

**Real Estate Analysis Division**

July 26, 2022

Addendum to Underwriting ReportTDHCA Application #: 21522_20506 Program(s): MDL/NHTF**Manor Town Phase II**Address/Location: 200 West Carrie Manor StreetCity: Manor County: Travis Zip: 78653

APPLICATION HISTORY	
Report Date	PURPOSE
07/26/22	MDL Closing Memo
04/04/22	MDL Application
05/05/21	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Deferred Forgivable)	\$3,352,213	0.00%		40	\$3,352,213	0.00%		40	1

* Multifamily Direct Loan Terms:

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

CONDITIONS STATUS

- 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.

Status: Cleared. Applicant provided 2021 Year End Audit and June 2022 Bank Statement from HATC.

b: Substantially final construction contract with Schedule of Values.

Status: Cleared

c: Updated term sheets with substantially final terms from all lenders

Status: Cleared

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 DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

ANALYSIS

Underwriting supports an MDL construction-to-permanent loan in the amount of \$3,352,213 structured as a deferred forgivable loan under the 2021-3 NOFA for Supportive Housing Set-Aside, in a permanent first lien position at a 40 year term.

Underwriter: Eric Weiner

Director of Real Estate Analysis: Jeanna Adams

Manor Town Phase II, Manor, MDL #21522_20506
Unit Mix

# Units	Bed rooms	Bath rooms	Unit Size (NRA SF)	Total NRA (sf)	Tax Credit Designation	MF Direct Loan Designation
11	1	1	687	7,557	30%/30%	NHTF 30%
1	1	1	687	687	LH/50%	
7	2	1	892	6,244	30%/30%	NHTF 30%
1	2	1	892	892	LH/50%	
20				15,380		

*MFDL units float among Unit Types

Manor Town Phase II, Manor, MDL #21522_20506
Sources of Funds

Source	Type	Interim		Permanent Period			
		Principal	Rate	Principal	Term	Amort	Rate
Debt							
TDHCA-Soft Repayable	Deferred Forgivable	\$3,352,213	0.00%	\$3,352,213	40	0	0.00%
TSAHC AHP Program	Direct Loan Match	\$225,000	0.00%	\$225,000	10	10	0.00%
TOTAL		\$3,577,213		\$3,577,213			
Third Party Equity							
Housing Authority of Travis County	Owner Cash Contribution	\$1,513,556		\$1,513,566			
TOTAL		\$1,513,556		\$1,513,566			
TOTAL CAPITALIZATION		\$5,090,769		\$5,090,779			

Manor Town Phase II, Manor, MDL #21522_20506
Uses of Funds

<u>Description</u>	<u>Hard Cost</u>	<u>Total Development Cost</u>
Right of Way Acquisition		\$18,000
Off-Sites		\$0
Site Work	\$458,275	\$458,275
Site Amenities	\$55,558	\$55,558
Building Cost	\$3,148,918	\$3,148,918
Contingency		\$256,393
Contractor Fees		\$516,483
Soft Costs		\$514,652
Financing		\$87,500
Developer Fee		\$0
Reserves		\$35,000
Totals	\$3,662,751	\$5,090,779



Real Estate Analysis Division

April 6, 2022

Addendum to Underwriting Report

TDHCA Application #: **21522_20506** Program(s): **MDL/NHTF**

Manor Town Phase II

Address/Location: **200 West Carrie Manor Street**

City: **Manor** County: **Travis** Zip: **78653**

APPLICATION HISTORY	
Report Date	PURPOSE
04/06/22	MDL Application
05/05/21	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Deferred Forgivable)	\$3,000,000	0.00%		40	\$3,352,213	0.00%		40	1

* 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

- 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
- 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 DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

ANALYSIS

The Development was awarded a Deferred Forgivable Multifamily Direct Loan (MDL) from the 2021-1 NOFA. The applicant has applied for Multifamily Direct Loan funding under the 2021-3 NOFA.

Applicant has pledged owner equity over the 10% MDL requirement. In addition, the applicant received a deferred forgivable loan from the Texas State Affordable Housing Corporation.

The Direct Loan amount is less than 80% of the Total Housing Development Costs.

Operating Pro Forma

Rents have been updated to the 2021 Program Rents.

Development Cost

Building Cost increased \$412k.

Total Development Cost increased \$ 728k.

Contingency Costs were overstated by \$25k.

Sources of Funds

Applicant did not receive a grant from Dallas however, the Housing Authority of Travis County increased their equity funding to compensate for the lost grant funds. Due to the federal subsidy layering limits, the maximum MDL amount the development is eligible for is \$3,352,213. Applicant increased their owner cash contribution to balance the sources and uses.

The original award of \$3M from the 2020-1 NOFA has not been contracted and will be combined with the current request into one Multifamily Direct Loan.

Due to federal subsidy layering limits, Underwriter recommends approval of one deferred forgivable MFDL in the amount of \$3,352,213 at 0% interest with a 40-year term in first lien position.

Underwriter: Bobby Castillo

Manager of Real Estate Analysis: Diamond Thompson

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE

Manor Town Phase II, Manor, MDL #20506

LOCATION DATA	
CITY:	Manor
COUNTY:	Travis
Area Median Income	\$98,900
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	12	60.0%	0	12
2	8	40.0%	0	8
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	20	100.0%	-	20

#DIV/0!	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	-	0.0%
40%	-	0.0%
50%	-	0.0%
60%	-	0.0%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	-	0.0%

Pro Forma ASSUMPTIONS		
Revenue Growth	2.00%	
Expense Growth	3.00%	
Basis Adjust		
Applicable Fraction		
APP % Acquisition		
APP % Construction		
Average Unit Size	769 sf	

UNIT MIX / MONTHLY RENT SCHEDULE

TDHCA Direct Loan Program		NHTF Units		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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	
30%/30%	\$556	NHTF 30%	\$556	11	1	1	687	\$556	\$41	\$515	\$0	\$0.75	\$515	\$5,665	\$5,665	\$515	\$0.75	\$0	\$1,210	\$1.76	\$1,210
LH/50%	\$928			1	1	1	687	\$928	\$41	\$887	\$0	\$1.29	\$887	\$887	\$887	\$887	\$1.29	\$0	\$1,435	\$2.09	\$1,435
30%/30%	\$667	NHTF 30%	\$667	7	2	1	892	\$667	\$54	\$613	\$0	\$0.69	\$613	\$4,291	\$4,291	\$613	\$0.69	\$0	\$1,210	\$1.36	\$1,210
LH/50%	\$1,113			1	2	1	892	\$1,113	\$54	\$1,059	\$0	\$1.19	\$1,059	\$1,059	\$1,059	\$1,059	\$1.19	\$0	\$1,435	\$1.61	\$1,435
TOTALS/AVERAGES:				20			15,380				\$0	\$0.77	\$595	\$11,902	\$11,902	\$595	\$0.77	\$0	\$1,233	\$1.60	\$1,233

ANNUAL POTENTIAL GROSS RENT:																					

STABILIZED PRO FORMA

Manor Town Phase II, Manor, MDL #20506

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES			APPLICANT			PRIOR REPORT		TDHCA				VARIANCE		
	Database	Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$0.77		\$595	\$142,824	\$141,108	\$141,108	\$142,824	\$595	\$0.77		0.0%	\$0
Damages, Laundry, Lease Term Fees						\$4.75	\$1,140	1,140							
Late Charges, App Fees, NSF Fees						\$1.25	\$300	300							
Total Secondary Income						\$6.00			1,440	\$1,440	\$6.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$144,264	\$142,548	\$142,548	\$144,264				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(10,820)	(10,691)	(10,691)	(10,820)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$133,444	\$131,857	\$131,857	\$133,444				0.0%	\$0

General & Administrative	\$10,775	\$539/Unit	\$7,961	\$398.06	5.16%	\$0.45	\$344	\$6,880	\$6,880	\$6,880	\$6,880	\$344	\$0.45	5.16%	0.0%	-	
Management	\$10,818	5.4% EGI	\$8,973	\$449	3.20%	\$0.28	\$214	\$4,270	\$4,219	\$4,219	\$4,270	\$214	\$0.28	3.20%	0.0%	(0)	
Payroll & Payroll Tax	\$23,825	\$1,191/Unit	\$25,603	\$1,280	24.03%	\$2.08	\$1,603	\$32,063	\$32,063	\$32,063	\$32,063	\$1,603	\$2.08	24.03%	0.0%	-	
Repairs & Maintenance	\$19,458	\$973/Unit	\$13,255	\$663	10.58%	\$0.92	\$706	\$14,120	\$14,120	\$13,000	\$13,000	\$650	\$0.85	9.74%	8.6%	1,120	
Electric/Gas	\$4,105	\$205/Unit	\$4,513	\$226	2.29%	\$0.20	\$153	\$3,060	\$3,060	\$4,105	\$4,105	\$205	\$0.27	3.08%	-25.5%	(1,045)	
Water, Sewer, & Trash	\$15,929	\$796/Unit	\$10,958	\$548	11.62%	\$1.01	\$775	\$15,500	\$15,500	\$15,929	\$15,929	\$796	\$1.04	11.94%	-2.7%	(429)	
Property Insurance	\$6,951	\$0.45 /sf	\$7,344	\$367	3.15%	\$0.27	\$210	\$4,200	\$4,200	\$4,200	\$4,200	\$210	\$0.27	3.15%	0.0%	-	
Property Tax (@ 0%) 2.9659	\$14,064	\$703/Unit	\$21,388	\$1,069	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
Reserve for Replacements						\$0	3.75%	\$0.33	\$250	\$5,000	\$5,000	\$5,000	\$250	\$0.33	3.75%	0.0%	-
Supportive Services						\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA MDL Compliance (\$34/MDL unit)						\$0	0.46%	\$0.04	\$31	\$612	\$612	\$612	\$31	\$0.04	0.46%	0.0%	-
TOTAL EXPENSES						64.22%	\$5.57	\$4,285	\$ 85,705	\$85,654	\$86,009	\$86,060	\$4,303	\$5.60	64.49%	-0.4%	\$ (355)
NET OPERATING INCOME ("NOI")						35.78%	\$3.10	\$2,387	\$47,740	\$46,203	\$45,848	\$47,385	\$2,369	\$3.08	35.51%	0.7%	\$ 355

CONTROLLABLE EXPENSES		\$3,581/Unit			\$3,599/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Manor Town Phase II, Manor, MDL #20506

DEBT / GRANT SOURCES																			
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE											
CASH FLOW DEBT / GRANTS	Fee	Cumulative DCR	UW	App	Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative		
		Applicant								TDHCA	DCR						LTC		
Deferred Forgivable					\$0	0.00%	0	40	\$3,352,213	\$3,000,000	\$3,000,000	\$3,352,213	40	0	0.00%			73.3%	
Adjustment to Debt Per §11.302(c)(2)	0.00%				\$0	0.00%	10	10	\$225,000	\$225,000	\$225,000	\$225,000	10	10	0.00%	\$0		0.0%	
TSAHC AHP Program					\$0													4.9%	
									\$0	TOTAL DEBT / GRANT SOURCES	\$3,577,213	\$3,225,000	\$3,225,000	\$3,577,213		TOTAL DEBT SERVICE	\$0		78.2%
NET CASH FLOW		\$47,385	\$47,740							APPLICANT	NET OPERATING INCOME					\$47,740	\$47,740	NET CASH FLOW	
EQUITY SOURCES																			
APPLICANT'S PROPOSED EQUITY STRUCTURE								AS UNDERWRITTEN EQUITY STRUCTURE											
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount		Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method					
							Applicant	TDHCA											
Housing Authority of Travis County	Owner Cash Contribution	22.4%			\$1,022,816		\$655,680	\$622,363	\$997,959				21.8%						
Additional (Excess) Funds Req'd		0.0%							\$0	\$0			0.0%						
TOTAL EQUITY SOURCES		22.4%			\$1,022,816		\$655,680	\$622,363	\$997,959				21.8%						
TOTAL CAPITALIZATION					\$4,600,029		\$3,880,680	\$3,847,363	\$4,575,172						15-Yr Cash Flow after Deferred Fee:	\$719,270			
DEVELOPMENT COST / ITEMIZED BASIS																			
APPLICANT COST / BASIS ITEMS								TDHCA COST / BASIS ITEMS						COST VARIANCE					
							Prior Underwriting								%				
							Applicant	TDHCA							\$				
Right of Way Acquisition							\$18,000	\$18,000	\$18,000							\$0			
Off-Sites							\$ / Unit	\$0	\$0	\$0	\$0	\$0				0.0%	\$0		
Site Work							\$8,551 / Unit	\$171,020	\$160,155	\$160,155	\$171,020	\$8,551 / Unit				0.0%	\$0		
Site Amenities							\$5,793 / Unit	\$115,850	\$115,850	\$115,850	\$115,850	\$5,793 / Unit				0.0%	\$0		
Building Cost							\$191.50 /sf	\$147,264/Unit	\$2,945,289	\$2,533,155	\$2,415,909	\$2,945,289	\$147,264/Unit	\$191.50 /sf			0.0%	\$0	
Contingency							7.77%	\$251,108	\$229,958	\$188,434	\$226,251	7.00%				11.0%	\$24,857		
Contractor Fees							13.61%	\$474,110	\$412,062	\$412,062	\$474,110	13.71%				0.0%	\$0		
Soft Costs							\$25,108 / Unit	\$502,152	\$289,000	\$289,000	\$502,152	\$25,108 / Unit				0.0%	\$0		
Financing							\$4,375 / Unit	\$87,500	\$87,500	\$87,500	\$87,500	\$4,375 / Unit				0.0%	\$0		
Developer Fee							0.00%	0.00%	\$0	\$0	\$0	0.00%	0.00%			0.0%	\$0		
Reserves							5 Months	\$35,000	\$35,000	\$35,000	\$35,000	5 Months				0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)							\$230,001 / Unit	\$4,600,029	\$3,880,680	\$3,721,910	\$4,575,172	\$228,759 / Unit				0.5%	\$24,857		
Acquisition Cost									\$0	\$0									
Contingency									(\$24,857)	(\$33,317)									
Contractor's Fee									\$0	\$0									
Financing Cost																			
Developer Fee									\$0	\$0									
Reserves									\$0	\$0									
ADJUSTED BASIS / COST									\$228,759/unit	\$4,575,172	\$3,847,363	\$3,721,910	\$4,575,172	\$228,759/unit			0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):										\$4,575,172									

Long-Term Pro Forma

Manor Town Phase II, Manor, MDL #20506

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
EFFECTIVE GROSS INCOME	2.00%	\$133,444	\$136,113	\$138,835	\$141,612	\$144,444	\$159,478	\$176,077	\$194,403	\$214,637	\$236,976
TOTAL EXPENSES	3.00%	\$85,705	\$88,233	\$90,836	\$93,517	\$96,277	\$111,357	\$128,811	\$149,016	\$172,408	\$199,489
NET OPERATING INCOME ("NOI")		\$47,740	\$47,880	\$47,999	\$48,095	\$48,167	\$48,122	\$47,266	\$45,387	\$42,229	\$37,488
EXPENSE/INCOME RATIO		64.2%	64.8%	65.4%	66.0%	66.7%	69.8%	73.2%	76.7%	80.3%	84.2%
ANNUAL CASH FLOW		\$47,740	\$47,880	\$47,999	\$48,095	\$48,167	\$48,122	\$47,266	\$45,387	\$42,229	\$37,488
CUMULATIVE NET CASH FLOW		\$47,740	\$95,620	\$143,619	\$191,714	\$239,881	\$480,866	\$719,270	\$950,418	\$1,168,446	\$1,366,069

20506 Manor Town Phase II - Application Summary

REAL ESTATE ANALYSIS DIVISION

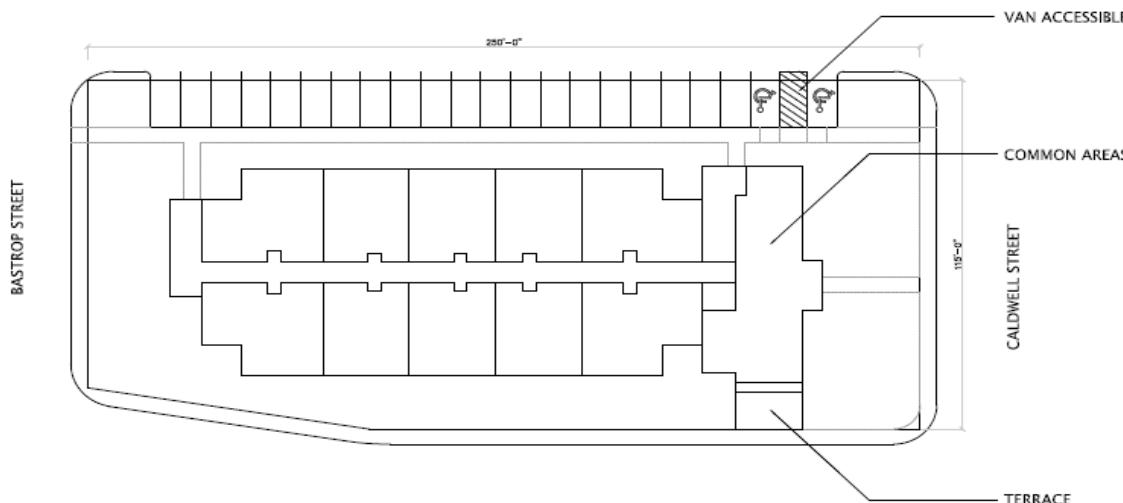
May 5, 2021

PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPALS / SPONSOR				
Application #	20506	TDHCA Program	Request	Recommended			Housing Authority of Travis County Robert Onion Patrick Howard True Casa Consulting, Inc Jennifer Hicks				
Development	Manor Town Phase II	Multifamily Direct Loan (Soft Repayable)	\$3,000,000	\$3,000,000	0%	40 years				Lien 1	
City / County	Manor / Travis										
Region/Area	7 / Urban										
Population	Elderly Limitation										
Set-Aside	General										
Activity	New Construction										
								Related Parties	Contractor - TBD	Seller - No	
								UNIT DISTRIBUTION		INCOME DISTRIBUTION	
# Beds	# Units	% Total	Income	# Units	% Total						
Eff	-	0%	30%	-	0%						
1	12	60%	40%	-	0%						
2	8	40%	50%	-	0%						
3	-	0%	60%	-	0%						
4	-	0%	MR	-	0%						
TOTAL	20	100%	TOTAL	0	0%						
								PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten			Applicant's Pro Forma								
Debt Coverage			Expense Ratio							65.0%	
Breakeven Occ.	<input checked="" type="checkbox"/>	60.1%	Breakeven Rent							\$380	
Average Rent			B/E Rent Margin							208	
Property Taxes			Exempt							100%	
Total Expense										\$4,283/unit	
										Controllable	
										\$3,581/unit	
								MARKET FEASIBILITY INDICATORS			
								Gross Capture Rate (0% Maximum)	<input checked="" type="checkbox"/> 0.5%		
								Highest Unit Capture Rate	<input checked="" type="checkbox"/> 2%	1 BR/30%	11
								Dominant Unit Cap. Rate	<input checked="" type="checkbox"/> 2%	1 BR/30%	11
								Premiums (↑60% Rents)	N/A	N/A	
								Rent Assisted Units	N/A		
								DEVELOPMENT COST SUMMARY			
Costs Underwritten			Applicant's Costs								
Avg. Unit Size		769 SF	Density		25.8/acre						
Acquisition					\$01K/unit					\$18K	
Building Cost		\$164.70/SF		\$127K/unit						\$2,533K	
Hard Cost					\$150K/unit					\$3,006K	
Total Cost					\$192K/unit					\$3,847K	
Developer Fee					\$K	(0% Deferred)				Paid Year: 1	
Contractor Fee		\$412K	30% Boost							No	

TYPICAL BUILDING ELEVATION/PHOTO



SITE PLAN

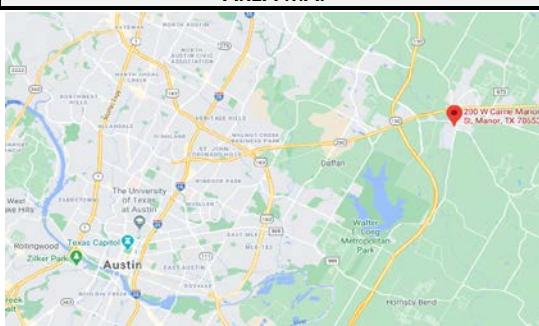


DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
0	0	x	\$0	0.00	MF Direct Loan- Deferred Forgivable	40/40	0.00%	\$3,000,000	0.00	Housing Authority of Travis County	\$622,363
0	0	x	\$0	0.00	TSAHC AHP Program	10/10	0.00%	\$225,000	0.00	Deferred Developer Fees	(\$0)
TOTAL DEBT (Must Pay)		\$0		CASH FLOW DEBT / GRANTS					\$3,225,000		

CONDITIONS

- 1 Receipt and acceptance before Direct Loan Closing
 - a: Substantially final construction contract with Schedule of Values.
 - b: Updated term sheets with substantially final terms from all lenders
 - c: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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											
<input type="checkbox"/> Experienced Developer											
<input type="checkbox"/> Low gross capture rate											
WEAKNESSES/RISKS											
<input type="checkbox"/> High Expense to Income Ratio											
<input type="checkbox"/> Low 15-year cash flow											
<input type="checkbox"/> Feasibility reliant on reduced management fee											
AREA MAP											
											

**Real Estate Analysis Division****Underwriting Report**

May 5, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #:

20506

Program(s):

MDL**Manor Town Phase II**Address/Location: 200 West Carrie Manor StreetCity: ManorCounty: TravisZip: 78653Population: Elderly Limitation

Program Set-Aside:

GeneralArea: UrbanActivity: New Construction

Building Type:

Elevator ServedRegion: 7Analysis Purpose: New Application - Initial Underwriting**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
Multifamily Direct Loan (Soft Repayable)	\$3,000,000	0.00%		40	\$3,000,000	0.00%		40	1

* Multifamily Direct Loan Terms:

* 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

1 Receipt and acceptance before Direct Loan Closing

- Substantially final construction contract with Schedule of Values.
- Updated term sheets with substantially final terms from all lenders
- Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

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 DIRECT LOAN LURA**

Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18
50% of AMFI	Low HOME	2

DEVELOPMENT SUMMARY

Manor Town Apartments Phase 2 is the second phase of Manor Town Apartments built in 2006. This new construction has 20 elderly population units in a single building two-story, elevator served development. 17 units will be used for people at, or below, 30% of Area Median Family Income and 3 units will be provided for people at, or below, 50% Low HOME with no project-based rental subsidy attached to the units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Experienced Developer	▫ High Expense to Income Ratio
▫ Low gross capture rate	▫ Low 15-year cash flow
▫	▫ Feasibility reliant on reduced management fee

DEVELOPMENT TEAM

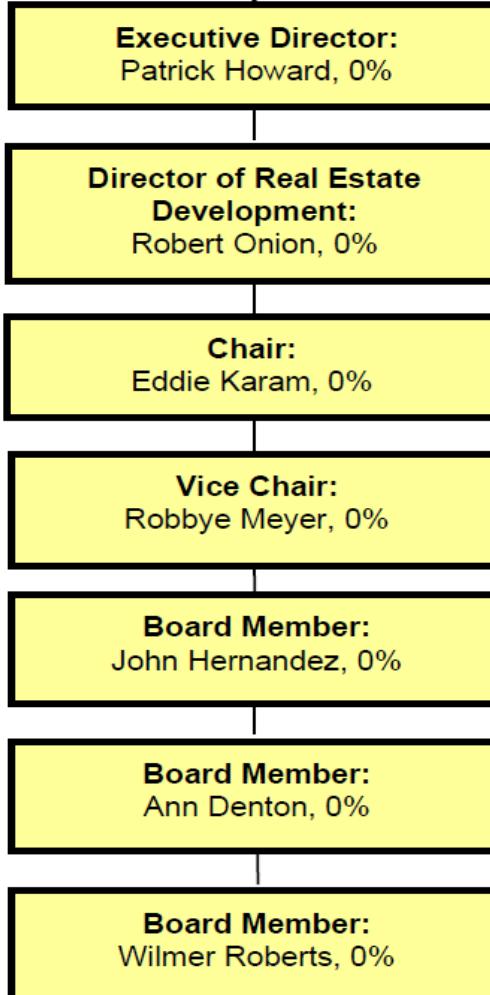
PRIMARY CONTACTS

Name: Robert Onion
Phone: (512) 854-1888
Relationship: Developer

Name: Patrick Howard
Phone: (512) 854-8245
Relationship: Developer

OWNERSHIP STRUCTURE

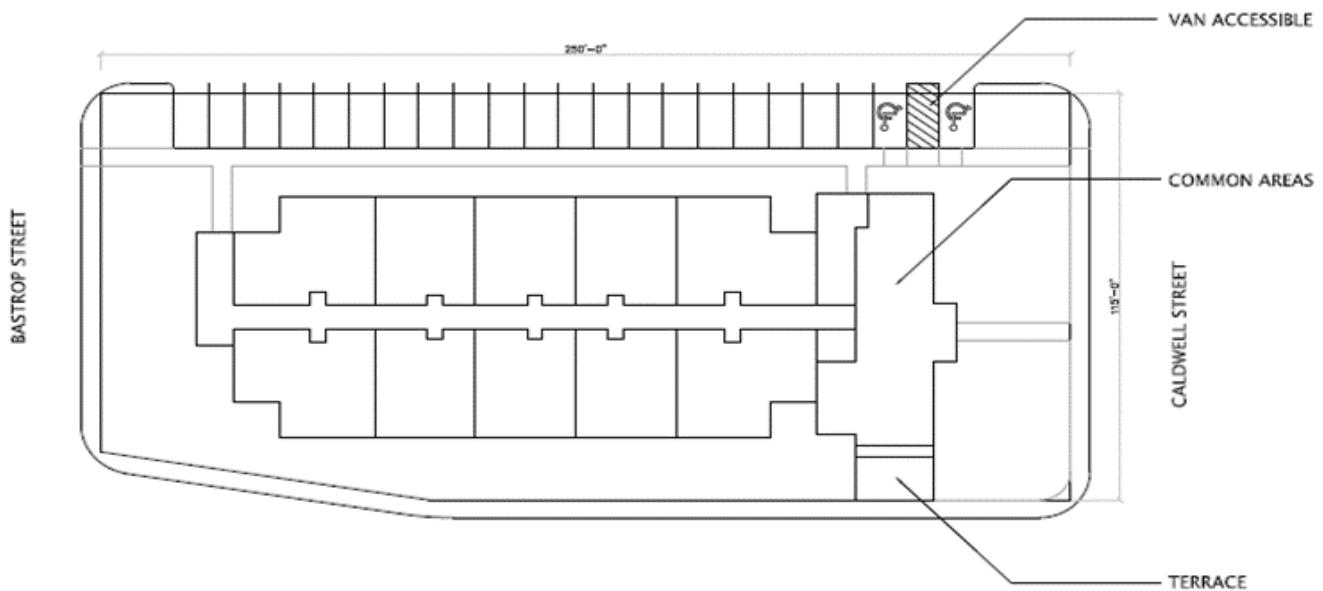
Owner:
Housing Authority of Travis County,
100%



- The Housing Authority of Travis County (HATC) owns affordable family and senior developments (non-public housing) that have between 16 and 33 units. HATC currently operates and maintains 105 HUD Project Based Rental Assistance (PBRA) units and authorizes the issuance of 632 housing choice vouchers. In addition, HATC receives Continuum of Care grants from HUD to provide rental assistance to homeless individuals with disabilities and their families in connection with matching supportive services funded through other sources. <https://www.hatctx.com>

DEVELOPMENT SUMMARY

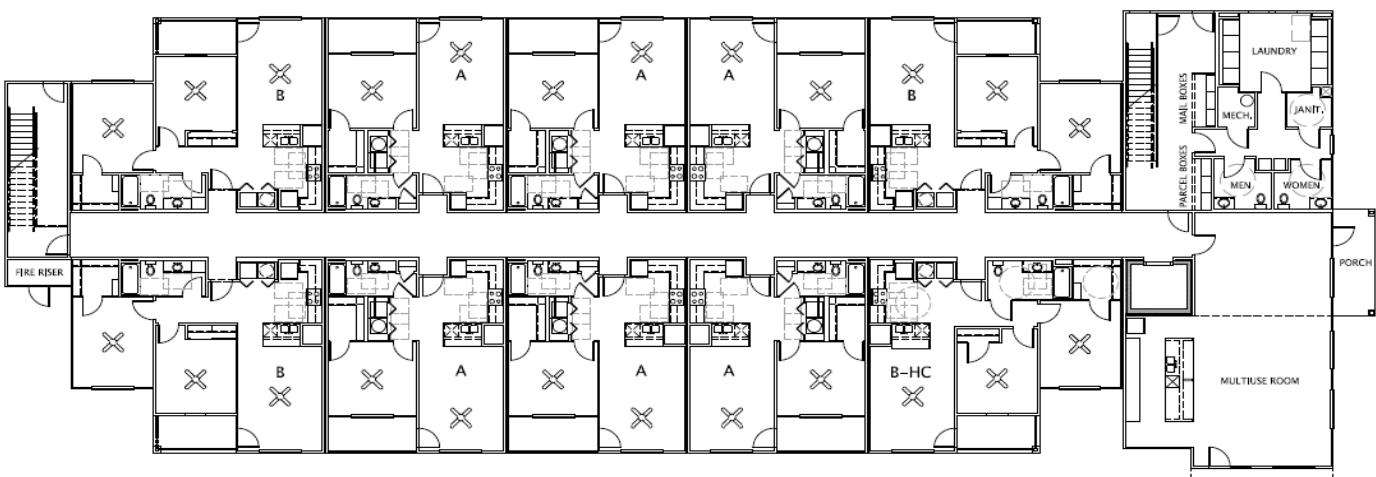
SITE PLAN



Comments:

The topography across the property is generally flat. The surface topography in the area adjoining the property slopes down to the west. The site will be accessed by a driveway that exists on the south side of the existing apartments and on the north side of the proposed multi-family development. The current width is 20-ft but will be widened to 26-ft as directed by Travis County Emergency Services District No. 12. The driveway connects to Caldwell Street on the east side and Bastrop Street on the west side. The parking requirement is 20 parking spaces and 22 parking spaces will be provided. Site amenities will include a clubhouse, laundry facilities, fitness center, and a mail center. Water and sanitary sewer service will be provided by the City of Manor. Detention for storm water is not required by the City, but above ground detention is planned, if needed.

BUILDING PLAN (Typical)



Comments:

General units have covered balconies, a walk-in closet, and in-unit washers and dryers. The building has an efficient plumbing run. Two units out of the total number of units will be designed for people with audio/visual/mobility impairments.

BUILDING ELEVATION



Comments:

The 20 unit development will be a single two-story building with an elevator. There will be twelve one bedroom/one-bath and eight two-bedroom/one-bath units. There is standard building articulation with a 1/2 roof pitch, composition of 87% siding and 13% fiber cement panels.

BUILDING CONFIGURATION

Building Type	1												Total Buildings
Floors/Stories	2												
Number of Bldgs	1												1
Units per Bldg	20												
Total Units	20												20
Avg. Unit Size (SF)	769 sf												6,788

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 0.7748 acres Density: 25.8 units/acre
Site Control: 0.775 **Site Plan:** 0.775 **Appraisal:** n/a **ESA:** 0.9

Control Type:	Warranty Deed	Executed Date:	9/10/2007
Tract 1:	0.198 acres	Cost: \$0	Seller: Housing Authority of Travis County
Tract 2:	0.462 acres	Cost: \$0	Seller: Housing Authority of Travis County
Tract 3:	0.1148 acres	Cost: \$18,500	Seller: City of Manor
Development Site:	<u>0.7748</u> acres	Cost: N/A	N/A per unit
Related-Party Seller/Identity of Interest:	<u>N/A</u>		

Comments:

The Housing Authority of Travis County has owned the property since 2007 and will develop the property, continue to own the property, manage it, and be responsible for all operations and compliance. The City of Manor is selling an existing 20-ft alley along the north side of the property to the Housing Authority of Travis County for \$18,500, which is included in the total site acreage, 0.7748 acres. There are plans to widen this right-of-way to 26-ft and to connect the south side of the existing apartments to the north side of the proposed multi-family development. The transfer of ownership was approved by city council on October 7, 2020.

SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	MF-2	Within 100-yr floodplain?	No
Re-Zoning Required?	yes	Utilities at Site?	Yes
Year Constructed:	0	Title Issues?	No

Current Uses of Subject Site:

The property has been vacant and undeveloped since 2007. A concrete slab that previously held a storage building is present on the southeastern portion.

Surrounding Uses:

North: Metro Park and Ride and multi-family (owned by Housing Authority of Travis County)

West: Existing Single Family Residential

South: Existing Single Family Residential

East: Existing Single Family Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: ATC Group Services LLC

Date: 10/2/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

A noise study was completed and the results were in the acceptable range for noise.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC

Date: 6/26/2020

Primary Market Area (PMA): 64 sq. miles 5 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME							
Travis County Income Limits							
HH Size	1	2	3	4	5	6	7+
30% AMGI	Min	\$13,200	\$13,200	\$15,840	\$15,840	---	---
	Max	\$20,550	\$23,450	\$26,400	\$29,300	---	---
50% AMGI	Min	\$21,960	\$21,960	\$26,352	\$26,352	---	---
	Max	\$34,200	\$39,050	\$43,950	\$48,800	---	---

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
	None					

Other Affordable Developments in PMA since 2015

18416	Commons at Manor Village	New	Elderly Limitation	n/a	172
18420	Walnut Creek Apartments	New	General	n/a	0
19418	Bridge at Loyola Lofts	New	General	n/a	204
19441	Decker Lofts	New	General	n/a	262
20486	Old Manor Senior	New	Elderly	n/a	207
20488	Wildhorse Flats	New	General	n/a	310

Stabilized Affordable Developments in PMA

Total Units	2,963
Total Developments	16
Average Occupancy	96.4%

Proposed, Under Construction, and Unstabilized Competitive Supply:

18416 Commons at Manor Village and 20488 Old Manor Senior are not considered competitive deals since they are both using 60% AMGI and do not include 30% and 50% income units.

OVERALL DEMAND ANALYSIS				
			Market Analyst	
			HTC	Assisted
Total Households in the Primary Market Area		31,639		
Senior Households in the Primary Market Area		10,181		
Potential Demand from the Primary Market Area			3,748	
10% External Demand			375	
Potential Demand from Other Sources				
GROSS DEMAND			4,123	
Subject Affordable Units			20	
Unstabilized Competitive Units			0	
RELEVANT SUPPLY			20	
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE			0.5%	
Population:	Elderly Limitation	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	1,793	179	18	0	0.9%	
50% AMGI	1,954	195	2	0	0.1%	

Demand Analysis:

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE						
Unit Type	Market Analyst					
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate	
1 BR/30%	590	59	11	0	1.7%	
1 BR/50%	849	85	1	0	0%	
2 BR/30%	381	38	7	0	1.7%	
2 BR/50%	738	74	1	0	0.1%	

Market Analyst Comments:

The overall occupancy reported in the market is 96%. (p. 11)

The most recently built affordable family project was Jordan at Mueller (TDHCA #17113), Jordan at Mueller, built in November 2019, has 132 units that are 100% occupied. The Terrace at Walnut Creek (TDHCA #15420), began leasing 324 units in July 2017 and is currently 97% occupied. There are currently five projects (one affordable senior, four affordable family) under construction totaling 840 units. There are also five market rate projects in planning totaling 1,432 units. There is also one affordable project in lease up with 264 units. (p.12)

Subject's "affordable" rents on a Total Rent Basis are 63% below market rents currently offered in the marketplace. (p. 14)

Revisions to Market Study:

2

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$46,203	Avg. Rent:	\$588	Expense Ratio:	64.96%
Debt Service:	\$0	B/E Rent:	\$380	Controllable Expenses:	\$3,581
Net Cash Flow:	\$46,203	UW Occupancy:	92.5%	Property Taxes/Unit:	\$0
Aggregate DCR:	NA	B/E Occupancy:	60.1%	Program Rent Year:	2020

There are 18 MDFL units that are restricted at 30% AMI level and underwriting assumes max program rents. There are 2 non-MDFL units that are LOW HOME units at 50% MFI, which are considered HOME match units and there is no project-based rental assistance.

The landlord will pay for water, sewer, trash expenses while the tenant will pay for all other utilities.

It is expected the Development will be exempt from property tax since the property will be owned and operated by the housing authority.

The project is underwritten with 1 unit vacant and the breakeven vacancy is 8 units (40% of the unit mix). The small number of units and the low property average income skew the breakeven calculations.

High expense-to-income ratio (64.96%) attributed to 32% property average income and per unit expenses are higher due to the smaller number of units,

Underwriter assumes Applicant's 3.2% management fee, per management fee letter.

There is no hard debt, no deferred fee and the 15-year cumulative cash flow is \$692K.

Related-Party Property Management Company: Yes

Revisions to Rent Schedule: 1

Revisions to Annual Operating Expenses: 1

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$/ac	\$900/unit	\$18,000	Contractor Fee	\$412,062
Off-site + Site Work		\$13,800/unit	\$276,005	Soft Cost + Financing	\$376,500
Building Cost	\$164.70/sf	\$126,658/unit	\$2,533,155	Developer Fee	\$0
Contingency	8.19%	\$9,832/unit	\$196,641	Reserves	\$35,000
Total Development Cost		\$192,368/unit	\$3,847,363	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?				Not Qualified	

Acquisition:

The City of Manor is selling an existing 20-ft alley along the north side of the property to the developer (Housing Authority of Travis County) for \$18,500.

Site Work:

Site work costs of \$8k per unit cost includes: demolition, grading, paving, and utilities for the site. Site amenities of \$5.7k per unit include a clubhouse with a multi-activity room and business center.

Building Cost:

Applicant's Building Cost is \$2.5M (\$164.70/sf, \$126K/unit). The small number of units (20) and smaller unit size(average 769 sf) makes the cost to build higher than the average development. The increased lumber prices due to the pandemic is an added factor. The underwriter's estimate is based off of Marshall and Swift's average base building costs and is adjusted for these factors. With only 20 units, much of the total cost is for non-rentable area (corridors, community area, office/leasing space, etc). In this case the net rentable area is only 74% of gross building area, whereas in an average multifamily property of 250 units the net rentable area would average around 90-95% of gross building area.

Contingency:

Underwriter added the \$89,500 soft cost contingency to total contingency. This results in contingency of 8.19%, which is above the 7% limit.

Soft Costs:

Soft costs are at \$14K/unit. There is a re-platting fee of \$17k.

Reserves:

Capitalized reserves represent approximately 5 months of operating expenses.

Credit Allocation Supported by Costs:

Related-Party Contractor: TBD

Related-Party Cost Estimator: TBD

Revisions to Development Cost Schedule: 0

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
TDHCA	Deferred Forgivable	\$3,000,000	0.00%	77%
Housing Authority of Travis County	Owner Cash Contribution	\$655,680	0.00%	17%
TSAHC AHP Program	Direct Loan Match	\$225,000	0.00%	6%
		\$3,880,680	Total Sources	

Comments:

Applicant has requested a \$3,000,000 Multifamily Direct Loan within the Soft Repayable set-aside. The loan will be deferred forgivable for 40 years at 0% interest.

Texas State Affordable Housing Corporation is providing the MDL match with the Affordable Housing Partnership in the amount of \$225,000 through a 10-year deferred forgivable loan. The project will receive \$75,000 for three units for a 10-year term.

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
MF Direct Loan- Deferred Forgivable	\$3,000,000	0.00%	40	40	\$3,000,000	0.00%	40	40	78%
TSAHC AHP Program	\$225,000	0.00%	10	10	\$225,000	0.00%	10	10	6%
Total	\$3,225,000				\$3,225,000				

Comments:

TDHCA's Multifamily Direct Loan will be used as a permanent source of funding. The term of the loan will be for 40 years at zero percent interest.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Housing Authority of Travis County	\$655,680			\$622,363			16%
Total	\$655,680			\$622,363			
				\$3,847,363	Total Sources		

Comments:

The proposed transaction is over-sourced as a result of the adjustment to Contingency. The Underwriter assumes the Applicant will reduce the Owner Contribution in order to balance sources and uses.

Revisions to Sources Schedule:	0
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CONCLUSIONS

Recommended Financing Structure:

	Amount	Interest Rate	Amort	Term	Lien
TDHCA Multifamily Direct Loan	\$3,000,000	0.00%		40	1

Comments:

Underwriter recommends the \$3,000,000 deferred forgivable Multifamily Direct Loan with a term of 40 years and 0% interest rate.

Underwriter: Deborah Willson

Manager of Real Estate Analysis: Jeanna Adams

Director of Real Estate Analysis: Thomas Cavanagh

UNIT MIX/RENT SCHEDULE
Manor Town Phase II, Manor, MDL #20506

LOCATION DATA	
CITY:	Manor
COUNTY:	Travis
Area Median Income	\$95,900
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	12	60.0%	0	12
2	8	40.0%	0	8
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	20	100.0%	-	20

#DIV/0!	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	-	0.0%
40%	-	0.0%
50%	-	0.0%
60%	-	0.0%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	-	0.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	
Applicable Fraction	
APP % Acquisition	
APP % Construction	
Average Unit Size	769 sf

UNIT MIX / MONTHLY RENT SCHEDULE

TDHCA Direct Loan Program		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	
30%/30%	\$550	11	1	1	687	\$550	\$41	\$509	\$0	\$0.74	\$509	\$5,599	\$5,599	\$509	\$0.74	\$0	\$1,210	\$1.76	\$1,210
30%/30%	\$660	7	2	1	892	\$660	\$54	\$606	\$0	\$0.68	\$606	\$4,242	\$4,242	\$606	\$0.68	\$0	\$1,435	\$1.61	\$1,435
LH/50%	\$915	1	1	1	687	\$915	\$41	\$874	\$0	\$1.27	\$874	\$874	\$874	\$874	\$1.27	\$0	\$1,210	\$1.76	\$1,210
LH/50%	\$1,098	1	2	1	892	\$1,098	\$54	\$1,044	\$0	\$1.17	\$1,044	\$1,044	\$1,044	\$1,044	\$1.17	\$0	\$1,435	\$1.61	\$1,435
TOTALS/AVERAGES:	20			15,380					\$0	\$0.76	\$588	\$11,759	\$11,759	\$588	\$0.76	\$0	\$1,300	\$1.69	\$1,300

ANNUAL POTENTIAL GROSS RENT: \$141,108 \$141,108

STABILIZED PRO FORMA

Manor Town Phase II, Manor, MDL #20506

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
												0.0%	\$0
POTENTIAL GROSS RENT				\$0.76			\$141,108	\$141,108				0.0%	\$0
Damages, Laundry, Lease Term Fees						\$4.75	\$1,140						
Late Charges, App Fees, NSF Fees						\$1.25	\$300						
Total Secondary Income						\$6.00		\$1,440	\$6.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$142,548	\$142,548				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(10,691)	(10,691)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$131,857	\$131,857				0.0%	\$0

General & Administrative	\$10,775	\$539/Unit	\$7,961	\$398	5.22%	\$0.45	\$344	\$6,880	\$6,880	\$344	\$0.45	5.22%	0.0%	-
Management	\$10,818	5.4% EGI	\$8,973	\$449	3.20%	\$0.27	\$211	\$4,219	\$4,219	\$211	\$0.27	3.20%	0.0%	(0)
Payroll & Payroll Tax	\$23,825	\$1,191/Unit	\$25,603	\$1,280	24.32%	\$2.08	\$1,603	\$32,063	\$32,063	\$1,603	\$2.08	24.32%	0.0%	-
Repairs & Maintenance	\$19,458	\$973/Unit	\$13,255	\$663	10.71%	\$0.92	\$706	\$14,120	\$13,000	\$650	\$0.85	9.86%	8.6%	1,120
Electric/Gas	\$4,105	\$205/Unit	\$4,513	\$226	2.32%	\$0.20	\$153	\$3,060	\$4,105	\$205	\$0.27	3.11%	-25.5%	(1,045)
Water, Sewer, & Trash	\$15,929	\$796/Unit	\$10,958	\$548	11.76%	\$1.01	\$775	\$15,500	\$15,929	\$796	\$1.04	12.08%	-2.7%	(429)
Property Insurance	\$6,951	\$0.45 /sf	\$7,344	\$367	3.19%	\$0.27	\$210	\$4,200	\$4,200	\$210	\$0.27	3.19%	0.0%	-
Property Tax (@ 0%) 2.9659	\$14,064	\$703/Unit	\$21,388	\$1,069	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements				\$0	3.79%	\$0.33	\$250	\$5,000	\$5,000	\$250	\$0.33	3.79%	0.0%	-
Supportive Services				\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA MDL Compliance (\$34/MDL unit)				\$0	0.46%	\$0.04	\$31	\$612	\$612	\$31	\$0.04	0.46%	0.0%	-
TOTAL EXPENSES					64.96%	\$5.57	\$4,283	\$ 85,654	\$86,009	\$4,300	\$5.59	65.23%	-0.4%	\$ (355)
NET OPERATING INCOME ("NOI")					35.04%	\$3.00	\$2,310	\$46,203	\$45,848	\$2,292	\$2.98	34.77%	0.8%	\$ 355

CONTROLLABLE EXPENSES		\$3,581/Unit		\$3,599/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Manor Town Phase II, Manor, MDL #20506

DEBT / GRANT SOURCES																
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE									
CASH FLOW DEBT / GRANTS	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App											DCR	LTC	
MF Direct Loan-Deferred Forgivable				\$0	0.00%	40	40	\$3,000,000	\$3,000,000	40	40	0.00%	\$0		78.0%	
TSAHC AHP Program				\$0	0.00%	10	10	\$225,000	\$225,000	10	10	0.00%	\$0		5.8%	
				\$0				TOTAL DEBT / GRANT SOURCES	\$3,225,000				TOTAL DEBT SERVICE	\$0		83.8%
NET CASH FLOW		\$45,848	\$46,203					APPLICANT	NET OPERATING INCOME				\$46,203	\$46,203	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				
	Housing Authority of Travis County															
Owner Cash Contribution			17.0%			\$655,680	\$622,363				16.2%					
Deferred Developer Fees			0.0%			\$0							Total Developer Fee: \$0			
Additional (Excess) Funds Req'd			0.0%				(\$0)				0.0%					
TOTAL EQUITY SOURCES			17.0%			\$655,680	\$622,363				16.2%					
TOTAL CAPITALIZATION						\$3,880,680	\$3,847,363						15-Yr Cash Flow after Deferred Fee:	\$692,702		
DEVELOPMENT COST / ITEMIZED BASIS																
APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS							COST VARIANCE		
		Total Costs					Total Costs									
Land Acquisition			\$ / Unit	\$0	\$0	\$ / Unit										
Right of Way Acquisition				\$18,000	\$18,000											
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit										
Site Work			\$8,008 / Unit	\$160,155	\$160,155	\$8,008 / Unit										
Site Amenities			\$5,793 / Unit	\$115,850	\$115,850	\$5,793 / Unit										
Building Cost			\$164.70 / sf	\$126,658/Unit	\$2,533,155	\$2,415,909	\$120,795/Unit	\$157.08 / sf								
Contingency				8.19%	\$229,958	\$188,434	7.00%									
Contractor Fees				13.56%	\$412,062	\$412,062	14.31%									
Soft Costs				\$14,450 / Unit	\$289,000	\$289,000	\$14,450 / Unit									
Financing				\$4,375 / Unit	\$87,500	\$87,500	\$4,375 / Unit									
Developer Fee				0.00%	\$0	\$0	0.00%									
Reserves				5 Months	\$35,000	\$35,000	5 Months									
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)							\$194,034 / Unit	\$3,880,680	\$3,721,910	\$186,096 / Unit		4.3%	\$158,770			
Acquisition Cost							\$0									
Contingency							(\$33,317)									
Contractor's Fee							\$0									
Financing Cost							\$0									
Developer Fee							\$0									
Reserves							\$0									
ADJUSTED BASIS / COST					\$192,368/unit	\$3,847,363	\$3,721,910	\$186,096/unit				3.4%	\$125,453			
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):								\$3,847,363								

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Manor Town Phase II, Manor, MDL #20506

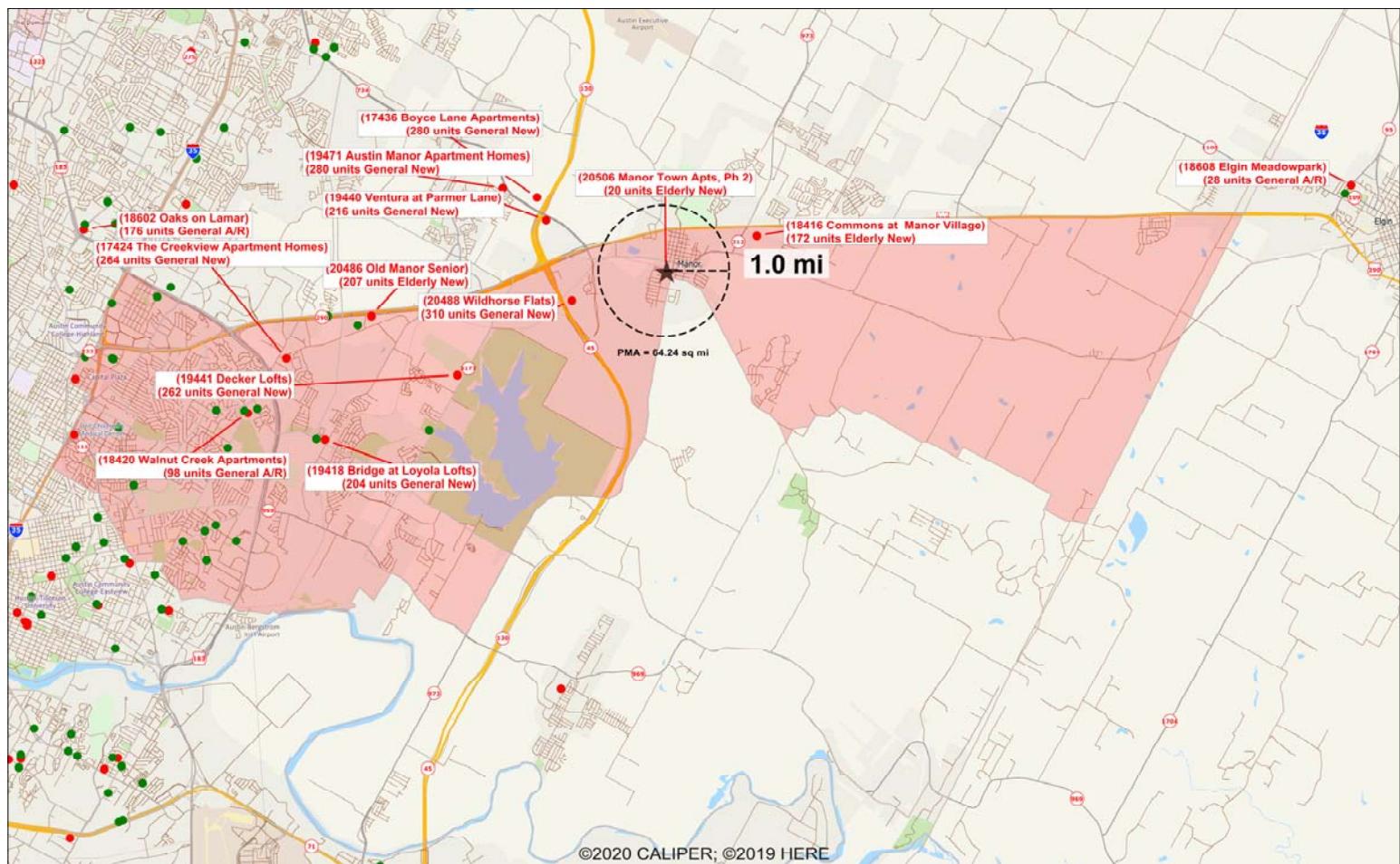
BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	15,380 SF	\$138.72	2,133,495
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	3.00%		4.16	64,005
9-Ft. Ceilings	3.00%		4.16	64,005
Roof Adjustment(s)			1.30	20,000
Subfloor			(0.93)	(14,227)
Floor Cover			2.56	39,373
Enclosed Corridors	\$130.27	3,018	25.56	393,151
Balconies	\$29.14	1,731	3.28	50,433
Plumbing Fixtures	\$1,080	0	0.00	0
Rough-ins	\$530	40	1.38	21,200
Built-In Appliances	\$1,830	20	2.38	36,600
Exterior Stairs	\$2,460	2	0.32	4,920
Heating/Cooling			2.34	35,989
Storage Space	\$130.27	384	3.25	50,023
Carports	\$12.25	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$95.81	2,213	13.79	212,036
Elevators	\$93,900	1	6.11	93,900
Other:			0.00	0
Fire Sprinklers	\$2.59	20,995	3.54	54,377
SUBTOTAL			211.92	3,259,281
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.87		(27.55)	(423,707)
Reserved				0
TOTAL BUILDING COSTS			184.37	\$2,835,574
Plans, specs, survey, bldg permits	3.30%		(6.08)	(93,574)
Contractor's OH & Profit	11.50%		(21.20)	(326,091)
NET BUILDING COSTS		\$120,795/unit	\$157.08/sf	\$2,415,909

Long-Term Pro Forma

Manor Town Phase II, Manor, MDL #20506

	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%	\$131,857	\$134,494	\$137,184	\$139,928	\$142,726	\$157,581	\$173,982	\$192,091	\$212,084	\$234,157	\$258,529	\$285,437
TOTAL EXPENSES	3.00%	\$85,654	\$88,181	\$90,783	\$93,463	\$96,222	\$111,296	\$128,744	\$148,942	\$172,326	\$199,398	\$230,743	\$267,038
NET OPERATING INCOME ("NOI")		\$46,203	\$46,313	\$46,401	\$46,465	\$46,504	\$46,286	\$45,239	\$43,148	\$39,758	\$34,759	\$27,785	\$18,398
EXPENSE/INCOME RATIO		65.0%	65.6%	66.2%	66.8%	67.4%	70.6%	74.0%	77.5%	81.3%	85.2%	89.3%	93.6%
ANNUAL CASH FLOW		\$46,203	\$46,313	\$46,401	\$46,465	\$46,504	\$46,286	\$45,239	\$43,148	\$39,758	\$34,759	\$27,785	\$18,398
CUMULATIVE NET CASH FLOW		\$46,204	\$92,517	\$138,917	\$185,382	\$231,886	\$464,044	\$692,702	\$913,090	\$1,119,238	\$1,303,744	\$1,457,491	\$1,569,319

20506 Manor Town Apartments Phase II PMA Map



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