

24165 West End Lofts - Application Summary

REAL ESTATE ANALYSIS DIVISION

July 8, 2024

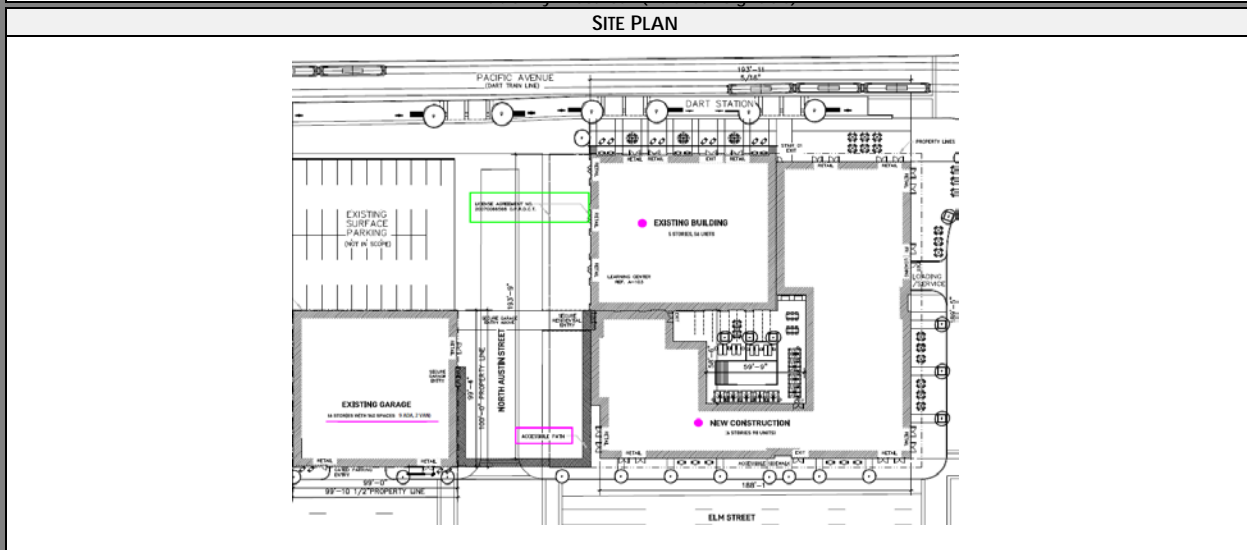
PROPERTY IDENTIFICATION	
Application #	24165
Development	West End Lofts
City / County	Dallas / Dallas
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	Adaptive Re-Use

RECOMMENDATION						
TDHCA Program		Request	Recommended			
LIHTC (9% Credit)		\$2,000,000	\$1,946,789	\$12,641/Unit	\$0.87	

KEY PRINCIPALS / SPONSOR		
Sycamore Strategies Jessica Krochtengel, Zachary Krochtengel		
Related Parties	Contractor - TBD	Seller - No



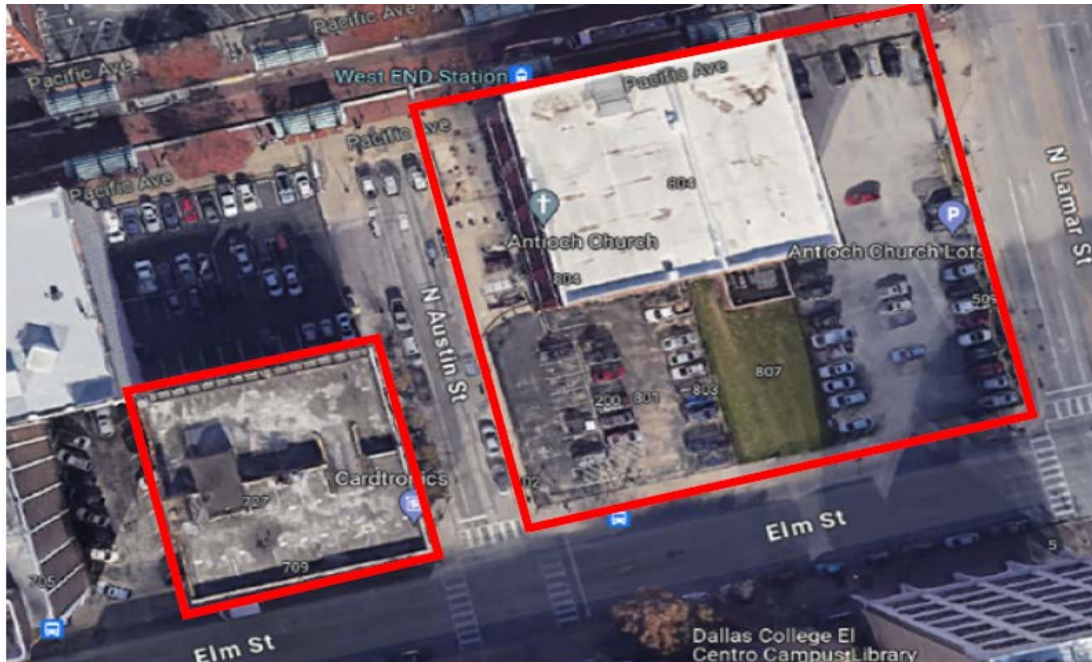
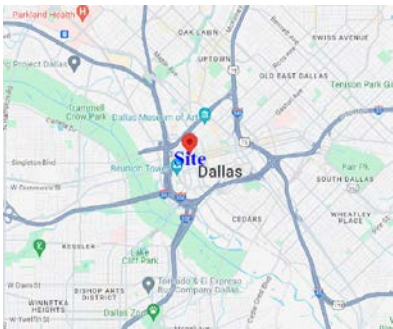
UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	56	36%	20%	-	0%
1	25	16%	30%	23	15%
2	69	45%	40%	-	0%
3	4	3%	50%	-	0%
4	-	0%	60%	23	15%
			70%	4	3%
			80%	13	8%
			MR	91	59%
TOTAL	154	100%	TOTAL	154	100%
PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			Applicant's Pro Forma		
Debt Coverage	1.18		Expense Ratio	38.8%	
Breakeven Occ.	84.0%		Breakeven Rent	\$1,570	
Average Rent	\$1,731		B/E Rent Margin	\$161	
Property Taxes	\$1,954/unit		Exemption/PILOT	0%	
Total Expense	\$7,591/unit		Controllable	\$3,741/unit	



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	0.6%		
Highest Unit Capture Rate	5%	0 BR/30%	8
Dominant Unit Cap. Rate	1%	2 BR/60%	11
Premiums (↑80% Rents)	Yes		\$746/Avg.
Rent Assisted Units	N/A		
DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on SCR	
Avg. Unit Size	816 SF	Density	134.1/acre
Acquisition		\$143K/unit	\$22,000K
Building Cost	\$352.56/SF	\$288K/unit	\$44,288K
Hard Cost		\$321K/unit	\$49,377K
Total Cost		\$645K/unit	\$99,287K
Developer Fee	\$9,463K	(25% Deferred)	Paid Year: 7
Contractor Fee	\$5,728K	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	
Citibank	15/40	7.00%	\$21,000,000	1.18	City of Dallas	0/0	0.00%	\$500	1.18	Hunt Capital Partners	\$16,935,367	
					City of Dallas TIF	0/0	0.00%	\$49,000,000	1.18	Hunt Capital Partners	\$4,440,126	
										Hunt Capital Partners	\$5,550,158	
										Sycamore Strategies, LLC	\$2,360,530	
										TOTAL EQUITY SOURCES	\$29,286,180	
										TOTAL DEBT SOURCES	\$70,000,500	
TOTAL DEBT (Must Pay)			\$21,000,000		CASH FLOW DEBT / GRANTS			\$49,000,500		TOTAL CAPITALIZATION		\$99,286,680

CONDITIONS											
1 Receipt and acceptance by Carryover: a: Formal approval for \$49M loan from the City of Dallas tax increment reinvestment zone clearly stating all terms, conditions and sources of funding. b: Per 11.302(a)(2), \$13,691,128 of the City of Dallas' \$49M loan would need to be restructured with market rate interest to avoid oversourcing of soft government funds if the Dallas funds are specifically set aside for building affordable housing.											
2 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: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program. c: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented. d: Certification of comprehensive testing for lead in the drinking water and that any appropriate abatement procedures were implemented. e: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.											
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	AERIAL PHOTOGRAPH(S)
STRENGTHS/MITIGATING FACTORS	
▪ Easily accessible to DART light rail, highways, and employment centers	
▪ Very low gross capture rate	
▪ Developer's construction and management experience in Texas.	
WEAKNESSES/RISKS	
▪ Complicated, expensive project	
▪ Urban setting raises concern about existing infrastructure lifespan.	
▪ Infeasible without \$49M that is not committed	
▪ Market rate risk (59% of units)	
AREA MAP	
	



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24165** Program(s): **9% HTC**

West End Lofts

Address/Location: 805 Elm St

City: Dallas County: Dallas Zip: 75202

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

Activity: Adaptive Re-Use Building Type: Mid-Rise (Over 5 Stories) 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				\$1,946,789						

CONDITIONS

- 1 Receipt and acceptance by Carryover:
 - a: Formal approval for \$49M loan from the City of Dallas tax increment reinvestment zone clearly stating all terms, conditions and sources of funding.
 - b: Per 11.302(a)(2), \$13,691,128 of the City of Dallas' \$49M loan would need to be restructured with market rate interest to avoid oversourcing of soft government funds if the Dallas funds are specifically set aside for building affordable housing.
- 2 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: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
 - d: Certification of comprehensive testing for lead in the drinking water and that any appropriate abatement procedures were implemented.
 - e: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

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	23
60% of AMI	60% of AMI	23
70% of AMI	70% of AMI	4
80% of AMI	80% of AMI	13

DEVELOPMENT SUMMARY

This Application is for the adaptive reuse of an existing historic (120 year old) building and the new construction of a second residential building that will provide 154 units of housing and wrap around the historic building. The historic building is 5 stories and the new construction building will be 6 stories, both elevator served, which will surround a courtyard. The Development includes a learning center which will offer after school educational services as required by the 2024 QAP. The Development Site also includes an existing parking garage that will be connected to the residential buildings through an accessible sky bridge.

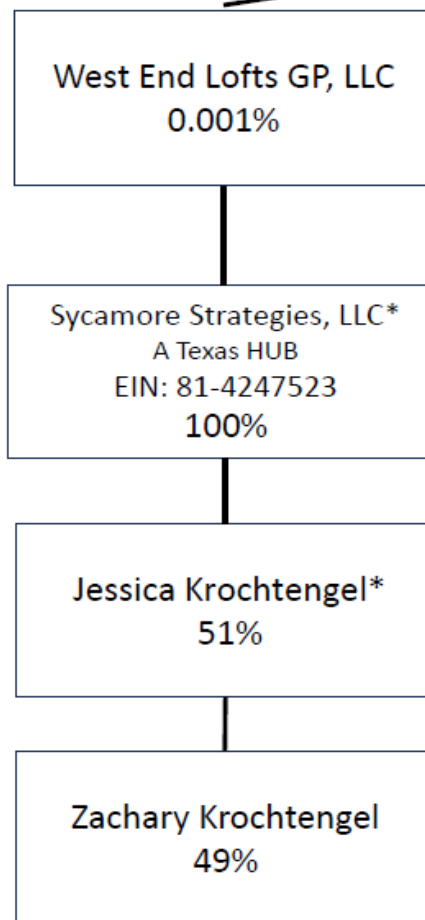
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Easily accessible to DART light rail, highways, and employment centers
▫	Very low gross capture rate
▫	Developer's construction and management experience in Texas.
▫	

WEAKNESSES/RISKS	
▫	Complicated, expensive project
▫	Urban setting raises concern about existing infrastructure lifespan.
▫	Infeasible without \$49M that is not committed
▫	Market rate risk (59% of units)

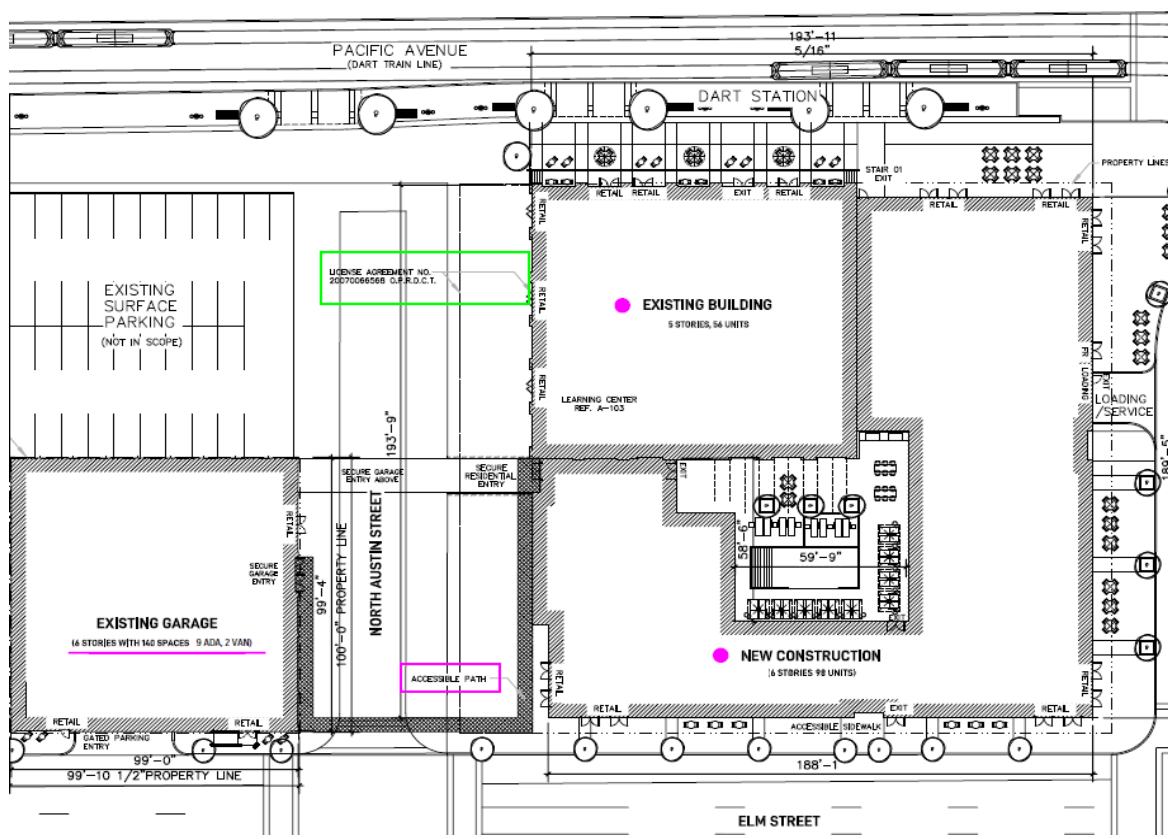
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

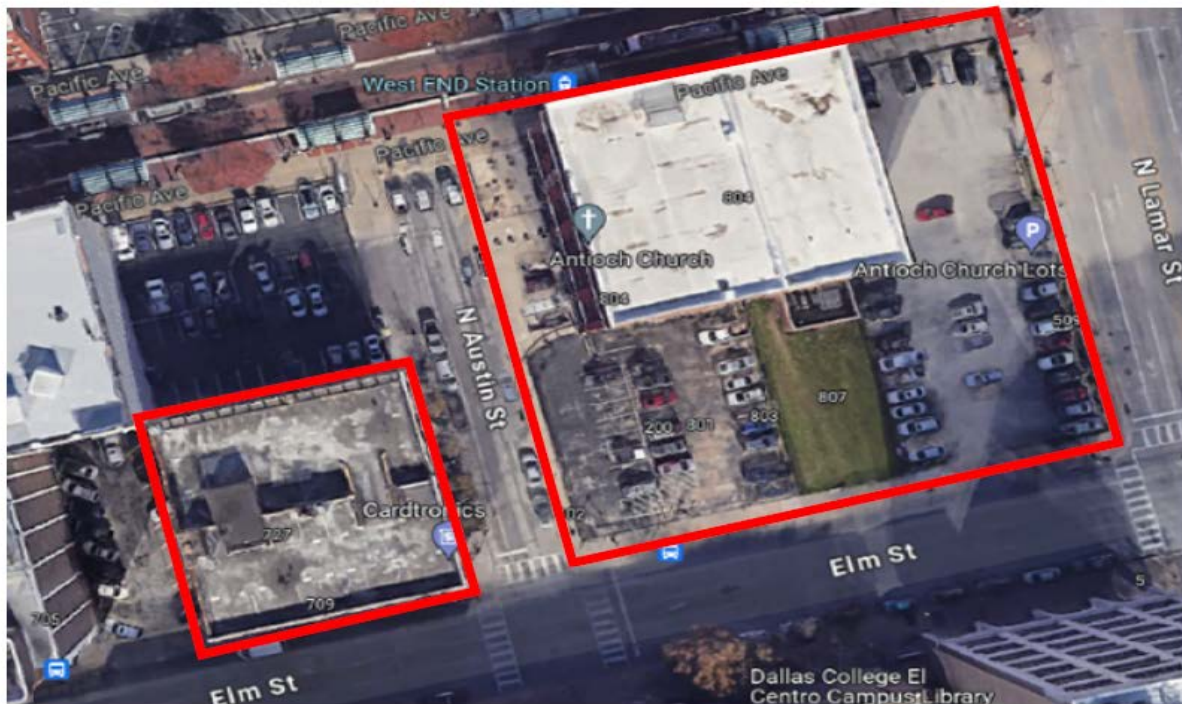


DEVELOPMENT SUMMARY

SITE PLAN



AERIAL



Parking	No Fee		Tenant-Paid		Total	
Garage	140	0.9/unit	0	--	140	0.9/unit
Total Parking	140	0.9/unit	0	--	140	0.9/unit

Comments:

Per local zoning, 1 space per 2,000 Gross Square Feet for levels 2-6. There is 117,500 SF, so 59 spaces are required. The existing parking garage will provide 140 spaces and will be exclusive to Tenants and free of charge.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	New	Existing												Total Buildings
Floors/Stories	6	5												
Number of Bldgs	1	1												2
Units per Bldg	98	56												
Total Units	98	56												154
Avg. Unit Size (SF)			816 sf		Total NRA (SF)			125,618		Common Area (SF)*			56,663	

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.148 acres Density: 134.1 units/acre
Site Control: 1.15 **Site Plan:** 1.148 **Appraisal:** 0.918 **ESA:** 1.148
Feasibility Report Survey: 1.148 **Feasibility Report Engineer's Plan:** 1.148 **Existing LURA:** NA

Control Type: Agreement of Sale and Purchase (Tract 1) and Commercial Contract of Sale (Tract 2)

Tract 1: 0.230 acres Cost: \$7,000,000 Seller: Downtown Dallas Lodging, LLC

Tract 2: 0.918 acres Cost: \$15,000,000 Seller: Antioch Church

Development Site: 1.15 acres Cost: \$22,000,000 \$142,857 per unit

Buyer: Sycamore Strategies, LLC

Related-Party Seller/Identity of Interest: No

Comments:

This Project consists of two tracts with two separate Sellers. Tract 1 (.23 acres) is an existing 6 story parking garage occupying the entire property. Tract 2 (.92 acres) is currently a 5-story building with two surface parking lots.

APPRAISED VALUE

Appraiser: Jack Poe Company Inc

Date: 2/29/2024

Land as Vacant: 0.92 acres	\$8,000,000	Per Unit:	\$51,948
Existing Buildings: (as-is)	\$1,090,000	Per Unit:	\$7,078
Land + Buildings: (as-is)	\$9,090,000	Per Unit:	\$59,026
Total Development: (as-is)	\$9,090,000	Per Unit:	\$59,026

Comments:

The Appraisal is only for the acquisition of the Antioch Church building. Applicant is not claiming any portion of the parking garage building acquisition in Eligible Basis and therefore did not provide an appraisal for the garage.

SITE INFORMATION

Flood Zone:	<u>X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>Central Area CA-1(A)</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>NA</u>	Title Issues?	<u>No</u>

Current Uses of Subject Site:

This Project consists of two tracts with two separate Sellers. Tract 1 (.23 acres) is an existing 6 story parking garage occupying the entire property. Tract 2 (.92 acres) is currently a 5-story building with two surface parking lots.

TENANT RELOCATION PLAN

West End Lofts proposes the adaptive reuse of a historic structure and also includes an adjacent parking garage structure. The historic structure is currently occupied by the seller and operating as a religious institution. There are no residents or other tenants. The seller/owner is aware of the timeline for the potential redevelopment of the property. The parking garage structure has existing commercial tenants in stand-alone retail spaces and those leases will remain.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EcoSystems Environmental Inc.

Date: 2/23/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- The ESA provider identified evidence of a former filling station and gasoline storage tanks located at the parking garage building.
- The ESA provider identified several building materials at both of the buildings at the Subject Property that are suspect for containing regulated amounts of asbestos and lead paint. Further, based on the age of the water distribution systems through the buildings at the Subject Property, there is potential for lead in drinking water.

Comments:

Due to the proximity of the DART light rail line, a noise study is recommended.

MARKET ANALYSIS

Provider: Apartment Market Data

Date: 1/30/2024

Primary Market Area (PMA): 25 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
23100	Cabana Design District	Y	U/C	General	58	160
20197	Villas at Western Heights	Y	New	Elderly	130	130
21136	Oaklawn Place	Y	New	Elderly	84	84

Stabilized Affordable Developments in PMA

Total Units	1,926
Total Developments	11
Average Occupancy	99%

Comments:

#19701 2400 Bryan, a 240 unit property, has been placed in service and is at 95% occupancy.

OVERALL DEMAND ANALYSIS

		Market Analyst			
		HTC	Assisted		
Total Households in the Primary Market Area		51,274			
Potential Demand from the Primary Market Area		18,183			
10% External Demand		1,818			
GROSS DEMAND		20,001			
Subject Affordable Units		63			
Unstabilized Competitive Units		58			
RELEVANT SUPPLY		121			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		0.6%			

Population: **General**

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	4,228	423	23	27	1.1%					
60% AMGI	7,498	750	23	7	0.4%					
70% AMGI	3,509	351	4	12	0.4%					
80% AMGI	2,948	295	13	12	0.8%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
	Market Analyst									
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
0 BR/30%	203	20	8	3	4.9%					
0 BR/60%	647	65	8	0	1.1%					
0 BR/70%	467	47	2	1	0.6%					
0 BR/80%	550	55	5	1	1.0%					
1 BR/30%	450	45	4	11	3.0%					
1 BR/60%	1,228	123	3	3	0.4%					
1 BR/70%	827	83	1	4	0.5%					
1 BR/80%	984	98	2	4	0.6%					
2 BR/30%	545	55	10	11	3.5%					
2 BR/60%	972	97	11	3	1.3%					
2 BR/70%	588	59	1	7	1.2%					
2 BR/80%	742	74	6	7	1.6%					
3 BR/30%	356	36	1	2	0.8%					
3 BR/60%	240	24	1	1	0.8%					

Market Analyst Comments:

"The AnySite demographics estimate the demand growth for new rental units to be 944 units per year. The calculated historical absorption for the PMA was 2,172 units annually since 2020. This site is located in an area in which the demand for "affordable" housing is strong. The site also has excellent linkages, and demand generators. The Market Analyst believes that there is a sufficient 'income qualified' population, with significant demand, to support the Pro Forma rents of the project. The level of tax credit rent being charged is 30% to 77% lower than the adjusted rents charged at market rate comparables within the PMA. The level of rent being charged is appropriate and achievable compared to other "affordable" projects within the PMA. The absorption period of new supply is within acceptable levels." (p.17)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$1,841,821	Avg. Rent:	\$1,731	Expense Ratio:	38.8%
Debt Service:	\$1,566,007	B/E Rent:	\$1,570	Controllable Expenses:	\$3,741
Net Cash Flow:	\$275,814	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,954
Aggregate DCR:	1.18	B/E Occupancy:	84.0%	Program Rent Year:	2023

Applicant elected to use Income Averaging at 54% and restricted only 41% of the Units. Underwriter did not include commercial lease income and used Applicant's number of \$30/unit for other income. Water/trash and G&A expenses are underwritten based on area comparables. The projected 15-year cash flow is \$4.67M after deferred developer fee is paid in Year 7.

Market rents were underwritten at Applicant rents which are \$21-\$55(1-2.5%) lower than the Market Analyst achievable rent. Market Rents are \$555 (35%) higher than gross 80% rents and higher than the \$2.25/psf rent mentioned in Appraisal which does pose a feasibility risk if the market rents are not fully achieved.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)

Acquisition	\$6,968,641/ac	\$142,857/unit	\$22,000,000	Contractor Fee	\$5,727,720
Off-site + Site Work		\$17,781/unit	\$2,738,205	Soft Cost + Financing	\$11,076,461
Building Cost	\$352.56/sf	\$287,584/unit	\$44,287,909	Developer Fee	\$9,462,595
Contingency	5.00%	\$15,268/unit	\$2,351,306	Reserves	\$1,642,484
Total Development Cost		\$644,719/unit	\$99,286,680	Rehabilitation Cost	\$305,364/unit
Qualified for 30% Basis Boost?		Located in a Small Area Difficult Development Area (SADDA)			

Acquisition:

Building acquisition cost included in Eligible Basis is limited to the appraised value of the buildings, exclusive of land value, as determined by an appraisal that meets the requirements of §11.304 of this chapter (relating to Appraisal Rules and Guidelines). Applicant submitted one appraisal for the Church Building with a total as-is value of \$9.09M. The Appraiser appraised the as-is land value at \$8M which limits the appraised value of the building according to Rule to \$1.09M which is includable in basis. This resulted in a reduction of basis and credit allocation.

Building Cost:

Building costs of \$287k/unit (\$352/SF) are based on SCR provider estimate.

REHABILITATION COSTS / UNIT / % HARD COST

Site Work	\$2,663,205	\$17,294/unit	5%	Finishes/Fixtures	\$12,716,887	\$82,577/unit	26%
Building Shell	\$27,748,945	\$180,188/unit	56%	HVAC	\$3,283,077	\$21,319/unit	7%
Amenities	\$75,000	\$487/unit	0%	Appliances	\$539,000	\$3,500/unit	1%
Total Exterior	\$30,487,150	\$197,969/unit	65%	Total Interior	\$16,538,964	\$107,396/unit	35%

SCOPE & COST REVIEW

Provider: Coda Consulting Group

Date: 2/28/2024

Scope of Work:

SITE WORK

Majority of areas not covered by new and existing buildings will be covered by new hardscape.
Substantial utility work for electrical, water and sanitary sewers.

GARAGE RENOVATION

Exterior brick restoration
Replace or restore window on upper garage floors
Major structural repairs to concrete joists

805 BUILDING RENOVATION

Termite damaged wood to be replaced
Beam and joint reinforcements
Bring existing floor system to current fire rating and sound transmission concerns
Install new mechanical, electrical, and plumbing systems
Build out four retail spaces totaling 5050SF

SKYBRIDGE

Construct a four level brand new sky bridge, non-AC

NEW APARTMENT BUILDING

Provide 8 mobility accessible units and 4 sensory impaired units.
Lead paint and asbestos abatement
Install new HVAC units
Install new plumbing-tubs, toilets, sinks, water heaters
Install new doors and windows
Install new cabinets, flooring
Purchase new appliances

Developer Fee:

Applicant overstated Developer Fee by \$1.9M due to lower adjusted eligible acquisition costs.

Comments:

It should be noted that the \$5,104,104 in Federal Historic Tax Credits were not removed from basis due to the Applicant self limiting eligible building cost by \$6.5M for scoring purposes.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$99,286,680	\$41,498,598	\$1,946,789

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Citbank	Conventional Loan	\$80,502,056	7.50%	87%
Hunt Capital Partners	HTC	\$3,479,652	\$0.87	4%
Hunt Capital Partners	Federal Historic Credits	\$888,025	\$0.00	1%
Sycamore Strategies, LLC	Deferred Developer Fee	\$8,131,343	0.00%	9%
		\$93,001,076	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Citbank	\$21,000,000	7.00%	40	15.0	\$21,000,000	7.00%	40	15.0	21%
City of Dallas	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
City of Dallas TIF	\$49,000,000	0.00%	0	0.0	\$49,000,000	0.00%	0	0.0	49%
Total	\$70,000,500				\$70,000,500				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hunt Capital Partners	\$17,398,260	\$0.87		\$16,935,367	\$0.87	17%	
Hunt Capital Partners	\$4,440,126			\$4,440,126		4%	
Hunt Capital Partners	\$5,550,158			\$5,550,158		6%	
Sycamore Strategies, LLC	\$3,835,041		41%	\$2,360,530		2%	25%
Total	\$31,223,585			\$29,286,180			
				\$99,286,680	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.965	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.613	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$99,286,680
Permanent Sources (debt + non-HTC equity)	\$79,990,784
Gap in Permanent Financing	\$19,295,896

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$16,935,367	\$1,946,789
Needed to Balance Sources & Uses	\$19,295,896	\$2,218,141
Requested by Applicant	\$17,398,260	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$16,935,367	\$1,946,789

Deferred Developer Fee	\$2,360,530	(25% deferred)
Repayable in	7 years	

Recommendation:

Underwriter recommend \$1,946,789 in annual 9% Housing Tax Credits as determined by eligible basis.

Underwriter:	<i>Eric Weiner</i>
Manager of Real Estate Analysis:	<i>Diamond Unique Thompson</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>

UNIT MIX/RENT SCHEDULE																			
West End Lofts, Dallas, 9% HTC #24165																			

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

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	56	36.4%	0	0	0	0
1	25	16.2%	0	0	0	0
2	69	44.8%	0	0	0	0
3	4	2.6%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	154	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	40.91%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	816 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	23	-	-	23	4	13	91	154
Income	% Total	0.0%	14.9%	0.0%	0.0%	14.9%	2.6%	8.4%	59.1%	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%	\$541	8	0	1	629	\$541	\$76	\$465	\$0	\$0.74	\$465	\$3,720	\$3,720	\$465	\$0.74	\$0	\$1,950	\$3.10	\$1,971
TC 60%	\$1,083	8	0	1	629	\$1,083	\$76	\$1,007	\$0	\$1.60	\$1,007	\$8,056	\$8,056	\$1,007	\$1.60	\$0	\$1,950	\$3.10	\$1,971
TC 70%	\$1,263	2	0	1	629	\$1,263	\$76	\$1,187	\$0	\$1.89	\$1,187	\$2,374	\$2,374	\$1,187	\$1.89	\$0	\$1,950	\$3.10	\$1,971
TC 80%	\$1,444	5	0	1	629	\$1,444	\$76	\$1,368	\$0	\$2.18	\$1,368	\$6,840	\$6,840	\$1,368	\$2.18	\$0	\$1,950	\$3.10	\$1,971
MR		33	0	1	629	\$0	\$76		NA	\$3.10	\$1,950	\$64,350	\$64,350	\$1,950	\$3.10	NA	\$1,950	\$3.10	\$1,971
TC 30%	\$580	4	1	1	681	\$580	\$89	\$491	\$0	\$0.72	\$491	\$1,964	\$1,964	\$491	\$0.72	\$0	\$2,100	\$3.08	\$2,155
TC 60%	\$1,160	3	1	1	681	\$1,160	\$89	\$1,071	\$0	\$1.57	\$1,071	\$3,213	\$3,213	\$1,071	\$1.57	\$0	\$2,100	\$3.08	\$2,155
TC 70%	\$1,353	1	1	1	681	\$1,353	\$89	\$1,264	\$0	\$1.86	\$1,264	\$1,264	\$1,264	\$1,264	\$1.86	\$0	\$2,100	\$3.08	\$2,155
TC 80%	\$1,547	2	1	1	681	\$1,547	\$89	\$1,458	\$0	\$2.14	\$1,458	\$2,916	\$2,916	\$1,458	\$2.14	\$0	\$2,100	\$3.08	\$2,155
MR		15	1	1	681	\$0	\$89		NA	\$3.08	\$2,100	\$31,500	\$31,500	\$2,100	\$3.08	NA	\$2,100	\$3.08	\$2,155
TC 30%	\$696	10	2	2	989	\$696	\$117	\$579	\$0	\$0.59	\$579	\$5,790	\$5,790	\$579	\$0.59	\$0	\$2,450	\$2.48	\$2,477
TC 60%	\$1,392	11	2	2	989	\$1,392	\$117	\$1,275	\$0	\$1.29	\$1,275	\$14,025	\$14,025	\$1,275	\$1.29	\$0	\$2,450	\$2.48	\$2,477
TC 70%	\$1,624	1	2	2	989	\$1,624	\$117	\$1,507	\$0	\$1.52	\$1,507	\$1,507	\$1,507	\$1,507	\$1.52	\$0	\$2,450	\$2.48	\$2,477
TC 80%	\$1,856	4	2	1	989	\$1,856	\$117	\$1,739	\$0	\$1.76	\$1,739	\$6,956	\$6,956	\$1,739	\$1.76	\$0	\$2,450	\$2.48	\$2,477
TC 80%	\$1,856	2	2	2	989	\$1,856	\$117	\$1,739	\$0	\$1.76	\$1,739	\$3,478	\$3,478	\$1,739	\$1.76	\$0	\$2,450	\$2.48	\$2,477
MR		41	2	2	989	\$0	\$117		NA	\$2.48	\$2,450	\$100,450	\$100,450	\$2,450	\$2.48	NA	\$2,450	\$2.48	\$2,477
TC 30%	\$804	1	3	2	1,286	\$804	\$144	\$660	\$0	\$0.51	\$660	\$660	\$660	\$660	\$0.51	\$0	\$3,050	\$2.37	\$3,075
TC 60%	\$1,608	1	3	2	1,286	\$1,608	\$144	\$1,464	\$0	\$1.14	\$1,464	\$1,464	\$1,464	\$1,464	\$1.14	\$0	\$3,050	\$2.37	\$3,075
MR		2	3	2	1,286	\$0	\$144		NA	\$2.37	\$3,050	\$6,100	\$6,100	\$3,050	\$2.37	NA	\$3,050	\$2.37	\$3,075
TOTALS/AVERAGES:		154			125,618				\$0	\$2.12	\$1,731	\$266,627	\$266,627	\$1,731	\$2.12	\$0	\$2,227	\$2.73	\$2,256

ANNUAL POTENTIAL GROSS RENT:	\$3,199,524	\$3,199,524
------------------------------	-------------	-------------

*MFDL units float among Unit Types

STABILIZED PRO FORMA
West End Lofts, Dallas, 9% HTC #24165

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					\$2.12	\$1,731	\$3,199,524	\$3,199,524	\$1,731	\$2.12		0.0%	\$0
late fees, app fees, pet fees						\$30.00	\$55,440						
Total Secondary Income						\$30.00		\$55,440	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$3,254,964	\$3,254,964				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI		(244,122)	(244,122)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$3,010,842	\$3,010,842				0.0%	\$0

General & Administrative	\$86,409	\$561/Unit	\$73,533	\$477	2.50%	\$0.60	\$488	\$75,200	\$73,533	\$477	\$0.59	2.44%	2.3%	1,667
Management	\$70,180	3.1% EGI	\$55,182	\$358	5.00%	\$1.20	\$978	\$150,542	\$150,542	\$978	\$1.20	5.00%	0.0%	-
Payroll & Payroll Tax	\$222,543	\$1,445/Unit	\$258,335	\$1,678	8.62%	\$2.07	\$1,685	\$259,500	\$258,335	\$1,678	\$2.06	8.58%	0.5%	1,165
Repairs & Maintenance	\$124,090	\$806/Unit	\$104,643	\$679	3.41%	\$0.82	\$668	\$102,800	\$107,800	\$700	\$0.86	3.58%	-4.6%	(5,000)
Electric/Gas	\$40,702	\$264/Unit	\$80,741	\$524	1.02%	\$0.25	\$200	\$30,800	\$40,702	\$264	\$0.32	1.35%	-24.3%	(9,902)
Water, Sewer, & Trash	\$132,132	\$858/Unit	\$127,275	\$826	3.58%	\$0.86	\$700	\$107,800	\$127,275	\$826	\$1.01	4.23%	-15.3%	(19,475)
Property Insurance	\$104,327	\$0.83 /sf	\$60,808	\$395	3.34%	\$0.80	\$653	\$100,494	\$100,494	\$653	\$0.80	3.34%	0.0%	-
Property Tax (@ 100%) 2.294796	\$168,573	\$1.095/Unit	\$94,669	\$615	9.99%	\$2.40	\$1,954	\$300,864	\$300,864	\$1,954	\$2.40	9.99%	0.0%	-
Reserve for Replacements					1.28%	\$0.31	\$250	\$38,500	\$38,500	\$250	\$0.31	1.28%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.08%	\$0.02	\$16	\$2,520	\$2,520	\$16	\$0.02	0.08%	0.0%	-
TOTAL EXPENSES					38.83%	\$9.31	\$7,591	\$1,169,020	\$1,200,566	\$7,796	\$9.56	39.87%	-2.6%	\$ (31,545)
NET OPERATING INCOME ("NOI")					61.17%	\$14.66	\$11,960	\$1,841,821	\$1,810,276	\$11,755	\$14.41	60.13%	1.7%	\$ 31,545

CONTROLLABLE EXPENSES	\$3,741/Unit		\$3,946/Unit	
-----------------------	--------------	--	--------------	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS																		
West End Lofts, Dallas, 9% HTC #24165																		
		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			
Citbank		1.16	1.18	1,566,007	7.00%	40	15.0	\$21,000,000	\$21,000,000	15.0	40.0	7.00%	\$1,566,007	1.18	21.2%			
CASH FLOW DEBT / GRANTS																		
City of Dallas		1.16	1.18		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.18	0.0%			
City of Dallas TIF		1.16	1.18		0.00%	0	0.0	\$49,000,000	\$49,000,000	0.0	0.0	0.00%		1.18	49.4%			
				\$1,566,007	TOTAL DEBT / GRANT SOURCES			\$70,000,500	\$70,000,500	TOTAL DEBT SERVICE			\$1,566,007	1.18	70.5%			
NET CASH FLOW		\$244,269	\$275,814	APPLICANT NET OPERATING INCOME												\$1,841,821	\$275,814	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					
Hunt Capital Partners		LIHTC Equity		17.5%	\$2,000,000	\$0.87	\$17,398,260	\$16,935,367	\$0.87	\$1,946,789	17.1%	\$12,641	Eligible Basis					
Hunt Capital Partners		Federal Historic Credits		4.5%		\$0.87	\$4,440,126	\$4,440,126	\$0.87		4.5%							
Hunt Capital Partners		State Historic Credits		5.6%		\$0.87	\$5,550,158	\$5,550,158	\$0.87		5.6%							
Sycamore Strategies, LLC		Deferred Developer Fees		3.9%	(34% Deferred)		\$3,835,041	\$2,360,530	(25% Deferred)		2.4%		Total Developer Fee:	\$9,462,595				
Additional (Excess) Funds Req'd				0.0%				\$0			0.0%							
TOTAL EQUITY SOURCES				31.4%			\$31,223,585	\$29,286,180			29.5%							
TOTAL CAPITALIZATION							\$101,224,085	\$99,286,680	15-Yr Cash Flow after Deferred Fee:			\$4,671,130						
DEVELOPMENT COST / ITEMIZED BASIS																		
		APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE				
		Eligible Basis										Eligible Basis						
		Acquisition	New Const. Rehab	Total Costs				Total Costs				New Const. Rehab	Acquisition	%	\$			
Land Acquisition				\$51,948 / Unit	\$8,000,000	\$8,000,000	\$51,948 / Unit						0.0%	\$0				
Building Acquisition		\$14,000,000		\$90,909 / Unit	\$14,000,000	\$14,000,000	\$90,909 / Unit			\$1,090,000		0.0%	\$0					
Off-Sites			\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0			0.0%	\$0					
Site Work			\$2,663,205	\$17,294 / Unit	\$2,663,205	\$2,663,205	\$17,294 / Unit		\$2,663,205			0.0%	\$0					
Site Amenities			\$75,000	\$487 / Unit	\$75,000	\$75,000	\$487 / Unit		\$75,000			0.0%	\$0					
Building Cost			\$18,176,925	\$352.56 /sf	\$287,584/Unit	\$44,287,909	\$44,287,909	\$287,584/Unit	\$352.56 /sf	\$18,176,925		0.0%	\$0					
Contingency			\$1,464,059	7.00%	5.00%	\$2,351,306	\$2,351,306	5.00%	7.00%	\$1,464,059		0.0%	\$0					
Contractor Fees			\$3,133,086	14.00%	11.60%	\$5,727,720	\$5,727,720	11.60%	14.00%	\$3,133,086		0.0%	\$0					
Soft Costs		\$0	\$1,756,976		\$11,409 / Unit	\$1,756,976	\$1,756,976	\$11,409 / Unit		\$1,756,976	\$0	0.0%	\$0					
Financing		\$0	\$7,726,486		\$60,516 / Unit	\$9,319,485	\$9,319,485	\$60,516 / Unit		\$7,726,486	\$0	0.0%	\$0					
Developer Fee		192.66%	\$2,100,000	\$5,249,361	15.00%	18.07%	\$11,400,000	9,462,595	15.00%	\$5,249,361	\$163,500	20.5%	\$1,937,405					
Reserves				7 Months	\$1,642,484	\$1,642,484	7 Months					0.0%	\$0					
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$16,100,000	\$40,245,098	\$657,299 / Unit	\$101,224,085	\$99,286,680	\$644,719 / Unit	\$40,245,098	\$1,253,500	2.0%	\$1,937,405							
Acquisition Cost			(\$12,910,000)			\$0												
Contingency			\$0			\$0												
Contractor's Fee			\$0			\$0												
Financing Cost			\$0															
Developer Fee		15.00%	(\$1,936,500)	\$0	15.00%	15.00%	(\$1,937,405)											
Reserves						\$0												
ADJUSTED BASIS / COST		\$1,253,500	\$40,245,098	\$644,719/unit	\$99,286,680	\$99,286,680	\$644,719/unit	\$40,245,098	\$1,253,500	0.0%	\$0							
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$99,286,680												

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

West End Lofts, Dallas, 9% HTC #24165

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$1,253,500	\$40,245,098	\$1,253,500	\$40,245,098
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$1,253,500	\$40,245,098	\$1,253,500	\$40,245,098
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$1,253,500	\$52,318,627	\$1,253,500	\$52,318,627
Applicable Fraction	40.91%	40.91%	41%	41%
TOTAL QUALIFIED BASIS	\$512,795	\$21,403,075	\$512,795	\$21,403,075
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$20,512	\$1,926,277	\$20,512	\$1,926,277
CREDITS ON QUALIFIED BASIS	\$1,946,789		\$1,946,789	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8699	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,946,789	\$16,935,367	\$1,946,789	(\$53,211)	(\$462,893)
Needed to Fill Gap	\$2,218,141	\$19,295,896	----	----	----
Applicant Request	\$2,000,000	\$17,398,260	----	----	----

Long-Term Pro Forma

West End Lofts, Dallas, 9% HTC #24165

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$3,010,842	\$3,071,059	\$3,132,480	\$3,195,129	\$3,259,032	\$3,598,235	\$3,972,742	\$4,386,228	\$4,842,750	\$5,346,787	\$5,903,285	\$6,517,704
TOTAL EXPENSES	3.00%	\$1,169,020	\$1,202,586	\$1,237,128	\$1,272,675	\$1,309,258	\$1,508,795	\$1,739,177	\$2,005,219	\$2,312,494	\$2,667,450	\$3,077,551	\$3,551,434
NET OPERATING INCOME ("NOI")		\$1,841,821	\$1,868,473	\$1,895,352	\$1,922,454	\$1,949,774	\$2,089,440	\$2,233,565	\$2,381,008	\$2,530,256	\$2,679,337	\$2,825,734	\$2,966,270
EXPENSE/INCOME RATIO		38.8%	39.2%	39.5%	39.8%	40.2%	41.9%	43.8%	45.7%	47.8%	49.9%	52.1%	54.5%
MUST -PAY DEBT SERVICE													
Citbank		\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007
TOTAL DEBT SERVICE		\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007	\$1,566,007
DEBT COVERAGE RATIO		1.18	1.19	1.21	1.23	1.25	1.33	1.43	1.52	1.62	1.71	1.80	1.89
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$2,084,715	\$1,782,249	\$1,452,904	\$1,096,457	\$712,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$1,623,172	\$4,671,130	\$8,450,195	\$12,972,581	\$18,241,594	\$24,249,092	\$30,972,412