

24408 Belle Oaks Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 3, 2024

PROPERTY IDENTIFICATION		RECOMMENDATION							
Application #	24408	TDHCA Program		Requested			Recommended		
Development	Belle Oaks Apartments	LIHTC (4% Credit)		\$1,397,171	\$1,397,171	\$6,986/Unit	\$0.90		
City / County	Belton / Bell			Amount	Rate	Amort	Term	Lien	
Region/Area	8 / Urban	TDHCA MFDL		\$5,200,000	2.00%	40	16	2	
Population	General								
Set-Aside	General								
Activity	Acquisition/Rehab	(Built in 1971)							

KEY PRINCIPALS / SPONSOR			
• TGA GP TX HoldCo LLC - Patrick Li - Michael Gilmartin			
Related Parties	Contractor -	No	Seller - Yes

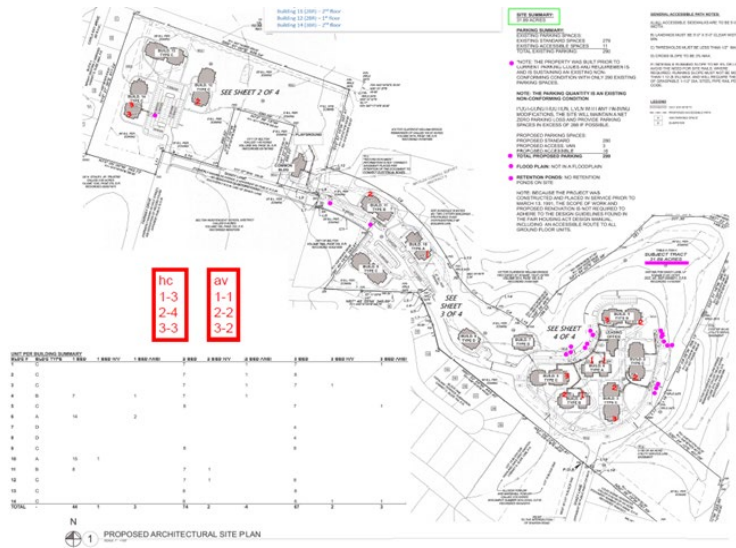
TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	48	24%	30%	30	15%
2	80	40%	40%	-	0%
3	72	36%	50%	-	0%
4	-	0%	60%	170	85%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	200	100%	TOTAL	200	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	52.5%
Breakeven Occ.	86.7%	Breakeven Rent	\$1,156
Average Rent	\$1,235	B/E Rent Margin	\$79
Property Taxes	\$1,104/unit	Exemption/PILOT	0%
Total Expense	\$7,366/unit	Controllable	\$3,705/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	2.2%		
Highest Unit Capture Rate	8%	2 BR/60%	11
Dominant Unit Cap. Rate	8%	2 BR/60%	11
Premiums (↑80% Rents)	N/A	N/A	
Rent Assisted Units	181	91% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on SCR	
Avg. Unit Size	847 SF	Density	6.3/acre
Acquisition	\$100K/unit	\$19,915K	
Building Cost	\$39.31/SF	\$6,663K	
Hard Cost	\$39K/unit	\$7,740K	
Total Cost	\$198K/unit	\$39,617K	
Developer Fee	\$4,556K (59% Deferred)	Paid Year: 12	
Contractor Fee	\$1,084K	30% Boost	No

REHABILITATION COSTS / UNIT			
Site Work	\$1K	4%	Finishes/Fixtures \$18K 54%
Building Shell	\$7K	21%	Amenities \$K 1%
HVAC	\$4K	13%	Total Exterior \$9K 27%
Appliances	\$2K	6%	Total Interior \$24K 73%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Merchants / Freddie Mac	16/40	5.96%	\$14,770,000	1.38	TGA GP Holdco Parent LLC	40/0	6.00%	\$4,000,000	1.15	Merchants Capital Investments	\$12,573,279
TDHCA MFDL - NHTF	16/40	2.00%	\$5,200,000	1.15	Interest Savings	0/0	0.00%	\$390,000	1.15	TGA DF Belle Oaks Apts LLC	\$2,683,531
TOTAL DEBT (Must Pay)			\$19,970,000		CASH FLOW DEBT / GRANTS			\$390,000		TOTAL EQUITY SOURCES	\$15,256,810
TOTAL DEBT SOURCES											\$20,360,000
TOTAL CAPITALIZATION											\$35,616,810

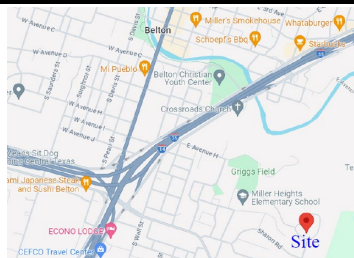
CONDITIONS

- 1 Receipt and acceptance before Direct Loan Closing:
 - a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
 - b: Substantially final construction contract with Schedule of Values.
 - c: Updated term sheets with substantially final terms from all lenders.
 - d: Substantially final draft of limited partnership agreement.
 - e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.
- 2 Receipt and acceptance before Determination Notice:
 - Documentation of approval of proposed HAP Rent increase.
- 3 Receipt and acceptance by Project Completion:
 - a: Certification of implementation of all recommended abatement measures for mold, and implementation of a Mold and Moisture Minimization Plan.
 - b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and/or lead-based paint are being managed in accordance with acceptable Operations and Maintenance (O&M) programs.

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.

BOND RESERVATION / ISSUER	
Issuer	Bell County HFC
Expiration Date	7/9/2024
Bond Amount	\$25,000,000
BRB Priority	Priority 1b
% Financed with Tax-Exempt Bonds	55.0%
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	91% of units supported by HAP Rental Assistance
▫	Renovation should help maintain occupancy and enhance marketability
▫	Developer Experience (TGA Group)
WEAKNESSES/RISKS	
▫	Potential unforeseen deferred maintenance and/or environmental remediation costs
▫	DCR at minimum 1.15 threshold
▫	53 year old development may have less appeal

AREA MAP



AERIAL PHOTOGRAPH(S)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24408** Program(s): **4% HTC/MDL**

Belle Oaks Apartments

Address/Location: 1100 Shady Lane

City: Belton County: Bell Zip: 76513

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

Activity: Acquisition/Rehab Building Type: Garden (Up to 4-story) Region: 8

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
TDHCA MFDL	\$5,200,000	2.00%	40	40.0 yrs	\$5,200,000	2.00%	40	16 yrs	2	24 mos	3
LIHTC (4% Credit)	\$1,397,171				\$1,397,171						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Final construction term will be noted in the loan documents.

CONDITIONS

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 - 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.
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SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	30
60% of AMI	60% of AMI	170

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	65

DEVELOPMENT SUMMARY

Belle Oaks Apartments is an existing 200-unit HAP Contract multi-family property built in in 1971 consisting of 14 residential buildings and two auxiliary buildings on a 31.89-acre parcel of land. One building serves as a leasing office and laundry facility, while the other is currently vacant and post renovation will include a community room and business center. The Project will offer 48 1-bedroom units, 80 2-bedroom, 72 3-bedroom units floorplans, 181 of the 200 units are covered by the HAP contract.

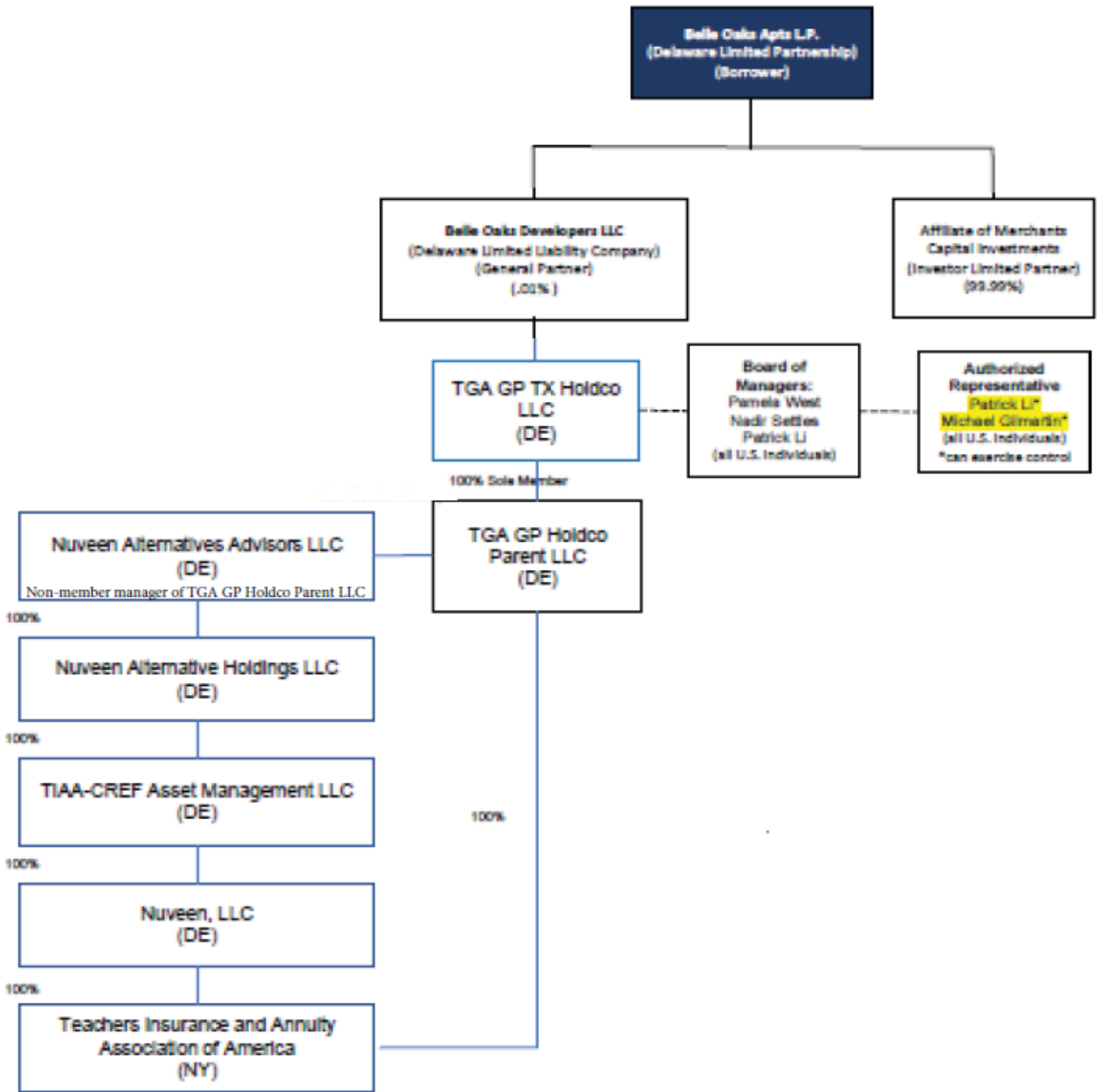
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	91% of units supported by HAP Rental Assistance
▫	Renovation should help maintain occupancy and enhance marketability
▫	Developer Experience (TGA Group)

WEAKNESSES/RISKS	
▫	Potential unforeseen deferred maintenance and/or environmental remediation costs
▫	DCR at minimum 1.15 threshold
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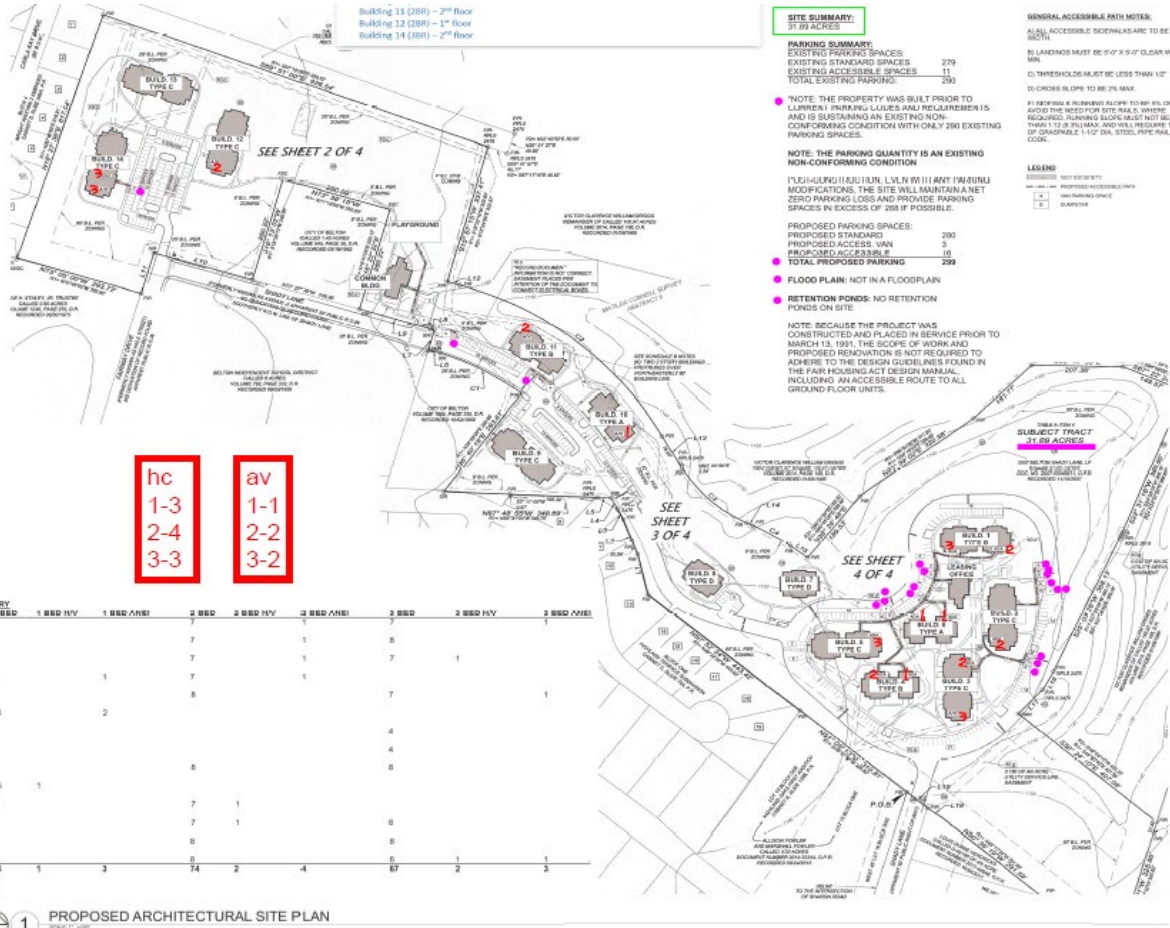
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



SITE SUMMARY:
31.89 ACRES

PARKING SUMMARY:
EXISTING PARKING SPACES: 279
EXISTING ACCESSIBLE SPACES: 11
TOTAL EXISTING PARKING: 290

NOTE: THE PROPERTY WAS BUILT PRIOR TO LUPPERN PARKING LULUES AND REURLEMBER (S AND IS SUSTAINING AN EXISTING NON-CONFORMING CONDITION WITH ONLY 290 EXISTING PARKING SPACES.

NOTE: THE PARKING QUANTITY IS AN EXISTING NON-CONFORMING CONDITION
THEY-HUNG (H)HUN (L)N WITH ANY PARKING MODIFICATIONS, THE SITE WILL MAINTAIN A NET ZERO PARKING LOSS AND PROVIDE PARKING SPACES IN EXCESS OF 290 IF POSSIBLE.

PROPOSED PARKING SPACES:
PROPOSED STANDARD: 290
PROPOSED ACCESS VAN: 3
PROPOSED ACCESSIBLE: 10
TOTAL PROPOSED PARKING: 299

FLOOD PLAIN: NOT IN A FLOODPLAIN
RETENTION PONDS: NO RETENTION PONDS ON SITE

NOTE: BECAUSE THE PROJECT WAS CONSTRUCTED AND PLACED IN SERVICE PRIOR TO MARCH 13, 1991, THE SCOPE OF WORK AND PROPOSED RENOVATION IS NOT REQUIRED TO ADHERE TO THE DESIGN GUIDELINES FOUND IN THE FAIR HOUSING ACT DESIGN MANUAL, INCLUDING AN ACCESSIBLE ROUTE TO ALL GROUND FLOOR UNITS.

GENERAL ACCESSIBLE PATH NOTES:
ALL ACCESSIBLE DOWNWALKS ARE TO BE 5'0" IN WIDTH
D) LANDINGS MUST BE 5'0" X 5'0" CLEAR WIDTH MIN.
E) THRESHOLDS MUST BE LESS THAN 1/2" MAX.
F) CROSS SLOPE TO BE 2% MAX.
G) RAMP RISE & RUN RATIO TO BE 1:12 OR 1:16 TO AVOID THE NEED FOR SIDE WALKS, WHERE REQUIRED. RAMPING SLOPE MUST NOT BE MORE THAN 1:12 IN RISE MAX. AND WILL REQUIRE THE NEED OF GRADABLE 1-1/2" DIA. STEEL PIPE-RAIL PER CODE.

LEGEND:
EXISTING: EXISTING SITE
PROPOSED ACCESSIBLE: PROPOSED ACCESSIBLE
PARKING SPACE: PARKING SPACE
BARBER: BARBER

hc
1-3
2-4
3-3

av
1-1
2-2
3-2

UNIT PER BUILDING SUMMARY										
BLDG #	BLDG TYPE	1 BBD	1 BBD HV	1 BBD (H)E	2 BBD	2 BBD HV	2 BBD (H)E	3 BBD	3 BBD HV	3 BBD (H)E
2	C				7	1		8		
3	C				7	1		7	1	
4	B	7		1	7		1			
5	C				8			7		1
6	A	14		2						
7	D							4		
8	D							4		
9	C				8					
10	A	15	1							
11	B	8			7	1				
12	C				7	1		8		
13	C				8			8		
14	C				8			6	1	1
TOTAL		44	1	3	74	2	4	67	2	3

N
1 PROPOSED ARCHITECTURAL SITE PLAN
Scale 1"=40'

AERIAL



Comments:

There are currently 290 open surface spaces (279 standard spaces and 11 accessible spaces). The property is legally non-conforming (vs. current Code) since the original project was built under prior parking regulations. However, 9 more spaces (280 standard spaces, 3 accessible van spaces and 16 accessible spaces) will be added as part of the proposed renovation. All parking will remain free to the residents.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	A	B	C		D												Total Buildings	
Floors/Stories	2	2	2		1													14
Number of Bldgs	2	2	8		2													14
Units per Bldg	16	16	16		4													200
Total Units	32	32	128		8													200
Avg. Unit Size (SF)	847 sf				Total NRA (SF)		169,496				Common Area (SF)*		4,345					

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 31.89 acres Density: 6.3 units/acre
Site Control: not give **Site Plan:** 31.89 acre **Appraisal:** 31.89 acres **ESA:** 31.89 acres
Feasibility Report Survey: na **Feasibility Report Engineer's Plan:** na **Existing LURA:** na

Control Type: Letter Agreement for Option to Purchase

Development Site: 31.89 acres Cost: \$19,400,000 \$97,000 per unit

Seller: Belle Oaks Apartments, L.P.

Buyer: Belle Oaks Apts L.P.

Related-Party Seller/Identity of Interest: Yes

Comments:

Seller acquired the property on 11/15/2022. Seller and Buyer are related through a common parent company. As a property that is substantially assisted, financed or operated under federal or state housing program funds (Section 8), Belle Oaks Apartments is eligible for an exception to the ten year hold rule under IRC 42(d)(6). The owner submitted a request for HUD approval of an Assignment a Housing Assistance Payments Contract and a termination of the existing HAP Contract in order to replace it with a new 20-year Mark up to Market Renewal of HAP Contract with a post rehab rent increase at closing. Although this is an Identity of Interest transaction, it does not violate Section 42(d)(2)(B)(iii) of the Internal Revenue Code because the party that creates the Identity of Interest owns less than 50% of the interests in the Seller, and is therefore not a related party to the Partnership under Section 42(d)(2)(D)(ii). Additionally, the parties that collectively own more than 50% of the interests in the Seller will not have any interests in the Special Limited Partner or the Partnership.

APPRAISED VALUE

Appraiser:	<u>Goodman-Marks Associates, Inc</u>	Date:	<u>2/5/2024</u>
Land as Vacant:	<u>31.89 acres</u>	<u>\$2,200,000</u>	Per Unit: <u>\$11,000</u>
Existing Buildings: (as-is)		<u>\$17,200,000</u>	Per Unit: <u>\$86,000</u>
Total Development: (as-is)		<u>\$19,400,000</u>	Per Unit: <u>\$97,000</u>

Comments:

The Appraisal indicates the value of the land as if vacant at \$2,200,000. The Appraisal indicates the value of the total development as-is, as-restricted at \$19,400,000. Valuation is based on capitalization of income using the existing HAP Contract Rents approved date.

SITE INFORMATION

Flood Zone:	<u>Zone X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>- Multiple Family Dist</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>1971</u>	Title Issues?	<u>No</u>

Current Uses of Subject Site:

Existing apartment complex built in 1971

TENANT RELOCATION PLAN

If Paths Construction LLC ("Paths") determines a unit requires such work that would require a resident to be temporarily relocated or if a resident has a health issue which is documented by a physician or is elderly and makes a request to management for a reasonable accommodation, Owner shall arrange for resident to be temporarily relocated to a nearby hotel while the work inside their apartment is completed. Residents shall also be provided with a \$25 food allowance per member of the household included in the lease per day and transportation to the hotel if required.

Unless a resident has been relocated to a hotel, each unit's basic services and utilities will be restored by the close of business (approximately 5pm) for that day, even if the rehab work is not completed. Residents shall have access to their bathroom and kitchen at the end of each workday. Paths shall give at least twenty-four hours advance notice if Paths anticipates water or electric service will be interrupted beyond 5pm in which case relocation arrangements may be made depending on how long the interruption will last.

The Developer has budgeted \$67,100 (\$1,458 per unit) for relocation for 46 units.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Nova Group Date: 8/4/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- Several apartment units were noted to have past or present mold/water intrusion. Nova recommends that these areas be properly abated.
- A Limited Asbestos Survey Report dated August 25, 2023 was prepared by Nova. This survey identified the presence of asbestos containing materials ("ACM's"). As part of the renovation, proper abatement procedures must be followed.
- Nova's Lead-Paint Inspection Report dated August 28, 2023 identified the presence of LBP above the action level. Prior to renovation activities, the identified LBP-containing surfaces must be properly abated.

MARKET ANALYSIS

Provider: Novogradac Date: 1/5/2024

Primary Market Area (PMA): 115 sq. miles 6 mile equivalent radius

Comments:

Market Analyst calculates a Gross Capture Rate of 2.2%, which is below the 10% maximum. Underwriter reviewed the market study for compliance.

Capture rate limits do not apply to existing affordable housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Subject property is covered by a Housing Assistance Program contract, meaning that all households below the maximum income level are eligible.

Subject is currently 81.91% occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$1,334,828	Avg. Rent:	\$1,235	Expense Ratio:	52.5%
Debt Service:	\$1,159,224	B/E Rent:	\$1,156	Controllable Expenses:	\$3,705
Net Cash Flow:	\$175,604	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,104
Aggregate DCR:	1.15	B/E Occupancy:	86.7%	Program Rent Year:	2024

181 units (out of 200 total) are supported by Section 8 HAP Rental Assistance. Owner has submitted the request for new HAP contract with increased rents to the HUD Contract administrator. HUD will formally approve the new contract prior to closing.

Proposed HAP Contract Rents were determined by a rental comparability study completed by the project appraiser. Proposed rents represent increases of 52% to 61% over currently approved rents. The rent determination will be set by HUD in a new 20-year HAP contract effective on the day of closing.

Unit Type	Current Net HAP Rent	Proposed Net HAP Rent	Increase	Variance
1BR	\$685	\$1,105	\$420	61%
2BR	\$780	\$1,185	\$405	52%
3BR	\$945	\$1,460	\$515	54%

Five 1-bedroom units, eleven 2-bedroom units and three 3-bedroom units are not supported by the HAP, and are underwritten at the maximum HTC 60% AMI rent.

Applicant submitted the application using 2023 rents. Underwriter utilized 2024 rents.

The Lender signed a long-term pro forma that includes an \$28,000 in annual expense for Supportive Services. Pursuant to §11.302(d)(2)(K), the estimated expenses underwritten at Application will be included in the DCR calculation at Cost Cert regardless if actually incurred.

Applicant budgeted a \$140,000 annual expense for internet service throughout the property. If this service was not provided, the first year DCR would increase to 1.27, still within the 1.35 maximum threshold for feasibility.

As presented, breakeven occupancy occurs with 27 units vacant (underwritten at 15).

Average rent is \$79 above break-even.

The 15 year residual cash flow is \$1.2M after deferred developer fee is paid off in year 12.

DEVELOPMENT COST EVALUATION

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

Acquisition	\$68,987/ac	\$99,575/unit	\$19,914,918	Contractor Fee	\$1,083,544
Off-site + Site Work		\$1,866/unit	\$373,100	Soft Cost + Financing	\$5,281,239
Building Cost	\$39.31/sf	\$33,315/unit	\$6,662,900	Developer Fee	\$4,555,992
Contingency	10.00%	\$3,518/unit	\$703,600	Reserves	\$1,041,517
Total Development Cost	\$198,084/unit	\$39,616,810		Rehabilitation Cost	\$35,180/unit
Qualified for 30% Basis Boost?	Not Qualified				

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$275,900	\$1,380/unit	4%	Finishes/Fixtures	\$3,568,950	\$17,845/unit	54%
Building Shell	\$1,412,350	\$7,062/unit	21%	HVAC	\$848,200	\$4,241/unit	13%
Amenities	\$97,200	\$486/unit	1%	Appliances	\$424,600	\$2,123/unit	6%
Total Exterior	\$1,785,450	\$8,927/unit	27%	Total Interior	\$4,841,750	\$24,209/unit	73%

SCOPE & COST REVIEW

Provider: Nova Group

Date: 1/5/2024

Scope of Work:

Site Work

- Repair & Seal asphalt pavement w/ striping
- Replace concrete flatwork
- Repair ADA curb Ramp
- F&I new site furnishings, covered benches & Tables

Woods and Plastics

- Remove 12' sliding doors & Frame , Sheath, finish leasing office 06-410 Supply kitchen cabinets
- Install kitchen cabinets
- Supply only Vanity & Med cabinets
- Install only Medicine cabinets

Thermal and Moisture Protection

- Repair cementitious siding
- Rooftop AC stands

Doors and Windows

- F&I Steel door & frame Laundry, Maint, Leasing
- Double Steel door & frame Leasing Maintenance room
- F&I Steel door & frame Interior Mail room
- F&I Steel door & frame, Peep, Weatherstripping at apartment entries
- Replace bedroom and bathroom doors with SC wood doors
- Replace closet doors with SC doors
- Replace pre-hung double doors @ Exterior Mech closets
- Supply Energy Star windows w/ screens
- Install windows w/ screens

Finishes

- Patch gyb board
- ADA Conversion
- Head start interior configuration (Community, business center, fitness room)

Flooring

- Supply resilient flooring Units (Partial)
- Install resilient flooring units (partial)
- Supply resilient flooring Common Laundry - Leasing
- Install resilient flooring Common Laundry - leasing
- Removal of carpet

Painting (includes doors, trim, walls, ceilings)

- Paint 1 bedroom apartments
- Paint 2 bedroom apartments
- Paint 3 bedroom apartments
- Paint interior Laundry Room &Leasing
- Paint exterior common stair breezeways areas 09-920 Paint interior community / Head start
- Paint exterior cementitious siding

Specialties

- F&I tub liners and surround
- F&I bath accessories
- F&I Exterior Marquee signage
- F&I exterior Bldg & apt signage
- F&I mailboxes

Appliances

- F&I Energy Star refrigerators
- F&I Electric range 30" , w/ cord
- F&I kitchen range hoods
- F&I ADA ranges
- F&I Energy star Dishwashers
- Supply new garbage disposals

Specialties

- Mold remediation (405, 701, 702)
- Security cameras upgrade
- Access control - FOB Systems
- F&I fire suppression devices at Range hoods

Plumbing & Mechanical

- Sanitary jetting and maintenance
- Install kitchen garbage disposals
- ADA Bathroom modifications
- Convert office restroom to ADA (no shower)
- Replace shower trim and body, Heads
- Replace kitchen double sinks & Faucets
- Replace sink tops with faucets, speedy valves, & Aerator
- Replace wall hung sinks with faucets (ADA)
- Replace Toilets
- Install new exterior water spigots (2 per Bldg)
- Replace DHWH 40 Gallon
- F&I 2 ton (15 Seer) combined heat & A/C (incl thermostat)
- HVAC at office / laundry room
- Replace bathroom exhaust fans w/ roof caps
- Rooftop vent covers

Electrical

- Replace apartments outlets
- Replace GFCI Outlet
- Replace apartments switches
- F&I ADA / HVI strobes, chimes, devices
- Install kitchen lighting
- Supply kitchen lighting
- Install bathroom lights
- Supply Energy Star bathroom lights
- Install Interior apt ceiling lights at Hall & Closets
- Supply Interior apt ceiling lights at Hall & Closets
- Supply interior energy star apt ceiling fans & Lights (BDRM & Liv Rm)
- Install interior apt ceiling fans & Lights (BDRM & Liv Rm)
- Replace all Smoke detectors
- Replace all CO detectors

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$39,616,810	\$34,929,269	\$1,397,172

UNDERWRITTEN CAPITALIZATION

BOND RESERVATION

Issuer	Amount	Reservation Date	Priority
Bell County HFC	\$25,000,000	1/11/2024	Priority 1b
Closing Deadline			
7/9/2024			

Percent of Cost Financed by Tax-Exempt Bonds

55.0%

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Merchants / Freddie Mac	Freddie Mac Immediate TEL	\$14,770,000	5.96%	41%
Merchants Capital Corp.	Construction/Bridge Loan	\$3,696,807	5.70%	10%
TGA GP Holdco Parent LLC	Sponsor Loan	\$4,000,000	6.00%	11%
TDHCA MFDL - NHTF	Housing Trust Fund	\$5,200,000	2.00%	14%
Merchants Capital Investments	HTC	\$8,172,632	\$0.90	23%
TGA DF Belle Oaks Apts LLC	Deferred Fee	\$0	0.00%	0%
Interest Savings	Direct Loan Match	\$390,000	0.00%	1%

\$36,229,439

Total Sources

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Merchants / Freddie Mac	\$14,770,000	5.96%	40	16.0	\$14,770,000	5.96%	40	16.0	37%
TDHCA MFDL - NHTF	\$5,200,000	2.00%	40	16.0	\$5,200,000	2.00%	40	16.0	13%
Interest Savings	\$390,000	0.00%	0	0.0	\$390,000	0.00%	0	0.0	1%
Total	\$24,360,000				\$24,360,000				

Comments:

The applicant requested the MDL at 40/40. Underwriting recommends the lower term at 16 years to match the senior debt.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Merchants Capital Investments	\$12,573,279	\$0.90		\$12,573,279	\$0.90	32%	
TGA DF Belle Oaks Apts LLC	\$2,683,531		59%	\$2,683,531		7%	59%
Total	\$15,256,810			\$15,256,810			
				\$39,616,810	Total Sources		

Credit Price Sensitivity based on current capital structure

\$1.092	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.811	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	\$39,616,810
Permanent Sources (debt + non-HTC equity)	\$24,360,000
Gap in Permanent Financing	\$15,256,810

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$12,573,286	\$1,397,172
Needed to Balance Sources & Uses	\$15,256,810	\$1,695,371
Requested by Applicant	\$12,573,279	\$1,397,171

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$12,573,279	\$1,397,171

Deferred Developer Fee	\$2,683,531	(59% deferred)
Repayable in	12 years	

Recommendation:

Underwriter recommends an annual 4% HTC allocation of \$1,397,171 as requested by Applicant.

Underwriter also recommends a second lien Multifamily Direct Loan in the amount of \$5,200,000 at a 2.00% interest rate for a 16 year term on the permanent term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is \$188,963. The construction term is 24 months.

Underwriter:	<u>Deborah Willson</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE

Belle Oaks Apartments, Belton, 4% HTC/MDL #24408

LOCATION DATA

CITY:	Belton
COUNTY:	Bell
Area Median Income	\$75,300
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	48	24.0%	43	16	0	26
2	80	40.0%	69	27	0	35
3	72	36.0%	69	22	0	25
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	200	100.0%	181	65	-	86

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	100%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	847 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	30	-	-	170	-	-	-	200
Income	% Total	0.0%	15.0%	0.0%	0.0%	85.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		MFDL NHTF Units		RENT ASSISTED UNIT		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	\$424	NHTF 30%	\$443	HAP	\$1,181	0	7	1	1	658	\$1,181	\$76	\$1,105	\$0	\$1.68	\$1,105	\$7,735	\$7,735	\$1,105	\$1.68	\$0	\$1,200	\$1.82	\$1,200
TC 60%	\$848	NHTF 30%	\$443	HAP	\$1,181	0	9	1	1	658	\$1,181	\$76	\$1,105	\$0	\$1.68	\$1,105	\$9,945	\$9,945	\$1,105	\$1.68	\$0	\$1,200	\$1.82	\$1,200
TC 60%	\$848			HAP	\$1,181	26	26	1	1	658	\$1,181	\$76	\$1,105	\$0	\$1.68	\$1,105	\$28,730	\$28,730	\$1,105	\$1.68	\$0	\$1,200	\$1.82	\$1,200
TC 60%	\$848			HAP	\$1,181	0	1	1	1	658	\$1,181	\$76	\$1,105	\$0	\$1.68	\$1,105	\$1,105	\$1,105	\$1,105	\$1.68	\$0	\$1,200	\$1.82	\$1,200
TC 60%	\$848			0		0	5	1	1	658	\$848	\$76	\$772	\$0	\$1.17	\$772	\$3,860	\$3,860	\$772	\$1.17	\$0	\$1,200	\$1.82	\$1,200
TC 30%	\$508	NHTF 30%	\$645	HAP	\$1,299	0	12	2	1	841	\$1,299	\$114	\$1,185	\$0	\$1.41	\$1,185	\$14,220	\$14,220	\$1,185	\$1.41	\$0	\$1,325	\$1.58	\$1,325
TC 60%	\$1,017	NHTF 30%	\$645	HAP	\$1,299	0	15	2	1	841	\$1,299	\$114	\$1,185	\$0	\$1.41	\$1,185	\$17,775	\$17,775	\$1,185	\$1.41	\$0	\$1,325	\$1.58	\$1,325
TC 60%	\$1,017			HAP	\$1,299	35	35	2	1	841	\$1,299	\$114	\$1,185	\$0	\$1.41	\$1,185	\$41,475	\$41,475	\$1,185	\$1.41	\$0	\$1,325	\$1.58	\$1,325
TC 60%	\$1,017			HAP	\$1,299	0	7	2	1	841	\$1,299	\$114	\$1,185	\$0	\$1.41	\$1,185	\$8,295	\$8,295	\$1,185	\$1.41	\$0	\$1,325	\$1.58	\$1,325
TC 60%	\$1,017			0		0	11	2	1	841	\$1,017	\$114	\$903	\$0	\$1.07	\$903	\$9,933	\$9,933	\$903	\$1.07	\$0	\$1,325	\$1.58	\$1,325
TC 30%	\$587	NHTF 30%	\$847	HAP	\$1,583	0	11	3	1	981	\$1,583	\$123	\$1,460	\$0	\$1.49	\$1,460	\$16,060	\$16,060	\$1,460	\$1.49	\$0	\$1,475	\$1.50	\$1,475
TC 60%	\$1,175	NHTF 30%	\$847	HAP	\$1,583	0	11	3	1	981	\$1,583	\$123	\$1,460	\$0	\$1.49	\$1,460	\$16,060	\$16,060	\$1,460	\$1.49	\$0	\$1,475	\$1.50	\$1,475
TC 60%	\$1,175			HAP	\$1,583	25	25	3	1	981	\$1,583	\$123	\$1,460	\$0	\$1.49	\$1,460	\$36,500	\$36,500	\$1,460	\$1.49	\$0	\$1,475	\$1.50	\$1,475
TC 60%	\$1,175			HAP	\$1,583	0	22	3	1	981	\$1,583	\$123	\$1,460	\$0	\$1.49	\$1,460	\$32,120	\$32,120	\$1,460	\$1.49	\$0	\$1,475	\$1.50	\$1,475
TC 60%	\$1,175			0		0	3	3	1	981	\$1,175	\$123	\$1,052	\$0	\$1.07	\$1,052	\$3,156	\$3,156	\$1,052	\$1.07	\$0	\$1,475	\$1.50	\$1,475
TOTALS/AVERAGES:							200			169,496				\$0	\$1.46	\$1,235	\$246,969	\$246,969	\$1,235	\$1.46	\$0	\$1,349	\$1.59	\$1,349

ANNUAL POTENTIAL GROSS RENT:	\$2,963,628	\$2,963,628	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

Belle Oaks Apartments, Belton, 4% HTC/MDL #24408

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Actual FYE 2023	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.46	\$1,235	\$2,963,628	\$2,963,628	\$1,235	\$1.46		0.0%	\$0
late fees, pet deposits, forfeit deposits					\$30.00	\$72,000						
Total Secondary Income					\$30.00		\$72,000	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$3,035,628	\$3,035,628				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI		(227,672)	(227,672)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$2,807,956	\$2,807,956				0.0%	\$0

General & Administrative	\$77,161	\$386/Unit	\$81,628	\$408	2.09%	\$0.35	\$293	\$58,650	\$81,628	\$408	\$0.48	2.91%	-28.1%	(22,978)
Management	\$74,845	4.6% EGI	\$105,635	\$528	4.10%	\$0.68	\$576	\$115,200	\$115,126	\$576	\$0.68	4.10%	0.1%	74
Payroll & Payroll Tax	\$239,898	\$1,199/Unit	\$274,669	\$1,373	10.29%	\$1.70	\$1,444	\$288,805	\$288,805	\$1,444	\$1.70	10.29%	0.0%	-
Repairs & Maintenance	\$166,516	\$833/Unit	\$481,247	\$2,406	4.02%	\$0.67	\$565	\$112,973	\$140,000	\$700	\$0.83	4.99%	-19.3%	(27,027)
Electric/Gas	\$51,124	\$256/Unit	\$71,899	\$359	2.91%	\$0.48	\$408	\$81,600	\$71,899	\$359	\$0.42	2.56%	13.5%	9,701
Water, Sewer, & Trash	\$134,666	\$673/Unit	\$188,211	\$941	7.09%	\$1.17	\$995	\$199,000	\$188,211	\$941	\$1.11	6.70%	5.7%	10,789
Property Insurance	\$143,399	\$0.85 /sf	\$70,473	\$352	3.56%	\$0.59	\$500	\$100,000	\$100,000	\$500	\$0.59	3.56%	0.0%	-
Property Tax (@ 100%) 2.023872	\$127,442	\$637/Unit	\$211,301	\$1,057	7.86%	\$1.30	\$1,104	\$220,800	\$220,800	\$1,104	\$1.30	7.86%	0.0%	-
Reserve for Replacements					2.14%	\$0.35	\$300	\$60,000	\$60,000	\$300	\$0.35	2.14%	0.0%	-
Cable TV					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive Services					1.03%	\$0.17	\$144	\$28,800	\$28,800	\$144	\$0.17	1.03%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.28%	\$0.05	\$40	\$8,000	\$8,000	\$40	\$0.05	0.28%	0.0%	-
Bond Trustee Fees					0.12%	\$0.02	\$18	\$3,500	\$3,500	\$18	\$0.02	0.12%	0.0%	-
Issuer Ongoing Compliance Fees					0.71%	\$0.12	\$99	\$19,800	\$19,800	\$99	\$0.12	0.71%	0.0%	-
Security					1.28%	\$0.21	\$180	\$36,000	\$36,000	\$180	\$0.21	1.28%	0.0%	-
Internet Service throughout the property					4.99%	\$0.83	\$700	\$140,000	\$140,000	\$700	\$0.83	4.99%	0.0%	-
TOTAL EXPENSES					52.46%	\$8.69	\$7,366	\$1,473,128	\$1,502,569	\$7,513	\$8.86	53.51%	-2.0%	\$ (29,441)
NET OPERATING INCOME ("NOI")					47.54%	\$7.88	\$6,674	\$1,334,828	\$1,305,386	\$6,527	\$7.70	46.49%	2.3%	\$ 29,441

CONTROLLABLE EXPENSES							\$3,705/Unit				\$3,853/Unit			
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Belle Oaks Apartments, Belton, 4% HTC/MDL #24408

DEBT / GRANT SOURCES																
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App											DCR	LTC	
Merchants / Freddie Mac	0.00%	1.35	1.38	970,261	5.96%	40	16.0	\$14,770,000	\$14,770,000	16.0	40.0	5.96%	\$970,261	1.38	37.3%	
TDHCA MFDL - NHTF	0.00%	1.13	1.15	\$188,963	2.00%	40	16.0	\$5,200,000	\$5,200,000	16.0	40.0	2.00%	\$188,963	1.15	13.1%	
CASH FLOW DEBT / GRANTS																
TGA GP Holdco Parent LLC		1.13	1.15		6.00%	0	40.0	\$4,000,000	\$4,000,000	40.0	0.0	6.00%		1.15	10.1%	
Interest Savings		1.13	1.15		0.00%	0	0.0	\$390,000	\$390,000	0.0	0.0	0.00%		1.15	1.0%	
				\$1,159,224	TOTAL DEBT / GRANT SOURCES			\$24,360,000	\$24,360,000	TOTAL DEBT SERVICE			\$1,159,224	1.15	61.5%	
NET CASH FLOW		\$146,162	\$175,604	APPLICANT NET OPERATING INCOME						\$1,334,828	\$175,604	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	
TGA DF Belle Oaks Apts LLC	Deferred Developer Fees	6.8%	(59% Deferred)		\$2,683,531	\$2,683,531	(59% Deferred)		6.8%	Total Developer Fee:		\$4,555,992
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%			
TOTAL EQUITY SOURCES		38.5%			\$15,256,810	\$15,256,810			38.5%			
TOTAL CAPITALIZATION						\$39,616,810	\$39,616,810	15-Yr Cash Flow after Deferred Fee:				\$1,239,069

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs		Total Costs	Eligible Basis		Total Costs		Total Costs	%	\$	
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition						
Land Acquisition			\$11,000 / Unit	\$2,200,000	\$2,200,000	\$11,000 / Unit		\$2,200,000			0.0%	\$0	
Building Acquisition	\$17,200,000		\$86,000 / Unit	\$17,200,000	\$17,200,000	\$86,000 / Unit		\$17,200,000			0.0%	\$0	
Closing costs & acq. legal fees				\$514,918	\$514,918						0.0%	\$0	
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0				0.0%	\$0	
Site Work		\$275,900	\$1,380 / Unit	\$275,900	\$275,900	\$1,380 / Unit	\$275,900				0.0%	\$0	
Site Amenities		\$97,200	\$486 / Unit	\$97,200	\$97,200	\$486 / Unit	\$97,200				0.0%	\$0	
Building Cost		\$6,662,900	\$39.31 /sf	\$33,315/Unit	\$6,662,900	\$33,315/Unit	\$39.31 /sf	\$6,662,900			0.0%	\$0	
Contingency		\$703,600	10.00%	10.00%	\$703,600	\$703,600	10.00%	10.00%	\$703,600		0.0%	\$0	
Contractor Fees		\$1,083,544	14.00%	14.00%	\$1,083,544	\$1,083,544	14.00%	14.00%	\$1,083,544		0.0%	\$0	
Soft Costs	\$0	\$1,075,692		\$5,714 / Unit	\$1,142,792	\$1,142,792	\$5,714 / Unit	\$1,075,692	\$0		0.0%	\$0	
Financing	\$0	\$3,274,441		\$20,692 / Unit	\$4,138,447	\$4,138,447	\$20,692 / Unit	\$3,274,441	\$0		0.0%	\$0	
Developer Fee	15.00%	\$2,580,000	\$1,975,992	15.00%	\$4,555,992	\$4,555,992	15.00%	15.00%	\$1,975,992	\$2,580,000	0.0%	\$0	
Reserves				5 Months	\$1,041,517	\$1,041,517	5 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$19,780,000	\$15,149,269		\$198,084 / Unit	\$39,616,810	\$39,616,810	\$198,084 / Unit	\$15,149,269	\$19,780,000	0.0%	\$0	
Acquisition Cost		\$0			\$0								
Contingency		\$0			\$0								
Contractor's Fee		\$0			\$0								
Financing Cost		\$0			\$0								
Developer Fee	0.00%	\$0	\$0		\$0								
Reserves					\$0								
ADJUSTED BASIS / COST		\$19,780,000	\$15,149,269		\$198,084/unit	\$39,616,810	\$39,616,810	\$198,084/unit	\$15,149,269	\$19,780,000	0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$39,616,810							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Belle Oaks Apartments, Belton, 4% HTC/MDL #24408

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$19,780,000	\$15,149,269	\$19,780,000	\$15,149,269
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$19,780,000	\$15,149,269	\$19,780,000	\$15,149,269
High Cost Area Adjustment		100%		100%
TOTAL ADJUSTED BASIS	\$19,780,000	\$15,149,269	\$19,780,000	\$15,149,269
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$19,780,000	\$15,149,269	\$19,780,000	\$15,149,269
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
ANNUAL CREDIT ON BASIS	\$791,200	\$605,971	\$791,200	\$605,971
CREDITS ON QUALIFIED BASIS	\$1,397,171		\$1,397,171	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8999	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,397,172	\$12,573,286	----	----	----
Needed to Fill Gap	\$1,695,371	\$15,256,810	----	----	----
Applicant Request	\$1,397,171	\$12,573,279	\$1,397,171	\$0	\$0

50% Test for Bond Financing for 4% Tax Credits			
Tax-Exempt Bond Amount	\$	Applicant	TDHCA
	20,421,098		
Land Cost	\$ 2,200,000	\$2,200,000	\$2,200,000
Depreciable Bldg Cost **	\$ 34,929,269	\$34,929,269	\$34,929,269
Aggregate Basis for 50% Test	\$ 37,129,269	\$37,129,269	\$37,129,269
Percent Financed by Tax-Exempt Bonds	55.00%	55.00%	55.00%

**Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

Long-Term Pro Forma

Belle Oaks Apartments, Belton, 4% HTC/MDL #24408

	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%	\$2,807,956	\$2,864,115	\$2,921,397	\$2,979,825	\$3,039,422	\$3,355,767	\$3,705,038	\$4,090,662	\$4,516,421	\$4,986,494	\$5,505,492	\$6,078,508
TOTAL EXPENSES	3.00%	\$1,473,128	\$1,516,170	\$1,560,480	\$1,606,096	\$1,653,056	\$1,909,463	\$2,205,992	\$2,548,960	\$2,945,680	\$3,404,624	\$3,935,601	\$4,549,973
NET OPERATING INCOME ("NOI")		\$1,334,828	\$1,347,945	\$1,360,917	\$1,373,730	\$1,386,366	\$1,446,305	\$1,499,046	\$1,541,702	\$1,570,741	\$1,581,870	\$1,569,891	\$1,528,535
EXPENSE/INCOME RATIO		52.5%	52.9%	53.4%	53.9%	54.4%	56.9%	59.5%	62.3%	65.2%	68.3%	71.5%	74.9%
MUST -PAY DEBT SERVICE													
Merchants / Freddie Mac		\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261	\$970,261
TDHCA MFDL - NHTF		\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963	\$188,963
TOTAL DEBT SERVICE		\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224	\$1,159,224
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.19	1.20	1.25	1.29	1.33	1.35	1.36	1.35	1.32
ANNUAL CASH FLOW													
		\$175,604	\$188,721	\$201,693	\$214,505	\$227,141	\$287,080	\$339,822	\$382,478	\$411,517	\$422,646	\$410,667	\$369,310
Deferred Developer Fee Balance		\$2,507,927	\$2,319,206	\$2,117,513	\$1,903,008	\$1,675,867	\$357,971	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$1,239,069	\$3,070,836	\$5,076,585	\$7,175,687	\$9,263,390	\$11,205,813