

24175 Westwood Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

July 12, 2024

PROPERTY IDENTIFICATION		RECOMMENDATION				
Application #	24175	TDHCA Program	Request	Recommended		
Development	Westwood Apartments	LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$19,608/Unit	\$0.86
City / County	Killeen / Bell					
Region/Area	8 / Urban					
Population	Elderly Limitation					
Set-Aside	General					
Activity	New Construction					

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> Madhouse Development, Inc. Enrique Flores, Enrique Flores IV 		
Related Parties	Contractor - TBD	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	102	100%	30%	11	11%
2	-	0%	40%	-	0%
3	-	0%	50%	21	21%
4	-	0%	60%	70	69%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	102	100%	TOTAL	102	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.19	Expense Ratio	61.1%
Breakeven Occ.	86.8%	Breakeven Rent	\$668
Average Rent	\$714	B/E Rent Margin	\$46
Property Taxes	\$873/unit	Exemption/PILOT	0%
Total Expense	\$5,049/unit	Controllable	\$2,634/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	3.5%
Highest Unit Capture Rate	11% 1 BR/60% 70
Dominant Unit Cap. Rate	11% 1 BR/60% 70
Premiums (↑80% Rents)	N/A N/A
Rent Assisted Units	N/A

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	618 SF	Density	27.6/acre
Acquisition		\$08K/unit	\$850K
Building Cost	\$136.17/SF	\$84K/unit	\$8,584K
Hard Cost		\$119K/unit	\$12,186K
Total Cost		\$219K/unit	\$22,298K
Developer Fee	\$2,650K	(31% Deferred)	Paid Year: 14
Contractor Fee	\$1,706K	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
Churchill Stateside Group, LLC - F	40/40	5.40%	\$4,271,000	1.19	City of Killeen	0/0	0.00%	\$500	1.19	RBC Capital Markets	\$17,198,280
										Avanti Legacy Westwood	\$828,172
TOTAL DEBT (Must Pay)			\$4,271,000		CASH FLOW DEBT / GRANTS			\$500		TOTAL EQUITY SOURCES	\$18,026,452
										TOTAL DEBT SOURCES	\$4,271,500
										TOTAL CAPITALIZATION	\$22,297,952

CONDITIONS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE

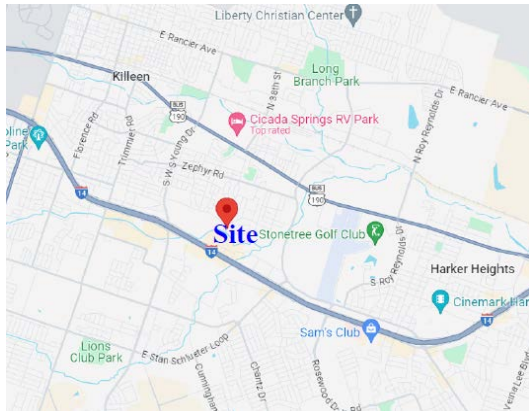
STRENGTHS/MITIGATING FACTORS

- Low gross capture rate of 3.5%
- Linkages to employment, shopping, highways
- TX experienced developer

WEAKNESSES/RISKS

- Construction cost risk
- Interest rate risk
- Unit mix of all 1BR units

AREA MAP



AERIAL PHOTOGRAPH(s)



**Real Estate Analysis Division**

Underwriting Report

July 12, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #:	24175	Program(s):	9% HTC		
Westwood Apartments					
Address/Location:		3001 Illinois Ave.			
City:	Killeen	County:	Bell	Zip:	76543
Population:	Elderly Limitation	Program Set-Aside:	General	Area:	Urban
Activity:	New Construction	Building Type:	Elevator Served	Region:	8
Analysis Purpose:		New Application - Initial Underwriting			

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

CONDITIONS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	11
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	70

DEVELOPMENT SUMMARY

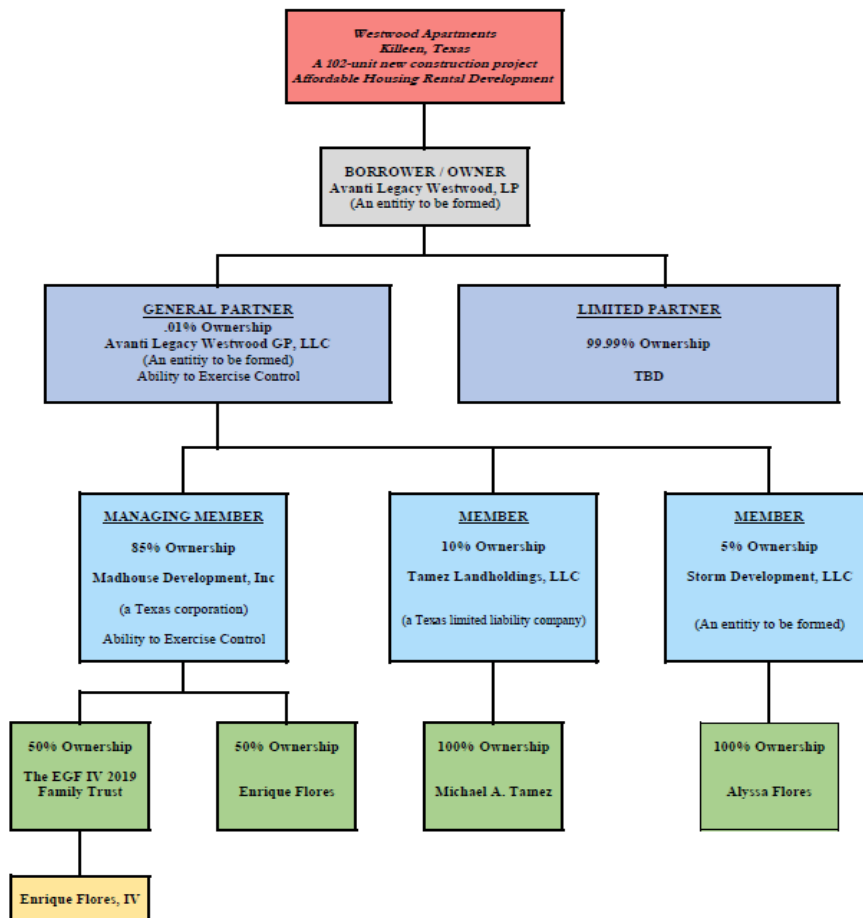
Development will target the elderly population. It will consist of 102 units housed in two elevator served buildings (1 three-story and 1 two-story) with 100% of the apartments having only one bedroom. Amenities include a clubhouse, fitness center, and gathering space.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Low gross capture rate of 3.5%	▫ Construction cost risk
▫ Linkages to employment, shopping, highways	▫ Interest rate risk
▫ TX experienced developer	▫ Unit mix of all 1BR units

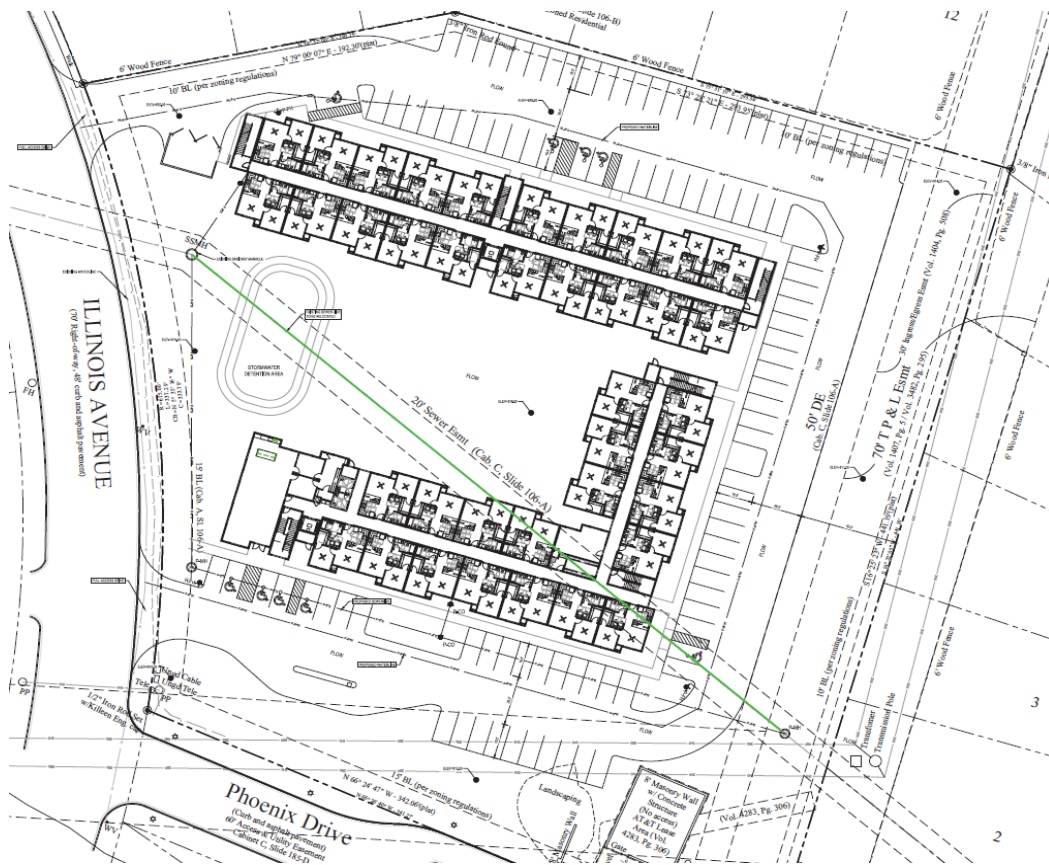
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



AERIAL



Developer has submitted an application for rezoning to R-3A (Multifamily Apartment Residential District). Under that zoning designation, the required minimum parking ratio would be 1.67/unit or 170 spaces. However, Developer's rezoning application is also requesting a variance to the parking requirement, with proposed parking of 103 open surface spaces (1.01/unit). All parking will be provided at no charge to the residents.

Building Type	1	2										Total Buildings 2
Floors/Stories	3	2										
Number of Bldgs	1	1										
Units per Bldg	62	40										
Total Units	62	40										102
Avg. Unit Size (SF)			618 sf		Total NRA (SF)		63,036		Common Area (SF)*			16,865

SITE CONTROL INFO

Site Control: 3.662 **Site Plan:** 3.628 **Appraisal:** n/a **ESA:** 3.628

Related-Party Seller/Identity of Interest: No

SITE INFORMATION						
Flood Zone:	Zone X	Scattered Site?	No			
Zoning:	B-5	Within 100-yr floodplain?	No			
Re-Zoning Required?	Yes	Utilities at Site?	Yes			
Year Constructed:	n/a	Title Issues?	No			
Comments: Developer has filed an application with the City of Killeen to rezone the property from B-5 (business District) to a PUD (Planned Unit Development) with a base zoning of R-3A (Multifamily Apartment Residential District).						
HIGHLIGHTS of ENVIRONMENTAL REPORTS						
Provider: <u>Aspen Environmental</u>		Date: <u>2/28/2022</u>				
Recognized Environmental Conditions (RECs) and Other Concerns: ▪ None						
MARKET ANALYSIS						
Provider: <u>Apartment Market Data</u>		Date: <u>3/10/2024</u>				
Primary Market Area (PMA):		32 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
22038	Avanti Legacy Parkview	Y	New Construction	Elderly	44	108
20148	High View Place	Y	Acquisition/Rehab, No	General	N/A	70
23194	Avenue Heights	Y	New Construction	General	N/A	69
Stabilized Affordable Developments in PMA					Total Units	908
					Total Developments	8
					Average Occupancy	97%
Comments: #22038 Avanti Legacy Parkview is currently under construction.						
OVERALL DEMAND ANALYSIS						
			Market Analyst			
			HTC	Assisted		
Total Households in the Primary Market Area			41,021			
Potential Demand from the Primary Market Area			3,777			
10% External Demand			378			
GROSS DEMAND			4,155			
Subject Affordable Units			102			
Unstabilized Competitive Units			44			
RELEVANT SUPPLY			146			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE			3.5%			
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		1,265	127	11	8	1.4%			
50% AMGI		721	72	21	9	3.8%			
60% AMGI		1,792	179	70	27	4.9%			

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%		648	65	11	8	2.7%			
1 BR/50%		653	65	21	9	4.2%			
1 BR/60%		803	80	70	27	11.0%			

Market Analyst Comments:

The HISTA data suggests that the growth for new units will be 213 units per year. The calculated historical absorption for the PMA was 617 units annually since 2020. This site is located in an area in which the demand for "affordable" housing is strong. The Market Analyst believes that there is a sufficient "income qualified" population with significant demand to support the proforma rents of the project. The level of "affordable" rent being charged is 36% to 71% lower than the adjusted rents charged at market rate comparables within the PMA. The absorption period of new supply is within acceptable levels. (pp. 15,16)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$327,784	Avg. Rent:	\$714	Expense Ratio:	61.1%
Debt Service:	\$275,813	B/E Rent:	\$668	Controllable Expenses:	\$2,634
Net Cash Flow:	\$51,971	UW Occupancy:	92.5%	Property Taxes/Unit:	\$873
Aggregate DCR:	1.19	B/E Occupancy:	86.8%	Program Rent Year:	2023

Underwriter utilized Applicant's proforma expenses as there was only a 0.1% variance.

The Lender signed a long-term pro forma that includes \$14,235 in annual expense for Supportive Services. Pursuant to §11.302(d)(2)(K), the estimated expenses underwritten at Application will be included in the DCR calculation at Cost Certification regardless if actually incurred.

Applicant expects to earn \$100k in cash flow over a 15 year period after deferred fee is paid in Year 14.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$223,214/ac	\$8,331/unit	\$849,750	Contractor Fee	\$1,706,052
Off-site + Site Work		\$27,500/unit	\$2,805,000	Soft Cost + Financing	\$4,906,065
Building Cost	\$136.17/sf	\$84,156/unit	\$8,583,864	Developer Fee	\$2,650,000
Contingency	7.00%	\$7,816/unit	\$797,220	Reserves	\$0
Total Development Cost		\$218,607/unit	\$22,297,952	Rehabilitation Cost	N/A

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

Using Marshall & Swift's "Average Quality" base cost for an elevator served building, building costs were underwritten at \$82k/unit or \$133/SF vs. Applicants budget of \$84k/unit or \$136/SF.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$22,297,952	\$20,284,703	\$2,373,310

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Churchill Stateside Group, LLC - FHA 221(d)(4)	Conventional/FHA	\$4,271,000	5.40%	21%
Churchill Stateside Group, LLC	Bridge Loan	\$12,576,000	7.25%	62%
RBC Capital Markets	HTC	\$3,439,656	\$0.86	17%
City of Killeen	§11.9(d)(2)LPS Contribution	\$500	0.00%	0%
Avanti Legacy Westwood	Deferred Developer Fee	\$0	0.00%	0%
		\$20,287,156	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Churchill Stateside Group, LLC - FHA 221(d)(4)	\$4,271,000	5.40%	40	40.0	\$4,271,000	5.40%	40	40.0	19%
City of Killeen	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
Total	\$4,271,500				\$4,271,500				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
RBC Capital Markets	\$17,198,280	\$0.86		\$17,198,280	\$0.86	77%	
Avanti Legacy Westwood	\$828,172		31%	\$828,172		4%	31%
Total	\$18,026,452			\$18,026,452			
				\$22,297,952	Total Sources		

Credit Price Sensitivity based on current capital structure	
\$0.901	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.855	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$22,297,952
Permanent Sources (debt + non-HTC equity)	\$4,271,500
Gap in Permanent Financing	\$18,026,452

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$20,408,427	\$2,373,310
Needed to Balance Sources & Uses	\$18,026,452	\$2,096,309
Requested by Applicant	\$17,198,280	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$17,198,280	\$2,000,000

Deferred Developer Fee	\$828,172	(31% deferred)
Repayable in	14 years	

Recommendation:

Underwriter recommends Applicant's request for \$2,000,000 in annual 9% Housing Tax Credits.

Underwriter: Eric Weiner

Manager of Real Estate Analysis: Gregg Kazak

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE
<i>Westwood Apartments, Killeen, 9% HTC #24175</i>

LOCATION DATA	
CITY:	Killeen
COUNTY:	Bell
Area Median Income	\$76,000
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	102	100.0%	0	0	0	0
2	-	0.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	102	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	618 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	11	-	21	70	-	-	-	102
Income	% Total	0.0%	10.8%	0.0%	20.6%	68.6%	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%	\$427	11	1	1	618	\$427	\$65	\$362	\$0	\$0.59	\$362	\$3,982	\$3,982	\$362	\$0.59	\$0	\$1,243	\$2.01
TC 50%	\$712	21	1	1	618	\$712	\$65	\$647	\$0	\$1.05	\$647	\$13,587	\$13,587	\$647	\$1.05	\$0	\$1,243	\$2.01
TC 60%	\$855	70	1	1	618	\$855	\$65	\$790	\$0	\$1.28	\$790	\$55,300	\$55,300	\$790	\$1.28	\$0	\$1,243	\$2.01
TOTALS/AVERAGES:		102			63,036				\$0	\$1.16	\$714	\$72,869	\$72,869	\$714	\$1.16	\$0	\$1,243	\$2.01

ANNUAL POTENTIAL GROSS RENT:	\$874,428	\$874,428	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA
Westwood Apartments, Killeen, 9% HTC #24175

STABILIZED FIRST YEAR PRO FORMA													
COMPARABLES				APPLICANT				TDHCA				VARIANCE	
Database	Local senior comps			% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$1.16	\$714	\$874,428	\$874,428	\$714	\$1.16		0.0%	\$0
App Fees, Deposit Forfeitures						\$30.00	\$36,720						
Total Secondary Income						\$30.00		\$36,720	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$911,148	\$911,148				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(68,336)	(68,336)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$842,812	\$842,812				0.0%	\$0

General & Administrative	\$34,092	\$334/Unit	\$48,920	\$480	4.73%	\$0.63	\$391	\$39,900	\$39,900	\$391	\$0.63	4.73%	0.0%	-
Management	\$33,113	4.6% EGI	\$40,184	\$394	5.00%	\$0.67	\$413	\$42,141	\$42,141	\$413	\$0.67	5.00%	0.0%	-
Payroll & Payroll Tax	\$122,348	\$1,199/Unit	\$133,105	\$1,305	12.25%	\$1.64	\$1,012	\$103,210	\$103,210	\$1,012	\$1.64	12.25%	0.0%	-
Repairs & Maintenance	\$84,923	\$833/Unit	\$97,580	\$957	7.92%	\$1.06	\$655	\$66,790	\$66,300	\$650	\$1.05	7.87%	0.7%	490
Electric/Gas	\$22,517	\$221/Unit	\$19,519	\$191	2.42%	\$0.32	\$200	\$20,400	\$20,400	\$200	\$0.32	2.42%	0.0%	-
Water, Sewer, & Trash	\$68,679	\$673/Unit	\$57,219	\$561	4.55%	\$0.61	\$376	\$38,372	\$38,372	\$376	\$0.61	4.55%	0.0%	-
Property Insurance	\$73,134	\$1.16 /sf	\$69,629	\$683	8.47%	\$1.13	\$700	\$71,400	\$71,400	\$700	\$1.13	8.47%	0.0%	-
Property Tax (@ 100%) 1.892972	\$56,441	\$553/Unit	\$90,944	\$892	10.56%	\$1.41	\$873	\$89,000	\$88,822	\$871	\$1.41	10.54%	0.2%	178
Reserve for Replacements					3.03%	\$0.40	\$250	\$25,500	\$25,500	\$250	\$0.40	3.03%	0.0%	-
Supportive Services					1.69%	\$0.23	\$140	\$14,235	\$14,235	\$140	\$0.23	1.69%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.48%	\$0.06	\$40	\$4,080	\$4,080	\$40	\$0.06	0.48%	0.0%	-
TOTAL EXPENSES					61.11%	\$8.17	\$5,049	\$515,028	\$514,359	\$5,043	\$8.16	61.03%	0.1%	\$ 668
NET OPERATING INCOME ("NOI")					38.89%	\$5.20	\$3,214	\$327,784	\$328,453	\$3,220	\$5.21	38.97%	-0.2%	\$ (668)

CONTROLLABLE EXPENSES		\$2,634/Unit		\$2,629/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westwood Apartments, Killeen, 9% HTC #24175

		DEBT / GRANT SOURCES													
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App											DCR	LTC
Churchill Stateside Group, LLC - FHA	0.35%	1.20	1.20	273,116	5.40%	40	40	\$4,271,000	\$4,271,000	40	40.0	5.40%	\$275,813	1.19	19.2%
				\$273,116	TOTAL DEBT / GRANT SOURCES			\$4,271,500	\$4,271,500	TOTAL DEBT SERVICE			\$275,813	1.19	19.2%
NET CASH FLOW		\$55,337	\$54,668				APPLICANT	NET OPERATING INCOME		\$327,784	\$51,971	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
RBC Capital Markets	LIHTC Equity	77.1%	\$2,000,000	\$0.86	\$17,198,280	\$17,198,280	\$0.8599	\$2,000,000	77.1%	\$19,608	Applicant Request
Avanti Legacy Westwood	Deferred Developer Fees	3.7%	(31% Deferred)		\$828,172	\$828,172	(31% Deferred)		3.7%	Total Developer Fee: \$2,650,000	
Additional (Excess) Funds Req'd		0.0%				(\$0)			0.0%		
TOTAL EQUITY SOURCES		80.8%			\$18,026,452	\$18,026,452			80.8%		
TOTAL CAPITALIZATION					\$22,297,952	\$22,297,952	15-Yr Cash Flow after Deferred Fee:			\$100,427	

		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				\$8,088 / Unit	\$825,000	\$825,000	\$8,088 / Unit					0.0%	\$0
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0		0.0%	\$0
Closing costs & acq. legal fees					\$24,750	\$24,750						0.0%	\$0
Off-Sites			\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0			0.0%	\$0
Site Work			\$1,894,778	\$18,576 / Unit	\$1,894,778	\$1,894,778	\$18,576 / Unit	\$1,894,778			0.0%	\$0	
Site Amenities			\$891,990	\$8,924 / Unit	\$910,223	\$910,223	\$8,924 / Unit	\$891,990			0.0%	\$0	
Building Cost			\$8,570,988	\$136.17 /sf	\$84,156/Unit	\$8,583,864	\$8,423,119	\$82,580/Unit	\$133.62 /sf		\$8,423,119	1.9%	\$160,745
Contingency			\$795,043	7.00%	7.00%	\$797,220	\$785,968	7.00%	7.00%		\$784,692	1.4%	\$11,252
Contractor Fees			\$1,701,392	14.00%	14.00%	\$1,706,052	\$1,681,972	14.00%	14.00%		\$1,679,241	1.4%	\$24,080
Soft Costs			\$0	\$2,064,694	\$21,610 / Unit	\$2,204,248	\$2,204,248	\$21,610 / Unit			\$2,064,694	\$0	0.0%
Financing		\$0	\$1,720,818	\$26,488 / Unit	\$2,701,817	\$2,701,817	\$26,488 / Unit		\$1,720,818	\$0	0.0%	\$0	
Developer Fee		\$0	\$2,645,000	14.99%	14.99%	\$2,650,000	\$2,621,826	15.00%	15.00%	\$2,618,900	\$0	1.1%	\$28,174
Reserves				Months	\$0	\$0	Months					0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$20,284,703	\$218,607 / Unit	\$22,297,952	\$22,073,700	\$216,409 / Unit		\$20,078,232	\$0	1.0%	\$224,251	
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	\$20,284,703	\$218,607/unit	\$22,297,952	\$22,073,700	\$216,409/unit		\$20,078,232	\$0	1.0%	\$224,251	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$22,297,952								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westwood Apartments, Killeen, 9% HTC #24175

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$20,284,703	\$0	\$20,078,232
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$20,284,703	\$0	\$20,078,232
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$26,370,114	\$0	\$26,101,701
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$26,370,114	\$0	\$26,101,701
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,373,310	\$0	\$2,349,153
CREDITS ON QUALIFIED BASIS	\$2,373,310		\$2,349,153	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8599	Variance to Request	
	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,373,310	\$20,408,427	----	----	----
Needed to Fill Gap	\$2,096,309	\$18,026,452	----	----	----
Applicant Request	\$2,000,000	\$17,198,280	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	63,036 SF	\$100.27	6,320,866
Adjustments				
Exterior Wall Finish	2.87%		2.88	\$181,446
Elderly	9.00%		9.02	568,878
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			(0.25)	(15,759)
Subfloor			(0.61)	(38,223)
Floor Cover			3.68	231,972
Breezeways	\$39.58	9,536	5.99	377,479
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$1,420	0	0.00	0
Rough-ins	\$700	204	2.27	142,800
Built-In Appliances	\$2,280	102	3.69	232,560
Exterior Stairs	\$3,550	9	0.51	31,950
Heating/Cooling			3.12	196,672
Storage Space	\$39.58	16,865	10.59	667,595
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$133.81	3,022	6.42	404,376
Elevators	\$123,100	2	3.91	246,200
Other:			0.00	0
Fire Sprinklers	\$3.65	92,459	5.35	337,475
SUBTOTAL			156.84	9,886,290
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			156.84	\$9,886,290
Plans, specs, survey, bldg permits	3.30%		(5.18)	(\$326,248)
Contractor's OH & Profit	11.50%		(18.04)	(1,136,923)
NET BUILDING COSTS		\$82,580/unit	\$133.62/sf	\$8,423,119

Long-Term Pro Forma

Westwood Apartments, Killeen, 9% HTC #24175

	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%	\$842,812	\$859,668	\$876,862	\$894,399	\$912,287	\$1,007,238	\$1,112,072	\$1,227,818	\$1,355,610	\$1,496,703	\$1,652,481	\$1,824,473
TOTAL EXPENSES	3.00%	\$515,028	\$530,057	\$545,529	\$561,456	\$577,853	\$667,372	\$770,888	\$890,601	\$1,029,063	\$1,189,225	\$1,374,507	\$1,588,870
NET OPERATING INCOME ("NOI")		\$327,784	\$329,611	\$331,332	\$332,942	\$334,434	\$339,866	\$341,185	\$337,216	\$326,547	\$307,478	\$277,974	\$235,603
EXPENSE/INCOME RATIO		61.1%	61.7%	62.2%	62.8%	63.3%	66.3%	69.3%	72.5%	75.9%	79.5%	83.2%	87.1%
MUST -PAY DEBT SERVICE													
Churchill Stateside Group, LLC - FHA 221(d)(4)		\$275,813	\$275,704	\$275,590	\$275,469	\$275,342	\$274,590	\$273,606	\$272,318	\$270,632	\$268,425	\$265,535	\$261,751
TOTAL DEBT SERVICE		\$275,813	\$275,704	\$275,590	\$275,469	\$275,342	\$274,590	\$273,606	\$272,318	\$270,632	\$268,425	\$265,535	\$261,751
DEBT COVERAGE RATIO		1.19	1.20	1.20	1.21	1.21	1.24	1.25	1.24	1.21	1.15	1.05	0.90
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$776,200	\$722,294	\$666,551	\$609,078	\$549,986	\$234,617	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$100,427	\$432,518	\$732,875	\$965,370	\$1,085,113	\$1,036,830