.65	1.73	1.82
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$1,526,494	\$1,363,144	\$1,184,008	\$988,986	\$777,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$519,925	\$2,229,276	\$4,355,952	\$6,900,891	\$9,858,783	\$13,216,544	\$16,951,516