Real Estate Analysis Division
January 31, 2025

Addendum to Underwriting Report

TDHCA Application #: **24510_22153** Program(s): **9% HTC**

Estacado Estates

Address/Location: Northwest corner of SW 58th Ave & S Washington St

City: Amarillo County: Randall Zip: 79110

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/31/25	**MDL 2024-3 NOFA TCAP-RF Award Memo**
06/10/22	New Application-Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
MFDL TCAP-RF					**$2,863,511**	**2.00%**	**40**	**40**	**1**
LIHTC (9% Credit)	$913,000				**$913,000**				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 **Receipt and acceptance before Direct Loan Contract:**
- Documentation that a current noise study has been completed, and certification from the Architect that all recommendations for mitigation from the noise study are incorporated into the development plans.

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 stating the Deferred Developer Fee is the first waterfall cash payment before any ground lease payment.

e: Substantially final ground lease.

3 **Receipt and acceptance by Cost Certification:**

a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

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	5
50% of AMI	50% of AMI	10
60% of AMI	60% of AMI	31

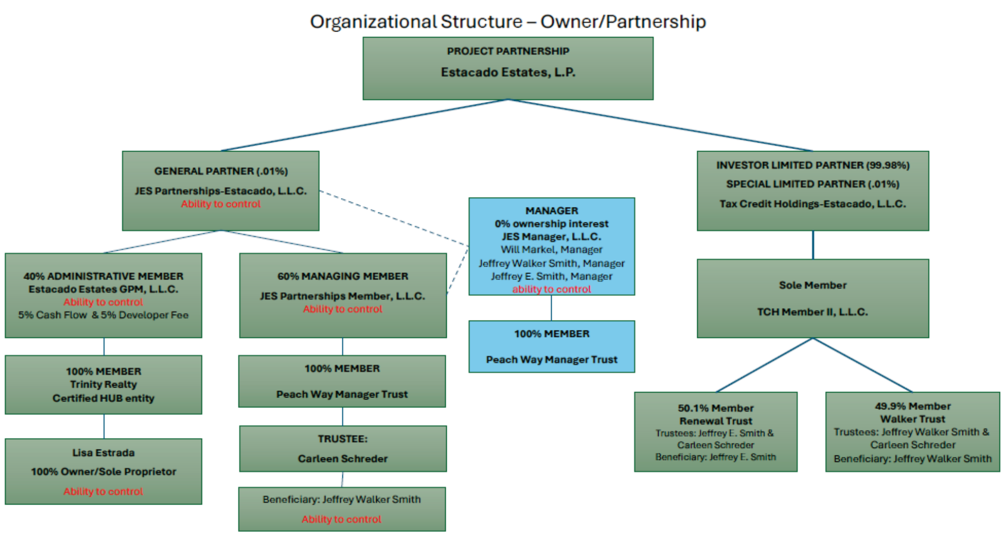
TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	15
60% of AMFI	High HOME	2

ANALYSIS

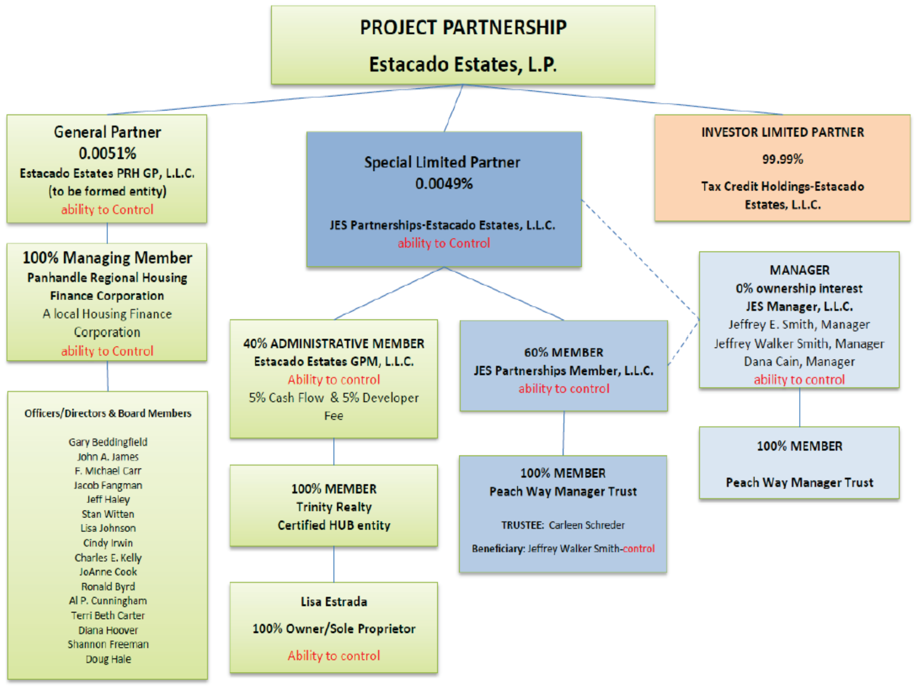
The development originally received an annual 9% HTC allocation of $913,000 in 2022. The Applicant has now applied for $2,863,511 in MFDL TCAP-RF funding to substantially replace their previously proposed permanent financing.

Since original underwriting, Applicant has also revised the ownership structure to replace the originally contemplated GP with an entity 100% owned by the Panhandle Regional Housing Finance Corporation ("PRHFC"). PRHFC will own the land and lease it back to the partnership under a long-term ground lease which should facilitate a 100% property tax exemption for the development.

Previous Organizational Structure



Approved Organizational Structure



Operating Pro Forma

Underwriter revised Applicant's Rent Schedule to reflect the current 2024 Program Rents.

Since the prior underwriting for the 2022 credit award, projected operating expenses have decreased by $39K (from $245K to $206K) because the applicant got approval for the ownership structure change, adding the Panhandle Regional Housing Finance Corporation to their organization structure as GP and owner of the land in order to facilitate a full property tax exemption.

Projected Net Operating Income has increased by $125K (from $155K to $280K) since original underwriting for the 2022 9% credits.

As underwritten, the first year DCR is 1.32 and the long-term Pro Forma exhibits a 15 year residual cash flow of $1M after repayment of deferred developer fee in year 6.

Development Cost

Since underwriting for the 2022 9% credits:
• Building Cost increased by $1.5M (from $4.73M to $6.25M).
• Total Housing Development Cost increased by $2.1M (from $10.3M to $12.4M).

Sources of Funds

Proposed capitalization has increased by $2.1M to cover additional development costs.

Originally, Applicant anticipated having a $2,100,000 permanent loan from Sterling Bank (5.75% rate / 18 yr. term / 40 yr. amort.), but is now requesting a $2,863,511 MDL with a lower interest rate of 2%, a 40 yr. term and 40 yr. amortization.

In addition to the MDL, it is anticipated that Sterling Bank will provide 2nd lien permanent financing in the amount of $1,200,000 (8.50% rate / 18 yr. term / 35 yr. amort.).

Since original underwriting, the equity contribution, now from Affordable Equity Partners, Inc., has decreased by $274K (from $8M to $7.76M), while the equity price was reduced from $0.88 to $0.85.

Additionally, deferred developer fee was increased by $209K (from $190K to $399K).

Recommendation

Underwriter recommends a first lien Multifamily Direct Loan in the amount of $2,863,511 at a 2.00% interest rate for a 40 year term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is $104,057. The construction term is assumed at 24 months. The MDL funding is TCAP-RF.

Furthermore, an annual 9% tax credit allocation of $913,000 is still being recommended.

Underwriter:	*Deborah Willson*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Estacado Estates, Amarillo, 9% HTC #24510_22153

LOCATION DATA

CITY:	Amarillo
COUNTY:	Randall
Area Median Income	$87,700
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION

# Beds	# Units	% Total	MDL Match	MDL
Eff	-	0.0%	0	0
1	14	30.4%	1	5
2	32	69.6%	3	12
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**46**	**100.0%**	**4**	**17**

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	840 sf

55%	**Income**	20%	30%	40%	50%	60%	70%	80%	EO / MR	**TOTAL**
Average Income	**# Units**	-	5	-	10	31	-	-	-	**46**
	% Total	0.0%	10.9%	0.0%	21.7%	67.4%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		MF Direct Loan Units (HOME Rent/Inc)		MDL Match	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Type	# 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%	$493	LH/50%	$822		2	1	1	750	$493	$74	$419	$0	$0.56	$419	**$838**	**$838**	$419	**$1**	**$0**	$1,060	$1.41	$1,060
TC 50%	$822	LH/50%	$822		3	1	1	750	$822	$74	$748	$0	$1.00	$748	**$2,244**	**$2,244**	$748	**$1**	**$0**	$1,060	$1.41	$1,060
TC 60%	$987		$987	1	9	1	1	750	$987	$74	$913	$0	$1.22	$913	**$8,217**	**$8,217**	$913	**$1**	**$0**	$1,060	$1.41	$1,060
TC 30%	$592	LH/50%	$987		3	2	1	880	$592	$94	$498	$0	$0.57	$498	**$1,494**	**$1,494**	$498	**$1**	**$0**	$1,178	$1.34	$1,178
TC 50%	$987	LH/50%	$987		7	2	1	880	$987	$94	$893	$0	$1.01	$893	**$6,251**	**$6,251**	$893	**$1**	**$0**	$1,178	$1.34	$1,178
TC 60%	$1,185	HH/60%	$1,082		2	2	1	880	$1,082	$94	$988	$0	$1.12	$988	**$1,976**	**$1,976**	$988	**$1**	**$0**	$1,178	$1.34	$1,178
TC 60%	$1,185		$1,185	3	20	2	1	880	$1,185	$94	$1,091	$0	$1.24	$1,091	**$21,820**	**$21,820**	$1,091	**$1**	**$0**	$1,178	$1.34	$1,178
TOTALS/AVERAGES:					**46**			**38,660**				**$0**	**$1.11**	**$931**	**$42,840**	**$42,840**	**$931**	**$1.11**	**$0**	**$1,142**	**$1.36**	**$1,142**

ANNUAL POTENTIAL GROSS RENT:	**$514,080**	**$514,080**	

STABILIZED PRO FORMA

Estacado Estates, Amarillo, 9% HTC #24510_22153

	STABILIZED FIRST YEAR PRO FORMA															
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.11	$931	$514,080	**$421,368**	**$421,368**	$514,080	$931	$1.11		0.0%	$0
Late rent, forfeited deposits, app fees, vend							$20.00	$11,040	11,040							
Total Secondary Income							$20.00			11,040	$11,040	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$525,120	$432,408	$432,408	$525,120				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(39,384)	(32,431)	(32,431)	(39,384)	7.5% PGI			0.0%	-
Rental Concessions								-	0	0	-				0.0%	-
EFFECTIVE GROSS INCOME								$485,736	$399,977	$399,977	$485,736				0.0%	$0
General & Administrative	$22,415	$487/Unit	$19,718	$429	4.50%	$0.57	$475	$21,850	$21,850	$22,415	$22,415	$487	$0.58	4.61%	-2.5%	(565)
Management	$19,941	6.8% EGI	$12,103	$263	4.55%	$0.57	$480	$22,080	$22,080	$22,079	$26,813	$583	$0.69	5.52%	-17.7%	(4,733)
Payroll & Payroll Tax	$50,004	$1,087/Unit	$48,869	$1,062	11.12%	$1.40	$1,174	$53,997	$53,997	$53,997	$53,997	$1,174	$1.40	11.12%	0.0%	-
Repairs & Maintenance	$29,699	$646/Unit	$18,769	$408	6.28%	$0.79	$663	$30,500	$30,500	$29,900	$29,900	$650	$0.77	6.16%	2.0%	600
Electric/Gas	$9,051	$197/Unit	$4,477	$97	1.85%	$0.23	$196	$9,000	$9,000	$9,051	$9,051	$197	$0.23	1.86%	-0.6%	(51)
Water, Sewer, & Trash	$18,969	$412/Unit	$16,668	$362	4.96%	$0.62	$524	$24,100	$24,100	$24,100	$24,100	$524	$0.62	4.96%	0.0%	-
Property Insurance	$17,373	$0.45 /sf	$12,864	$280	5.99%	$0.75	$633	$29,097	$29,097	$29,097	$29,097	$633	$0.75	5.99%	0.0%	-
Property Tax (@ 0%) 2.2535	$20,915	$455/Unit	$14,740	$320	0.00%	$0.00	$0	$0	$39,600	$35,788	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					2.37%	$0.30	$250	$11,500	$11,500	$11,500	$11,500	$250	$0.30	2.37%	0.0%	-
Cable TV					0.16%	$0.02	$17	$800	$800	$800	$800	$17	$0.02	0.16%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.38%	$0.05	$40	$1,840	$1,840	$1,840	$1,840	$40	$0.05	0.38%	0.0%	-
Security					0.12%	$0.02	$13	$600	$600	$600	$600	$13	$0.02	0.12%	0.0%	-
TOTAL EXPENSES					**42.38%**	**$5.33**	**$4,476**	**$205,874**	$244,964	$241,167	**$210,691**	**$4,580**	**$5.45**	**43.38%**	**-2.3%**	**$ (4,817)**
NET OPERATING INCOME ("NOI")					**57.62%**	**$7.24**	**$6,084**	**$279,862**	$155,013	$158,810	**$275,045**	**$5,979**	**$7.11**	**56.62%**	**1.8%**	**$ 4,817**
CONTROLLABLE EXPENSES							$3,031/Unit		$3,031/Unit	$3,032/Unit		$3,032/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Estacado Estates, Amarillo, 9% HTC #24510_22153

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR							Prior Underwriting							Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
TDHCA		2.64	2.69	104,057	2.00%	40	40	$2,863,511	$2,100,000	$2,100,000	$2,863,511	40	40	2.00%	$104,057	2.69	23.0%
Sterling Bank		1.30	1.32	$107,548	8.50%	35	18	$1,200,000			$1,200,000	18	35	8.50%	$107,548	1.32	9.6%
CASH FLOW DEBT / GRANTS																	
Waived Professional Fees		1.30	1.32		0.00%	0	0	$216,000			$216,000	0	0	0.00%		1.32	1.7%
				$211,605	**TOTAL DEBT / GRANT SOURCES**			**$4,279,511**	**$2,100,000**	**$2,100,000**	**$4,279,511**			**TOTAL DEBT SERVICE**	**$211,605**	**1.32**	34.4%
NET CASH FLOW		$63,440	$68,257								**APPLICANT**		**NET OPERATING INCOME**	**$279,862**	**$68,257**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
						Prior Underwriting							
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Affordable Equity Partners, Inc.	LIHTC Equity	62.4%	$913,000	$0.85	$7,758,948	$8,032,793	$8,032,793	$7,758,948	$0.85	$913,000	62.4%	$19,848	Applicant Request
JES Partnerships-Estacado, L.L.C	Equity Contribution	0.0%			$110	$110	$110	$110			0.0%		
JES Dev Co, Inc.	Deferred Developer Fees	3.2%	(26% Deferred)		$399,255	$190,210	$190,210	$399,255	(26% Deferred)		3.2%	**Total Developer Fee:**	**$1,563,139**
Additional (Excess) Funds Req'd		0.0%						$0			0.0%		
TOTAL EQUITY SOURCES		65.6%			$8,158,313	$8,223,113	$8,223,113	$8,158,313			65.6%		
TOTAL CAPITALIZATION					**$12,437,824**	**$10,323,113**	**$10,323,113**	**$12,437,824**				**15-Yr Cash Flow after Deferred Fee:**	**$1,026,494**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis					Prior Underwriting					Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Applicant	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$11,363 / Unit	$522,720	$522,720	$522,720	$522,720	$11,363 / Unit				0.0%	$0
Closing costs & acq. legal fees					$70,000	$0	$0	$70,000					0.0%	$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$687,000		$14,935 / Unit	$687,000	$687,000	$687,000	$687,000	$14,935 / Unit		$687,000		0.0%	$0
Site Amenities		$248,000		$5,391 / Unit	$248,000	$248,000	$248,000	$248,000	$5,391 / Unit		$248,000		0.0%	$0
Building Cost		$6,254,025	$161.77 /sf	$135,957/Unit	$6,254,025	$4,734,290	$4,547,678	$6,254,025	$135,957/Unit	$161.77 /sf	$6,254,025		0.0%	$0
Contingency		$216,000	3.00%	3.00%	$216,000	$305,138	$305,138	$216,000	3.00%	3.00%	$216,000		0.0%	$0
Contractor Fees		$1,036,702	14.00%	14.00%	$1,036,702	$836,418	$810,294	$1,036,702	14.00%	14.00%	$1,036,702		0.0%	$0
Soft Costs	$0	$643,925		$22,281 / Unit	$1,024,925	$716,525	$716,525	$1,024,925	$22,281 / Unit		$643,925	$0	0.0%	$0
Financing	$0	$607,882		$16,601 / Unit	$763,657	$623,465	$623,465	$763,657	$16,601 / Unit		$607,882	$0	0.0%	$0
Developer Fee	$0	$1,563,139	16.13%	16.13%	$1,563,139	$1,563,139	$1,525,817	$1,563,139	16.13%	16.13%	$1,563,139	$0	0.0%	$0
Reserves				1 Months	$51,656	$86,418	$86,418	$51,656	1 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$11,256,673**		$270,387 / Unit	**$12,437,824**	**$10,323,113**	**$10,073,055**	**$12,437,824**	$270,387 / Unit		**$11,256,673**	**$0**	**0.0%**	**$0**
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**	**$11,256,673**		$270,387/unit	**$12,437,824**	**$10,323,113**	**$10,073,055**	**$12,437,824**	$270,387/unit		**$11,256,673**	**$0**	**0.0%**	**$0**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						**$12,437,824**								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Estacado Estates, Amarillo, 9% HTC #24510_22153

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction**
ADJUSTED BASIS	$0	$11,256,673	$0	$11,256,673
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$11,256,673	$0	$11,256,673
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$14,633,675	$0	$14,633,675
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$14,633,675	$0	$14,633,675
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,317,031	$0	$1,317,031
CREDITS ON QUALIFIED BASIS	$1,317,031		$1,317,031	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8498	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,317,031	$11,192,522	----	----	----
Needed to Fill Gap	$959,981	$8,158,203	----	----	----
Applicant Reques	$913,000	$7,758,948	**$913,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY		FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served		38,660 SF	$113.87	4,402,165
Adjustments					
Exterior Wall Finish		2.80%		3.19	$123,261
Elderly		3.00%		3.42	132,065
9-Ft. Ceilings		3.35%		3.81	147,473
Roof Adjustment(s)				1.19	46,000
Subfloor				(0.16)	(6,186)
Floor Cover				2.82	109,021
Enclosed Corridors		$105.42	6,033	16.45	635,991
Balconies		$0.00	0	0.00	0
Plumbing Fixtures		$1,610	-230	-9.58	(370,300)
Rough-ins		$600	92	1.43	55,200
Built-In Appliances		$2,950	46	3.51	135,700
Exterior Stairs		$2,460	0	0.00	0
Heating/Cooling				2.37	91,624
Storage Space		$105.42	0	0.00	0
Carports		$13.00	0	0.00	0
Garages			0	0.00	0
Common/Support Area		$121.91	9,500	29.96	1,158,098
Elevators		$118,600	1	3.07	118,600
Other:				0.00	0
Fire Sprinklers		$2.88	54,193	4.04	156,076
SUBTOTAL				**179.38**	**6,934,787**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		1.00		0.00	0
Reserved					0
TOTAL BUILDING COSTS				**179.38**	**$6,934,787**
Plans, specs, survey, bldg permits		3.30%		(5.92)	($228,848)
Contractor's OH & Profit		11.50%		(20.63)	(797,501)
NET BUILDING COSTS			$128,444/unit	$152.83/sf	$5,908,439

Long-Term Pro Forma

Estacado Estates, Amarillo, 9% HTC #24510_22153

	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%	$485,736	$495,451	$505,360	$515,467	$525,776	$580,499	$640,918	$707,626	$781,276	$862,592	$952,371	$1,051,494
TOTAL EXPENSES	3.00%	$205,874	$211,829	$217,959	$224,268	$230,762	$266,197	$307,139	$354,450	$409,130	$472,333	$545,400	$629,878
NET OPERATING INCOME ("NOI")		**$279,862**	**$283,621**	**$287,401**	**$291,199**	**$295,014**	**$314,302**	**$333,779**	**$353,175**	**$372,146**	**$390,258**	**$406,971**	**$421,616**
EXPENSE/INCOME RATIO		42.4%	42.8%	43.1%	43.5%	43.9%	45.9%	47.9%	50.1%	52.4%	54.8%	57.3%	59.9%
MUST -PAY DEBT SERVICE													
TDHCA		$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057	$104,057
Sterling Bank		$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548	$107,548
TOTAL DEBT SERVICE		$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605	$211,605
DEBT COVERAGE RATIO		1.32	1.34	1.36	1.38	1.39	1.49	1.58	1.67	1.76	1.84	1.92	1.99
ANNUAL CASH FLOW		**$68,257**	**$72,016**	**$75,795**	**$79,594**	**$83,409**	**$102,697**	**$122,174**	**$141,570**	**$160,541**	**$178,653**	**$195,366**	**$210,011**
Deferred Developer Fee Balance		$330,998	$258,982	$183,187	$103,593	$20,184	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$454,604	$1,026,494	$1,695,647	$2,460,660	$3,318,144	$4,262,232	$5,283,977

22153 Estacado Estates - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 10, 2022

PROPERTY IDENTIFICATION

Application #	22153
Development	Estacado Estates
City / County	Amarillo / Randall
Region/Area	1 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$913,000	$913,000	$19,848/Unit	$0.88

KEY PRINCIPALS / SPONSOR

JES Dev Co, Inc.
Jeffrey Walker Smith

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

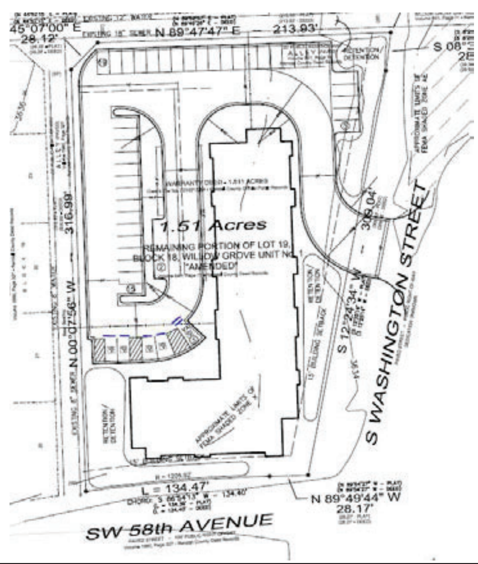
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	14	30%	30%	5	11%
2	32	70%	40%	-	0%
3	-	0%	50%	10	22%
4	-	0%	60%	31	67%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	46	100%	TOTAL	46	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	61.2%
Breakeven Occ.	87.7%	Breakeven Rent	$723
Average Rent	$763	B/E Rent Margin	$41
Property Taxes	$861/unit	Exemption/PILOT	0%
Total Expense	$5,325/unit	Controllable	$3,031/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.6%
Highest Unit Capture Rate	3%	2 BR/60%	22
Dominant Unit Cap. Rate	3%	2 BR/60%	22
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	840 SF	Density	30.5/acre
Acquisition		$11K/unit	$523K
Building Cost	$122.46/SF	$103K/unit	$4,734K
Hard Cost		$130K/unit	$5,974K
Total Cost		$224K/unit	$10,323K
Developer Fee	$1,563K	(12% Deferred)	Paid Year: 9
Contractor Fee	$836K	30% Boost	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Sterling Bank	18/40	5.75%	$2,100,000	1.15
TOTAL DEBT (Must Pay)			**$2,100,000**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
JES Partnerships-Estacado, L.L.C	0/0	0.00%	$110	1.15
CASH FLOW DEBT / GRANTS			**$110**	

EQUITY / DEFERRED FEES

Source	Amount
Affordable Equity Partners, Inc.	$8,032,793
JES Dev Co, Inc.	$190,210
TOTAL EQUITY SOURCES	**$8,223,003**
TOTAL DEBT SOURCES	**$2,100,110**
TOTAL CAPITALIZATION	**$10,323,113**

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

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

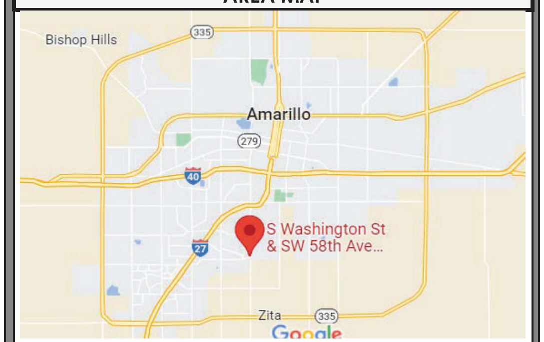
STRENGTHS/MITIGATING FACTORS

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

WEAKNESSES/RISKS

- 61% Expense ratio
- Interest rate risk with debt coverage right at 1.15 times
- Parking ratio of only 1 space per unit

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 10, 2022

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22153** Program(s): **9% HTC**

Estacado Estates

Address/Location: Northwest corner of SW 58th Ave & S Washington St

City: Amarillo County: Randall Zip: 79110

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

Activity: New Construction Building Type: Elevator Served Region: 1

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$913,000				**$913,000**				

CONDITIONS

1 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.

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	5
50% of AMI	50% of AMI	10
60% of AMI	60% of AMI	31

DEVELOPMENT SUMMARY

New construction of a 3-story, elevator served building comprised of 46 elderly limitation units. Unit mix will be 14 one-bedroom and 32 two-bedroom units that will serve residents at 30%, 50%, and 60% of AMI.

RISK PROFILE

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

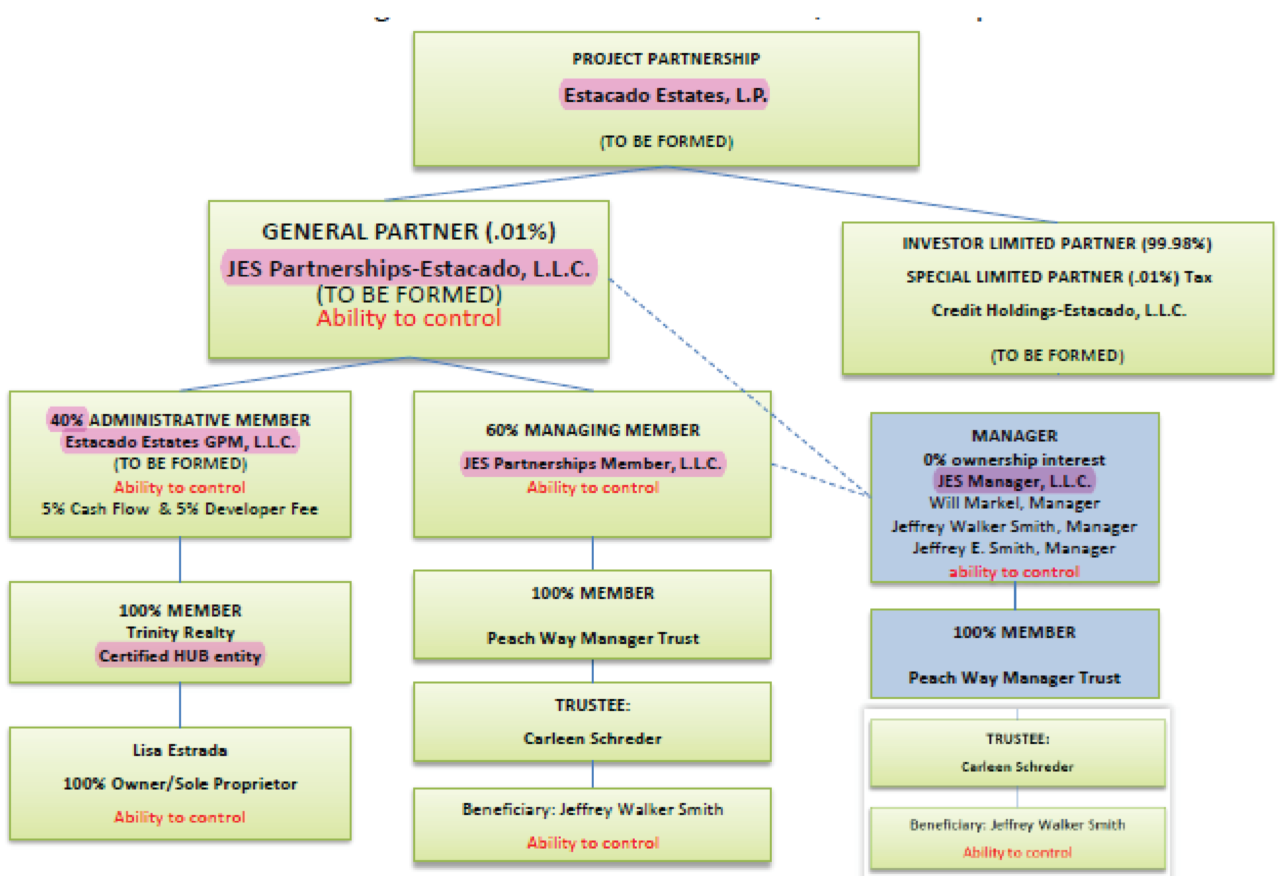
WEAKNESSES/RISKS
▫ 61% Expense ratio
▫ Interest rate risk with debt coverage right at 1.15 times
▫ Parking ratio of only 1 space per unit

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Brian Kimes	Name:	Jim Markel
Phone:	(573) 443-2021	Phone:	(404) 841-2227
Relationship:	Developer	Relationship:	Developer

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

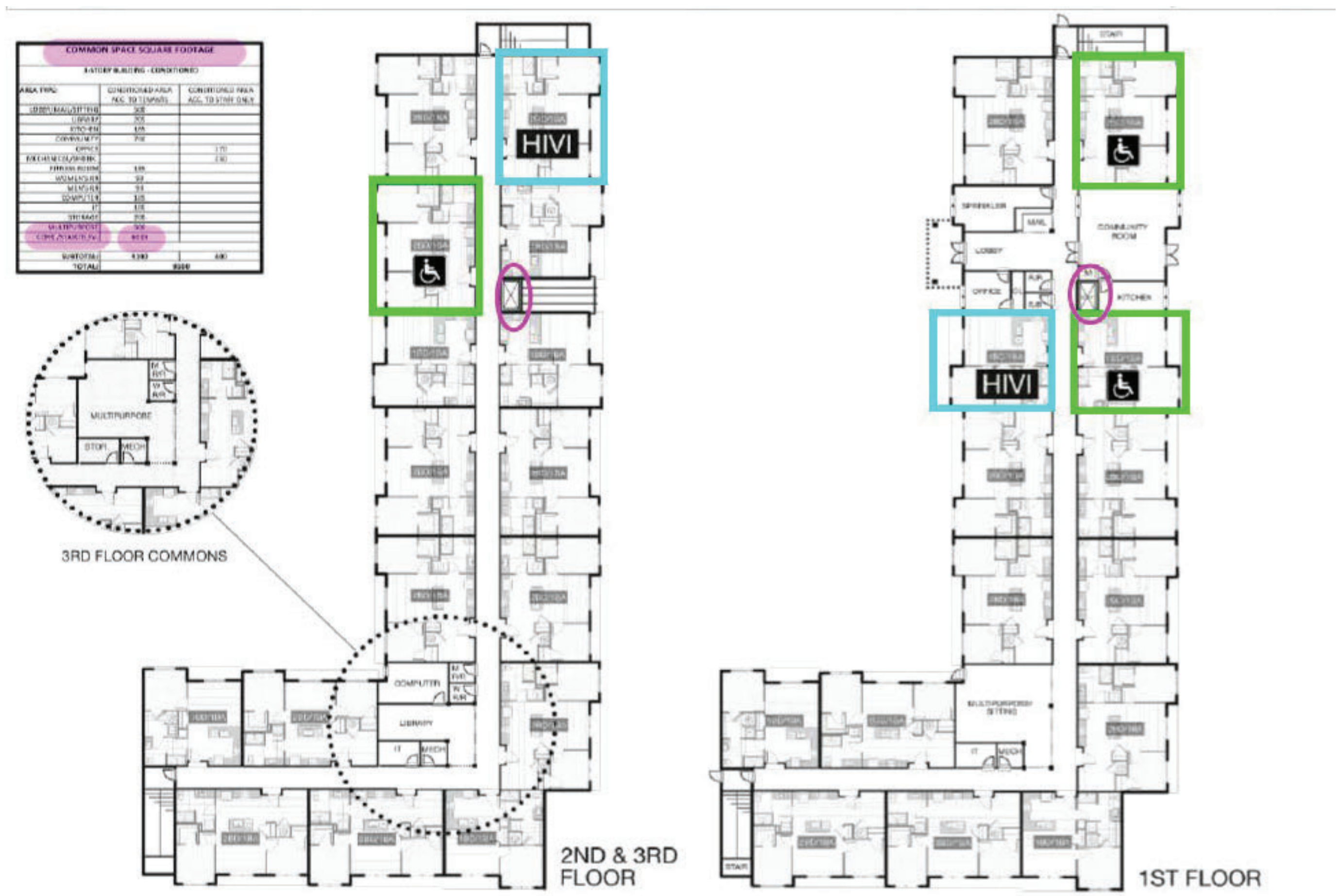
SITE PLAN

Comments:

The site is accessed from S Washington Street (FM 1541) by an existing drive approach. The Texas Department of Transportation will not allow an additional point of access from FM 1541. The City of Amarillo will not allow access to the existing paved alleys on the north and west sides of the property. The site currently drains west to S Washington Street (FM 1541). There is a storm sewer adjacent to the site in FM 1541 and TxDOT will regulate the amount of storm water that can discharge to this system and will require onsite detention/retention of the 10-year, 24-hour storm event.

The City's zoning ordinance requires a minimum parking ratio of 0.75 spaces per unit, which would equate to 35 for this project. However, the Site Plan reflects a total of 46 open surface spaces (1 per unit), which will be provided at no charge to the residents.

BUILDING PLAN (Typical)



Comments:

General unit features include 9 ft. ceilings, washer/dryer connections and walk-in closets. Two-bedroom units have a wet kitchen islands. The building is elevator-served with full-length, conditioned corridors, requiring multiple plumbing runs and additional structural costs.

BUILDING ELEVATION

Comments:
Standard building articulation. Roof has a 6/12 pitch with composition shingles. Exterior plans show an average combination of 35% stone veneer and 65% fiber cement lap siding. L-shaped building contributes to cost.

BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	3												
Number of Bldgs	1												**1**
Units per Bldg	46												
Total Units	46												**46**

Avg. Unit Size (SF)	**840 sf**	**Total NRA (SF)**	**38,660**	**Common Area (SF)***	**10,400**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage:	Development Site: 1.51 acres		Density: 30.5 units/acre
Site Control: 1.51	**Site Plan:** 1.51	**Appraisal:** 0	**ESA:** 1.5
Feasibility Report Survey: 1.51		**Feasibility Report Engineer's Plan:** 1.51	

Control Type: Commercial Contract - Unimproved Property

Development Site: 1.51 acres | Cost: $522,720 | $11,363 per unit

Seller: Jamal Enterprises, LP

Buyer: JES DEV Co., Inc.

Related-Party Seller/Identity of Interest: No

Comments:

The LURA will encumber 1.51 acres.

SITE INFORMATION

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

Current Uses of Subject Site:

The site is currently a 1.51 acre tract of vacant land.

Surrounding Uses:

North: The property to the north of the site consists of an alley, followed by single-family residences (1001-1017 Trinchera Drive).
East: South Washington Street abuts the site to the east, followed by vacant land (5513 South Washington Street), Casteel Automatic Fire Protection (5601 South Washington Street) and more vacant land (5749 South Washington Street).
South: SW 58th Avenue abuts the site to the south, followed by vacant land (1395 SW 58th Avenue).
West: An alley abuts the site to the west, followed by single-family residences (5301-5309 Spanky Lane).

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc. | Date: 2/11/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- Terracon recommends that a noise study be conducted.
- the site is considered to have a moderate potential for elevated indoor concentrations of radon gas. However, testing would be required to evaluate site-specific concentrations of radon gas, once the site is developed.

Comments:

One apparent diesel or gasoline AST was observed north of the Casteel Automatic Fire Protection warehouse building, approximately 250 feet east of the site. Based on the distance to the tank and the ASD calculations for buildings and people, this AST does not present an environmental concern to the site.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC — Date: 3/1/2022

Contact: Darrell G Jack — Phone: (210) 530-0040

Primary Market Area (PMA): 38.76 sq. miles — 4 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Randall County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$9,648	$9,648	$11,592	$11,592	---	---	---
	Max	$15,030	$17,160	$19,320	$21,450	---	---	---
50% AMGI	Min	$16,080	$16,080	$19,320	$19,320	---	---	---
	Max	$25,050	$28,600	$32,200	$35,750	---	---	---
60% AMGI	Min	$19,296	$19,296	$23,184	$23,184	---	---	---
	Max	$30,060	$34,320	$38,640	$42,900	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
	None		N/A	N/A		N/A
Other Affordable Developments in PMA since 2017						
17429	Canyons at 45 West		New	General	n/a	328
17307	Marabella		New	Elderly Limitation	n/a	101
Stabilized Affordable Developments in PMA					Total Units	1,053
					Total Developments	9
					Average Occupancy	98.5%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	**Assisted**		
Total Households in the Primary Market Area	42,884			
Senior Households in the Primary Market Area	18,036			
Potential Demand from the Primary Market Area	6,606			
10% External Demand	661			
Potential Demand from Other Sources				
GROSS DEMAND	7,267			
Subject Affordable Units	46			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	46			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.6%**			

Population:	Elderly Limitation	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	2,139	214	5	0	0.2%					
50% AMGI	1,433	143	10	0	0.6%					
60% AMGI	3,035	304	31	0	0.9%					

Demand Analysis:

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

	Market Analyst									
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	873	87	2	0	0.2%					
1 BR/50%	954	95	3	0	0.3%					
1 BR/60%	1,173	117	9	0	0.7%					
2 BR/30%	416	42	3	0	0.7%					
2 BR/50%	431	43	7	0	1.5%					
2 BR/60%	679	68	22	0	2.9%					

Market Analyst Comments:

The most recently constructed affordable family project was Marabella (TDHCA #17307), which has 101 units. Marabella finished construction in 2019 and is currently 100% occupied. (p.13)

There is one market rate project, Silo Apartments, that is under construct in the PMA. Silo Apartments will have 243 units. The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. (p. 13)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$155,013	Avg. Rent:	$763	Expense Ratio:	61.2%
Debt Service:	$134,288	B/E Rent:	$723	Controllable Expenses:	$3,031
Net Cash Flow:	$20,726	UW Occupancy:	92.5%	Property Taxes/Unit:	$861
Aggregate DCR:	1.15	B/E Occupancy:	87.7%	Program Rent Year:	2021

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

Breakeven occupancy occurs with 6 units vacant (underwritten at 4).

The deferred developer fee pays off in year 9 with residual 15 year cash flow of $185K.

Pro Forma exhibits feasibility for 25 years at a permanent loan rate of 5.75% fixed, but rate cannot increase without first year DCR dropping below the 1.15 threshold.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$346,172/ac	$11,363/unit	**$522,720**	Contractor Fee	**$836,418**
Off-site + Site Work		$20,326/unit	**$935,000**	Soft Cost + Financing	**$1,339,990**
Building Cost	$122.46/sf	$102,919/unit	**$4,734,290**	Developer Fee	**$1,563,139**
Contingency	5.38%	$6,633/unit	**$305,138**	Reserves	**$86,418**
Total Development Cost	$224,416/unit	**$10,323,113**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]

Site Work:

Certified $687K ($15K/unit) for detention, grading, paving, concrete and utility costs. Amenity cost of $248K ($5.4K/unit) was not included in certification, but is comprised of $186K for landscaping, $47K for fencing and $15K for trash enclosure an monument sign.

Building Cost:

Applicant reports that $4.7M building cost estimate is consistent with the costs they are seeing from their third party contractor. TDHCA's common pricing methodology using Marshall & Swift's ("M&S") cost model for average quality multifamily construction results in an estimated building cost of $4.5M after adjusting for the small number of units.

For scoring purposes, Applicant limited their eligible building cost to $88.57/sf (vs. $122.46/sf budgeted actual cost).

Developer Fee:

The developer fee meets the 20% limit allowed for projects with 49 units or less.

Reserves:

Applicant's total capital reserves represent approximately 3 months of operating expenses and debt service.

Comments:

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

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$10,323,113	$7,806,628	$913,375

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Sterling Bank	Conventional Loan	$7,600,000	5.25%	83%
Affordable Equity Partners, Inc.	HTC	$1,606,558	$0.88	17%
JES Partnerships-Estacado, L.L.C	Equity Contribution	$110	0.00%	0%
		$9,206,668	**Total Sources**	

Comments:

Construction for Estacado Estates will be financed with a conventional interim construction loan provided by Sterling Bank in the amount of $7,600,000.

A nominal contribution of $110 will come from the general partner, JES Partnerships-Estacado, LLC.

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Sterling Bank	$2,100,000	5.75%	40	18	$2,100,000	5.75%	40	18	20%
JES Partnerships-Estacado, L.L.C	$110	0.00%	0	0	$110	0.00%	0	0	0%
Total	**$2,100,110**				**$2,100,110**				

Comments:

Permanent financing will be from a conventional loan provided by Sterling Bank in the amount of $2,100,000 (40 year amortization, 18 year term, 5.75% rate).

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Affordable Equity Partners, Inc.	$8,032,793	$0.88		$8,032,793	$0.88	78%	
JES Dev Co, Inc.	$190,210		12%	$190,210		2%	12%
Total	**$8,223,003**			**$8,223,003**			
				$10,323,113	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.901	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.860	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$10,323,113
Permanent Sources (debt + non-HTC equity)	$2,100,110
Gap in Permanent Financing	$8,223,003

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$8,036,097	$913,375
Needed to Balance Sources & Uses	$8,223,003	$934,619
Requested by Applicant	$8,032,793	$913,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$8,032,793**	**$913,000**
Deferred Developer Fee	**$190,210**	**(12% deferred)**
Repayable in	**9 years**	

Comments:

Credit recommendation is limited to $913,000 as requested by applicant.

Underwriter:	*Deborah Willson*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Estacado Estates, Amarillo, 9% HTC #22153

LOCATION DATA	
CITY:	Amarillo
COUNTY:	Randall
Area Median Income	$72,100
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	14	30.4%	0	0
2	32	69.6%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	46	100.0%	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	840 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	5	-	10	31	-	-	-	46
	% Total	0.0%	10.9%	0.0%	21.7%	67.4%	0.0%	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%	$402	2	1	1	750	$402	$60	$342	$0	$0.46	$342	**$684**	**$684**	$342	**$0**	**$0**	$1,060	$1.41	$1,060
TC 50%	$670	3	1	1	750	$670	$60	$610	$0	$0.81	$610	**$1,830**	**$1,830**	$610	**$1**	**$0**	$1,060	$1.41	$1,060
TC 60%	$804	9	1	1	750	$804	$60	$744	$0	$0.99	$744	**$6,696**	**$6,696**	$744	**$1**	**$0**	$1,060	$1.41	$1,060
TC 30%	$483	3	2	1	880	$483	$76	$407	$0	$0.46	$407	**$1,221**	**$1,221**	$407	**$0**	**$0**	$1,178	$1.34	$1,178
TC 50%	$805	7	2	1	880	$805	$76	$729	$0	$0.83	$729	**$5,103**	**$5,103**	$729	**$1**	**$0**	$1,178	$1.34	$1,178
TC 60%	$966	22	2	1	880	$966	$76	$890	$0	$1.01	$890	**$19,580**	**$19,580**	$890	**$1**	**$0**	$1,178	$1.34	$1,178
TOTALS/AVERAGES:		**46**			**38,660**				**$0**	**$0.91**	**$763**	**$35,114**	**$35,114**	**$763**	**$0.91**	**$0**	**$1,142**	**$1.36**	**$1,142**

ANNUAL POTENTIAL GROSS RENT:		
	$421,368	**$421,368**

STABILIZED PRO FORMA

Estacado Estates, Amarillo, 9% HTC #22153

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.91	$763	$421,368	$421,368	$763	$0.91		0.0%	$0
Late rent, forfeited deposits, app fees, vend							$20.00	$11,040						
Total Secondary Income							$20.00		$11,040	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$432,408	$432,408				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(32,431)	(32,431)	7.5% PGI			0.0%	-
Rental Concessions								-	-				0.0%	-
EFFECTIVE GROSS INCOME								$399,977	$399,977				0.0%	$0
General & Administrative	$22,415	$487/Unit	$19,718	$429	5.46%	$0.57	$475	$21,850	$22,415	$487	$0.58	5.60%	-2.5%	(565)
Management	$19,941	6.8% EGI	$12,103	$263	5.52%	$0.57	$480	$22,080	$22,079	$480	$0.57	5.52%	0.0%	1
Payroll & Payroll Tax	$50,004	$1,087/Unit	$48,869	$1,062	13.50%	$1.40	$1,174	$53,997	$53,997	$1,174	$1.40	13.50%	0.0%	-
Repairs & Maintenance	$29,699	$646/Unit	$18,769	$408	7.63%	$0.79	$663	$30,500	$29,900	$650	$0.77	7.48%	2.0%	600
Electric/Gas	$9,051	$197/Unit	$4,477	$97	2.25%	$0.23	$196	$9,000	$9,051	$197	$0.23	2.26%	-0.6%	(51)
Water, Sewer, & Trash	$18,969	$412/Unit	$16,668	$362	6.03%	$0.62	$524	$24,100	$24,100	$524	$0.62	6.03%	0.0%	-
Property Insurance	$17,373	$0.45 /sf	$12,864	$280	7.27%	$0.75	$633	$29,097	$29,097	$633	$0.75	7.27%	0.0%	-
Property Tax (@ 100%) 2.2535	$20,915	$455/Unit	$14,740	$320	9.90%	$1.02	$861	$39,600	$35,788	$778	$0.93	8.95%	10.7%	3,812
Reserve for Replacements					2.88%	$0.30	$250	$11,500	$11,500	$250	$0.30	2.88%	0.0%	-
Cable TV					0.20%	$0.02	$17	$800	$800	$17	$0.02	0.20%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.46%	$0.05	$40	$1,840	$1,840	$40	$0.05	0.46%	0.0%	-
Security					0.15%	$0.02	$13	$600	$600	$13	$0.02	0.15%	0.0%	-
TOTAL EXPENSES					**61.24%**	**$6.34**	**$5,325**	**$244,964**	**$241,167**	**$5,243**	**$6.24**	**60.30%**	**1.6%**	**$ 3,797**
NET OPERATING INCOME ("NOI")					**38.76%**	**$4.01**	**$3,370**	**$155,013**	**$158,810**	**$3,452**	**$4.11**	**39.70%**	**-2.4%**	**$ (3,797)**
CONTROLLABLE EXPENSES							$3,031/Unit			$3,032/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Estacado Estates, Amarillo, 9% HTC #22153

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Sterling Bank		1.18	1.15	134,288	5.75%	40	18	$2,100,000	$2,100,000	18	40	5.75%	$134,288	1.15	20.3%
CASH FLOW DEBT / GRANTS															
JES Partnerships-Estacado, L.L.C		1.18	1.15		0.00%	0	0	$110	$110	0	0	0.00%		1.15	0.0%
				$134,288	**TOTAL DEBT / GRANT SOURCES**			**$2,100,110**	**$2,100,110**			**TOTAL DEBT SERVICE**	**$134,288**	**1.15**	20.3%
NET CASH FLOW		$24,522	$20,726						**APPLICANT**		**NET OPERATING INCOME**		**$155,013**	**$20,726**	**NET CASH FLOW**

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Affordable Equity Partners, Inc.	LIHTC Equity	77.8%	$913,000	$0.88	$8,032,793	$8,032,793	$0.88	$913,000	77.8%	$19,848	Applicant Request	
JES Dev Co, Inc.	Deferred Developer Fees	1.8%	(12% Deferred)		$190,210	$190,210	(12% Deferred)		1.8%	**Total Developer Fee:**		**$1,563,139**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		79.7%			$8,223,003	$8,223,003			79.7%			
TOTAL CAPITALIZATION					**$10,323,113**	**$10,323,113**			**15-Yr Cash Flow after Deferred Fee:**			**$185,212**

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				$11,363 / Unit	$522,720	$522,720	$11,363 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
					$0	$0					0.0%	$0
Off-Sites				$ / Unit	$0	$0	$ / Unit				0.0%	$0
Site Work		$687,000		$14,935 / Unit	$687,000	$687,000	$14,935 / Unit		$687,000		0.0%	$0
Site Amenities		$248,000		$5,391 / Unit	$248,000	$248,000	$5,391 / Unit		$248,000		0.0%	$0
Building Cost		$3,424,116	$122.46 /sf	$102,919/Unit	$4,734,290	$4,547,678	$98,863/Unit	$117.63 /sf	$3,424,116		4.1%	$186,612
Contingency		$305,138	7.00%	5.38%	$305,138	$305,138	5.57%	7.00%	$305,138		0.0%	$0
Contractor Fees		$652,995	14.00%	14.00%	$836,418	$810,294	14.00%	14.00%	$652,995		3.2%	$26,124
Soft Costs	$0	$696,525		$15,577 / Unit	$716,525	$716,525	$15,577 / Unit		$696,525	$0	0.0%	$0
Financing	$0	$491,750		$13,554 / Unit	$623,465	$623,465	$13,554 / Unit		$491,750	$0	0.0%	$0
Developer Fee	$0	$1,301,104	20.00%	20.00%	$1,563,139	$1,525,817	20.00%	20.00%	$1,301,104	$0	2.4%	$37,322
Reserves				3 Months	$86,418	$86,418	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$7,806,628**		$224,416 / Unit	**$10,323,113**	**$10,073,055**	$218,979 / Unit		**$7,806,628**	**$0**	**2.5%**	**$250,058**
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**	**$7,806,628**		$224,416/unit	**$10,323,113**	**$10,073,055**	$218,979/unit		**$7,806,628**	**$0**	**2.5%**	**$250,058**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$10,323,113**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Estacado Estates, Amarillo, 9% HTC #22153

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$7,806,628	$0	$7,806,628
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$7,806,628	$0	$7,806,628
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$10,148,616	$0	$10,148,616
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$10,148,616	$0	$10,148,616
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$913,375	$0	$913,375
CREDITS ON QUALIFIED BASIS	$913,375		$913,375	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8798	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$913,375	$8,036,097	----	----	----
Needed to Fill Gap	$934,619	$8,223,003	----	----	----
Applicant Request	$913,000	$8,032,793	**$913,000**	**$0**	**$0**

BUILDING COST ESTIMATE

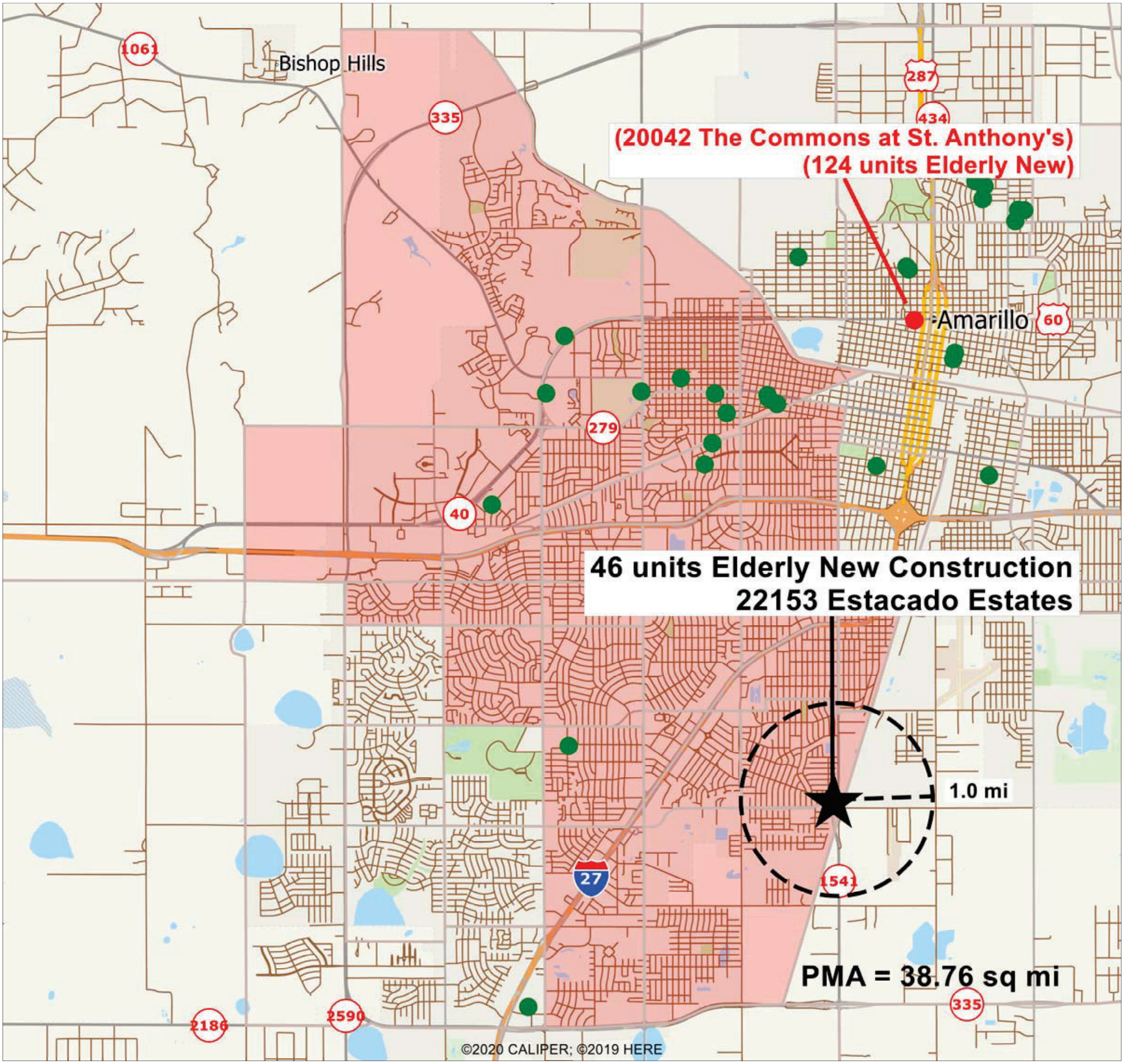
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	38,660 SF	$86.12	3,329,387
Adjustments				
Exterior Wall Finish	2.80%		2.41	$93,223
Elderly	3.00%		2.58	99,882
9-Ft. Ceilings	3.35%		2.89	111,534
Roof Adjustment(s)			1.19	46,000
Subfloor			(0.16)	(6,186)
Floor Cover			2.82	109,021
Enclosed Corridors	$77.67	6,033	12.12	468,581
Balconies	$0.00	0	0.00	0
Plumbing Fixtures	$1,090	-230	-6.48	(250,700)
Rough-ins	$535	92	1.27	49,220
Built-In Appliances	$1,880	46	2.24	86,480
Exterior Stairs	$2,460	0	0.00	0
Heating/Cooling			2.37	91,624
Storage Space	$77.67	0	0.00	0
Carports	$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$87.89	9,500	21.60	834,908
Elevators	$118,600	1	3.07	118,600
Other:			0.00	0
Fire Sprinklers	$2.88	54,193	4.04	156,076
SUBTOTAL			**138.07**	**5,337,650**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**138.07**	**$5,337,650**
Plans, specs, survey, bldg permits	3.30%		(4.56)	($176,142)
Contractor's OH & Profit	11.50%		(15.88)	(613,830)
NET BUILDING COSTS		$98,863/unit	$117.63/sf	$4,547,678

Long-Term Pro Forma

Estacado Estates, Amarillo, 9% HTC #22153

	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%	$399,977	$407,977	$416,136	$424,459	$432,948	$478,010	$527,762	$582,692	$643,339	$710,298	$784,226	$865,849
TOTAL EXPENSES	3.00%	$244,964	$252,092	$259,430	$266,983	$274,758	$317,201	$366,266	$422,995	$488,592	$564,451	$652,190	$753,677
NET OPERATING INCOME ("NOI")		**$155,013**	**$155,885**	**$156,707**	**$157,476**	**$158,190**	**$160,809**	**$161,496**	**$159,697**	**$154,747**	**$145,846**	**$132,036**	**$112,172**
EXPENSE/INCOME RATIO		61.2%	61.8%	62.3%	62.9%	63.5%	66.4%	69.4%	72.6%	75.9%	79.5%	83.2%	87.0%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288	$134,288
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.17	1.18	1.20	1.20	1.19	1.15	1.09	0.98	0.84
ANNUAL CASH FLOW		**$20,726**	**$21,597**	**$22,419**	**$23,189**	**$23,903**	**$26,522**	**$27,208**	**$25,409**	**$20,459**	**$11,559**	**($2,251)**	**($22,116)**
Deferred Developer Fee Balance		$169,484	$147,887	$125,468	$102,279	$78,377	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$49,669	$185,212	$316,973	$430,578	$507,932	$526,473	$458,301

22153 Estacado Estates PMA Map



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