

## September 25, 2024

Printed: 9/25/24

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	15/40	7.00%	\$5,894,000	1.16	City of Houston	0/0	0.00%	\$500	1.16	Regions Bank	\$17,798,220
										0	\$0
										0	\$0
										CSH Northpark Garden Villas, Ltd	\$92,030
TOTAL DEBT (Must Pay)			\$5,894,000		CASH FLOW DEBT / GRANTS			\$500		TOTAL EQUITY SOURCES	\$17,890,250
										TOTAL DEBT SOURCES	\$5,894,500
										TOTAL CAPITALIZATION	\$23,784,750

CONDITIONS

- 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.

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

AREA MAP



## Real Estate Analysis Division

Underwriting Report

September 25, 2024

## DEVELOPMENT IDENTIFICATION

TDHCA Application #:	24110	Program(s):	9% HTC		
Northpark Garden Villas					
Address/Location: East Side Imperial Valley Dr at Northpark Central Dr					
City:	Houston	County:	Harris	Zip:	77073
Population:	General	Program Set-Aside:	General	Area:	Urban
Activity:	New Construction	Building Type:	Elevator Served	Region:	6
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

- 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	10
50% of AMI	50% of AMI	40
60% of AMI	60% of AMI	37
70% of AMI	70% of AMI	11

## DEVELOPMENT SUMMARY

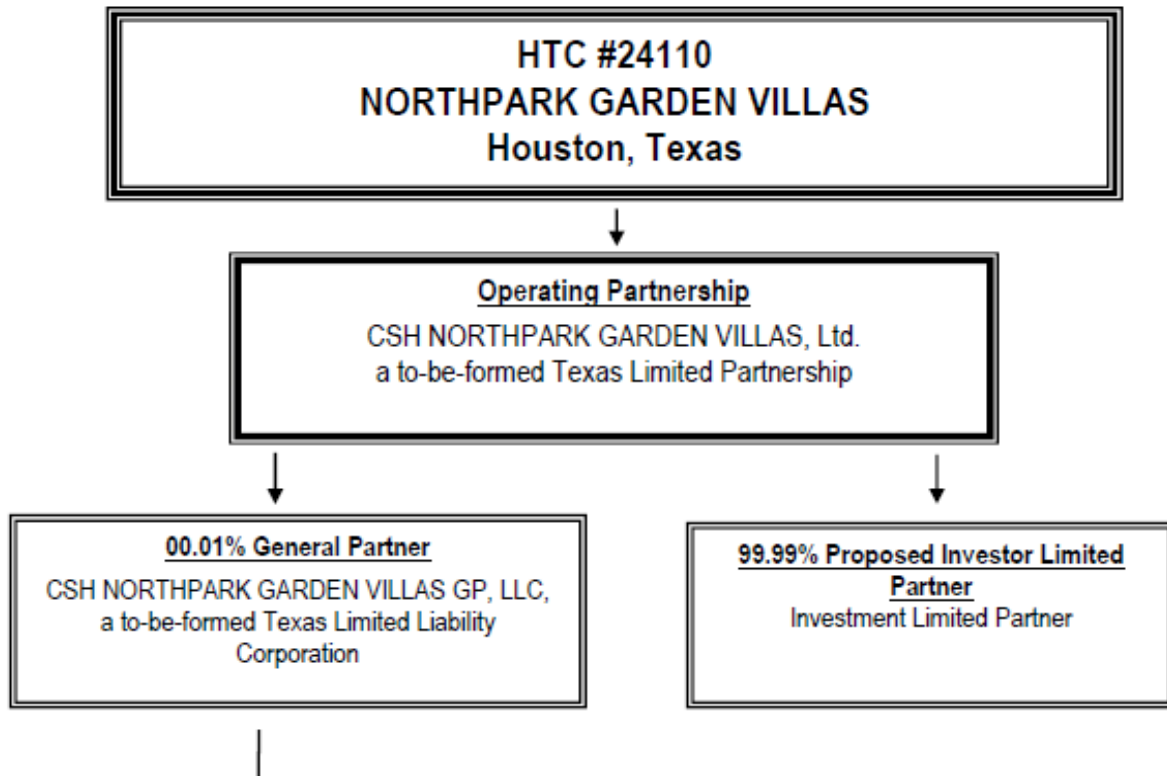
Northpark Garden Villas is a proposed 98 unit, project located in Houston, Texas. The property will serve the general population and offer a mix of 1-bed/1-bath and 2-bed/2-bath units within two (2) buildings on site. The development provides a mix of affordable units, in each configuration, at the 30% AMI, 50% AMI, 60% AMI, and 70% AMI thresholds. The development is located within both the Spring and Aldine school districts. Otherwise, the development is typical for the target population and area and doesn't have any particularly unusual aspects.

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Low gross capture rate	▫ 1.16 DCR

## DEVELOPMENT TEAM

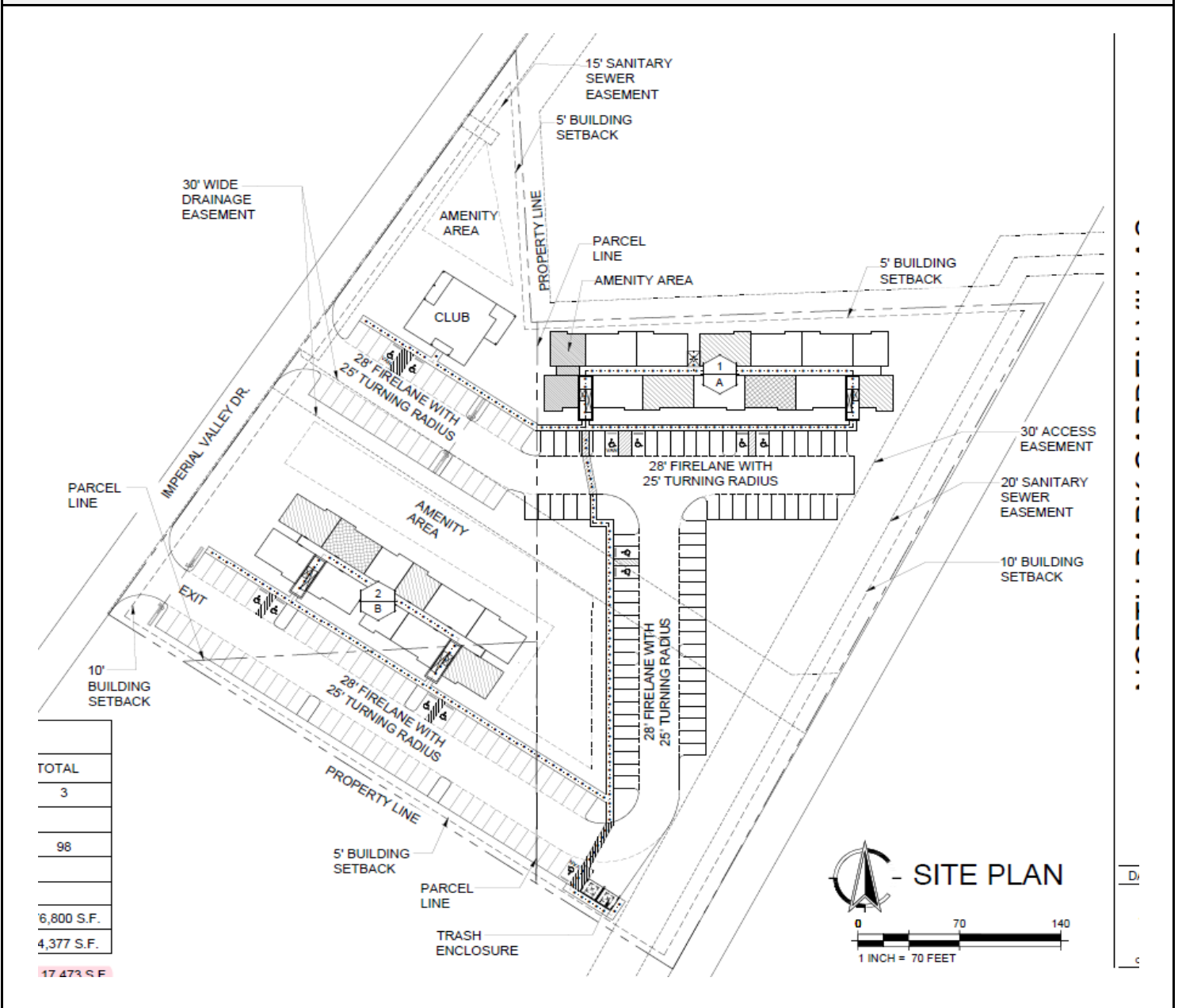
## OWNERSHIP STRUCTURE





# DEVELOPMENT SUMMARY

## SITE PLAN

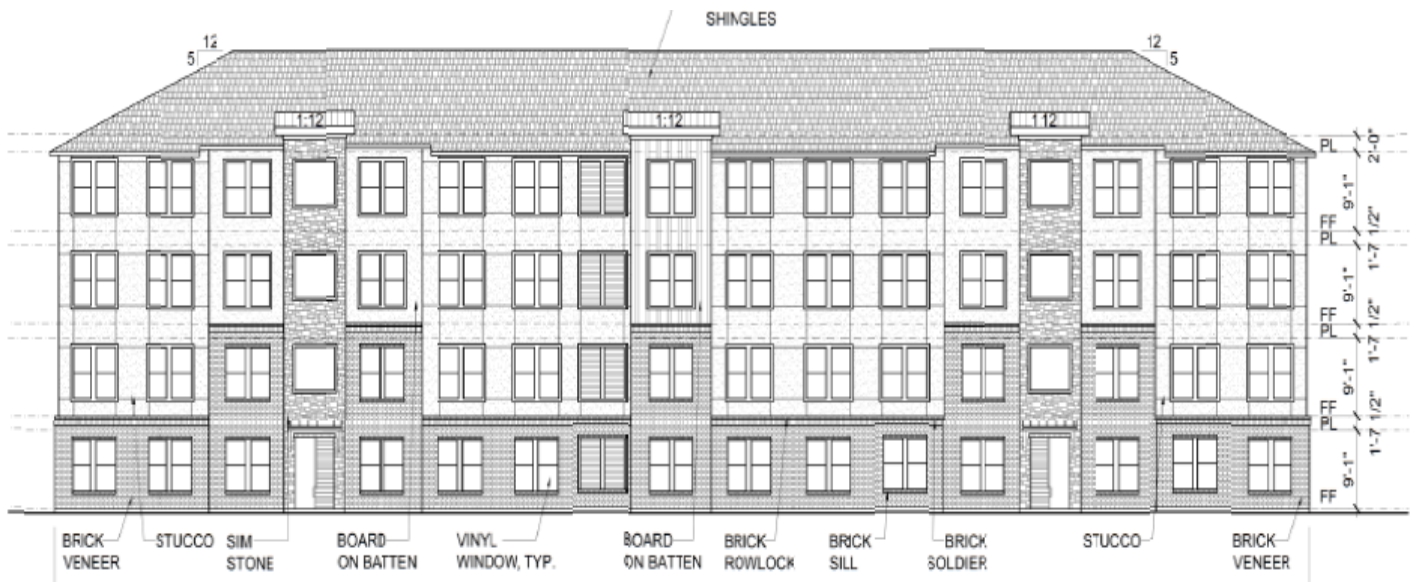




Comments:

Provided parking of 172 spaces is compliant with city requirements.

## BUILDING ELEVATION



## BUILDING CONFIGURATION

Building Type	A	B												Total Buildings
Floors/Stories	4	4												
Number of Bldgs	1	1												2
Units per Bldg	54	44												
Total Units	54	44												98
Avg. Unit Size (SF)	784 sf	Total NRA (SF)		76,800	Common Area (SF)*		17,473							

\*Common Area Square Footage as specified on Architect Certification

## SITE CONTROL INFO

**Site Acreage:** Development Site: 4.44 acres Density: 22.1 units/acre  
**Site Control:** 5.25 **Site Plan:** 4.44 **Appraisal:** N/A **ESA:** 5.2  
**Feasibility Report Survey:** 4.44 **Feasibility Report Engineer's Plan:** 4.44 **Existing LURA:** N/A

Control Type: Earnest Money Contract

Development Site: 4.44 acres Cost: \$1,315,000 \$13,418 per unit

Seller: Prabhakar R. Guniganti and Sushma Vijaykumar Trust

Buyer: Texas Inter-Faith Housing Corporation

Related-Party Seller/Identity of Interest: No

## Comments:

Site Control acreage of 5.25 was based on public HCAD data at the time of executing the contract for purchase. The ESA provider prepared their study on same site as Site Control and stated approximately 5.20 acres on the irreport based on acreage from HCAD and Site Control. The size of the site based on the physical survey is 4.44 acres.

There is a 30' access easement on the east side of the property as well as a 20' sanitary and 30' drainage easment.

## SITE INFORMATION

Flood Zone: X Scattered Site? No  
 Zoning: Houston - No Zoning Letter Within 100-yr floodplain? No  
 Re-Zoning Required? No Utilities at Site? Yes  
 Year Constructed: N/A Title Issues? No

## HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 2/23/2024

## Recognized Environmental Conditions (RECs) and Other Concerns:

- The calculated Noise Level is 71 dB which is considered "normally unacceptable" by HUD guidelines and noise mitigation will be required.

## MARKET ANALYSIS

Provider: Araiza Appraisal & Consulting

Date: 3/20/2024

Primary Market Area (PMA): 33 sq. miles 3 mile equivalent radius

### AFFORDABLE HOUSING INVENTORY

#### Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
Stabilized Affordable Developments in PMA						Total Units 1,150
						Total Developments 6
						Average Occupancy 92%

#### Comments:

TDHCA #21413 is just south of the subject PMA. 21413 is more heavily weighted toward 3BR and 4BR units and including it in the PMA results in an overall capture of 3.17%. No EMA was necessary.

### OVERALL DEMAND ANALYSIS

Market Analyst				
		HTC	Assisted	
Total Households in the Primary Market Area		32,644		
Potential Demand from the Primary Market Area		5,594		
10% External Demand		559		
Potential Demand from Other Sources		0		
<b>GROSS DEMAND</b>		6,153		
Subject Affordable Units		98		
Unstabilized Competitive Units		0		
<b>RELEVANT SUPPLY</b>		98		
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>		<b>1.6%</b>		

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

### UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

Market Analyst					
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
30% AMGI	864	86	10	0	1%
50% AMGI	1,546	155	40	0	2%
60% AMGI	2,241	224	37	0	2%
70% AMGI	943	94	11	0	1%



### 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%	220	22	8	0	3%					
1 BR/50%	570	57	14	0	2%					
1 BR/60%	601	60	4	0	1%					
1 BR/70%	386	39	3	0	1%					
2 BR/30%	188	19	2	0	1%					
2 BR/50%	411	41	26	0	6%					
2 BR/60%	468	47	33	0	6%					
2 BR/70%	291	29	8	0	2%					

### OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$510,555	Avg. Rent:	\$1,004	Expense Ratio:	54.6%
Debt Service:	\$439,526	B/E Rent:	\$939	Controllable Expenses:	\$3,325
Net Cash Flow:	\$71,029	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,297
Aggregate DCR:	1.16	B/E Occupancy:	86.7%	Program Rent Year:	2023

### DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$296,171/ac	\$13,418/unit	\$1,315,000	Contractor Fee	\$1,876,376
Off-site + Site Work		\$17,944/unit	\$1,758,500	Soft Cost + Financing	\$3,831,855
Building Cost	\$143.58/sf	\$112,523/unit	\$11,027,250	Developer Fee	\$2,810,590
Contingency	4.99%	\$6,512/unit	\$638,223	Reserves	\$526,956
Total Development Cost		\$242,702/unit	\$23,784,750	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		High Opportunity Index [9% only]			

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$23,784,750	\$21,779,619	\$2,548,215

### UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Regions Bank	Construction Loan	\$5,894,000	9.50%	29%
Regions Bank	Bridge Loan	\$11,106,000	9.50%	54%
Regions Bank	HTC	\$3,559,644	\$0.89	17%
		\$20,559,644	Total Sources	

## PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions Bank	\$5,894,000	7.00%	40	15.0	\$5,894,000	7.00%	40	15.0	25%
City of Houston	\$500	Fee Waiver			\$500	Fee Waiver			
<b>Total</b>	<b>\$5,894,500</b>				<b>\$5,894,500</b>				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions Bank	\$17,798,220	\$0.89		\$17,798,220	\$0.89	75%	
CSH Northpark Garden Villas, Ltd	\$92,030		3%	\$92,030		0%	3%
	<b>Total</b>	<b>\$17,890,250</b>		<b>\$17,890,250</b>			
				<b>\$23,784,750</b>	<b>Total Sources</b>		

Credit Price Sensitivity based on current capital structure	
<b>\$0.895</b>	Maximum Credit Price before the Development is oversourced and allocation is limited
<b>\$0.820</b>	Minimum Credit Price below which the Development would be characterized as infeasible

## CONCLUSIONS

Gap Analysis:	
Total Development Cost	\$23,784,750
Permanent Sources (debt + non-HTC equity)	\$5,894,500
<b>Gap in Permanent Financing</b>	<b>\$17,890,250</b>

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$22,676,849	\$2,548,215
Needed to Balance Sources & Uses	\$17,890,250	\$2,010,341
Requested by Applicant	\$17,798,220	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
<b>Tax Credit Allocation</b>	<b>\$17,798,220</b>	<b>\$2,000,000</b>

Deferred Developer Fee	\$92,030	( 3% deferred)
Repayable in	2 years	

Recommendation:

Underwriter 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>Northpark Garden Villas, Houston, 9% HTC #24110</i>

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	\$93,200
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	26	26.5%	0	0	0	0
2	72	73.5%	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
<b>TOTAL</b>	<b>98</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	784 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	10	-	40	37	11	-	-	98
Income	% Total	0.0%	10.2%	0.0%	40.8%	37.8%	11.2%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	\$524	8	1	1	600	\$524	\$68	\$456	\$0	\$0.76	\$456	\$3,648	\$3,648	\$456	\$0.76	\$0	\$1,375	\$2.29	\$1,375
TC 50%	\$874	11	1	1	600	\$874	\$68	\$806	\$0	\$1.34	\$806	\$8,866	\$8,866	\$806	\$1.34	\$0	\$1,375	\$2.29	\$1,375
TC 60%	\$1,049	4	1	1	600	\$1,049	\$68	\$981	\$0	\$1.64	\$981	\$3,924	\$3,924	\$981	\$1.64	\$0	\$1,375	\$2.29	\$1,375
TC 70%	\$1,224	3	1	1	600	\$1,224	\$68	\$1,156	\$0	\$1.93	\$1,156	\$3,468	\$3,468	\$1,156	\$1.93	\$0	\$1,375	\$2.29	\$1,375
TC 30%	\$629	2	2	2	850	\$629	\$89	\$540	\$0	\$0.64	\$540	\$1,080	\$1,080	\$540	\$0.64	\$0	\$1,525	\$1.79	\$1,525
TC 50%	\$1,048	29	2	2	850	\$1,048	\$89	\$959	\$0	\$1.13	\$959	\$27,811	\$27,811	\$959	\$1.13	\$0	\$1,525	\$1.79	\$1,525
TC 60%	\$1,258	33	2	2	850	\$1,258	\$89	\$1,169	\$0	\$1.38	\$1,169	\$38,577	\$38,577	\$1,169	\$1.38	\$0	\$1,525	\$1.79	\$1,525
TC 70%	\$1,468	8	2	2	850	\$1,468	\$89	\$1,379	\$0	\$1.62	\$1,379	\$11,032	\$11,032	\$1,379	\$1.62	\$0	\$1,525	\$1.79	\$1,525
<b>TOTALS/AVERAGES:</b>		<b>98</b>			<b>76,800</b>				<b>\$0</b>	<b>\$1.28</b>	<b>\$1,004</b>	<b>\$98,406</b>	<b>\$98,406</b>	<b>\$1,004</b>	<b>\$1.28</b>	<b>\$0</b>	<b>\$1,485</b>	<b>\$1.90</b>	<b>\$1,485</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,180,872</b>	<b>\$1,180,872</b>	
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\*MFDL units float among Unit Types

<b>STABILIZED PRO FORMA</b>
<i>Northpark Garden Villas, Houston, 9% HTC #24110</i>

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				\$1.28	\$1,004	\$1,180,872	\$1,180,872	\$1,004	\$1.28		0.0%	\$0
Late, NSF, Cleaning, Interest on Deposits					\$30.00	\$35,280						
Total Secondary Income					\$30.00		\$35,280	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,216,152	\$1,216,152				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(91,211)	(91,211)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,124,941	\$1,124,941				0.0%	\$0

General & Administrative	\$49,459	\$505/Unit	\$65,975	\$673	3.48%	\$0.51	\$400	\$39,200	\$49,459	\$505	\$0.64	4.40%	-20.7%	(10,259)
Management	\$45,792	3.5% EGI	\$48,220	\$492	3.98%	\$0.58	\$457	\$44,794	\$44,998	\$459	\$0.59	4.00%	-0.5%	(204)
Payroll & Payroll Tax	\$145,071	\$1,480/Unit	\$158,732	\$1,620	11.11%	\$1.63	\$1,275	\$124,950	\$124,950	\$1,275	\$1.63	11.11%	0.0%	-
Repairs & Maintenance	\$77,473	\$791/Unit	\$37,747	\$385	6.53%	\$0.96	\$750	\$73,500	\$63,700	\$650	\$0.83	5.66%	15.4%	9,800
Electric/Gas	\$28,303	\$289/Unit	\$20,323	\$207	1.87%	\$0.27	\$214	\$21,000	\$20,323	\$207	\$0.26	1.81%	3.3%	677
Water, Sewer, & Trash	\$75,400	\$769/Unit	\$57,220	\$584	5.97%	\$0.88	\$686	\$67,200	\$57,220	\$584	\$0.75	5.09%	17.4%	9,980
Property Insurance	\$79,947	\$1.04 /sf	\$107,544	\$1,097	7.84%	\$1.15	\$900	\$88,200	\$107,544	\$1,097	\$1.40	9.56%	-18.0%	(19,344)
Property Tax (@ 100%) 2.0685	\$88,277	\$901/Unit			11.30%	\$1.66	\$1,297	\$127,122	\$107,692	\$1,099	\$1.40	9.57%	18.0%	19,430
Reserve for Replacements					2.18%	\$0.32	\$250	\$24,500	\$24,500	\$250	\$0.32	2.18%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.35%	\$0.05	\$40	\$3,920	\$3,920	\$40	\$0.05	0.35%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>54.61%</b>	<b>\$8.00</b>	<b>\$6,269</b>	<b>\$614,386</b>	<b>\$604,306</b>	<b>\$6,166</b>	<b>\$7.87</b>	<b>53.72%</b>	<b>1.7%</b>	<b>\$ 10,080</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>45.39%</b>	<b>\$6.65</b>	<b>\$5,210</b>	<b>\$510,555</b>	<b>\$520,635</b>	<b>\$5,313</b>	<b>\$6.78</b>	<b>46.28%</b>	<b>-1.9%</b>	<b>\$ (10,080)</b>

CONTROLLABLE EXPENSES							\$3,325/Unit				\$3,221/Unit			
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<b>CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS</b>
<i>Northpark Garden Villas, Houston, 9% HTC #24110</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	
UW	App	DCR	LTC												
DEBT (Must Pay)	Fee	1.18	1.16	439,526	7.00%	40	15.0	\$5,894,000	\$5,894,000	15.0	40.0	7.00%	\$439,526	1.16	24.8%
CASH FLOW DEBT / GRANTS															
City of Houston		1.18	1.16		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.16	0.0%
				\$439,526	TOTAL DEBT / GRANT SOURCES			\$5,894,500	\$5,894,500	TOTAL DEBT SERVICE			\$439,526	1.16	24.8%
NET CASH FLOW		\$81,109	\$71,029				APPLICANT			NET OPERATING INCOME			\$510,555	\$71,029	NET CASH FLOW

EQUITY / DEFERRED FEES	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
Regions Bank	LIHTC Equity	74.8%	\$2,000,000	\$0.89	\$17,798,220	\$17,798,220	\$0.8899	\$2,000,000	74.8%	\$20,408	Applicant Request
CSH Northpark Garden Villas, Ltd	Deferred Developer Fees	0.4%	(3% Deferred)		\$92,030	\$92,030	(3% Deferred)		0.4%	Total Developer Fee:	\$2,810,590
Additional (Excess) Funds Req'd						\$0			0.0%		
TOTAL EQUITY SOURCES		75.2%			\$17,890,250	\$17,890,250			75.2%		
TOTAL CAPITALIZATION					\$23,784,750	\$23,784,750	15-Yr Cash Flow after Deferred Fee:			\$1,400,714	

		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		\$0		\$13,418 / Unit		\$1,315,000	\$13,418 / Unit				0.0%	\$0			
Building Acquisition				\$ / Unit		\$0	\$0	\$ / Unit		\$0	0.0%	\$0			
Off-Sites				\$0		\$ / Unit	\$0	\$0		\$ / Unit	\$0	0.0%	\$0		
Site Work				\$1,408,500		\$14,372 / Unit	\$1,408,500	\$1,408,500		\$14,372 / Unit	\$1,408,500	0.0%	\$0		
Site Amenities				\$350,000		\$3,571 / Unit	\$350,000	\$350,000		\$3,571 / Unit	\$350,000	0.0%	\$0		
Building Cost				\$11,005,956		\$143.58 /sf	\$112,523/Unit	\$11,027,250		\$11,249,109	\$114,787/Unit	\$146.47 /sf	\$11,005,956	-2.0%	(\$221,859)
Contingency				\$638,223		5.00%	4.99%	\$638,223		\$638,223	4.91%	5.00%	\$638,223	0.0%	\$0
Contractor Fees				\$1,876,376		14.00%	13.98%	\$1,876,376		\$1,876,376	13.75%	14.00%	\$1,876,375	0.0%	\$0
Soft Costs		\$0	\$1,548,322	\$15,799 / Unit		\$1,548,322	\$1,548,322	\$15,799 / Unit		\$1,548,322	\$0	0.0%	\$0		
Financing		\$0	\$2,141,653	\$23,301 / Unit		\$2,283,533	\$2,283,533	\$23,301 / Unit		\$2,141,653	\$0	0.0%	\$0		
Developer Fee		\$0	\$2,810,590	14.82%	14.80%	\$2,810,590	\$2,810,590	14.63%	14.82%	\$2,810,590	\$0	0.0%	\$0		
Reserves				6 Months		\$526,956	\$526,956	6 Months				0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$21,779,620	\$242,702 / Unit		\$23,784,750	\$24,006,609	\$244,965 / Unit		\$21,779,619	\$0	-0.9%	(\$221,859)		
Acquisition Cost		\$0				\$0									
Contingency			\$0			\$0									
Contractor's Fee			(\$1)			\$0									
Financing Cost			\$0												
Developer Fee		\$0	\$0			\$0									
Reserves						\$0									
ADJUSTED BASIS / COST		\$0	\$21,779,619	\$242,702/unit		\$23,784,750	\$24,006,609	\$244,965/unit		\$21,779,619	\$0	-0.9%	(\$221,859)		
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$23,784,750									

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

*Northpark Garden Villas, Houston, 9% HTC #24110*

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$21,779,619	\$0	\$21,779,619
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,779,619	\$0	\$21,779,619
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$28,313,505	\$0	\$28,313,505
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$28,313,505	\$0	\$28,313,505
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,548,215	\$0	\$2,548,215
CREDITS ON QUALIFIED BASIS	\$2,548,215		\$2,548,215	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8899	Variance to Request	
	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,548,215	\$22,676,849	----	----	----
Needed to Fill Gap	\$2,010,341	\$17,890,250	----	----	----
Applicant Request	\$2,000,000	\$17,798,220	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	76,800 SF	\$125.53	9,640,349
Adjustments				
Exterior Wall Finish	3.33%		4.18	\$321,024
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.42%		4.29	329,338
Roof Adjustment(s)			0.00	0
Subfloor			0.30	22,656
Floor Cover			3.68	282,624
Breezeways	\$40.32	13,631	7.16	549,646
Balconies	\$36.23	760	0.36	27,535
Plumbing Fixtures	\$1,420	216	3.99	306,720
Rough-ins	\$700	196	1.79	137,200
Built-In Appliances	\$2,280	98	2.91	223,440
Exterior Stairs	\$3,550	16	0.74	56,800
Heating/Cooling			3.12	239,616
Storage Space	\$40.32	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$133.00	3,186	5.52	423,730
Elevators	\$150,400	2	3.92	300,800
Other:			0.00	0
Fire Sprinklers	\$3.65	93,617	4.45	341,702
SUBTOTAL			171.92	13,203,179
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			171.92	\$13,203,179
Plans, specs, survey, bldg permits	3.30%		(5.67)	(\$435,705)
Contractor's OH & Profit	11.50%		(19.77)	(1,518,366)
NET BUILDING COSTS		\$114,787/unit	\$146.47/sf	\$11,249,109

## Long-Term Pro Forma

*Northpark Garden Villas, Houston, 9% HTC #24110*

	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%	\$1,124,941	\$1,147,439	\$1,170,388	\$1,193,796	\$1,217,672	\$1,344,408	\$1,484,335	\$1,638,826	\$1,809,396	\$1,997,720	\$2,205,644	\$2,435,209
TOTAL EXPENSES	3.00%	\$614,386	\$632,370	\$650,884	\$669,944	\$689,567	\$796,721	\$920,664	\$1,064,039	\$1,229,912	\$1,421,828	\$1,643,898	\$1,900,881
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$510,555</b>	<b>\$515,070</b>	<b>\$519,504</b>	<b>\$523,852</b>	<b>\$528,105</b>	<b>\$547,687</b>	<b>\$563,671</b>	<b>\$574,787</b>	<b>\$579,485</b>	<b>\$575,892</b>	<b>\$561,746</b>	<b>\$534,328</b>
EXPENSE/INCOME RATIO		54.6%	55.1%	55.6%	56.1%	56.6%	59.3%	62.0%	64.9%	68.0%	71.2%	74.5%	78.1%
<b>MUST -PAY DEBT SERVICE</b>													
Regions Bank		\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526
TOTAL DEBT SERVICE		\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526	\$439,526
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.20	1.25	1.28	1.31	1.32	1.31	1.28	1.22
<b>ANNUAL CASH FLOW</b>													
Deferred Developer Fee Balance		\$21,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$54,543</b>	<b>\$134,521</b>	<b>\$218,847</b>	<b>\$307,425</b>	<b>\$810,281</b>	<b>\$1,400,714</b>	<b>\$2,057,023</b>	<b>\$2,750,336</b>	<b>\$3,443,089</b>	<b>\$4,087,210</b>	<b>\$4,621,976</b>