Real Estate Analysis Division
January 10, 2025

Addendum to Underwriting Report

TDHCA Application #: **24507_22212** Program(s): **9% HTC / MDL**

FishPond at Victoria

Address/Location: 2513 N Navarro Street

City: Victoria County: Victoria Zip: 77901

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/10/25	**MDL Award**
07/15/22	New Application- Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
MF Direct Loan Const. to Perm. (Repayable)					**$4,740,000**	**2.00%**	**35**	**30**	**1**
LIHTC (9% Credit)	$1,157,271				**$1,157,271**				

* 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 noise study has been completed, and certification from the Architect that all recommendations 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.

3 **Receipt and acceptance by Cost Certification:**
- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

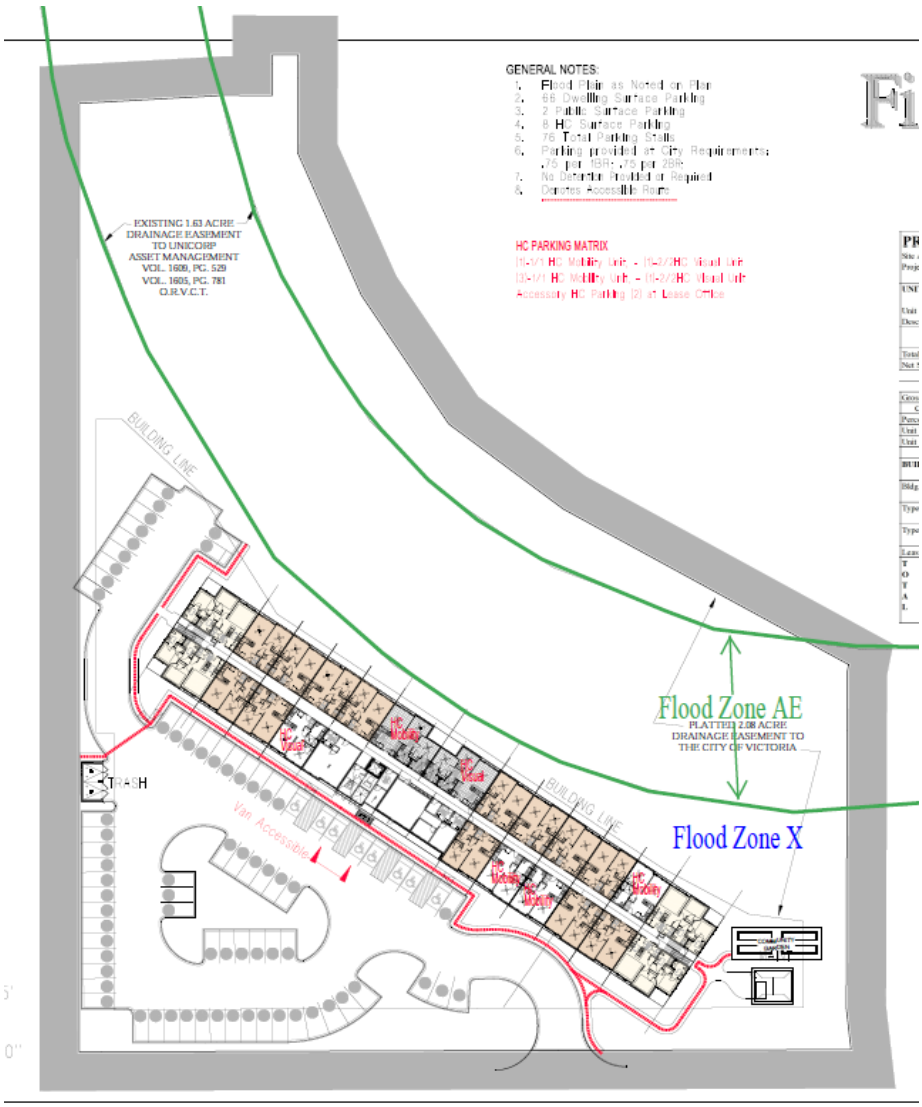
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

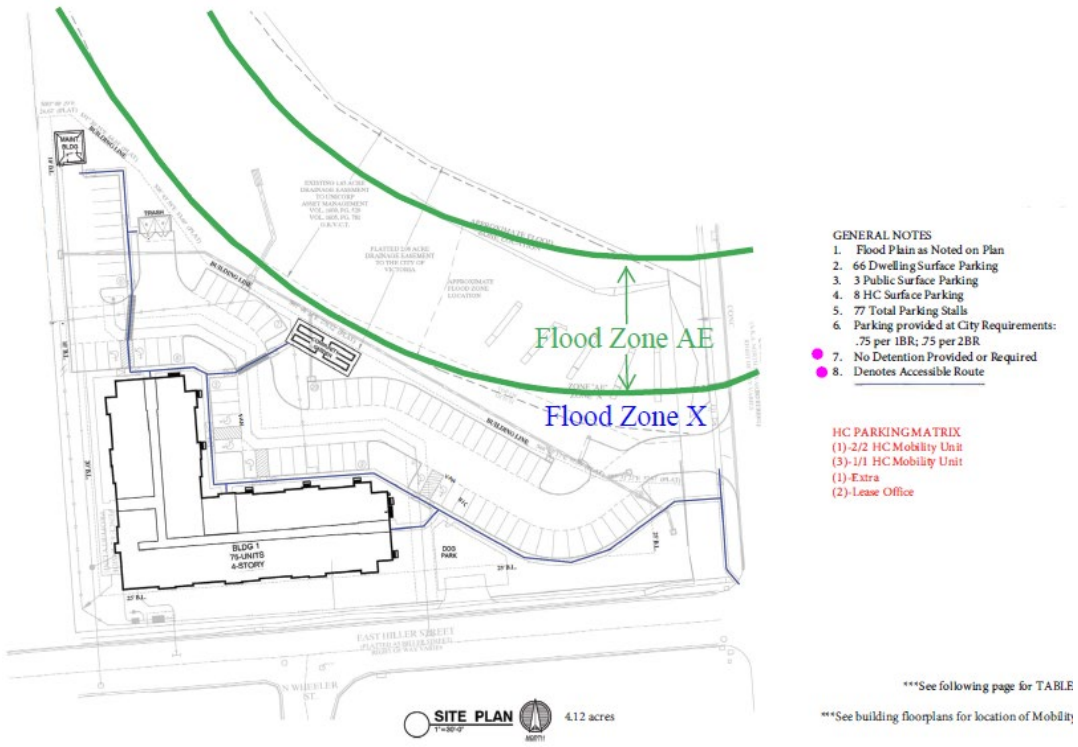
TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	52

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	8
60% of AMFI	High HOME	28
80% of AMFI	High HOME	4

ORIGINAL SITE PLAN



REVISED SITE PLAN

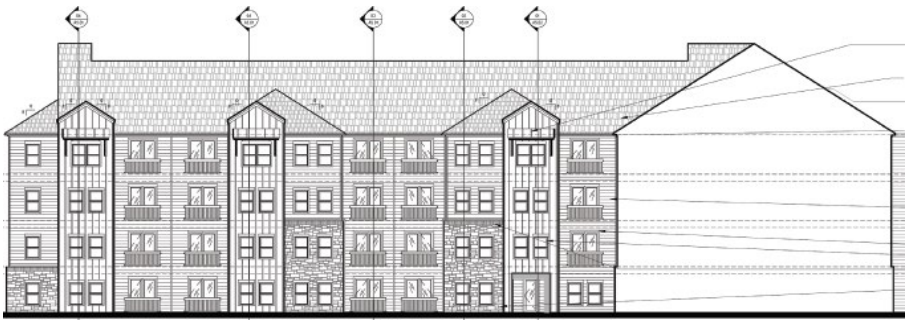


Comments:

All improvements (building & parking lot) will be constructed in Flood Zone X.

ORIGINAL BUILDING ELEVATION

REVISED BUILDING ELEVATION



ANALYSIS

The development originally received an annual 9% HTC allocation of $1,157,271 in 2022. Applicant has now applied for a $4,740,000 MDL to replace the originally proposed permanent loan in the amount of $3,050,000. The proposed MDL will have a lower interest rate of 2%. Applicant is requesting a 35 year term with a 35 year amortization.

Operating Pro Forma

Rents were updated to the most current 2024 limits.

Since original underwriting, projected operating expenses have increased by $48K (from $396K to $444K).

As presented by Applicant, the Long-Term Pro Forma reflected a deficit cash flow beginning in year 30, while all other parameters meet feasibility thresholds. In order to address that issue, Underwriter adjusted Applicant's secondary income from $20/unit to $30/unit as allowed in the QAP. By doing so, Pro Forma long-term cash flow is now positive through year 32.

Underwriter's Pro Forma is within 3% of Applicant's expenses and within 4% of Applicant's projected NOI. Therefore, Applicant's Pro Forma is utilized in the underwriting.

Development Cost

Since original underwriting:

- Building Cost has increased by $1.4M (from $5.8M to $7.2M).
- Total Housing Development Cost has increased by $1.7M (from $13.3M to $15M).

As a result of local code requirements for the site, the original building design was revised from a straight line 3-story building to an L-shaped 4-story building. NRA increased slightly by 577 sf (from 54,387 sf to 54,964 sf). Common area was increased by 2,057 sf (from 2,324 sf to 4,381 sf).

Sources of Funds

Proposed capitalization has increased by $1.7M to cover additional development costs.

Originally, Applicant anticipated having a $3,050,000 permanent loan from Community Bank of Texas, but is now requesting a $4,740,000 MDL loan with a lower interest rate of 2%. While Applicant requested a 35 year term, underwriting now reflects deficit Pro Forma cash flow beginning in year 33. Therefore, pursuant to the QAP, the term of the loan is being recommended at 30 years.

The general contractor has committed to a donation of site preparation costs in the amount of $355K as match for the HOME-sourced MDL.

Since original underwriting, the equity contribution from PNC has been reduced by $231K, with a credit price reduction from $0.88 to $0.86.

Additionally, deferred developer fee was decreased by $115K.

Recommendation

Underwriter recommends a $4,740,000 MDL at a 2% interest rate with a 30 year term and monthly payments based on a 35 year amortization period. Under these terms, the annualized monthly debt service payment is $188,422. The construction term is assumed at 24 Months.

In addition, Underwriter recommends that the annual 9% LIHTC allocation of $1,157,271 remains the same, as previously awarded.

Underwriter:	*Georgia Simmons*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fish Pond at Victoria, Victoria, 9% HTC #22212

LOCATION DATA

CITY:	Victoria
COUNTY:	Victoria
Area Median Income	$88,300
PROGRAM REGION:	10
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	Match
Eff	-	0.0%	0	0	0
1	57	76.0%	57	30	2
2	18	24.0%	18	10	1
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	**75**	**100.0%**	**75**	**40**	**3**

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	733 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	8	-	15	52	-	-	-	**75**
	% Total	0.0%	10.7%	0.0%	20.0%	69.3%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		HOME 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%	$453				3	1	1	663	$453	$63	$390	$0	$0.59	$390	**$1,170**	**$1,170**	$390	**$1**	**$0**	$1,090	$1.64	$1,090
TC 30%	$453				3	1	1	675	$453	$63	$390	$0	$0.58	$390	**$1,170**	**$1,170**	$390	**$1**	**$0**	$1,104	$1.64	$1,104
TC 30%	$453				1	1	1	686	$453	$63	$390	$0	$0.57	$390	**$390**	**$390**	$390	**$1**	**$0**	$1,117	$1.63	$1,117
TC 50%	$755	LH/50%	$755		2	1	1	663	$755	$63	$692	$0	$1.04	$692	**$1,384**	**$1,384**	$692	**$1**	**$0**	$1,090	$1.64	$1,090
TC 50%	$755	LH/50%	$755		3	1	1	675	$755	$63	$692	$0	$1.03	$692	**$2,076**	**$2,076**	$692	**$1**	**$0**	$1,104	$1.64	$1,104
TC 50%	$755	LH/50%	$755		1	1	1	686	$755	$63	$692	$0	$1.01	$692	**$692**	**$692**	$692	**$1**	**$0**	$1,117	$1.63	$1,117
TC 50%	$755	Match	$755	1	4	1	1	663	$755	$63	$692	$0	$1.04	$692	**$2,768**	**$2,768**	$692	**$1**	**$0**	$1,090	$1.64	$1,090
TC 50%	$755				4	1	1	675	$755	$63	$692	$0	$1.03	$692	**$2,768**	**$2,768**	$692	**$1**	**$0**	$1,104	$1.64	$1,104
TC 60%	$906	HH/60%	$962		21	1	1	663	$906	$63	$843	$0	$1.27	$843	**$17,703**	**$17,703**	$843	**$1**	**$0**	$1,090	$1.64	$1,090
TC 60%	$906	HH/80%	$962		3	1	1	675	$906	$63	$843	$0	$1.25	$843	**$2,529**	**$2,529**	$843	**$1**	**$0**	$1,104	$1.64	$1,104
TC 60%	$906				2	1	1	663	$906	$63	$843	$0	$1.27	$843	**$1,686**	**$1,686**	$843	**$1**	**$0**	$1,090	$1.64	$1,090
TC 60%	$906				9	1	1	675	$906	$63	$843	$0	$1.25	$843	**$7,587**	**$7,587**	$843	**$1**	**$0**	$1,104	$1.64	$1,104
TC 60%	$906	Match	$962	1	1	1	1	686	$906	$63	$843	$0	$1.23	$843	**$843**	**$843**	$843	**$1**	**$0**	$1,117	$1.63	$1,117
TC 30%	$543	LH/50%	$905		1	2	2	922	$543	$83	$460	$0	$0.50	$460	**$460**	**$460**	$460	**$0**	**$0**	$1,290	$1.40	$1,290
TC 50%	$905	LH/50%	$905		1	2	2	1,044	$905	$83	$822	$0	$0.79	$822	**$822**	**$822**	$822	**$1**	**$0**	$1,425	$1.36	$1,425
TC 60%	$1,086	HH/60%	$1,157		7	2	2	922	$1,086	$83	$1,003	$0	$1.09	$1,003	**$7,021**	**$7,021**	$1,003	**$1**	**$0**	$1,290	$1.40	$1,290
TC 60%	$1,086	HH/80%	$1,157		1	2	2	1,044	$1,086	$83	$1,003	$0	$0.96	$1,003	**$1,003**	**$1,003**	$1,003	**$1**	**$0**	$1,425	$1.36	$1,425
TC 60%	$1,086	Match	$1,157	1	8	2	2	922	$1,086	$83	$1,003	$0	$1.09	$1,003	**$8,024**	**$8,024**	$1,003	**$1**	**$0**	$1,290	$1.40	$1,290
TOTALS/AVERAGES:					**75**			**54,964**				**$0**	**$1.09**	**$801**	**$60,096**	**$60,096**	**$801**	**$1.09**	**$0**	**$1,147**	**$1.56**	**$1,147**

ANNUAL POTENTIAL GROSS RENT:	**$721,152**	**$721,152**	

STABILIZED PRO FORMA

Fish Pond at Victoria, Victoria, 9% HTC #22212

	STABILIZED FIRST YEAR PRO FORMA																
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Comp Expenses		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.09	$801	$721,152	**$640,824**	**$640,824**	$721,152	$801	$1.09		0.0%	$0
Late Fees, NSF Fees, Application Fees							$30.00	$27,000	18,000							
Total Secondary Income							$30.00			18,000	$27,000	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$748,152	$658,824	$658,824	$748,152				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(56,111)	(49,412)	(49,412)	(56,111)	7.5% PGI			0.0%	-
Rental Concessions								-	0	0	-				0.0%	-
EFFECTIVE GROSS INCOME								$692,041	$609,412	$609,412	$692,041				0.0%	$0
General & Administrative	$38,123	$508/Unit	$24,399	$325	4.26%	$0.54	$393	$29,500	$29,500	$29,500	$29,500	$393	$0.54	4.26%	0.0%	-
Management	$39,499	5.7% EGI	$29,457	$393	4.94%	$0.62	$456	$34,186	$30,471	$30,471	$34,602	$461	$0.63	5.00%	-1.2%	(416)
Payroll & Payroll Tax	$88,688	$1,183/Unit	$92,583	$1,234	14.74%	$1.86	$1,360	$102,000	$73,500	$73,500	$102,000	$1,360	$1.86	14.74%	0.0%	-
Repairs & Maintenance	$55,638	$742/Unit	$59,371	$792	9.19%	$1.16	$848	$63,600	$66,600	$48,750	$48,750	$650	$0.89	7.04%	30.5%	14,850
Electric/Gas	$14,301	$191/Unit	$11,063	$148	3.18%	$0.40	$293	$22,000	$22,000	$22,000	$22,000	$293	$0.40	3.18%	0.0%	-
Water, Sewer, & Trash	$57,810	$771/Unit	$59,051	$787	7.95%	$1.00	$733	$55,000	$55,000	$55,000	$55,000	$733	$1.00	7.95%	0.0%	-
Property Insurance	$49,983	$0.91 /sf	$43,191	$576	9.13%	$1.15	$843	$63,209	$52,547	$52,547	$63,209	$843	$1.15	9.13%	0.0%	-
Property Tax (@ 100%) 1.8900	$39,603	$528/Unit	$36,304	$484	7.23%	$0.91	$667	$50,000	$40,000	$52,486	$54,275	$724	$0.99	7.84%	-7.9%	(4,275)
Reserve for Replacements					2.71%	$0.34	$250	$18,750	$18,750	$18,750	$18,750	$250	$0.34	2.71%	0.0%	-
Supportive Services					0.36%	$0.05	$33	$2,500	$4,500	$4,500	$2,500	$33	$0.05	0.36%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.43%	$0.05	$40	$3,000	$3,000	$3,000	$3,000	$40	$0.05	0.43%	0.0%	-
TOTAL EXPENSES					**64.12%**	**$8.07**	**$5,917**	**$443,745**	$395,868	$390,503	**$433,586**	**$5,781**	**$7.89**	**62.65%**	**2.3%**	**$ 10,159**
NET OPERATING INCOME ("NOI")					**35.88%**	**$4.52**	**$3,311**	**$248,296**	$213,545	$218,909	**$258,454**	**$3,446**	**$4.70**	**37.35%**	**-3.9%**	**$ (10,159)**
CONTROLLABLE EXPENSES							$3,628/Unit					$3,430/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fish Pond at Victoria, Victoria, 9% HTC #22212

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**
MFDL Fully Amortized		1.37	1.32	188,422	2.00%	35	35	$4,740,000	$3,050,000	$3,050,000	$4,740,000	30	35	2.0000%	$188,422	1.32	31.5%
CASH FLOW DEBT / GRANTS																	
City of Victoria		1.37	1.32		0.00%	0	0	$500	$500	$500	$500	0	0	0.00%		1.32	0.0%
Watermark (General Contractor)		1.37	1.32		0.00%	0	0	$355,500	**$0**	**$0**	$355,500	0	0	0.00%		1.32	2.4%
				$188,422	**TOTAL DEBT / GRANT SOURCES**			**$5,096,000**	$3,050,500	$3,050,500	**$5,096,000**	**TOTAL DEBT SERVICE**			**$188,422**	**1.32**	33.9%
NET CASH FLOW		$70,032	$59,874								**APPLICANT**	**NET OPERATING INCOME**		**$248,296**	**$59,873**	**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**
PNC	LIHTC Equity	66.1%	$1,157,271	$0.86	$9,951,535	$10,182,966	$10,182,966	$9,951,535	$0.86	$1,157,271	66.1%	$15,430	Applicant Request
FishPond Development, LLC	Deferred Developer Fees	0.0%	(0% Deferred)		$673	$115,567	$115,567	$673	(0% Deferred)		0.0%	**Total Developer Fee:**	**$1,558,000**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		66.1%			$9,952,208	$10,298,533	$10,298,533	$9,952,208			66.1%		
TOTAL CAPITALIZATION					**$15,048,208**	$13,349,033	$13,349,033	**$15,048,208**				**15-Yr Cash Flow after Deferred Fee:**	**$932,194**

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				$9,000 / Unit	$675,000	$675,000	$675,000	$675,000	$9,000 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$0	$0	$ / Unit			$0	0.0%	$0
Off-Sites		$0		$ / Unit	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$837,699		$11,836 / Unit	$887,699	$1,010,000	$1,010,000	$887,699	$11,836 / Unit		$837,699		0.0%	$0
Site Amenities		$303,000		$4,040 / Unit	$303,000	$245,000	$245,000	$303,000	$4,040 / Unit		$303,000		0.0%	$0
Building Cost		$7,212,654	$131.23 /sf	$96,169/Unit	$7,212,654	$5,810,000	$5,646,481	$7,270,974	$96,946/Unit	$132.29 /sf	$7,212,654		-0.8%	($58,320)
Contingency		$584,735	7.00%	7.00%	$588,235	$494,550	$483,104	$588,235	6.95%	7.00%	$584,735		0.0%	$0
Contractor Fees		$1,251,332	14.00%	14.00%	$1,258,822	$1,058,337	$1,033,842	$1,258,822	13.91%	14.00%	$1,251,332		0.0%	$0
Soft Costs	$0	$1,081,250		$14,883 / Unit	$1,116,250	$1,110,000	$1,110,000	$1,116,250	$14,883 / Unit		$1,081,250	$0	0.0%	$0
Financing	$0	$1,020,290		$16,404 / Unit	$1,230,330	$1,106,625	$1,106,625	$1,230,330	$16,404 / Unit		$1,020,290	$0	0.0%	$0
Developer Fee	$0	$1,558,000	12.68%	12.62%	$1,558,000	$1,558,000	$1,531,921	$1,558,000	12.56%	12.68%	$1,558,000	$0	0.0%	$0
Reserves				4 Months	$217,619	$281,521	$281,521	$217,619	4 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$13,848,960**		$200,643 / Unit	**$15,048,208**	$13,349,033	$13,123,493	**$15,106,529**	$201,420 / Unit		**$13,848,960**	**$0**	**-0.4%**	**($58,320)**
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**	**$13,848,960**		$200,643/unit	**$15,048,208**	$13,349,033	$13,123,493	**$15,106,529**	$201,420/unit		**$13,848,960**	**$0**	**-0.4%**	**($58,321)**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): **$15,048,208**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fish Pond at Victoria, Victoria, 9% HTC #22212

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$13,848,960	$0	$13,848,960
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$13,848,960	$0	$13,848,960
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$18,003,648	$0	$18,003,648
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$18,003,648	$0	$18,003,648
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,620,328	$0	$1,620,328
CREDITS ON QUALIFIED BASIS	$1,620,328		$1,620,328	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8599	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,620,328	$13,933,429	----	----	----
Needed to Fill Gap	$1,157,349	$9,952,208	----	----	----
Applicant Request	$1,157,271	$9,951,535	**$1,157,271**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	54,964 SF	$106.37	5,846,608
Adjustments				
Exterior Wall Finish	3.84%		4.08	$224,510
Elderly	3.00%		3.19	175,398
9-Ft. Ceilings	3.48%		3.70	203,462
Roof Adjustment(s)			2.05	112,500
Subfloor			0.22	12,229
Floor Cover			2.82	154,998
Enclosed Corridors	$97.92	5,262	9.37	515,263
Balconies	$0.00	0	0.00	0
Plumbing Fixtures	$1,610	6	0.18	9,660
Rough-ins	$600	150	1.64	90,000
Built-In Appliances	$2,950	75	4.03	221,250
Exterior Stairs	$2,460	9	0.40	22,140
Heating/Cooling			2.37	130,265
Storage Space	$97.92	1,796	3.20	175,867
Carports	$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$144.55	2,324	6.11	335,939
Elevators	$118,600	1	2.16	118,600
Other:			0.00	0
Fire Sprinklers	$2.88	64,346	3.37	185,316
SUBTOTAL			**155.27**	**8,534,007**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**155.27**	**$8,534,007**
Plans, specs, survey, bldg permits	3.30%		(5.12)	($281,622)
Contractor's OH & Profit	11.50%		(17.86)	(981,411)
NET BUILDING COSTS		$96,946/unit	$132.29/sf	$7,270,974

Long-Term Pro Forma

Fish Pond at Victoria, Victoria, 9% HTC #22212

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$692,041	$705,881	$719,999	$734,399	$749,087	$827,053	$913,133	$1,008,172	$1,113,104	$1,228,957	$1,356,867
TOTAL EXPENSES	3.00%	$443,745	$456,715	$470,068	$483,815	$497,966	$575,237	$664,602	$767,967	$887,535	$1,025,862	$1,185,904
NET OPERATING INCOME ("NOI")		**$248,296**	**$249,166**	**$249,931**	**$250,584**	**$251,121**	**$251,816**	**$248,530**	**$240,206**	**$225,569**	**$203,095**	**$170,963**
EXPENSE/INCOME RATIO		64.1%	64.7%	65.3%	65.9%	66.5%	69.6%	72.8%	76.2%	79.7%	83.5%	87.4%
MUST -PAY DEBT SERVICE												
MFDL Fully Amortized		$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422
TOTAL DEBT SERVICE		$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422	$188,422
DEBT COVERAGE RATIO		1.32	1.32	1.33	1.33	1.33	1.34	1.32	1.27	1.20	1.08	0.91
ANNUAL CASH FLOW		**$59,873**	**$60,744**	**$61,509**	**$62,162**	**$62,698**	**$63,393**	**$60,108**	**$51,783**	**$37,146**	**$14,673**	**($17,459)**
Deferred Developer Fee Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$59,200	$119,944	$181,452	$243,615	$306,313	$623,294	$932,194	$1,210,014	$1,427,831	$1,549,617	$1,530,855

22212 Fish Pond at Victoria - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 5, 2022

PROPERTY IDENTIFICATION

Application #	22212
Development	Fish Pond at Victoria
City / County	Victoria / Victoria
Region/Area	10 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,157,271	$1,157,271	$15,430/Unit	$0.88

KEY PRINCIPALS / SPONSOR

• Fish Pond Development LLC
60% Owner, 100% Developer, 100% Guarantor
David Fournier 100% Sole member
• BETCO Consulting LLC
40% Owner
Lora Myrick, Bruce Spitzengel, Eric Hartzell, Tres Davis, Teresa Shell

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	57	76%
2	18	24%
3	-	0%
4	-	0%
TOTAL	75	100%

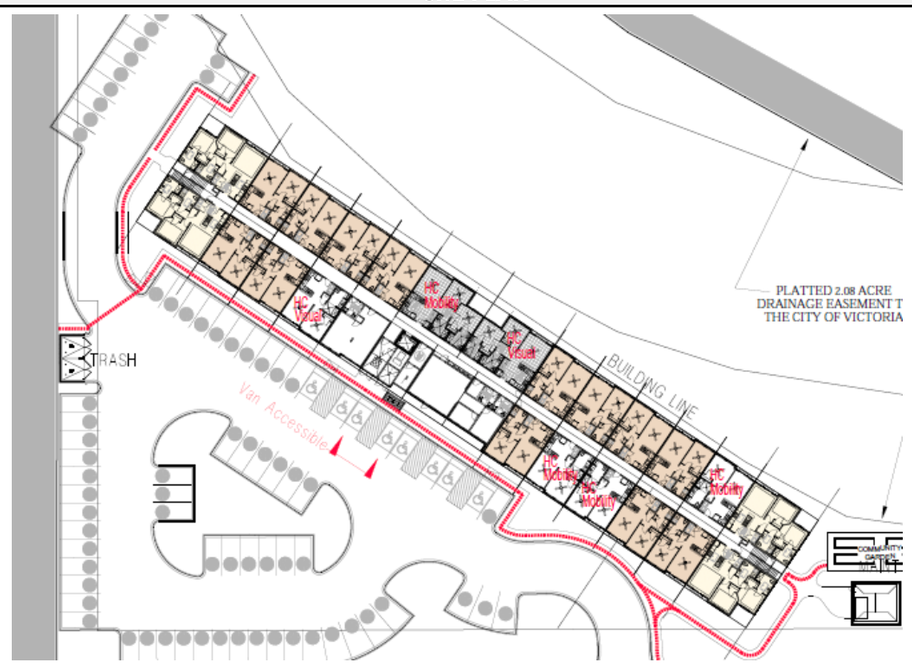
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	8	11%
40%	-	0%
50%	15	20%
60%	52	69%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	75	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.27	Expense Ratio	65.0%
Breakeven Occ.	85.5%	Breakeven Rent	$657
Average Rent	$712	B/E Rent Margin	$55
Property Taxes	$533/unit	Exemption/PILOT	0%
Total Expense	$5,278/unit	Controllable	$3,288/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.1%
Highest Unit Capture Rate	3%	1 BR/60%	36
Dominant Unit Cap. Rate	3%	1 BR/60%	36

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	725 SF	Density	18.2/acre
Acquisition		$09K/unit	$675K
Building Cost	$106.83/SF	$77K/unit	$5,810K
Hard Cost		$101K/unit	$7,560K
Total Cost		$178K/unit	$13,349K
Developer Fee	$1,558K	(7% Deferred)	Paid Year: 3
Contractor Fee	$1,058K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Community Bank of Texas	15/35	4.25%	$3,050,000	1.27
TOTAL DEBT (Must Pay)			$3,050,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Victoria	0/0	0.00%	$500	1.27
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
PNC	$10,182,966
FishPond Development, LLC	$115,567
TOTAL EQUITY SOURCES	$10,298,533
TOTAL DEBT SOURCES	$3,050,500
TOTAL CAPITALIZATION	$13,349,033

CONDITIONS

— Receipt and acceptance by Cost Certification:

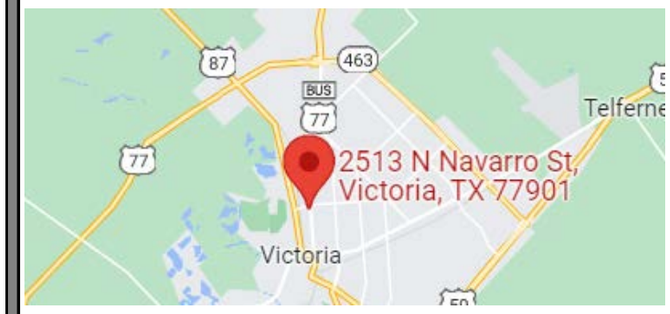
- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Low Gross Capture Rate
▫ No new senior LIHTC properties since 2007
▫ Attractive new construction, elevator served building should enhance leasing for seniors.
▫ Proximity to medical facilities and pharmacy
WEAKNESSES/RISKS
▫ Interest rate risk
▫ Rising material costs could adversely affect budget

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 5, 2022

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22212** Program(s): **9% HTC**

Fish Pond at Victoria

Address/Location: 2513 N Navarro Street

City: Victoria County: Victoria Zip: 77901

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

Activity: New Construction Building Type: Elevator Served Region: 10

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)	$1,157,271				**$1,157,271**				

CONDITIONS

— Receipt and acceptance by Cost Certification:

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

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	52

DEVELOPMENT SUMMARY

Fish Pond at Victoria is a 75 unit new construction elderly development in Victoria comprised of 57 one-bedroom units and 18 two-bedroom units. The existing structure on site will be demolished entirely for new construction of the proposed development on the 4.12 acre site.

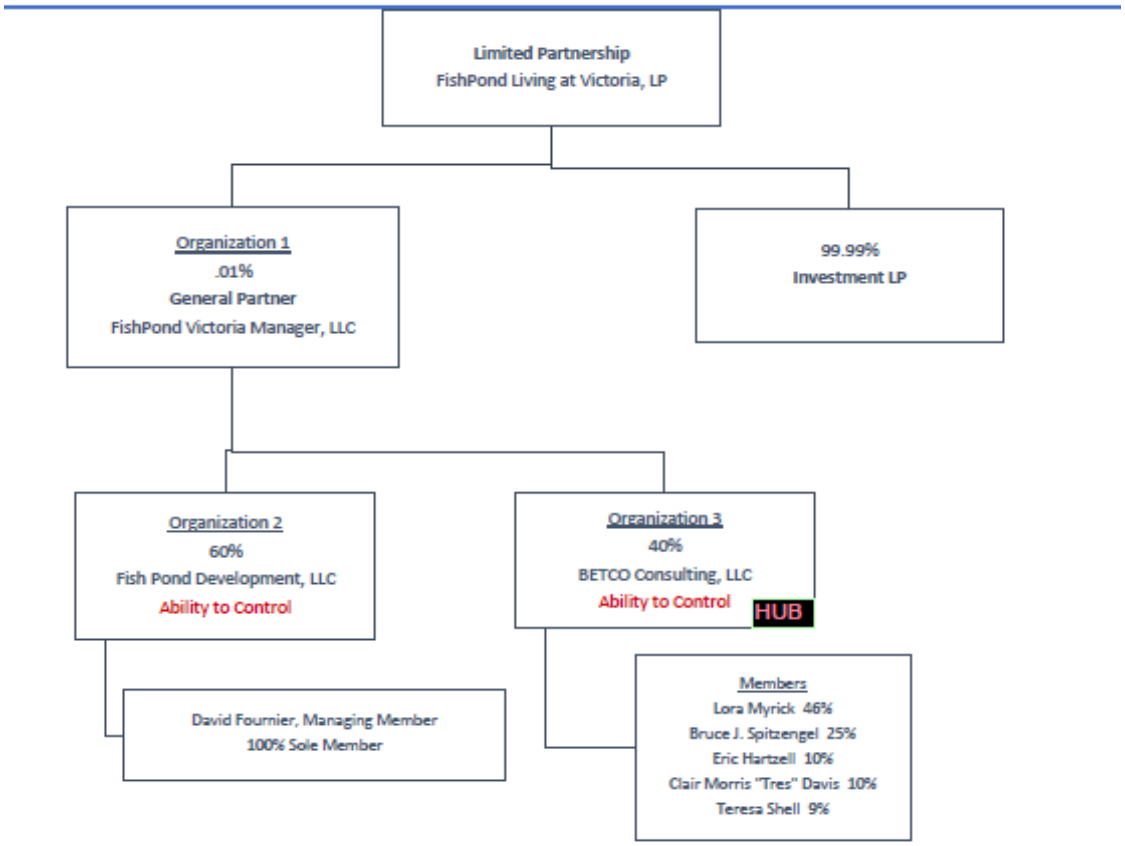
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Low Gross Capture Rate
▫	No new senior LIHTC properties since 2007
▫	Attractive new construction, elevator served building should enhance leasing for seniors.
▫	Proximity to medical facilities and pharmacy

WEAKNESSES/RISKS	
▫	Interest rate risk
▫	Rising material costs could adversely affect budget
▫	
▫	

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN

Comments:

Fifty-seven (57) parking spaces (0.75/unit) are required for the development by City Code. According to the Site Plan, parking will exceed Code with 76 open surface spaces (1.01/unit) that will be provided at no charge to the residents.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	I	II											Total Buildings
Floors/Stories	3	3											
Number of Bldgs	1	1											2
Units per Bldg	36	39											
Total Units	36	39											**75**

Avg. Unit Size (SF)	**725 sf**	**Total NRA (SF)**	**54,387**	**Common Area (SF)***	**2,324**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.12 acres Density: 18.2 units/acre

Site Control: 4.122 **Site Plan:** 4.12 **Appraisal:** NA **ESA:** 4.122

Feasibility Report Survey: 4.122 **Feasibility Report Engineer's Plan:** 4.122

Control Type: Commercial Contract-Improved Property

Development Site: 4.12 acres Cost: $675,000 $9,000 per unit

Seller: M&A Property Holdings, LLC

Buyer: Fish Pond Development LLC

Comments:

The entire 4.122 acre site including the drainage easement to the City Of Victoria (2.08 ac) and Unicorp Asset Management (1.63 ac) are included in site acreage and will be encumbered by the LURA.

SITE INFORMATION

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

Current Uses of Subject Site:

Unoccupied used car dealership

Other Observations:

The subject property is mostly in Zone X with the exception of the northern boundary along the drainage ditch which is in Zone A. Per the Applicant, there will be no buildings or drives constructed within the floodplain.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, LLC Date: 2/21/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- Two major roads were identified within 1000 feet from the subject property. (N. Navarro St and E Airline Road). One railroad was identified within 3000 feet from the subject property. Due to proximity to the roads and railroad, a noise study is recommended to establish a noise environment below 65dB.

MARKET ANALYSIS

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

Primary Market Area (PMA): 889 sq. miles 17 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Victoria County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$9,744	$9,744	$11,688	$11,688	---	---	---
	Max	$15,180	$17,340	$19,500	$21,660	---	---	---
50% AMGI	Min	$16,248	$16,248	$19,488	$19,488	---	---	---
	Max	$25,300	$28,900	$32,500	$36,100	---	---	---
60% AMGI	Min	$19,512	$19,512	$23,400	$23,400	---	---	---
	Max	$30,360	$34,680	$39,000	$43,320	---	---	---

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21422	Enchanted Gardens	Y	New	General	0	168

Other Affordable Developments in PMA since 2017

Stabilized Affordable Developments in PMA	Total Units	816
	Total Developments	7
	Average Occupancy	99%

Proposed, Under Construction, and Unstabilized Competitive Supply:

21422 Enchanted Gardens targets the General population and is not a comparable.

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	34,545			
Senior Households in the Primary Market Area	26,704			
Potential Demand from the Primary Market Area	6,403			
10% External Demand	640			
GROSS DEMAND	7,043			
Subject Affordable Units	75			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	75			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.1%**			

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	2,065	207	8		0%
50% AMGI	1,378	138	15		1%
60% AMGI	2,961	296	52		2%

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%	810	81	7		1%
1 BR/50%	853	85	14		1%
1 BR/60%	1,091	109	36		3%
2 BR/30%	477	48	1		0%
2 BR/50%	466	47	1		0%
2 BR/60%	765	77	16		2%

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$213,545	Avg. Rent:	$712	Expense Ratio:	65.0%
Debt Service:	$167,589	B/E Rent:	$657	Controllable Expenses:	$3,288
Net Cash Flow:	$45,955	UW Occupancy:	92.5%	Property Taxes/Unit:	$533
Aggregate DCR:	1.27	B/E Occupancy:	85.5%	Program Rent Year:	2021

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$163,835/ac	$9,000/unit	**$675,000**	Contractor Fee	**$1,058,337**
Off-site + Site Work		$16,733/unit	**$1,255,000**	Soft Cost + Financing	**$2,216,625**
Building Cost	$106.83/sf	$77,467/unit	**$5,810,000**	Developer Fee	**$1,558,000**
Contingency	7.00%	$6,594/unit	**$494,550**	Reserves	**$281,521**
Total Development Cost	$177,987/unit	**$13,349,033**		**Rehabilitation Cost**	**N/A**

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

Developer Fee:

Eligible Developer Fee was slightly overstated by $236.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$13,349,033	**$10,662,525**	**$1,247,515**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Community Bank of Texas	Construction-Perm Loan	$11,550,000	3.75%	87%
PNC	HTC	$1,018,297	$0.88	8%
City of Victoria	Building Permit Waiver	$500	0.00%	0%
FishPond Development, LLC	Fee	$780,236	0.00%	6%
		$13,349,033	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Community Bank of Texas	$3,050,000	4.25%	35	15	$3,050,000	4.25%	35	15	23%
City of Victoria	$500	0.00%	0	0	$500	0.00%	0	0	0%
Total	**$3,050,500**				**$3,050,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
PNC	$10,182,966	$0.88		$10,182,966	$0.88	76%	
FishPond Development, LLC	$115,567		7%	$115,567		1%	8%
Total	**$10,298,533**			**$10,298,533**			
				$13,349,033	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.890	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.829	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$13,349,033
Permanent Sources (debt + non-HTC equity)	$3,050,500
Gap in Permanent Financing	$10,298,533

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$10,977,037	$1,247,515
Needed to Balance Sources & Uses	$10,298,533	$1,170,405
Requested by Applicant	$10,182,966	$1,157,271

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$10,182,966**	**$1,157,271**

Deferred Developer Fee	**$115,567**	**(8% deferred)**
Repayable in	**3 years**	

Recommendation:

Underwriter recommends Applicant's request for $1,157,271 in annual 9% HTC.

Underwriter:	*Eric Weiner*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fish Pond at Victoria, Victoria, 9% HTC #22212

LOCATION DATA	
CITY:	Victoria
COUNTY:	Victoria
Area Median Income	$74,400
PROGRAM REGION:	10
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	57	76.0%	0	0
2	18	24.0%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**75**	**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	725 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	8	-	15	52	-	-	-	**75**
	% Total	0.0%	10.7%	0.0%	20.0%	69.3%	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%	$406	7	1	1	663	$406	$63	$343	$0	$0.52	$343	**$2,401**	**$2,401**	$343	**$1**	**$0**	$1,008	$1.52	$1,008
TC 50%	$677	14	1	1	663	$677	$63	$614	$0	$0.93	$614	**$8,596**	**$8,596**	$614	**$1**	**$0**	$1,008	$1.52	$1,008
TC 60%	$813	36	1	1	663	$813	$63	$750	$0	$1.13	$750	**$27,000**	**$27,000**	$750	**$1**	**$0**	$1,008	$1.52	$1,008
TC 30%	$487	1	2	1	922	$487	$83	$404	$0	$0.44	$404	**$404**	**$404**	$404	**$0**	**$0**	$1,232	$1.34	$1,232
TC 50%	$812	1	2	1	922	$812	$83	$729	$0	$0.79	$729	**$729**	**$729**	$729	**$1**	**$0**	$1,232	$1.34	$1,232
TC 60%	$975	16	2	1	922	$975	$83	$892	$0	$0.97	$892	**$14,272**	**$14,272**	$892	**$1**	**$0**	$1,232	$1.34	$1,232
TOTALS/AVERAGES:		**75**			**54,387**				**$0**	**$0.98**	**$712**	**$53,402**	**$53,402**	**$712**	**$0.98**	**$0**	**$1,062**	**$1.46**	**$1,062**

ANNUAL POTENTIAL GROSS RENT:	**$640,824**	**$640,824**	

STABILIZED PRO FORMA

Fish Pond at Victoria, Victoria, 9% HTC #22212

	STABILIZED FIRST YEAR PRO FORMA														
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Comp Expenses		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.98	$712	$640,824	$640,824	$712	$0.98		0.0%	$0
Late Fees, NSF Fees, Application Fees							$20.00	$18,000						
Total Secondary Income							$20.00		$18,000	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$658,824	$658,824				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(49,412)	(49,412)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$609,412	$609,412				0.0%	$0
General & Administrative	$37,937	$506/Unit	$21,450	$286	4.84%	$0.54	$393	$29,500	$29,500	$393	$0.54	4.84%	0.0%	-
Management	$39,301	5.7% EGI	$20,251	$270	5.00%	$0.56	$406	$30,471	$30,471	$406	$0.56	5.00%	0.0%	-
Payroll & Payroll Tax	$88,688	$1,183/Unit	$91,725	$1,223	12.06%	$1.35	$980	$73,500	$73,500	$980	$1.35	12.06%	0.0%	-
Repairs & Maintenance	$55,638	$742/Unit	$41,708	$556	10.93%	$1.22	$888	$66,600	$48,750	$650	$0.90	8.00%	36.6%	17,850
Electric/Gas	$14,231	$190/Unit	$8,190	$109	3.61%	$0.40	$293	$22,000	$22,000	$293	$0.40	3.61%	0.0%	-
Water, Sewer, & Trash	$57,810	$771/Unit	$56,447	$753	9.03%	$1.01	$733	$55,000	$55,000	$733	$1.01	9.03%	0.0%	-
Property Insurance	$49,983	$0.92 /sf	$34,979	$466	8.62%	$0.97	$701	$52,547	$52,547	$701	$0.97	8.62%	0.0%	-
Property Tax (@ 100%) 2.3976	$39,414	$526/Unit	$25,723	$343	6.56%	$0.74	$533	$40,000	$52,486	$700	$0.97	8.61%	-23.8%	(12,486)
Reserve for Replacements					3.08%	$0.34	$250	$18,750	$18,750	$250	$0.34	3.08%	0.0%	-
Supportive Services					0.74%	$0.08	$60	$4,500	$4,500	$60	$0.08	0.74%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.49%	$0.06	$40	$3,000	$3,000	$40	$0.06	0.49%	0.0%	-
TOTAL EXPENSES					**64.96%**	**$7.28**	**$5,278**	**$395,868**	**$390,503**	**$5,207**	**$7.18**	**64.08%**	**1.4%**	**$ 5,364**
NET OPERATING INCOME ("NOI")					**35.04%**	**$3.93**	**$2,847**	**$213,545**	**$218,909**	**$2,919**	**$4.03**	**35.92%**	**-2.5%**	**$ (5,364)**
CONTROLLABLE EXPENSES							$3,288/Unit			$3,050/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fish Pond at Victoria, Victoria, 9% HTC #22212

DEBT / GRANT SOURCES

DEBT (Must Pay)	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
		UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Community Bank of Texas		1.31	1.27	167,589	4.25%	35	15	$3,050,000	$3,050,000	15	35	4.2500%	$167,589	1.27	22.8%
CASH FLOW DEBT / GRANTS															
City of Victoria		1.31	1.27		0.00%	0	0	$500	$500	0	0	0.00%		1.27	0.0%
				$167,589	**TOTAL DEBT / GRANT SOURCES**			**$3,050,500**	**$3,050,500**	**TOTAL DEBT SERVICE**			**$167,589**	**1.27**	22.9%
NET CASH FLOW		$51,320	$45,955						**APPLICANT**	**NET OPERATING INCOME**		**$213,545**	**$45,955**	**NET CASH FLOW**	

EQUITY SOURCES

EQUITY / DEFERRED FEES	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
PNC	LIHTC Equity	76.3%	$1,157,271	$0.88	$10,182,966	$10,182,966	$0.88	$1,157,271	76.3%	$15,430	Applicant Request
FishPond Development, LLC	Deferred Developer Fees	0.9%	(7% Deferred)		$115,567	$115,567	(7% Deferred)		0.9%	**Total Developer Fee:**	**$1,558,000**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		77.1%			$10,298,533	$10,298,533			77.1%		
TOTAL CAPITALIZATION					**$13,349,033**	**$13,349,033**			**15-Yr Cash Flow after Deferred Fee:**		**$586,486**

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			$9,000 / Unit		$675,000	$675,000	$9,000 / Unit				0.0%	$0
Building Acquisition	$0		$ / Unit		$0	$0	$ / Unit			$0	0.0%	$0
Off-Sites		$0	$ / Unit		$0	$0	$ / Unit				0.0%	$0
Site Work		$960,000	$13,467 / Unit		$1,010,000	$1,010,000	$13,467 / Unit		$960,000		0.0%	$0
Site Amenities		$245,000	$3,267 / Unit		$245,000	$245,000	$3,267 / Unit		$245,000		0.0%	$0
Building Cost		$4,817,000	$106.83 /sf	$77,467/Unit	$5,810,000	$5,646,481	$75,286/Unit	$103.82 /sf	$4,817,000		2.9%	$163,519
Contingency		$421,540	7.00%	7.00%	$494,550	$483,104	7.00%	7.00%	$421,540		2.4%	$11,446
Contractor Fees		$902,096	14.00%	14.00%	$1,058,337	$1,033,842	14.00%	14.00%	$902,096		2.4%	$24,495
Soft Costs	$0	$1,090,000	$14,800 / Unit		$1,110,000	$1,110,000	$14,800 / Unit		$1,090,000	$0	0.0%	$0
Financing	$0	$836,125	$14,755 / Unit		$1,106,625	$1,106,625	$14,755 / Unit		$836,125	$0	0.0%	$0
Developer Fee	$0	$1,391,000	15.00%	15.00%	$1,558,000	$1,531,921	15.00%	15.00%	$1,390,764	$0	1.7%	$26,079
Reserves			6 Months		$281,521	$281,521	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$10,662,761**	$177,987 / Unit		**$13,349,033**	**$13,123,493**	$174,980 / Unit		**$10,662,525**	**$0**	**1.7%**	**$225,540**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			$0							
Financing Cost		$0										
Developer Fee	$0	($236)	15.00%		$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$10,662,525**	$177,987/unit		**$13,349,033**	**$13,123,493**	$174,980/unit		**$10,662,525**	**$0**	**1.7%**	**$225,540**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$13,349,033**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fish Pond at Victoria, Victoria, 9% HTC #22212

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$10,662,525	$0	$10,662,525
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$10,662,525	$0	$10,662,525
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$13,861,282	$0	$13,861,282
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$13,861,282	$0	$13,861,282
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,247,515	$0	$1,247,515
CREDITS ON QUALIFIED BASIS	$1,247,515		$1,247,515	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,247,515	$10,977,037	**----**	**----**	**----**
Needed to Fill Gap	$1,170,405	$10,298,533	**----**	**----**	**----**
Applicant Request	$1,157,271	$10,182,966	**$1,157,271**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	54,387 SF	$97.91	5,325,049
Adjustments				
Exterior Wall Finish	3.84%		3.76	$204,482
Elderly	3.00%		2.94	159,751
9-Ft. Ceilings	3.48%		3.41	185,312
Roof Adjustment(s)			(0.25)	(13,597)
Subfloor			(0.16)	(8,702)
Floor Cover			2.82	153,371
Breezeways	$27.47	6,519	3.29	179,077
Balconies	$27.47	1,099	0.56	30,190
Plumbing Fixtures	$1,610	-375	-11.10	(603,750)
Rough-ins	$600	75	0.83	45,000
Built-In Appliances	$2,950	75	4.07	221,250
Exterior Stairs	$2,460	4	0.18	9,840
Heating/Cooling			2.37	128,897
Storage Space	$27.47	1,796	0.91	49,336
Carports	$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$148.87	1,825	5.00	271,680
Elevators	$104,300	1	1.92	104,300
Other:			0.00	0
Fire Sprinklers	$2.88	64,527	3.42	185,838
SUBTOTAL			**121.85**	**6,627,325**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**121.85**	**$6,627,325**
Plans, specs, survey, bldg permits	3.30%		(4.02)	($218,702)
Contractor's OH & Profit	11.50%		(14.01)	(762,142)
NET BUILDING COSTS		$75,286/unit	$103.82/sf	$5,646,481

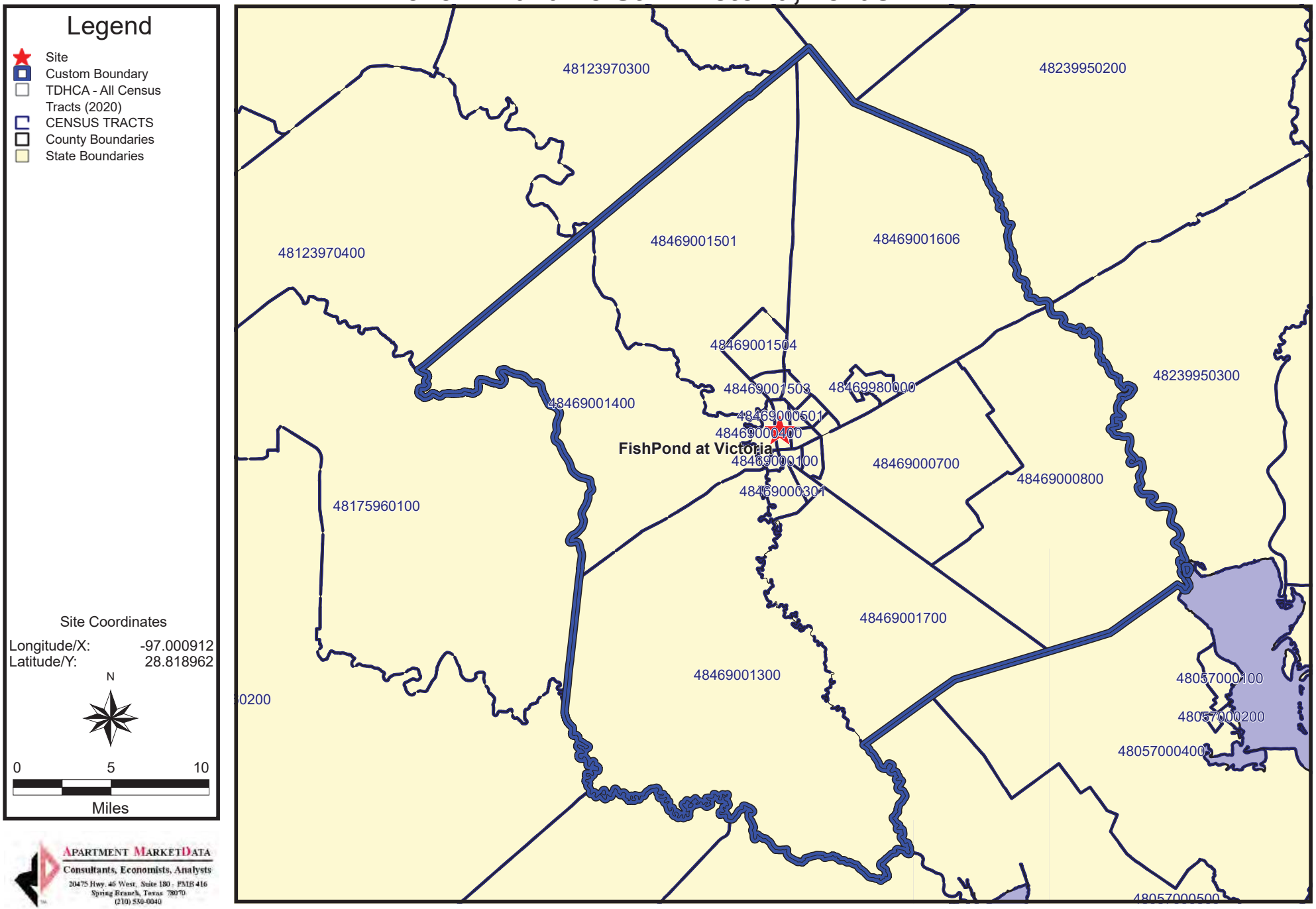
Long-Term Pro Forma

Fish Pond at Victoria, Victoria, 9% HTC #22212

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$609,412	$621,600	$634,032	$646,713	$659,647	$728,304	$804,106	$887,799	$980,201	$1,082,221	$1,194,860
TOTAL EXPENSES	3.00%	$395,868	$407,439	$419,351	$431,615	$444,240	$513,175	$592,901	$685,116	$791,787	$915,193	$1,057,973
NET OPERATING INCOME ("NOI")		**$213,545**	**$214,162**	**$214,681**	**$215,098**	**$215,407**	**$215,129**	**$211,205**	**$202,683**	**$188,414**	**$167,028**	**$136,887**
EXPENSE/INCOME RATIO		65.0%	65.5%	66.1%	66.7%	67.3%	70.5%	73.7%	77.2%	80.8%	84.6%	88.5%
MUST -PAY DEBT SERVICE												
Community Bank of Texas		$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589
TOTAL DEBT SERVICE		$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589	$167,589
DEBT COVERAGE RATIO		1.27	1.28	1.28	1.28	1.29	1.28	1.26	1.21	1.12	1.00	0.82
ANNUAL CASH FLOW		**$45,955**	**$46,572**	**$47,092**	**$47,509**	**$47,818**	**$47,539**	**$43,616**	**$35,094**	**$20,825**	**($561)**	**($30,702)**
Deferred Developer Fee Balance		$69,612	$23,039	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$24,053	$71,562	$119,380	$358,923	$586,486	$781,053	$916,270	$959,391	$870,030

FishPond at Victoria

2513 N Navarro St. Victoria, Texas



APARTMENT MARKETDATA
Consultants, Economists, Analysts
20475 Hwy. 46 West, Suite 180 - PMB 416
Spring Branch, Texas 78070
(210) 530-0040