

**Real Estate Analysis Division**

October 28, 2025

Addendum to Underwriting ReportTDHCA Application #: **25093**Program(s): **9% HTC****North Crest Apartments**Address/Location: 4200 N 19th St & 2005 Steward DrCity: WacoCounty: McLennanZip: 76708

	APPLICATION HISTORY
Report Date	PURPOSE
10/28/25	State Credit Award Update
06/03/25	Original LIHTC Award

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
State Housing Tax Credits	\$0				\$150,000						
FHTC (9% Credit)	\$2,000,000				\$2,000,000						

CONDITIONS STATUS

- 1 Receipt and acceptance by Carryover:
 - * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if
 - b: Architect certification that buildings were tested for the presence of radon and any recommended
 - c: Certification that leaking pad-mounted transformer was evaluated and subsurface environmentalShould 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	60
50% of AMI	50% of AMI	60
60% of AMI	60% of AMI	76

ANALYSIS

North Crest Waco was awarded a 9% HTC allocation of \$2,000,000. The Applicant has applied for an additional \$150,000 in annual State Housing Tax Credits. Applicant has reduced 50% units by 20 and increased 30% units by 20. 12 60% units at North Crest Court have been moved to 30% and 1 60% has been moved to 50%. 8 60% units at North Crest Creekside have been moved to 30%.

Operating Pro Forma

The property has received preliminary approval for a HUD rent increase on 75 units at North Crest Creekside in the amount of \$239 per month increasing the EGI of the property from \$2,334,060 to \$2,389,848.

Development Cost

The Applicant hasn't made any changes to the development cost schedule from the original submission.

Sources of Funds

National Church Residences has reduced DDF to \$767,396. National Equity Fund is contributing an additional \$749,925k in equity to purchase the State Credits. NCR is acquiring an additional \$132,386 in reserves from R4R. NCR is projecting an increase to construction period income of \$42,000. Construction period FHTC income has been reduced to \$5,099,490. This translates to a reduction in Total Sources of Construction Period Funds of \$179,981. Perm funding remains the same at \$36,430,556.

Underwriter recommends \$2,000,000 in 9% Housing Tax Credits and \$150,000 in annual State Housing Tax Credits per the Applicant's request.

Underwriter:	<u>Jake Schmid</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE

North Crest Apartments , Waco, 9% HTC #25093

LOCATION DATA

CITY:	Waco
COUNTY:	McLennan
Area Median Income	\$89,600
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	194	99.0%	194	0	0	0
2	2	1.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	196	100.0%	194	-	-	-

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	602 sf

48%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	60	-	60	74	-	-	2	196
Income	% Total	0.0%	30.6%	0.0%	30.6%	37.8%	0.0%	0.0%	1.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

FEDERAL HTC		RENT ASSISTED UNIT						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		
EO		0		1	2	1	841	\$0	\$0	\$0		\$0.00	\$0	\$0	NA				\$0	\$0.00		
TC 50%	\$833	PBRA - Creekside	\$1,036	18	1	1	563	\$1,036	\$72	\$964	\$0	\$1.71	\$964	\$17,352	\$17,352	\$964	\$1.71	\$0	\$1,050	\$1.87	\$1,050	
TC 30%	\$499	PBRA - Creekside	\$1,036	24	1	1	563	\$1,036	\$72	\$964	\$0	\$1.71	\$964	\$23,136	\$23,136	\$964	\$1.71	\$0	\$1,050	\$1.87	\$1,050	
TC 60%	\$999	PBRA - Creekside	\$1,036	33	1	1	563	\$1,036	\$72	\$964	\$0	\$1.71	\$964	\$31,812	\$31,812	\$964	\$1.71	\$0	\$1,050	\$1.87	\$1,050	
TC 30%	\$499	PBRA - Court	\$1,144	36	1	1	621	\$1,144	\$78	\$1,066	\$0	\$1.72	\$1,066	\$38,376	\$38,376	\$1,066	\$1.72	\$0	\$1,075	\$1.73	\$1,075	
TC 60%	\$999	PBRA - Court	\$1,144	41	1	1	621	\$1,144	\$78	\$1,066	\$0	\$1.72	\$1,066	\$43,706	\$43,706	\$1,066	\$1.72	\$0	\$1,075	\$1.73	\$1,075	
TC 50%	\$833	PBRA - Court	\$1,144	42	1	1	621	\$1,144	\$78	\$1,066	\$0	\$1.72	\$1,066	\$44,772	\$44,772	\$1,066	\$1.72	\$0	\$1,075	\$1.73	\$1,075	
EO		0		1	2	1	1,038	\$0	\$0	\$0		\$0.00	\$0	\$0	NA				\$0	\$0.00		
TOTALS/AVERAGES:				196				118,003				\$0	\$1.69	\$1,016	\$199,154	\$199,154	\$1,016	\$1.69	\$0	\$1,054	\$1.75	\$1,054

ANNUAL POTENTIAL GROSS RENT:

\$2,389,848

\$2,389,848

*MFDL units float among Unit Types

STABILIZED PRO FORMA

North Crest Apartments , Waco, 9% HTC #25093

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	12M Operating	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.69	\$1,016	\$2,389,848	\$2,334,060	\$2,334,060	\$2,389,848	\$1,016	\$1.69		0.0%	\$0
laundry and vending					\$1.28	\$3,000	3,000							
Total Secondary Income					\$1.28			11,760	\$11,760	\$5.00			-74.5%	(\$8,760)
POTENTIAL GROSS INCOME						\$2,392,848	\$2,337,060	\$2,345,820	\$2,401,608				-0.4%	(\$8,760)
Vacancy & Collection Loss					5.0% PGI	(119,642)	(116,853)	(117,291)	(120,080)	5.0% PGI			-0.4%	438
EFFECTIVE GROSS INCOME						\$2,273,206	\$2,220,207	\$2,228,529	\$2,281,528				-0.4%	(\$8,322)

General & Administrative	\$64,807	\$331/Unit	\$122,943	\$627	4.95%	\$0.95	\$574	\$112,500	\$112,500	\$122,943	\$122,943	\$627	\$1.04	5.39%	-8.5%	(10,443)
Management	\$62,953	4.6% EGI	\$112,732	\$575	4.95%	\$0.95	\$574	\$112,600	\$112,600	\$111,426	\$114,076	\$582	\$0.97	5.00%	-1.3%	(1,476)
Payroll & Payroll Tax	\$235,100	\$1,199/Unit	\$419,603	\$2,141	15.20%	\$2.93	\$1,763	\$345,535	\$345,535	\$345,535	\$345,535	\$1,763	\$2.93	15.14%	0.0%	-
Repairs & Maintenance	\$163,185	\$833/Unit	\$128,782	\$657	5.37%	\$1.03	\$623	\$122,110	\$122,110	\$137,200	\$137,200	\$700	\$1.16	6.01%	-11.0%	(15,090)
Electric/Gas	\$42,793	\$218/Unit	\$93,879	\$479	3.99%	\$0.77	\$462	\$90,630	\$90,630	\$93,879	\$93,879	\$479	\$0.80	4.11%	-3.5%	(3,249)
Water, Sewer, & Trash	\$131,972	\$673/Unit	\$315,243	\$1,608	7.45%	\$1.43	\$864	\$169,270	\$169,270	\$169,270	\$169,270	\$864	\$1.43	7.42%	0.0%	-
Property Insurance	\$140,531	\$1.19 /sf	\$158,284	\$808	6.77%	\$1.31	\$786	\$154,000	\$154,000	\$154,000	\$154,000	\$786	\$1.31	6.75%	0.0%	-
Property Tax (@ 100%) 2.2557	\$107,314	\$548/Unit	\$1,101	\$6	8.80%	\$1.69	\$1,020	\$200,000	\$200,000	\$175,710	\$184,977	\$944	\$1.57	8.11%	8.1%	15,023
Reserve for Replacements					2.59%	\$0.50	\$300	\$58,800	\$58,800	\$58,800	\$58,800	\$300	\$0.50	2.58%	0.0%	-
Security					0.49%	\$0.09	\$57	\$11,124	\$11,124	\$11,124	\$11,124	\$57	\$0.09	0.49%	0.0%	-
Supportive Services					2.72%	\$0.52	\$316	\$61,930	\$61,930	\$61,930	\$61,930	\$316	\$0.52	2.71%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.34%	\$0.07	\$40	\$7,760	\$7,760	\$7,760	\$7,760	\$40	\$0.07	0.34%	0.0%	-
TOTAL EXPENSES					63.62%	\$12.26	\$7,379	\$1,446,259	\$1,446,259	\$1,449,577	\$1,461,494	\$7,457	\$12.39	64.06%	-1.0%	\$ (15,235)
NET OPERATING INCOME ("NOI")					36.38%	\$7.01	\$4,219	\$826,947	\$773,948	\$778,952	\$820,034	\$4,184	\$6.95	35.94%	0.8%	\$ 6,913

CONTROLLABLE EXPENSES	\$4,286/Unit		\$4,433/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>North Crest Apartments , Waco, 9% HTC #25093</i>

		DEBT / GRANT SOURCES																					
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE												
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative							
UW	App	Applicant	TDHCA						DCR	LTC													
DEBT (Must Pay)	Fee																						
HUD Loan Assumption	0.25%	2.29	2.31	\$357,500	2.40%	31	31.0	\$7,367,873	\$7,367,873	\$7,367,873	\$7,367,873	31.0	31.0	2.40%	\$355,598	2.33	20.2%						
HUD	0.25%	1.25	1.26	\$300,472	6.40%	40	40.0	\$4,200,000	\$4,200,000	\$4,200,000	\$4,200,000	40.0	40.0	6.40%	\$301,987	1.26	11.5%						
CASH FLOW DEBT / GRANTS																							
National Church Residences - Court		1.25	1.26		7.00%	50	50.0	\$3,325,000	\$3,325,000	\$3,325,000	\$3,325,000	50.0	50.0	7.00%	\$0	1.26	9.1%						
National Church Residences - Creekside		1.25	1.26		7.00%	50	50.0	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	50.0	50.0	7.00%	\$0	1.26	5.2%						
CMF Note Assumed from NCR		1.25	1.26		0.00%	46	46.0	\$270,000	\$270,000	\$270,000	\$270,000	46.0	46.0	0.00%	\$0	1.26	0.7%						
City of Waco		1.25	1.26		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0.0	0.00%		1.26	0.0%						
Construction Period Income		1.25	1.26		0.00%	0	0.0	\$375,000	\$333,000	\$333,000	\$375,000	0.0	0.0	0.00%		1.26	1.0%						
Acquired R4R 8.2025		1.25	1.26		0.00%	0	0.0	\$476,562	\$344,176	\$344,176	\$476,562	0.0	0.0	0.00%		1.26	1.3%						
				\$657,972	TOTAL DEBT / GRANT SOURCES			\$17,914,935	\$17,740,549	\$17,740,549	\$17,914,935	TOTAL DEBT SERVICE			\$657,585	1.26	49.2%						
NET CASH FLOW		\$162,062	\$168,975	APPLICANT														NET OPERATING INCOME		\$826,947	\$169,362	NET CASH FLOW	

		EQUITY SOURCES												
		APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
									Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA							
	National Equity Fund	LIHTC Equity	46.7%	\$2,000,000	\$0.85	\$16,998,300	\$17,598,240	\$17,598,240	\$16,998,300	\$0.85	\$2,000,000	46.7%	\$10,204	Applicant Request
	National Equity Fund (\$0.50)	SHTC Equity	2.1%	\$150,000	\$0.50	\$749,925	\$0	\$0	\$749,925	\$0.50	\$150,000	2.1%		
	National Church Residences	Deferred Developer Fees	2.1%	(30% Deferred)		\$767,396	\$1,091,767	\$1,091,767	\$767,396	(30% Deferred)		2.1%	Total Developer Fee: \$2,573,000	
TOTAL EQUITY SOURCES			50.8%			\$18,515,621	\$18,690,007	\$18,690,007	\$18,515,621			50.8%		
TOTAL CAPITALIZATION						\$36,430,556	\$36,430,556	\$36,430,556	\$36,430,556				15-Yr Cash Flow after Deferred Fee:	\$1,975,853

		DEVELOPMENT COST / ITEMIZED BASIS															
		APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE			
		Eligible Basis		Total Costs			Prior Underwriting		Total Costs			Eligible Basis					
		Acquisition	New Const. Rehab				Applicant	TDHCA				New Const. Rehab	Acquisition			%	\$
Land Acquisition		\$0		\$5,306 / Unit		\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000	\$5,306 / Unit		\$0	0.0%	\$0			
Building Acquisition				\$66,633 / Unit		\$13,060,000	\$13,060,000	\$13,060,000	\$13,060,000	\$66,633 / Unit			\$0	0.0%	\$0		
Off-Sites				\$ / Unit		\$0	\$0	\$0	\$ / Unit					0.0%	\$0		
Site Work				\$479,020		\$2,444 / Unit	\$479,020	\$479,020	\$485,510	\$485,510			\$2,477 / Unit	\$485,510	-1.3%	(\$6,490)	
Site Amenities				\$165,560		\$845 / Unit	\$165,560	\$165,560	\$159,070	\$159,070			\$812 / Unit	\$159,070	4.1%	\$6,490	
Building Cost				\$12,149,420		\$102.96 /sf	\$61,987/Unit	\$12,149,420	\$12,149,420	\$12,149,420			\$61,987/Unit	\$102.96 /sf	\$12,149,420	0.0%	\$0
Contingency				\$1,279,400		10.00%	10.00%	\$1,279,400	\$1,279,400	\$1,279,400			10.00%	10.00%	\$1,279,400	0.0%	\$0
Contractor Fees				\$1,791,160		12.73%	12.73%	\$1,791,160	\$1,791,160	\$1,791,160			12.73%	12.73%	\$1,791,160	0.0%	\$0
Soft Costs		\$0	\$1,349,500	\$9,147 / Unit		\$1,792,750	\$1,792,750	\$1,792,750	\$9,147 / Unit		\$1,349,500	\$0	0.0%	\$0			
Financing		\$0	\$758,166	\$6,170 / Unit		\$1,209,246	\$1,209,246	\$1,209,246	\$6,170 / Unit		\$758,166	\$0	0.0%	\$0			
Developer Fee		\$0	\$2,573,000	14.32%	14.32%	\$2,573,000	\$2,573,000	\$2,573,000	14.32%	14.32%	\$2,573,000	\$0	0.0%	\$0			
Reserves				5 Months		\$891,000	\$891,000	\$891,000	\$891,000		5 Months		0.0%	\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$20,545,226	\$185,870 / Unit		\$36,430,556	\$36,430,556	\$36,430,556	\$36,430,556		\$185,870 / Unit	\$20,545,226	\$0	0.0%	\$0		
Acquisition Cost		\$0				\$0											
Contingency			\$0			\$0											
Contractor's Fee			\$0			\$0											
Financing Cost			\$0														
Developer Fee		0.00%	\$0		\$0												
Reserves					\$0												
ADJUSTED BASIS / COST		\$0	\$20,545,226	\$185,870/unit		\$36,430,556			\$36,430,556	\$185,870/unit		\$20,545,226	\$0	0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$36,430,556											

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>North Crest Apartments , Waco, 9% HTC #25093</i>

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$20,545,226	\$0	\$20,545,226
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$20,545,226	\$0	\$20,545,226
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$26,708,793	\$0	\$26,708,793
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$26,708,793	\$0	\$26,708,793
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,403,791	\$0	\$2,403,791
CREDITS ON QUALIFIED BASIS	\$2,403,791		\$2,403,791	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8499	Variance to Request	
Method			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,403,791	\$20,430,184	----	----	----
Needed to Fill Gap	\$2,090,291	\$17,765,696	----	----	----
Applicant Request	\$2,000,000	\$16,998,300	\$2,000,000	\$0	\$0


Long-Term Pro Forma

North Crest Apartments , Waco, 9% HTC #25093

	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%	\$2,273,206	\$2,318,670	\$2,365,043	\$2,412,344	\$2,460,591	\$2,716,691	\$2,999,447	\$3,311,631	\$3,656,309	\$4,036,860	\$4,457,020	\$4,920,910
TOTAL EXPENSES	3.00%	\$1,446,259	\$1,488,521	\$1,532,028	\$1,576,817	\$1,622,927	\$1,874,690	\$2,165,852	\$2,502,616	\$2,892,164	\$3,342,814	\$3,864,202	\$4,467,484
NET OPERATING INCOME ("NOI")		\$826,947	\$830,149	\$833,015	\$835,527	\$837,664	\$842,002	\$833,595	\$809,016	\$764,145	\$694,046	\$592,818	\$453,426
EXPENSE/INCOME RATIO		63.6%	64.2%	64.8%	65.4%	66.0%	69.0%	72.2%	75.6%	79.1%	82.8%	86.7%	90.8%
MUST -PAY DEBT SERVICE													
HUD Loan Assumption		\$355,598	\$355,193	\$354,778	\$354,352	\$353,917	\$351,575	\$348,936	\$345,960	\$342,605	\$338,823	\$337,178	\$337,178
Adjustment to Debt Per §11.302(c)(2)													
HUD		\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987
TOTAL DEBT SERVICE		\$657,585	\$657,180	\$656,765	\$656,339	\$655,904	\$653,562	\$650,923	\$647,947	\$644,592	\$640,810	\$639,165	\$639,165
DEBT COVERAGE RATIO		1.26	1.26	1.27	1.27	1.28	1.29	1.28	1.25	1.19	1.08	0.93	0.71
ANNUAL CASH FLOW		\$169,362	\$172,969	\$176,251	\$179,188	\$181,760	\$188,439	\$182,672	\$161,069	\$119,553	\$53,236	(\$46,347)	(\$185,739)
Deferred Developer Fee Balance		\$598,034	\$425,065	\$248,814	\$69,626	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$112,134	\$1,045,350	\$1,975,853	\$2,831,498	\$3,521,172	\$3,930,999	\$3,914,654	\$3,281,576

25093 North Crest Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 3, 2025

PROPERTY IDENTIFICATION				RECOMMENDATION				KEY PRINCIPALS / SPONSOR											
Application #	25093			TDHCA Program	Request	Recommended			Tracey Fine / Developer / National Church Residences										
Development	North Crest Apartments			FHTC (9% Credit)	\$2,000,000	\$2,000,000	\$10,204/Unit	\$0.88											
City / County	Waco / McLennan																		
Region/Area	8 / Urban																		
Population	Elderly Preference																		
Set-Aside	Non-Profit																		
Activity	Acquisition/Rehab			1997 / 1982															
TYPICAL BUILDING ELEVATION/PHOTO								UNIT DISTRIBUTION											
								Income Distribution		Income		# Units		% Total					
								Eff		-		0%		20%		-		0%	
								1		194		99%		30%		40		20%	
								2		2		1%		40%		-		0%	
								3		-		0%		50%		80		41%	
								4		-		0%		60%		74		38%	
														70%		-		0%	
														80%		-		0%	
														MR		2		1%	
								TOTAL		196		100%		TOTAL		196		100%	
PRO FORMA FEASIBILITY INDICATORS																			
Pro Forma Underwritten				Applicant's Pro Forma															
Debt Coverage		1.18		Expense Ratio		65.1%													
Breakeven Occ.		90.0%		Breakeven Rent		\$940													
Average Rent		\$992		B/E Rent Margin		\$52													
Property Taxes		\$1,020/unit		Exemption/PILOT		0%													
Total Expense		\$7,379/unit		Controllable		\$4,286/unit													
MARKET FEASIBILITY INDICATORS																			
Gross Capture Rate (10% Maximum)				6.0%															
Highest Unit Capture Rate		0%		N/A		N/A													
Dominant Unit Cap. Rate				0 BR/20%		0													
Premiums (↑80% Rents)		N/A		N/A		N/A													
Rent Assisted Units		194		99% Total Units															
DEVELOPMENT COST SUMMARY																			
Costs Underwritten				TDHCA's Costs - Based on SCR															
Avg. Unit Size		602 SF		Density		63.0/acre													
Acquisition				\$72K/unit		\$14,100K													
Building Cost		\$102.96/SF		\$62K/unit		\$12,149K													
Hard Cost				\$72K/unit		\$14,073K													
Total Cost				\$186K/unit		\$36,431K													
Developer Fee		\$2,573K		(42% Deferred)		Paid Year: 9													
Contractor Fee		\$1,791K		30% Boost		Yes													
REHABILITATION COSTS / UNIT																			
Site Work		\$2K		3%		Finishes/Fixtures		\$26K		36%									
Building Shell		\$21K		29%		Amenities		\$1K		1%									
HVAC		\$7K		9%		Total Exterior		\$24K		40%									
Appliances		\$3K		4%		Total Interior		\$36K		60%									

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
HUD Loan Assumption	31/31	2.40%	\$7,367,873	2.18						National Equity Fund	\$17,598,240	
HUD	40/40	6.40%	\$4,200,000	1.18	National Church Residences - Court	50/0	7.00%	\$3,325,000	1.18	0	\$0	
					National Church Residences - Creekside	50/0	7.00%	\$1,900,000	1.18	0	\$0	
					Capital Magnet Fund	46/0	0.00%	\$270,000	1.18	National Church Residences	\$1,091,767	
									0	\$0		
					City of Waco	0/0	0.00%	\$500	1.18			
					Construction Period Income	0/0	0.00%	\$333,000	1.18	TOTAL EQUITY SOURCES	\$18,690,007	
					Acquired R4R 1.2025	0/0	0.00%	\$344,176	1.18	TOTAL DEBT SOURCES	\$17,740,549	
TOTAL DEBT (Must Pay)			\$11,567,873		CASH FLOW DEBT / GRANTS			\$6,172,676		TOTAL CAPITALIZATION		\$36,430,556

CONDITIONS	
1 Receipt and acceptance by Carryover: * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside	
2 Receipt and acceptance by Cost Certification: a: Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if necessary, a certification that any appropriate abatement procedures were implemented. b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented. c: Certification that leaking pad-mounted transformer was evaluated and subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.	
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	
▫ Lack of up to date supply in submarket	
▫ Experienced Non-profit developer	
WEAKNESSES/RISKS	
▫ High expense ratio	
▫ Aging property may come with unforeseen costs	
AREA MAP	

AERIAL PHOTOGRAPH(s)	



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25093** Program(s): **9% HTC**

North Crest Apartments

Address/Location: 4200 N 19th St & 2005 Steward Dr

City: Waco County: McLennan Zip: 76708

Population: Elderly Preference Program Set-Aside: Non-Profit Area: Urban

Activity: Acquisition/Rehab Building Type: Garden/Townhome Region: 8

Low-Income: 20% at 50%

Analysis Purpose: New Application - Initial Underwriting

HUD Section 202 Program (Court), HUD
(*) PRAC/Capital Advance (Creekside)

ALLOCATION

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

CONDITIONS

- Receipt and acceptance by Carryover:
 - * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside
 - Receipt and acceptance by Cost Certification:
 - Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if necessary, a certification that any appropriate abatement procedures were implemented.
 - Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.
 - Certification that leaking pad-mounted transformer was evaluated and subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
- 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	40
50% of AMI	50% of AMI	80
60% of AMI	60% of AMI	76

DEVELOPMENT SUMMARY

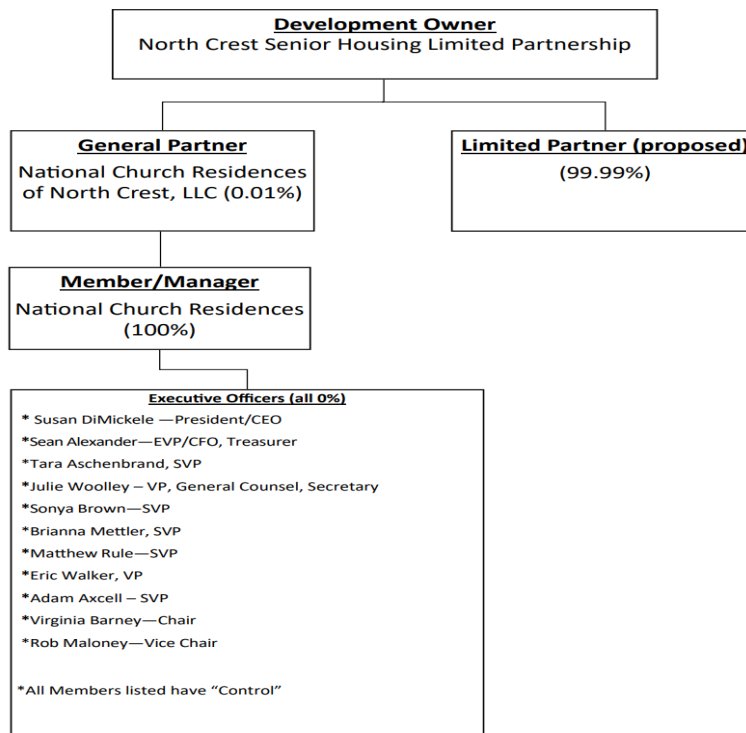
North Crest Creekside is comprised of 2 adjacent buildings (North Crest Court and North Crest Creekside) built in separate years on one single site. North Crest Court was built in 1982 with the HUD 202 Direct Loan program and includes 120 senior units. North Crest Creekside includes 76 senior units, built in 1997 using the HUD PRAC Capital Program. If funded with LIHTC, they will be combined into 1 single ownership LP. National Church Residences purchased these properties from the Salvation Army in 2022 in hopes of finding a path for preservation. The NC Creekside portion of the property will go through the RAD for PRAC process and receive a rent boost along with a new 20 year HAP contract at closing. The NC Court side has an existing HAP contract that expires in 2042. If required by the lenders, a new HAP contract will be entered into at closing. The properties are in fair condition and will undergo critical and cosmetic repairs in order to extend its useful life.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS		WEAKNESSES/RISKS	
▫	Lack of up to date supply in submarket	▫	High expense ratio
▫	Experienced Non-profit developer	▫	Aging property may come with unforeseen costs

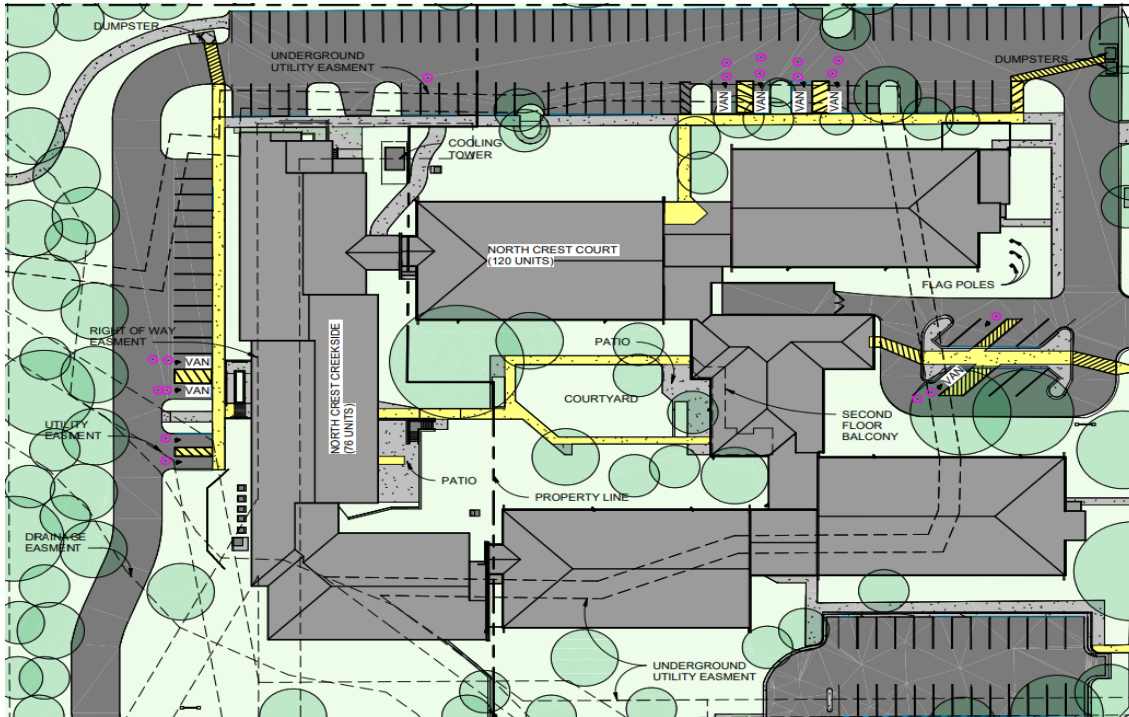
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
Open Surface	122	0.6/unit	0	--	122	0.6/unit
Carport	0	--	0	--	0	--
Garage	0	--	0	--	0	--
Total Parking	122	0.6/unit	0	--	122	0.6/unit

Comments:

Fewer parking spaces than # of units, 5 accessible parking spaces provided. Architect certified this meets standards.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	Weekside	Courtside												Total Buildings
Floors/Stories	3	3												
Number of Bldgs	1	1												2
Units per Bldg	76	120												
Total Units	76	120												196
Avg. Unit Size (SF)		602 sf	Total NRA (SF)		118,003		Common Area (SF)*		36,669					

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO	
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Site Acreage:	Development Site:	3.11	acres	Density:	63.0	units/acre
	Site Control:	3.11	Site Plan:	3.11	Appraisal:	3.11
					ESA:	3.11
	Feasibility Report Survey:	3.11	Feasibility Report Engineer's Plan:	NA	Existing LURA:	NA

Control Type: Contract for Sale

Development Site:	<u>3.11</u>	acres	Cost:	<u>\$14,100,000</u>	<u>\$71,939</u>	per unit
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Seller: National Church Residences of WB Waco

Buyer:	National Church Residences
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Related-Party Seller/Identity of Interest:	<u>Yes</u>
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Date of Most Recent Arms Length Settlement Statement:	<u>1/13/2022</u>
Sales Price in Most Recent Arms Length Settlement Statement:	<u>\$11,501,548</u>

Comments:

The project is not claiming credit on acquisition, however, it is eligible since Developer/Owner/Buyer/Seller is a non-profit.

The total estimated price in the contracts is \$15K less than the amount included in the Development Cost Schedule. However, the contracts specifically state that the purchase price shall equal the appraised value. Therefore, the Underwriter has included the full \$14.1M appraised value as the total purchase price.

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APPRAISED VALUE			
Appraiser:	BBG Real Estate	Date:	1/29/2025
Land as Vacant:	3.11 acres	\$1,040,000	Per Unit: \$5,306
Existing Buildings: (as-is)		\$13,060,000	Per Unit: \$66,633
Total Development: (as-is)		\$14,100,000	Per Unit: \$71,939
SITE INFORMATION			
Flood Zone: X- Not in Flood Zone		Scattered Site?	No
Zoning:	R-3E MF	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1997 / 1982	Title Issues?	No
<p>Current Uses of Subject Site:</p> <p style="margin-left: 20px;">Subject property is currently used as elderly housing</p>			
TENANT RELOCATION PLAN			
<p>The relocation plan will impact all residents and will unfold over 7 phases throughout the duration of the construction period. Each phase will consist of approximately 18 units. In an effort to minimize resident displacement, National Church Residences will stop leasing vacant units to try to gain up to 18 units to use for residents during the construction period. Residents will move to these vacant units. National Church Residences will move each resident out to a vacant unit onsite during construction in their apartment. Once construction is complete, we will move our residents back to their original units. Construction will finalize 18 units simultaneously, with each phase expected to last 4 6 weeks. North Crest Court has budgeted \$214,600 for the moves, \$10,200 for utility transfers, \$2,550 for laundry, \$5,000 for resident services while elevators are down, and \$22,500 for cleaning and storage. The total is \$254,850 for a cost of \$1,665/unit. North Crest Creekside has budgeted \$138,600 for the moves, \$6,400 for utility transfers, \$1,600 for laundry, \$5,000 for resident services, and \$16,800 for cleaning and storage for a total of \$168,400 for a cost of \$1,100 per unit.</p>			
HIGHLIGHTS of ENVIRONMENTAL REPORTS			
Provider:	DG3 (Dominion Due Dilligence Group)	Date:	2/25/2025
<p>Recognized Environmental Conditions (RECs) and Other Concerns:</p> <ul style="list-style-type: none"> ▫ Recommends evaluation of leaking pad-mounted transformer ▫ Recommends asbestos survey prior to renovation activities ▫ Recommends radon gas testing at subject property 			

MARKET ANALYSIS

Provider: VSI (Vogt Strategic Insights)

Date: 2/21/2025

Primary Market Area (PMA): 28.4 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
20171	Avanti Viking Hills	Yes	New	General	0	82
21024	Freedom's Path at Waco	Yes	Adapt Re-Use	Supportive Housing	0	34
Stabilized Affordable Developments in PMA					Total Units	178
					Total Developments	3
					Average Occupancy	96%

Comments:

Rehab or reconstruction projects where: (i) 100% of units are covered by an existing project based rental assistance that will continue for at least the Compliance Period, an existing Department LURA, or the subject rents are at or below 50% AMGI rents, (ii) is 80% occupied, and (iii) gives existing tenants leasing preference or the right to return, do not require a full market study. The subject property is 98% occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$773,948	Avg. Rent:	\$992	Expense Ratio:	65.1%
Debt Service:	\$657,585	B/E Rent:	\$940	Controllable Expenses:	\$4,286
Net Cash Flow:	\$116,363	UW Occupancy:	95.0%	Property Taxes/Unit:	\$1,020
Aggregate DCR:	1.18	B/E Occupancy:	90.0%	Program Rent Year:	2024

1) Subject property receives rental assistance from Section 8 for 100% of the tax credit units. Currently, National Church Residences is renegotiating the contract for an increase on the 75 Creekside units.

2) Applicant exceeds 65% expense ratio rule, however, per 11.302(i)(5)(B)(i), the infeasibility conclusions will not apply if the development "will receive Project-based Section 8 Rental Assistance or the HUD Rental Assistance Demonstration Program for at least 50% of the Units and a firm commitment, with terms including Contract Rent and number of Units, is submitted at Application"

3) Water, sewer, trash utilities were abnormally high for 2024 due to a large leak on the property. Applicant's expense included in the Application is consistent with comparable developments in the region and reflects a more normalized estimate of water, sewer and trash.

DEVELOPMENT COST EVALUATION

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

Acquisition	\$334,405/ac	\$71,939/unit	\$14,100,000	Contractor Fee	\$1,791,160
Off-site + Site Work		\$3,289/unit	\$644,580	Soft Cost + Financing	\$3,001,996
Building Cost	\$102.96/sf	\$61,987/unit	\$12,149,420	Developer Fee	\$2,573,000
Contingency	10.00%	\$6,528/unit	\$1,279,400	Reserves	\$891,000
Total Development Cost		\$185,870/unit	\$36,430,556	Rehabilitation Cost	\$65,276/unit
Qualified for 30% Basis Boost?		Add'l 10% of units restricted at or below 30% AMI			

REHABILITATION COSTS / UNIT / % HARD COST

Site Work	\$485,510	\$2,477/unit	3%	Finishes/Fixtures	\$5,068,462	\$25,860/unit	36%
Building Shell	\$4,079,608	\$20,814/unit	29%	HVAC	\$1,301,650	\$6,641/unit	9%
Amenities	\$159,070	\$812/unit	1%	Appliances	\$606,000	\$3,092/unit	4%
Total Exterior	\$4,724,188	\$24,103/unit	40%	Total Interior	\$6,976,112	\$35,592/unit	60%

SCOPE & COST REVIEW

Provider: DG3 (Dominion Due Dilligence Group)

Date: 2/25/2025

Scope of Work:

The proposed rehabilitation will address both structural and aesthetic improvements across the property, including significant correction to deferred maintenance and modernization of the building.

The exterior scope includes replacement of roofing systems, repair and replacement of certain building façade elements, structural repairs where needed, updated exterior painting of railings and balcones, replacement of aged signage, installation of updated site and building lighting, and resurfacing of all parking and drive areas.

Common areas and community spaces will be renovated to improve functionality and compliance with current standards. This includes updates to finishes, flooring, and fixtures in community rooms, corridors, and other shared spaces.

Interior unit renovations will consist of replacement of flooring, interior paint, installation of new window blinds, bathroom modifications, electrical panels, switches, and other improvements.

Building systems, including dwelling unit and common area HVAC systems will be replaced. Additional building system upgrades and deferred maintenance will be undertaken.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$36,430,556	\$20,545,226	\$2,403,791

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
HUD Loan Assumption	HUD Insured 223f Loan	\$7,367,873	2.65%	31%
HUD	241a Loan	\$4,200,000	6.40%	17%
National Equity Fund	FHTC	\$5,279,472	\$0.88	22%
National Church Residences - Court	Seller Note	\$3,325,000	7.00%	14%
National Church Residences - Creekside	Seller Note	\$1,900,000	7.00%	8%
Capital Magnet Fund	Loan Assumption	\$270,000	0.00%	1%
National Church Residences	Fee	\$1,091,767	0.00%	5%
City of Waco	In-Kind	\$500	0.00%	0%
Construction Period Income	Property Income	\$333,000	0.00%	1%
Acquired R4R 1.2025	Acquired Reserves	\$344,176	0.00%	1%
		\$24,111,788	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
HUD Loan Assumption	\$7,367,873	2.40%	31	31.0	\$7,367,873	2.40%	31	31.0	20%
HUD	\$4,200,000	6.40%	40	40.0	\$4,200,000	6.40%	40	40.0	12%
City of Waco	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
Construction Period Income	\$333,000	0.00%	0	0.0	\$333,000	0.00%	0	0.0	1%
Acquired R4R 1.2025	\$344,176	0.00%	0	0.0	\$344,176	0.00%	0	0.0	1%
Total	\$17,740,549				\$17,740,549				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
National Equity Fund	\$17,598,240	\$0.88		\$17,598,240	\$0.88	48%	
National Church Residences	\$1,091,767		42%	\$1,091,767		3%	42%
Total	\$18,690,007			\$18,690,007			
				\$36,430,556	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.935	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.843	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$36,430,556
Permanent Sources (debt + non-HTC equity)	\$17,740,549
Gap in Permanent Financing	\$18,690,007

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$21,151,249	\$2,403,791
Needed to Balance Sources & Uses	\$18,690,007	\$2,124,077
Requested by Applicant	\$17,598,240	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$17,598,240	\$2,000,000

Deferred Developer Fee	\$1,091,767	(42% deferred)
Repayable in	9 years	

Recommendation:

Underwriter recommends \$2,000,000 in annual credits based on the Applicant's request.

Underwriter: Jake Schmid

Manager of Real Estate Analysis: Diamond Unique Thompson

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE

North Crest Apartments , Waco, 9% HTC #25093

LOCATION DATA	
CITY:	Waco
COUNTY:	McLennan
Area Median Income	\$83,800
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	194	99.0%	194	0	0	0
2	2	1.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	196	100.0%	194	-	-	-

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	602 sf

50%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	40	-	80	74	-	-	2	196
Income	% Total	0.0%	20.4%	0.0%	40.8%	37.8%	0.0%	0.0%	1.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																					
FEDERAL HTC		RENT ASSISTED UNIT						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
TC 30%	\$457	PBRA - Creekside	\$1,047	16	1	1	563	\$1,047	\$72	\$975	\$0	\$1.73	\$975	\$15,600	\$15,600	\$975	\$1.73	\$0	\$1,050	\$1.87	\$1,050
TC 30%	\$457	PBRA- Court	\$1,066	24	1	1	621	\$1,066	\$46	\$1,020	\$0	\$1.64	\$1,020	\$24,480	\$24,480	\$1,020	\$1.64	\$0	\$1,075	\$1.73	\$1,075
TC 50%	\$762	PBRA - Creekside	\$1,047	26	1	1	563	\$1,047	\$72	\$975	\$0	\$1.73	\$975	\$25,350	\$25,350	\$975	\$1.73	\$0	\$1,050	\$1.87	\$1,050
TC 50%	\$762	PBRA- Court	\$1,066	54	1	1	621	\$1,066	\$46	\$1,020	\$0	\$1.64	\$1,020	\$55,080	\$55,080	\$1,020	\$1.64	\$0	\$1,075	\$1.73	\$1,075
TC 60%	\$915	PBRA - Creekside	\$1,047	33	1	1	563	\$1,047	\$72	\$975	\$0	\$1.73	\$975	\$32,175	\$32,175	\$975	\$1.73	\$0	\$1,050	\$1.87	\$1,050
TC 60%	\$915	PBRA- Court	\$1,066	41	1	1	621	\$1,066	\$46	\$1,020	\$0	\$1.64	\$1,020	\$41,820	\$41,820	\$1,020	\$1.64	\$0	\$1,075	\$1.73	\$1,075
EO		0	\$0	1	2	1	841	\$0	\$0	\$0		\$0.00	\$0	\$0				NA	\$0	\$0.00	
EO		0	\$0	1	2	1	1,038	\$0	\$0	\$0		\$0.00	\$0	\$0				NA	\$0	\$0.00	
TOTALS/AVERAGES:				196			118,003				\$0	\$1.65	\$992	\$194,505	\$194,505	\$992	\$1.65	\$0	\$1,054	\$1.75	\$1,054

ANNUAL POTENTIAL GROSS RENT:	\$2,334,060	\$2,334,060	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

North Crest Apartments , Waco, 9% HTC #25093

	STABILIZED FIRST YEAR PRO FORMA												
	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	12M Operating		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$1.65	\$992	\$2,334,060	\$2,334,060	\$992	\$1.65		0.0%	\$0
laundry and vending						\$1.28	\$3,000						
Total Secondary Income						\$1.28		\$11,760	\$5.00		-74.5%	(\$8,760)	
POTENTIAL GROSS INCOME								\$2,337,060	\$2,345,820		-0.4%	(\$8,760)	
Vacancy & Collection Loss					5.0% PGI	(116,853)	(117,291)	5.0% PGI				-0.4%	438
EFFECTIVE GROSS INCOME							\$2,220,207	\$2,228,529				-0.4%	(\$8,322)

General & Administrative	\$64,807	\$331/Unit	\$122,943	\$627	5.07%	\$0.95	\$574	\$112,500	\$122,943	\$627	\$1.04	5.52%	-8.5%	(10,443)
Management	\$62,953	4.6% EGI	\$112,732	\$575	5.07%	\$0.95	\$574	\$112,600	\$111,426	\$569	\$0.94	5.00%	1.1%	1,174
Payroll & Payroll Tax	\$235,100	\$1,199/Unit	\$419,603	\$2,141	15.56%	\$2.93	\$1,763	\$345,535	\$345,535	\$1,763	\$2.93	15.51%	0.0%	-
Repairs & Maintenance	\$163,185	\$833/Unit	\$128,782	\$657	5.50%	\$1.03	\$623	\$122,110	\$137,200	\$700	\$1.16	6.16%	-11.0%	(15,090)
Electric/Gas	\$42,793	\$218/Unit	\$93,879	\$479	4.08%	\$0.77	\$462	\$90,630	\$93,879	\$479	\$0.80	4.21%	-3.5%	(3,249)
Water, Sewer, & Trash	\$131,972	\$673/Unit	\$315,243	\$1,608	7.62%	\$1.43	\$864	\$169,270	\$169,270	\$864	\$1.43	7.60%	0.0%	-
Property Insurance	\$140,531	\$1.19 /sf	\$158,284	\$808	6.94%	\$1.31	\$786	\$154,000	\$154,000	\$786	\$1.31	6.91%	0.0%	-
Property Tax (@ 100%) 2.2557	\$107,314	\$548/Unit	\$1,101	\$6	9.01%	\$1.69	\$1,020	\$200,000	\$175,710	\$896	\$1.49	7.88%	13.8%	24,290
Reserve for Replacements					2.65%	\$0.50	\$300	\$58,800	\$58,800	\$300	\$0.50	2.64%	0.0%	-
Security					0.50%	\$0.09	\$57	\$11,124	\$11,124	\$57	\$0.09	0.50%	0.0%	-
Supportive Services					2.79%	\$0.52	\$316	\$61,930	\$61,930	\$316	\$0.52	2.78%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.35%	\$0.07	\$40	\$7,760	\$7,760	\$40	\$0.07	0.35%	0.0%	-
TOTAL EXPENSES					65.14%	\$12.26	\$7,379	\$1,446,259	\$1,449,577	\$7,396	\$12.28	65.05%	-0.2%	\$ (3,318)
NET OPERATING INCOME ("NOI")					34.86%	\$6.56	\$3,949	\$773,948	\$778,952	\$3,974	\$6.60	34.95%	-0.6%	\$ (5,004)

CONTROLLABLE EXPENSES		\$4,286/Unit		\$4,433/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

North Crest Apartments , Waco, 9% HTC #25093

		DEBT / GRANT SOURCES														
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
UW	App	DCR	LTC													
DEBT (Must Pay)	Fee															
HUD Loan Assumption	0.25%	2.18	2.16	357,500	2.40%	31	31.0	\$7,367,873	\$7,367,873	31.0	31.0	2.40%	\$355,598	2.18	20.2%	
HUD	0.25%	1.18	1.17	\$301,900	6.40%	40	40.0	\$4,200,000	\$4,200,000	40.0	40.0	6.40%	\$301,987	1.18	11.5%	
CASH FLOW DEBT / GRANTS																
National Church Residences - Court		1.18	1.17		7.00%	0	50.0	\$3,325,000	\$3,325,000	50.0	0.0	7.00%		1.18	9.1%	
National Church Residences - Creekside		1.18	1.17		7.00%	0	50.0	\$1,900,000	\$1,900,000	50.0	0.0	7.00%		1.18	5.2%	
Capital Magnet Fund		1.18	1.17		0.00%	0	46.0	\$270,000	\$270,000	46.0	0.0	0.00%		1.18	0.7%	
City of Waco		1.18	1.17		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.18	0.0%	
Construction Period Income		1.18	1.17		0.00%	0	0.0	\$333,000	\$333,000	0.0	0.0	0.00%		1.18	0.9%	
Acquired R4R 1.2025		1.18	1.17		0.00%	0	0.0	\$344,176	\$344,176	0.0	0.0	0.00%		1.18	0.9%	
				\$659,400	TOTAL DEBT / GRANT SOURCES			\$17,740,549	\$17,740,549	TOTAL DEBT SERVICE			\$657,585	1.18	48.7%	
NET CASH FLOW		\$119,552	\$114,548	APPLICANT NET OPERATING INCOME \$773,948 \$116,363 NET CASH FLOW												
EQUITY / DEFERRED FEES		EQUITY SOURCES														
		APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE							
		DESCRIPTION		% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method			
National Equity Fund		LIHTC Equity		48.3%	\$2,000,000	\$0.88	\$17,598,240	\$17,598,240	\$0.88	\$2,000,000	48.3%	\$10,204	Applicant Request			
National Church Residences		Deferred Developer Fees		3.0%	(42% Deferred)		\$1,091,767	\$1,091,767	(42% Deferred)		3.0%	Total Developer Fee:		\$2,573,000		
TOTAL EQUITY SOURCES				51.3%				\$18,690,007	\$18,690,007			51.3%				
TOTAL CAPITALIZATION								\$36,430,556	\$36,430,556				15-Yr Cash Flow after Deferred Fee:		\$734,955	

		DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS				COST VARIANCE				
		Eligible Basis								Eligible Basis					
		Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			%	\$
				Total Costs		Total Costs									
Land Acquisition				\$5,306 / Unit		\$1,040,000		\$1,040,000		\$5,306 / Unit				0.0%	\$0
Building Acquisition		\$0		\$66,633 / Unit		\$13,060,000		\$13,060,000		\$66,633 / Unit		\$0		0.0%	\$0
Off-Sites				\$ / Unit		\$0		\$0		\$ / Unit				0.0%	\$0
Site Work			\$479,020	\$2,444 / Unit		\$479,020		\$485,510		\$2,477 / Unit			\$485,510	-1.3%	(\$6,490)
Site Amenities			\$165,560	\$845 / Unit		\$165,560		\$159,070		\$812 / Unit			\$159,070	4.1%	\$6,490
Building Cost			\$12,149,420	\$102.96 /sf	\$61,987/Unit	\$12,149,420	\$12,149,420	\$61,987/Unit	\$102.96 /sf	\$12,149,420	0.0%		\$0		
Contingency			\$1,279,400	10.00%	10.00%	\$1,279,400	\$1,279,400	10.00%	10.00%	\$1,279,400	0.0%		\$0		
Contractor Fees			\$1,791,160	12.73%	12.73%	\$1,791,160	\$1,791,160	12.73%	12.73%	\$1,791,160	0.0%		\$0		
Soft Costs		\$0	\$1,349,500	\$9,147 / Unit		\$1,792,750		\$1,792,750		\$9,147 / Unit		\$1,349,500	\$0	0.0%	\$0
Financing		\$0	\$758,166	\$6,170 / Unit		\$1,209,246		\$1,209,246		\$6,170 / Unit		\$758,166	\$0	0.0%	\$0
Developer Fee			\$0	\$2,573,000	14.32%	14.32%	\$2,573,000	\$2,573,000	14.32%	14.32%	\$2,573,000	\$0	0.0%	\$0	
Reserves				5 Months		\$891,000		\$891,000		5 Months				0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$20,545,226	\$185,870 / Unit		\$36,430,556		\$36,430,556		\$185,870 / Unit		\$20,545,226	\$0	0.0%	\$0
Acquisition Cost		\$0					\$0								
Contingency			\$0				\$0								
Contractor's Fee			\$0				\$0								
Financing Cost			\$0												
Developer Fee			0.00%	\$0	\$0			\$0							
Reserves							\$0								
ADJUSTED BASIS / COST		\$0	\$20,545,226	\$185,870/unit		\$36,430,556		\$36,430,556		\$185,870/unit		\$20,545,226	\$0	0.0%	\$0
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$36,430,556									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS				
North Crest Apartments , Waco, 9% HTC #25093				

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$20,545,226	\$0	\$20,545,226
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$20,545,226	\$0	\$20,545,226
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$26,708,793	\$0	\$26,708,793
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$26,708,793	\$0	\$26,708,793
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,403,791	\$0	\$2,403,791
CREDITS ON QUALIFIED BASIS	\$2,403,791		\$2,403,791	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8799	Variance to Request	
Method			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,403,791	\$21,151,249	----	----	----
Needed to Fill Gap	\$2,124,077	\$18,690,007	----	----	----
Applicant Request	\$2,000,000	\$17,598,240	\$2,000,000	\$0	\$0

Long-Term Pro Forma

North Crest Apartments , Waco, 9% HTC #25093

	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%	\$2,220,207	\$2,264,611	\$2,309,903	\$2,356,101	\$2,403,223	\$2,653,353	\$2,929,516	\$3,234,422	\$3,571,064	\$3,942,743	\$4,353,107	\$4,806,181
TOTAL EXPENSES	3.00%	\$1,446,259	\$1,488,521	\$1,532,028	\$1,576,817	\$1,622,927	\$1,874,690	\$2,165,852	\$2,502,616	\$2,892,164	\$3,342,814	\$3,864,202	\$4,467,484
NET OPERATING INCOME ("NOI")		\$773,948	\$776,091	\$777,876	\$779,284	\$780,297	\$778,663	\$763,664	\$731,807	\$678,900	\$599,928	\$488,905	\$338,698
EXPENSE/INCOME RATIO		65.1%	65.7%	66.3%	66.9%	67.5%	70.7%	73.9%	77.4%	81.0%	84.8%	88.8%	93.0%
MUST -PAY DEBT SERVICE													
HUD Loan Assumption		\$355,598	\$355,193	\$354,778	\$354,352	\$353,917	\$351,575	\$348,936	\$345,960	\$342,605	\$338,823	\$337,178	\$337,178
Adjustment to Debt Per §11.302(c)(2)													
HUD		\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987	\$301,987
TOTAL DEBT SERVICE		\$657,585	\$657,180	\$656,765	\$656,339	\$655,904	\$653,562	\$650,923	\$647,947	\$644,592	\$640,810	\$639,165	\$639,165
DEBT COVERAGE RATIO		1.18	1.18	1.18	1.19	1.19	1.19	1.17	1.13	1.05	0.94	0.76	0.53
ANNUAL CASH FLOW		\$116,363	\$118,911	\$121,111	\$122,945	\$124,393	\$125,101	\$112,741	\$83,860	\$34,308	(\$40,881)	(\$150,260)	(\$300,467)
Deferred Developer Fee Balance		\$975,403	\$856,493	\$735,382	\$612,437	\$488,044	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$140,659	\$734,955	\$1,219,401	\$1,499,240	\$1,456,576	\$940,645	(\$244,016)