24076 New Faith Senior Village Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 15, 2024

PROPERTY IDENTIFICATION

Application #	24076
Development	New Faith Senior Village Apartments
City / County	Houston / Harris
Region/Area	6 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$15,625/Unit	$0.90

KEY PRINCIPALS / SPONSOR

Donna Rickenbacker / DWR Development Group, LLC

Alyssa Carpenter / Consultant

Related Parties	Contractor - TBD	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	86	67%
2	42	33%
3	-	0%
4	-	0%
TOTAL	128	100%

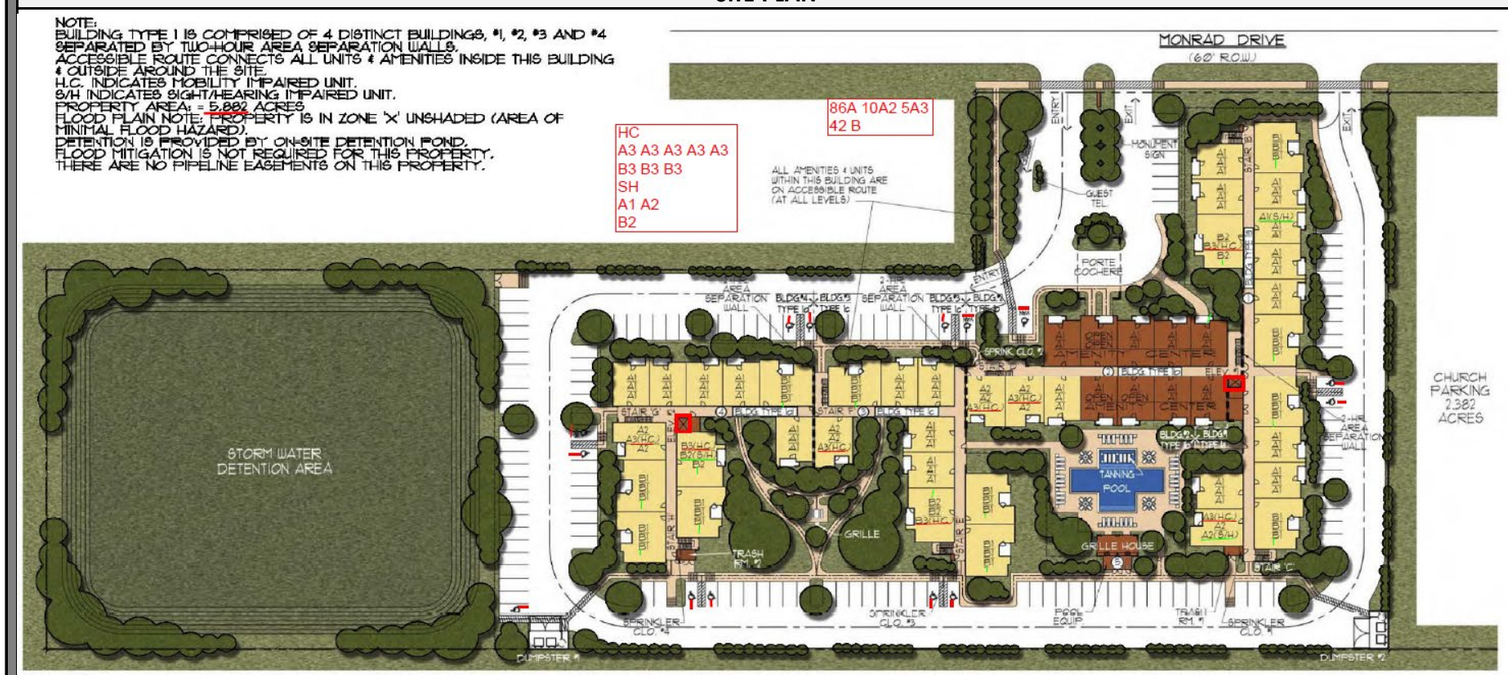
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	20	16%
40%	-	0%
50%	40	31%
60%	38	30%
70%	-	0%
80%	-	0%
MR	30	23%
TOTAL	128	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	48.4%
Breakeven Occ.	86.3%	Breakeven Rent	$922
Average Rent	$991	B/E Rent Margin	$69
Property Taxes	$906/unit	Exemption/PILOT	0%
Total Expense	$5,490/unit	Controllable	$3,098/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.8%
Highest Unit Capture Rate	5%	1 BR/60%	26
Dominant Unit Cap. Rate	4%	1 BR/50%	29
Premiums (↑80% Rents)	No		
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	798 SF	Density	21.8/acre
Acquisition		$12K/unit	$1,500K
Building Cost	$162.51/SF	$130K/unit	$16,595K
Hard Cost		$156K/unit	$19,989K
Total Cost		$245K/unit	$31,377K
Developer Fee	$3,747K	(33% Deferred)	Paid Year: 10
Contractor Fee	$2,798K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Amegy Bank	18/40	6.61%	$9,132,423	1.15
TOTAL DEBT (Must Pay)			**$9,132,423**	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Houston	0/0	0.00%	$500	1.15
CASH FLOW DEBT / GRANTS			**$3,000,500**	

EQUITY / DEFERRED FEES	
Source	Amount
NEF	$17,998,200
DWR Development	$1,245,932
TOTAL EQUITY SOURCES	**$19,244,132**
TOTAL DEBT SOURCES	**$12,132,923**
TOTAL CAPITALIZATION	**$31,377,055**

CONDITIONS

1 Receipt and acceptance by Carryover:

- Formal approval for $3,000,000 FHLB loan from Amegy clearly stating all terms, conditions and source of funding.

2 Receipt and acceptance by Cost Certification:

- Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

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

RISK PROFILE

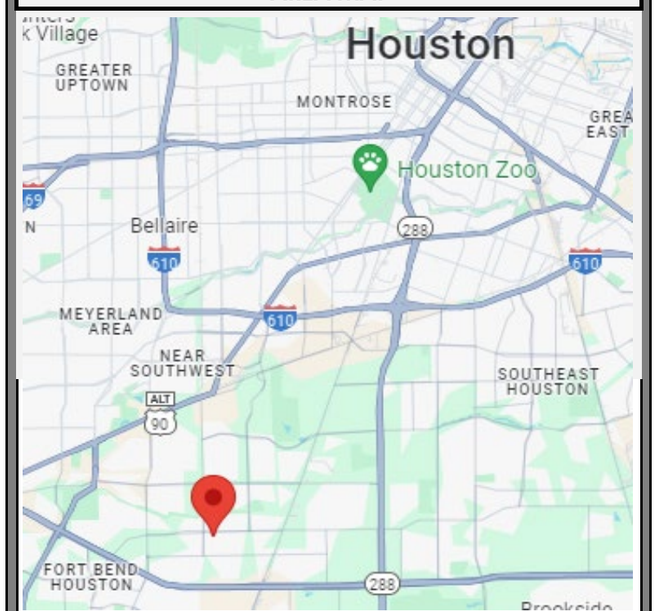
STRENGTHS/MITIGATING FACTORS

- Developer Experience
- Low Gross Capture Rate

WEAKNESSES/RISKS

- 1.15 DCR and low insurance estimate

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
July 15, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24076** Program(s): **9% HTC**

New Faith Senior Village Apartments

Address/Location: 4315 W. Fuqua Street

City: Houston County: Harris Zip: 77045

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

Activity: New Construction Building Type: Elevator Served Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	**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

1 Receipt and acceptance by Carryover:

- Formal approval for $3,000,000 FHLB loan from Amegy clearly stating all terms, conditions and source of funding.

2 Receipt and acceptance by Cost Certification:

- Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	20
50% of AMI	50% of AMI	40
60% of AMI	60% of AMI	38

DEVELOPMENT SUMMARY

New Faith Senior Village is a proposed 128-unit development that will be located at 4315 W. Fuqua Street, Houston, Texas 77045. The property will serve elderly and offer a mix of 128 1-bed/1-bath, and 2-bed/2-bath units. The development provides a mix of 98 affordable units, in each configuration, at the 30%AMI, 50% AMI and 60% AMI thresholds, in addition to 30 market rate units.

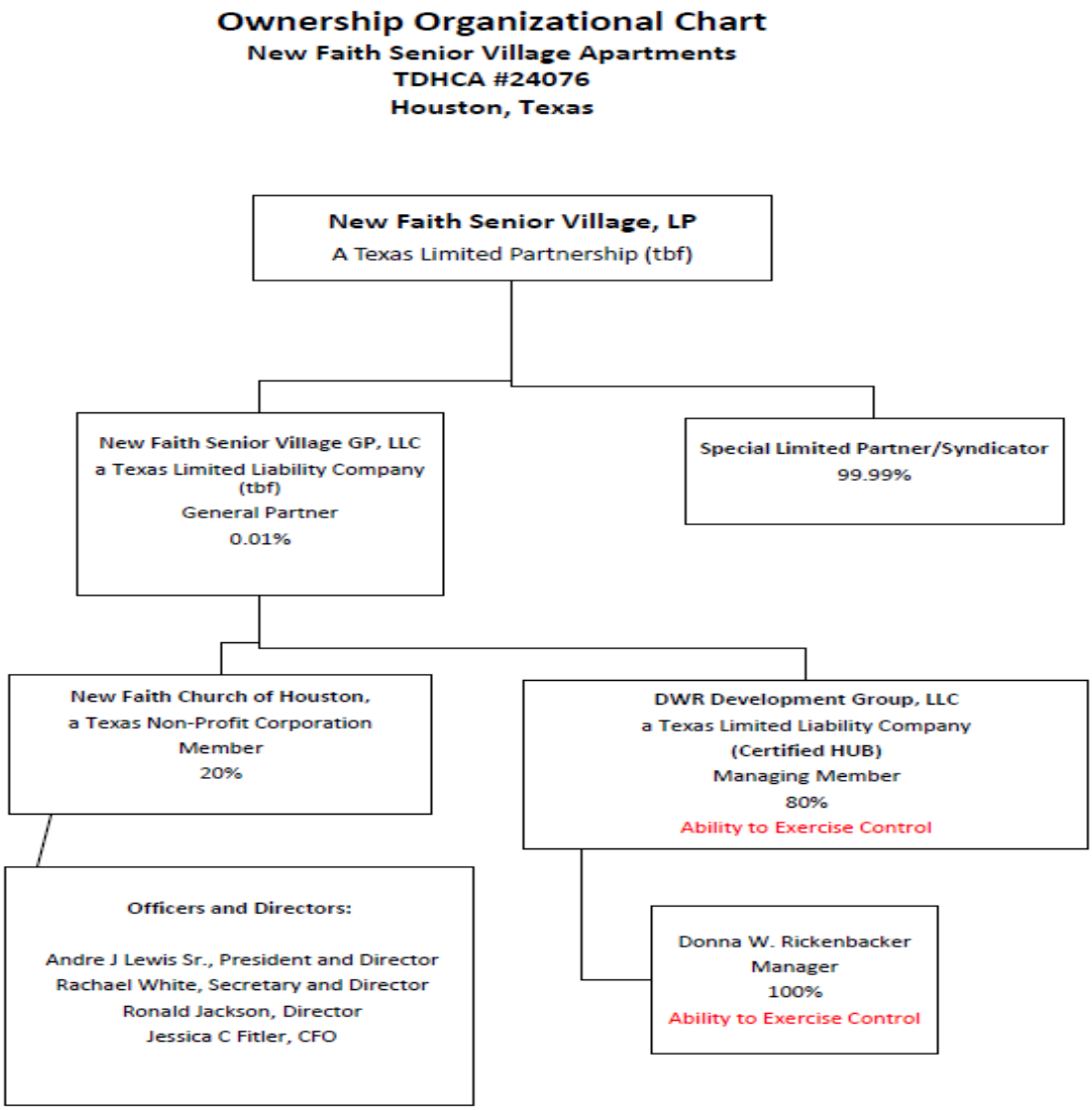
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Developer Experience
▫	Low Gross Capture Rate

WEAKNESSES/RISKS	
▫	1.15 DCR and low insurance estimate
▫	

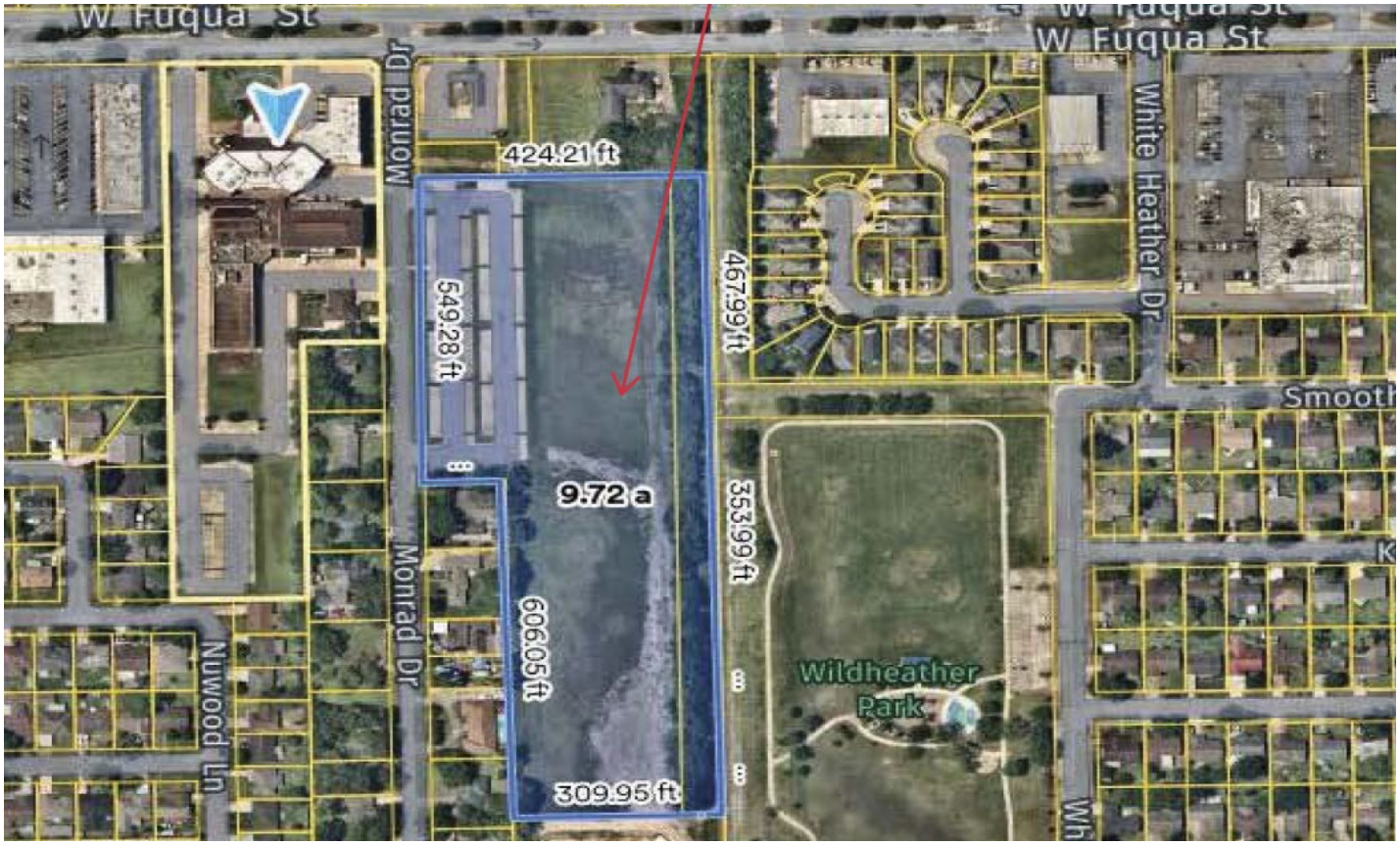
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

City of Houston. SEC. 26-492. CLASS 2. Residential Retirement Communities require 0.75 parking spaces per unit, plus 1 space per employee on the largest shift for a total of 100 required spaces. 138 are provided.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1a (1)	1b (2)	1c (3)	1d (4)									**Total Buildings**
Floors/Stories	3	3	3	3									
Number of Bldgs	1	1	1	1									**4**
Units per Bldg	45	23	27	33									
Total Units	45	23	27	33									**128**

Avg. Unit Size (SF)	**798 sf**	**Total NRA (SF)**	**102,117**	**Common Area (SF)***	**31,402**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.882 acres Density: 21.8 units/acre

Site Control: 5.882 **Site Plan:** 5.882 **Appraisal:** 5.882 **ESA:** 5.882

Feasibility Report Survey: 5.882 **Feasibility Report Engineer's Plan:** 5.882 **Existing LURA:** NA

Control Type: Purchase and Sale Agreement

Development Site: 5.88 acres Cost: $1,500,000 $11,719 per unit

Seller: New Faith Church of Houston

Buyer: DWR Development Group, LLC

Assignee:

Related-Party Seller/Identity of Interest: Yes

APPRAISED VALUE

Appraiser: ARAIZA APPRAISAL & CONSULTING Date: 2/18/2024

Land as Vacant: 5.882 acres $1,540,000 Per Unit: $12,031

SITE INFORMATION

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

Current Uses of Subject Site:

Vacant land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, LLC Date: 1/30/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

MARKET ANALYSIS

Provider: Araiza Appraisal & Consulting Date: 2/15/2024

Primary Market Area (PMA): 30 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
	None					

Stabilized Affordable Developments in PMA	Total Units	1,361
	Total Developments	7
	Average Occupancy	97%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	28,762			
Senior Households in the Primary Market Area	11,119			
Potential Demand from the Primary Market Area	4,915			
10% External Demand	492			
Potential Demand from Other Sources	0			
GROSS DEMAND	5,407			
Subject Affordable Units	98			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	98			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**1.8%**			

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	1,125	113	20	0	2%
50% AMGI	1,766	177	40	0	2%
60% AMGI	2,023	202	38	0	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%	595	60	14	0	2%
1 BR/50%	633	63	29	0	4%
1 BR/60%	504	50	26	0	5%
2 BR/30%	318	32	6	0	2%
2 BR/50%	592	59	11	0	2%
2 BR/60%	442	44	12	0	2%

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$748,043	Avg. Rent:	$991	Expense Ratio:	48.4%
Debt Service:	$650,204	B/E Rent:	$922	Controllable Expenses:	$3,098
Net Cash Flow:	$97,840	UW Occupancy:	92.5%	Property Taxes/Unit:	$906
Aggregate DCR:	1.15	B/E Occupancy:	86.3%	Program Rent Year:	2023

The 30 market units are underwritten at Applicant's assumption of $2-$80 less than market analyst determined market rents, with a $345-$422 premium over gross 60% HTC rents.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$255,015/ac	$11,719/unit	**$1,500,000**	Contractor Fee	**$2,798,487**
Off-site + Site Work		$16,298/unit	**$2,086,093**	Soft Cost + Financing	**$2,665,943**
Building Cost	$162.51/sf	$129,652/unit	**$16,595,397**	Developer Fee	**$3,746,971**
Contingency	7.00%	$10,216/unit	**$1,307,704**	Reserves	**$676,459**
Total Development Cost	$245,133/unit	**$31,377,055**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Add'l 10% of units restricted at or below 30% AMI

Building Cost:

The Applicant is limiting building eligible basis for scoring purposes.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$31,377,055	**$26,488,413**	**$2,350,162**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Amegy Bank	Conventional Loan	$17,500,000	7.81%	61%
NEF	HTC	$6,299,370	$0.90	22%
Amegy Bank	FHLB Loan	$3,000,000	0.00%	10%
DWR Development	DDF	$1,879,313	0.00%	7%
		$28,678,683	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Amegy Bank	$9,132,423	6.61%	40	18.0	$9,132,423	6.61%	40	18.0	29%
City of Houston	$500	Fee Waiver			$500	Fee Waiver			0%
Total	**$12,132,923**				**$12,132,923**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
NEF	$17,998,200	$0.90		$17,998,200	$0.90	57%	
DWR Development	$1,245,932		33%	$1,245,932		4%	33%
Total	**$19,244,132**			**$19,244,132**			
				$31,377,055	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.962	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.845	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$31,377,055
Permanent Sources (debt + non-HTC equity)	$12,132,923
Gap in Permanent Financing	$19,244,132

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$21,149,347	$2,350,162
Needed to Balance Sources & Uses	$19,244,132	$2,138,451
Requested by Applicant	$17,998,200	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$17,998,200**	**$2,000,000**

Deferred Developer Fee	**$1,245,932**	**(33% deferred)**
Repayable in	**10 years**	

Recommendation:

Underwriter recommends an annual 9% HTC allocation of $2,000,000 as requested by applicant.

Underwriter: *Beau Fannon*

Manager of Real Estate Analysis: *Diamond Unique Thompson*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

New Faith Senior Village Apartments, Houston, 9% HTC #24076

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$93,200
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	86	67.2%	0	0	0	0
2	42	32.8%	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	**128**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	75.83%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	798 sf

50%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	20	-	40	38	-	-	30	**128**
	% Total	0.0%	15.6%	0.0%	31.3%	29.7%	0.0%	0.0%	23.4%	**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%	$524	10	1	1	702	$524	$64	$460	$0	$0.66	$460	**$4,600**	**$4,600**	$460	$0.66	$0	$1,332	$1.90	$1,332
TC 50%	$874	25	1	1	702	$874	$64	$810	$0	$1.15	$810	**$20,250**	**$20,250**	$810	$1.15	$0	$1,332	$1.90	$1,332
TC 60%	$1,049	22	1	1	702	$1,049	$64	$985	$0	$1.40	$985	**$21,670**	**$21,670**	$985	$1.40	$0	$1,332	$1.90	$1,332
MR		14	1	1	702	$0	$64		NA	$1.89	$1,330	**$18,620**	**$18,620**	$1,330	$1.89	NA	$1,330	$1.89	$1,332
TC 30%	$524	4	1	1	780	$524	$64	$460	$0	$0.59	$460	**$1,840**	**$1,840**	$460	$0.59	$0	$1,410	$1.81	$1,410
TC 50%	$874	4	1	1	780	$874	$64	$810	$0	$1.04	$810	**$3,240**	**$3,240**	$810	$1.04	$0	$1,410	$1.81	$1,410
TC 60%	$1,049	4	1	1	780	$1,049	$64	$985	$0	$1.26	$985	**$3,940**	**$3,940**	$985	$1.26	$0	$1,410	$1.81	$1,410
MR		3	1	1	780	$0	$64		NA	$1.71	$1,330	**$3,990**	**$3,990**	$1,330	$1.71	NA	$1,330	$1.71	$1,410
TC 30%	$629	4	2	1	953	$629	$84	$545	$0	$0.57	$545	**$2,180**	**$2,180**	$545	$0.57	$0	$1,600	$1.68	$1,600
TC 50%	$1,048	9	2	1	953	$1,048	$84	$964	$0	$1.01	$964	**$8,676**	**$8,676**	$964	$1.01	$0	$1,600	$1.68	$1,600
TC 60%	$1,258	9	2	1	953	$1,258	$84	$1,174	$0	$1.23	$1,174	**$10,566**	**$10,566**	$1,174	$1.23	$0	$1,600	$1.68	$1,600
MR		11	2	1	953	$0	$84		NA	$1.67	$1,596	**$17,556**	**$17,556**	$1,596	$1.67	NA	$1,596	$1.67	$1,600
TC 30%	$629	2	2	1	1,014	$629	$84	$545	$0	$0.54	$545	**$1,090**	**$1,090**	$545	$0.54	$0	$1,600	$1.58	$1,600
TC 50%	$1,048	2	2	1	1,014	$1,048	$84	$964	$0	$0.95	$964	**$1,928**	**$1,928**	$964	$0.95	$0	$1,600	$1.58	$1,600
TC 60%	$1,258	3	2	1	1,014	$1,258	$84	$1,174	$0	$1.16	$1,174	**$3,522**	**$3,522**	$1,174	$1.16	$0	$1,600	$1.58	$1,600
MR		2	2	1	1,014	$0	$84		NA	$1.57	$1,596	**$3,192**	**$3,192**	$1,596	$1.57	NA	$1,596	$1.57	$1,600
TOTALS/AVERAGES:		**128**			**102,117**				**$0**	**$1.24**	**$991**	**$126,860**	**$126,860**	**$991**	**$1.24**	**$0**	**$1,427**	**$1.79**	**$1,429**

ANNUAL POTENTIAL GROSS RENT:	**$1,522,320**	**$1,522,320**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

New Faith Senior Village Apartments, Houston, 9% HTC #24076

	STABILIZED FIRST YEAR PRO FORMA														
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Harris County		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.24	$991	$1,522,320	$1,522,320	$991	$1.24		0.0%	$0
0							$0.00	$0						
late fees, app fees, pet fees,							$30.00	$46,080						
retained deposits & interest income							$0.00	$0						
Total Secondary Income							$30.00		$46,080	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,568,400	$1,568,400				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(117,630)	(117,630)	7.5% PGI			0.0%	-
TDHCA HOME ARP COCA								-	-				0.0%	-
EFFECTIVE GROSS INCOME								$1,450,770	$1,450,770				0.0%	$0
General & Administrative	$65,174	$509/Unit	$66,206	$517	3.11%	$0.44	$352	$45,056	$45,056	$352	$0.44	3.11%	0.0%	-
Management	$60,347	3.5% EGI	$57,900	$452	4.00%	$0.57	$453	$58,031	$58,031	$453	$0.57	4.00%	0.0%	-
Payroll & Payroll Tax	$189,481	$1,480/Unit	$204,359	$1,597	11.25%	$1.60	$1,275	$163,213	$163,213	$1,275	$1.60	11.25%	0.0%	-
Repairs & Maintenance	$101,189	$791/Unit	$85,651	$669	5.79%	$0.82	$657	$84,056	$83,200	$650	$0.81	5.73%	1.0%	856
Electric/Gas	$37,320	$292/Unit	$18,187	$142	1.63%	$0.23	$185	$23,680	$23,680	$185	$0.23	1.63%	0.0%	-
Water, Sewer, & Trash	$98,481	$769/Unit	$85,924	$671	5.55%	$0.79	$629	$80,540	$85,924	$671	$0.84	5.92%	-6.3%	(5,384)
Property Insurance	$104,421	$1.02 /sf	$140,245	$1,096	6.19%	$0.88	$702	$89,863	$89,863	$702	$0.88	6.19%	0.0%	-
Property Tax (@ 100%) 2.1448	$116,307	$909/Unit	$121,786	$951	7.99%	$1.14	$906	$115,968	$116,307	$909	$1.14	8.02%	-0.3%	(339)
Reserve for Replacements					2.65%	$0.38	$300	$38,400	$32,000	$250	$0.31	2.21%	20.0%	6,400
TDHCA Compliance fees ($40/HTC unit)					0.27%	$0.04	$31	$3,920	$3,920	$31	$0.04	0.27%	0.0%	-
TOTAL EXPENSES					**48.44%**	**$6.88**	**$5,490**	**$702,727**	**$701,193**	**$5,478**	**$6.87**	**48.33%**	**0.2%**	**$ 1,533**
NET OPERATING INCOME ("NOI")					**51.56%**	**$7.33**	**$5,844**	**$748,043**	**$749,577**	**$5,856**	**$7.34**	**51.67%**	**-0.2%**	**$ (1,533)**

CONTROLLABLE EXPENSES	$3,098/Unit		$3,133/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

New Faith Senior Village Apartments, Houston, 9% HTC #24076

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Amegy Bank		1.15	1.15	650,204	6.61%	40	18.0	$9,132,423	$9,132,423	18.0	40.0	6.61%	$650,204	1.15	29.1%
CASH FLOW DEBT / GRANTS															
City of Houston		1.15	1.15		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.15	0.0%
Amegy Bank		1.15	1.15		0.00%	0	40.0	$3,000,000	$3,000,000	40.0	0.0	0.00%		1.15	9.6%
				$650,204			**TOTAL DEBT / GRANT SOURCES**	**$12,132,923**	**$12,132,923**			**TOTAL DEBT SERVICE**	**$650,204**	**1.15**	38.7%
NET CASH FLOW		$99,373	$97,840						**APPLICANT**	**NET OPERATING INCOME**		**$748,043**	**$97,840**	**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**
NEF	LIHTC Equity	57.4%	$2,000,000	$0.90	$17,998,200	$17,998,200	$0.8999	$2,000,000	57.4%	$15,625	Applicant Request
DWR Development	Deferred Developer Fees	4.0%	(33% Deferred)		$1,245,932	$1,245,932	(33% Deferred)		4.0%	**Total Developer Fee:**	**$3,746,971**
TOTAL EQUITY SOURCES		61.3%			$19,244,132	$19,244,132			61.3%		
TOTAL CAPITALIZATION					**$31,377,055**	**$31,377,055**			**15-Yr Cash Flow after Deferred Fee:**		**$1,095,590**

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			$11,719 / Unit		$1,500,000	$1,500,000	$11,719 / Unit				0.0%	$0
Site Work		$1,851,093	$14,462 / Unit		$1,851,093	$1,851,093	$14,462 / Unit		$1,851,093		0.0%	$0
Site Amenities		$235,000	$1,836 / Unit		$235,000	$235,000	$1,836 / Unit		$235,000		0.0%	$0
Building Cost		$14,776,330	$162.51 /sf	$129,652/Unit	$16,595,397	$16,855,314	$131,682/Unit	$165.06 /sf	$14,776,330		-1.5%	($259,917)
Contingency		$1,180,370	7.00%	7.00%	$1,307,704	$1,307,704	6.90%	7.00%	$1,180,370		0.0%	$0
Contractor Fees		$2,525,991	14.00%	14.00%	$2,798,487	$2,798,487	13.82%	14.00%	$2,525,991		0.0%	$0
Soft Costs	$0	$1,134,889	$8,944 / Unit		$1,144,889	$1,144,889	$8,944 / Unit		$1,134,889	$0	0.0%	$0
Financing	$0	$1,329,729	$11,883 / Unit		$1,521,054	$1,521,054	$11,883 / Unit		$1,329,729	$0	0.0%	$0
Developer Fee	$0	$3,455,010	15.00%	15.00%	$3,746,971	$3,746,971	14.85%	15.00%	$3,455,010	$0	0.0%	$0
Reserves				6 Months	$676,459	$676,459	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$26,488,413**	$245,133 / Unit		**$31,377,055**	**$31,636,972**	$247,164 / Unit		**$26,488,413**	**$0**	**-0.8%**	**($259,917)**
ADJUSTED BASIS / COST	**$0**	**$26,488,413**	$245,133/unit		**$31,377,055**	**$31,636,972**	$247,164/unit		**$26,488,413**	**$0**	**-0.8%**	**($259,917)**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$31,377,055**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

New Faith Senior Village Apartments, Houston, 9% HTC #24076

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$26,488,413	$0	$26,488,413
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$26,488,413	$0	$26,488,413
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$34,434,937	$0	$34,434,937
Applicable Fraction	75.83%	75.83%	75.83%	75.83%
TOTAL QUALIFIED BASIS	$0	$26,112,916	$0	$26,112,916
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,350,162	$0	$2,350,162
CREDITS ON QUALIFIED BASIS	$2,350,162		$2,350,162	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8999	Variance to Request	
Method	Annual Credits	Proceeds	**Credit Allocation**	Credits	Proceeds
Eligible Basis	$2,350,162	$21,149,347	----	----	----
Needed to Fill Gap	$2,138,451	$19,244,132	----	----	----
Applicant Request	$2,000,000	$17,998,200	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	102,117 SF	$126.04	12,870,339
Adjustments				
Exterior Wall Finish	0.00%		0.00	$0
Elderly	9.00%		11.34	1,158,331
9-Ft. Ceilings	3.00%		3.78	386,110
Roof Adjustment(s)			1.88	192,000
Subfloor			(0.21)	(21,785)
Floor Cover			9.91	1,012,439
Breezeways	$39.95	23,654	9.25	944,977
Balconies	$39.71	8,250	3.21	327,568
Plumbing Fixtures	$1,420	254	3.53	360,680
Rough-ins	$700	256	1.75	179,200
Built-In Appliances	$2,280	128	2.86	291,840
Exterior Stairs	$3,550	16	0.56	56,800
Heating/Cooling			3.12	318,605
Storage Space	$39.95	0	0.00	0
Carports	$16.05	0	0.00	0
Garages	$30.00	0	0.00	0
Common/Support Area	$119.88	7,660	8.99	918,305
Elevators	$150,400	2	2.95	300,800
Other:			0.00	0
Fire Sprinklers	$3.65	133,431	4.77	487,023
SUBTOTAL			**193.73**	**19,783,233**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**193.73**	**$19,783,233**
Plans, specs, survey, bldg permits	3.30%		(6.39)	($652,847)
Contractor's OH & Profit	11.50%		(22.28)	(2,275,072)
NET BUILDING COSTS		$131,682/unit	$165.06/sf	$16,855,314

Long-Term Pro Forma

New Faith Senior Village Apartments, Houston, 9% HTC #24076

	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%	$1,450,770	$1,479,785	$1,509,381	$1,539,569	$1,570,360	$1,733,804	$1,914,260	$2,113,498	$2,333,473	$2,576,342	$2,844,490	$3,140,547
TOTAL EXPENSES	3.00%	$702,727	$723,228	$744,333	$766,059	$788,425	$910,534	$1,051,731	$1,215,018	$1,403,873	$1,622,322	$1,875,027	$2,167,391
NET OPERATING INCOME ("NOI")		**$748,043**	**$756,557**	**$765,048**	**$773,510**	**$781,935**	**$823,271**	**$862,530**	**$898,480**	**$929,600**	**$954,021**	**$969,463**	**$973,156**
EXPENSE/INCOME RATIO		48.4%	48.9%	49.3%	49.8%	50.2%	52.5%	54.9%	57.5%	60.2%	63.0%	65.9%	69.0%
MUST -PAY DEBT SERVICE													
Amegy Bank		$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204
TOTAL DEBT SERVICE		$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204	$650,204
DEBT COVERAGE RATIO		1.15	1.16	1.18	1.19	1.20	1.27	1.33	1.38	1.43	1.47	1.49	1.50
ANNUAL CASH FLOW		**$97,840**	**$106,354**	**$114,844**	**$123,306**	**$131,731**	**$173,067**	**$212,326**	**$248,276**	**$279,396**	**$303,817**	**$319,259**	**$322,952**
Deferred Developer Fee Balance		$1,148,092	$1,041,738	$926,894	$803,588	$671,857	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$111,421	$1,095,590	$2,266,675	$3,603,693	$5,077,039	$6,646,555	$8,259,252