



Real Estate Analysis Division

October 23, 2023

Addendum to Underwriting Report

TDHCA Application #: **23013** Program(s): **9% HTC**

Laurel at Blackhawk

Address/Location: **9205 Wayfarer Ln**

City: **Houston** County: **Harris** Zip: **77075**

APPLICATION HISTORY	
Report Date	PURPOSE
10/23/23	Underwriting Update
06/12/23	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000				

CONDITIONS STATUS

- Receipt and acceptance by Cost Certification:
- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were 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	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	44

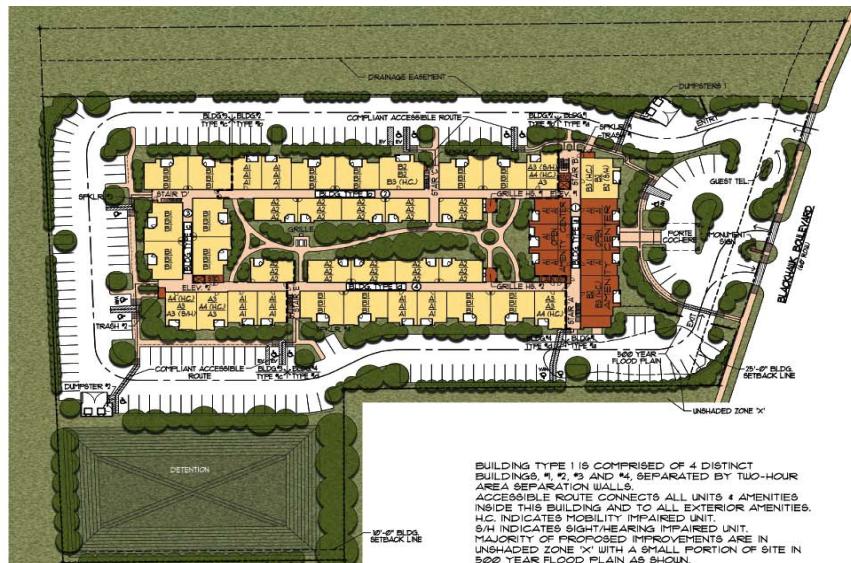
ANALYSIS

In June 2023, the development was awarded a 9% HTC allocation. Due to rising expenses and increasing interest rates, the Applicant is requesting a material amendment that involves a restructuring of the deal to ensure feasibility. These increase in costs have created an approximate \$1.6M financing gap.

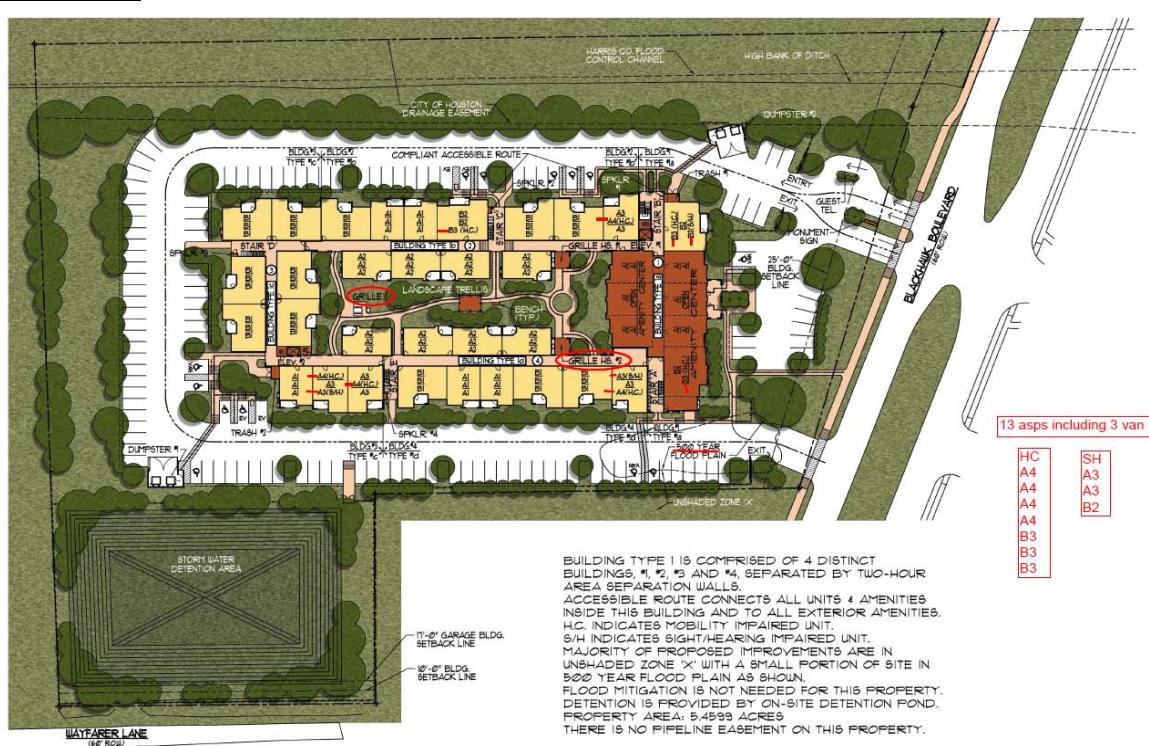
The material amendment consists of:

- A reduction of total units from 120 to 105
- A reduction of Net Rentable Area by more than 3% (94,804 SF to 83,291 SF)
- A reduction of Common Area Square Footage by more than 3% (32,292 SF to 30,016 SF)

Original Site Plan



Updated Site Plan



Original Elevation



Updated Elevation



Operating Pro Forma

The total number of units is being reduced from 120 to 105. The number of affordable units and units per AMGI band has not changed. All 15 units taken out are market rate units.

Applicant is now using 2023 rents.

Total income has been reduced by \$171K, expenses have decreased by \$54K, and NOI has decreased by \$116K. Although the number of units has decreased, insurance has increased by \$45K, approximately \$535/unit from the original estimate. Payroll was the biggest expense reduction by about \$50K.

Development Cost

Total development costs have decreased by \$1.8M with building costs decreasing by \$1.4M. Soft costs have increased.

The Applicant has overstated their new eligible financing costs by \$299K.

Sources of Funds

The Citi construction loan has decreased to \$18,995,963 with an interest rate of 8%. The permanent period loan is now \$5.4M with a 7.50%.

Underwriter recommends an annual tax credit allocation of \$2,000,000 per the Applicant's request.

Underwriter:

Jeffrey Price

Manager of Real Estate Analysis:

Diamond Unique Thompson

Director of Real Estate Analysis:

Jeanna Adams

UNIT MIX/RENT SCHEDULE

Laurel at Blackhawk, Houston, 9% HTC #23013

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	\$90,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	61	58.1%	0	0	0
2	44	41.9%	0	0	0
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL		105	100.0%	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	83.73%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	793 sf

53%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	9	-	36	44	-	-	16	105
% Total	0.0%	8.6%	0.0%	34.3%	41.9%	0.0%	0.0%	15.2%	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	3	1	1	655	\$524	\$76	\$448	\$0	\$0.68	\$448	\$1,344	\$1,344	\$448	\$0.68	\$0	\$1,200	\$1.83	\$1,275
TC 50%	\$874	11	1	1	655	\$874	\$76	\$798	\$0	\$1.22	\$798	\$8,778	\$8,778	\$798	\$1.22	\$0	\$1,200	\$1.83	\$1,275
TC 60%	\$1,049	10	1	1	655	\$1,049	\$76	\$973	\$0	\$1.49	\$973	\$9,730	\$9,730	\$973	\$1.49	\$0	\$1,200	\$1.83	\$1,275
MR		1	1	1	655	\$0	\$76		NA	\$1.83	\$1,200	\$1,200	\$1,200	\$1,200	\$1.83	NA	\$1,200	\$1.83	\$1,275
TC 30%	\$524	2	1	1	674	\$524	\$76	\$448	\$0	\$0.66	\$448	\$896	\$896	\$448	\$0.66	\$0	\$1,200	\$1.78	\$1,275
TC 50%	\$874	7	1	1	674	\$874	\$76	\$798	\$0	\$1.18	\$798	\$5,586	\$5,586	\$798	\$1.18	\$0	\$1,200	\$1.78	\$1,275
TC 60%	\$1,049	13	1	1	674	\$1,049	\$76	\$973	\$0	\$1.44	\$973	\$12,649	\$12,649	\$973	\$1.44	\$0	\$1,200	\$1.78	\$1,275
MR		2	1	1	674	\$0	\$76		NA	\$1.78	\$1,200	\$2,400	\$2,400	\$1,200	\$1.78	NA	\$1,200	\$1.78	\$1,275
TC 60%	\$1,049	2	1	1	777	\$1,049	\$76	\$973	\$0	\$1.25	\$973	\$1,946	\$1,946	\$973	\$1.25	\$0	\$1,200	\$1.54	\$1,378
MR		5	1	1	777	\$0	\$76		NA	\$1.54	\$1,200	\$6,000	\$6,000	\$1,200	\$1.54	NA	\$1,200	\$1.54	\$1,378
TC 50%	\$874	1	1	1	787	\$874	\$76	\$798	\$0	\$1.01	\$798	\$798	\$798	\$798	\$1.01	\$0	\$1,200	\$1.52	\$1,378
TC 60%	\$1,049	3	1	1	787	\$1,049	\$76	\$973	\$0	\$1.24	\$973	\$2,919	\$2,919	\$973	\$1.24	\$0	\$1,200	\$1.52	\$1,378
TC 30%	\$629	3	2	2	924	\$629	\$100	\$529	\$0	\$0.57	\$529	\$1,587	\$1,587	\$529	\$0.57	\$0	\$1,450	\$1.57	\$1,475
TC 50%	\$1,048	15	2	2	924	\$1,048	\$100	\$948	\$0	\$1.03	\$948	\$14,220	\$14,220	\$948	\$1.03	\$0	\$1,450	\$1.57	\$1,475
TC 60%	\$1,258	13	2	2	924	\$1,258	\$100	\$1,158	\$0	\$1.25	\$1,158	\$15,054	\$15,054	\$1,158	\$1.25	\$0	\$1,450	\$1.57	\$1,475
MR		5	2	2	924	\$0	\$100		NA	\$1.57	\$1,450	\$7,250	\$7,250	\$1,450	\$1.57	NA	\$1,450	\$1.57	\$1,475
TC 30%	\$629	1	2	2	1,014	\$629	\$100	\$529	\$0	\$0.52	\$529	\$529	\$529	\$529	\$0.52	\$0	\$1,450	\$1.43	\$1,565
TC 50%	\$1,048	1	2	2	1,014	\$1,048	\$100	\$948	\$0	\$0.93	\$948	\$948	\$948	\$948	\$0.93	\$0	\$1,450	\$1.43	\$1,565
TC 60%	\$1,258	3	2	2	1,014	\$1,258	\$100	\$1,158	\$0	\$1.14	\$1,158	\$3,474	\$3,474	\$1,158	\$1.14	\$0	\$1,450	\$1.43	\$1,565
MR		3	2	2	1,014	\$0	\$100		NA	\$1.43	\$1,450	\$4,350	\$4,350	\$1,450	\$1.43	NA	\$1,450	\$1.43	\$1,565
TOTALS/AVERAGES:	105				83,291			\$0	\$1.23	\$976	\$102,456	\$102,456	\$976	\$1.23	\$0	\$1,306	\$1.65	\$1,377	

ANNUAL POTENTIAL GROSS RENT:	\$1,229,472	\$1,229,472
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STABILIZED PRO FORMA

Laurel at Blackhawk, Houston, 9% HTC #23013

STABILIZED FIRST YEAR PRO FORMA														
	COMPARABLES			APPLICANT				PREVIOUS UW		TDHCA			VARIANCE	
	Database	County Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.23	\$976	\$1,229,472	\$1,411,128	\$1,411,128	\$1,229,472	\$976	\$1.23		0.0%	\$0
Laundry, Vending, Deposit Forfeitures					\$20.00	\$25,200	28,800							
Total Secondary Income					\$20.00			28,800	\$25,200	\$20.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,254,672	\$1,439,928	\$1,439,928	\$1,254,672				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(94,100)	(107,995)	(107,995)	(94,100)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,160,572	\$1,331,933	\$1,331,933	\$1,160,572				0.0%	\$0

General & Administrative	\$46,259	\$441/Unit	\$36,518	\$348	2.52%	\$0.35	\$278	\$29,200	\$29,700	\$41,734	\$36,518	\$348	\$0.44	3.15%	-20.0%	(7,318)
Management	\$45,785	3.9% EGI	\$47,744	\$455	5.00%	\$0.70	\$553	\$58,029	\$66,597	\$66,597	\$58,029	\$553	\$0.70	5.00%	0.0%	0
Payroll & Payroll Tax	\$144,642	\$1,378/Unit	\$182,575	\$1,739	12.68%	\$1.77	\$1,402	\$147,200	\$198,400	\$198,400	\$147,200	\$1,402	\$1.77	12.68%	0.0%	-
Repairs & Maintenance	\$78,943	\$752/Unit	\$89,344	\$851	4.91%	\$0.68	\$543	\$57,000	\$65,000	\$78,000	\$68,250	\$650	\$0.82	5.88%	-16.5%	(11,250)
Electric/Gas	\$26,014	\$248/Unit	\$26,191	\$249	1.29%	\$0.18	\$143	\$15,000	\$20,000	\$20,000	\$15,000	\$143	\$0.18	1.29%	0.0%	-
Water, Sewer, & Trash	\$75,457	\$719/Unit	\$50,447	\$480	5.39%	\$0.75	\$595	\$62,500	\$70,000	\$70,000	\$62,500	\$595	\$0.75	5.39%	0.0%	-
Property Insurance	\$67,127	\$0.81 /sf	\$109,902	\$1,047	11.63%	\$1.62	\$1,286	\$135,000	\$90,000	\$90,000	\$135,000	\$1,286	\$1.62	11.63%	0.0%	-
Property Tax (@ 100%) 2.5600	\$91,930	\$876/Unit			9.48%	\$1.32	\$1,048	\$110,000	\$125,000	\$125,000	\$110,000	\$1,048	\$1.32	9.48%	0.0%	-
Reserve for Replacements					2.26%	\$0.32	\$250	\$26,250	\$30,000	\$30,000	\$26,250	\$250	\$0.32	2.26%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.31%	\$0.04	\$34	\$3,560	\$3,560	\$3,560	\$3,560	\$34	\$0.04	0.31%	0.0%	-
TOTAL EXPENSES					55.47%	\$7.73	\$6,131	\$643,739	\$698,257	\$723,291	\$662,306	\$6,308	\$7.95	57.07%	-2.8%	\$ (18,567)
NET OPERATING INCOME ("NOI")					44.53%	\$6.21	\$4,922	\$516,833	\$633,676	\$608,642	\$498,265	\$4,745	\$5.98	42.93%	3.7%	\$ 18,567

CONTROLLABLE EXPENSES	\$2,961/Unit	\$3,138/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Laurel at Blackhawk, Houston, 9% HTC #23013

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	PREVIOUS UW		Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App						Applicant	TDHCA						DCR	LTC	
Citi		1.14	1.18	436,909	7.50%	35	15.0	\$5,400,000	\$7,250,000	\$7,250,000	\$5,400,000	15.0	35	7.50%	\$436,909	1.18	21.7%	
CASH FLOW DEBT / GRANTS																		
City of Houston		1.14	1.18		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0	0.00%		1.18	0.0%	
				\$436,909				TOTAL DEBT / GRANT SOURCES	\$5,400,500	\$7,250,500	\$7,250,500	\$5,400,500			TOTAL DEBT SERVICE	\$436,909	1.18	21.7%
NET CASH FLOW		\$61,356	\$79,924						APPLICANT	NET OPERATING INCOME		\$516,833			\$79,923	NET CASH FLOW		
EQUITY SOURCES																		
APPLICANT'S PROPOSED EQUITY STRUCTURE								AS UNDERWRITTEN EQUITY STRUCTURE										
EQUITY / DEFERRED FEES	DESCRIPTION		% Cost	Annual Credit	Credit Price	Amount	PREVIOUS UW		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method				
							Applicant	TDHCA										
Hudson Housing Capital	LIHTC Equity		74.1%	\$2,000,000	\$0.92	\$18,398,160	\$18,398,160	\$18,398,160	\$18,398,160	\$0.9199	\$2,000,000	74.1%	\$19,048	Previous Allocation				
The Laurel at Blackhawk Developers, LLC	Deferred Developer Fees		4.2%	(37% Deferred)		\$1,034,913	\$1,025,263	\$1,025,263	\$1,034,913		(37% Deferred)	4.2%	Total Developer Fee:	\$2,810,005				
TOTAL EQUITY SOURCES			0.0%						\$0	\$0		0.0%						
TOTAL CAPITALIZATION			78.3%			\$19,433,073	\$19,423,423	\$19,423,423	\$19,433,073			78.3%						
						\$24,833,573	\$26,673,923	\$26,673,923	\$24,833,573						15-Yr Cash Flow after Deferred Fee:	\$584,608		
DEVELOPMENT COST / ITEMIZED BASIS																		
APPLICANT COST / BASIS ITEMS								TDHCA COST / BASIS ITEMS							COST VARIANCE			
Eligible Basis	PREVIOUS UW		Total Costs	TDHCA COST / BASIS ITEMS		Total Costs	COST VARIANCE		Eligible Basis			New Const. Rehab	Acquisition	%	\$			
	Acquisition	New Const. Rehab		Applicant	TDHCA		Applicant	TDHCA		New Const. Rehab	Acquisition							
Land Acquisition			\$20,238 / Unit	\$2,125,000	\$2,125,000	\$2,125,000	\$2,125,000	\$2,125,000	\$20,238 / Unit					0.0%	\$0			
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$ / Unit				\$0	0.0%	\$0			
Off-Sites			\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$ / Unit				\$0	0.0%	\$0			
Site Work			\$1,217,475	\$11,595 / Unit	\$1,217,475	\$1,391,400	\$1,391,400	\$1,217,475	\$11,595 / Unit					\$1,217,475	0.0%	\$0		
Site Amenities			\$391,125	\$3,725 / Unit	\$391,125	\$447,000	\$447,000	\$391,125	\$3,725 / Unit					\$391,125	0.0%	\$0		
Building Cost			\$10,865,925	\$130.46 /sf	\$103,485/Unit	\$10,865,925	\$12,268,200	\$13,370,084	\$11,699,524	\$111,424/Unit	\$140.47 /sf	\$10,865,925			-7.1%	(-\$833,599)		
Contingency			\$873,216	7.00%		\$873,216	\$987,462	\$987,462	\$873,216	6.56%		7.00%	\$873,216		0.0%	\$0		
Contractor Fees			\$1,868,682	14.00%		\$1,868,682	\$2,113,167	\$2,113,167	\$1,868,682	13.18%		14.00%	\$1,868,682		0.0%	\$0		
Soft Costs	\$0		\$1,537,310			\$14,641 / Unit	\$1,537,310	\$1,509,410	\$1,509,410	\$1,537,310	\$14,641 / Unit			\$1,537,310	\$0	0.0%	\$0	
Financing	\$0					\$24,147 / Unit	\$2,535,440	\$2,136,866	\$2,136,866	\$2,535,440	\$24,147 / Unit			\$1,979,637	\$0	0.0%	\$0	
Developer Fee			\$0	\$2,810,005	14.76%		\$2,810,005	\$3,089,775	\$3,089,775	\$2,810,005	14.36%	15.00%	\$2,810,005		\$0	0.0%	\$0	
Reserves						7 Months	\$609,395	\$605,643	\$605,643	\$609,395	7 Months					0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	\$0	\$21,842,678		\$236,510 / Unit	\$24,833,573	\$26,673,923	\$27,775,807	\$25,667,172	\$244,449 / Unit				\$21,543,375	\$0	-3.2%	(-\$833,599)		
Acquisition Cost			\$0				\$0	\$0										
Contingency			\$0				\$0	\$0										
Contractor's Fee			\$0				\$0	\$0										
Financing Cost			(-\$299,303)															
Developer Fee			\$0	\$0			\$0	\$0										
Reserves								\$0	\$0									
ADJUSTED BASIS / COST	\$0	\$21,543,375		\$236,510/unit	\$24,833,573	\$26,673,923	\$27,775,807	\$25,667,172	\$244,449/unit				\$21,543,375	\$0	-3.2%	(-\$833,599)		
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):								\$24,833,573										

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Laurel at Blackhawk, Houston, 9% HTC #23013

CREDIT CALCULATION ON QUALIFIED BASIS

Applicant		TDHCA	
Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$21,543,375	\$0
Deduction of Federal Grants	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,543,375	\$0
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS	\$0	\$28,006,387	\$0
Applicable Fraction	83.73%	83.73%	84%
TOTAL QUALIFIED BASIS	\$0	\$23,450,234	\$0
Applicable Percentage	4.00%	9.00%	4.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,110,521	\$0
CREDITS ON QUALIFIED BASIS	\$2,110,521		\$2,110,521

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS			FINAL ANNUAL LIHTC ALLOCATION		
	Credit Price	\$0.9199	Variance to Request		
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,110,521	\$19,414,852	----	----	----
Needed to Fill Gap	\$2,112,502	\$19,433,073	----	----	----
Previous Allocation	\$2,000,000	\$18,398,160	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	83,291 SF	\$116.09	9,669,357
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	3.00%		3.48	290,081
9-Ft. Ceilings	3.00%		3.48	290,081
Roof Adjustment(s)			0.00	0
Subfloor			(0.16)	(13,049)
Floor Cover			2.82	234,881
Breezeways	\$30.56	22,505	8.26	687,678
Balconies	\$30.20	8,581	3.11	259,114
Plumbing Fixtures	\$1,610	80	1.55	128,800
Rough-Ins	\$600	202	1.46	121,200
Built-In Appliances	\$2,950	105	3.72	309,750
Exterior Stairs	\$3,050	18	0.66	54,900
Heating/Cooling			2.37	197,400
Storage Space	\$30.56		0.00	0
Carports	\$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$127.77	6,476	9.93	827,451
Elevators	\$132,200	2	3.17	264,400
Other:			0.00	0
Fire Sprinklers	\$3.65	112,272	4.92	409,793
SUBTOTAL			164.87	13,731,836
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			164.87	\$13,731,836
Plans, specs, survey, bldg permits	3.30%		(5.44)	(453,151)
Contractor's OH & Profit	11.50%		(18.96)	(1,579,161)
NET BUILDING COSTS	\$111,424/unit	\$140.47/sf	\$11,699,524	

Long-Term Pro Forma

Laurel at Blackhawk, Houston, 9% HTC #23013

Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	
EFFECTIVE GROSS INCOME	2.00%	\$1,160,572	\$1,183,783	\$1,207,459	\$1,231,608	\$1,256,240	\$1,386,990	\$1,531,350	\$1,690,734	\$1,866,707	\$2,060,995	\$2,275,505
TOTAL EXPENSES	3.00%	\$643,739	\$662,471	\$681,753	\$701,602	\$722,034	\$833,569	\$962,507	\$1,111,583	\$1,283,964	\$1,483,314	\$1,713,880
NET OPERATING INCOME ("NOI")		\$516,833	\$521,312	\$525,706	\$530,006	\$534,206	\$553,422	\$568,843	\$579,150	\$582,743	\$577,680	\$561,625
EXPENSE/INCOME RATIO	55.5%	56.0%	56.5%	57.0%	57.5%	60.1%	62.9%	65.7%	68.8%	72.0%	75.3%	
MUST -PAY DEBT SERVICE												
Citi		\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	
TOTAL DEBT SERVICE		\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	\$436,909	
DEBT COVERAGE RATIO	1.18	1.19	1.20	1.21	1.22	1.27	1.30	1.33	1.33	1.32	1.29	
ANNUAL CASH FLOW												
Deferred Developer Fee Balance		\$954,989	\$870,587	\$781,790	\$688,693	\$591,397	\$45,980	\$0	\$0	\$0	\$0	
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$584,608	\$1,277,541	\$2,002,571	\$2,720,450	\$3,381,060

23013 Laurel at Blackhawk - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 12, 2023

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Citi	15/35	6.85%	\$7,250,000	1.16	City of Houston	0/0	0.00%	\$500	1.16	Hudson Housing Capital	\$18,398,160
TOTAL DEBT (Must Pay)			\$7,250,000		CASH FLOW DEBT / GRANTS			\$500		The Laurel at Blackhawk Developers, LL	\$1,025,263
										TOTAL EQUITY SOURCES	\$19,423,423
										TOTAL DEBT SOURCES	\$7,250,500
										TOTAL CAPITALIZATION	\$26,673,923

CONDITIONS

- Receipt and acceptance by Cost Certification:
- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were 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.

BOND RESERVATION / ISSUER	AERIAL PHOTOGRAPH(S)
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
<input checked="" type="checkbox"/> Low gross capture rate	
WEAKNESSES/RISKS	
<input checked="" type="checkbox"/> Raising expense environment with 1.16 DCR	
AREA MAP	
	



Real Estate Analysis Division
Underwriting Report
June 12, 2023

DEVELOPMENT IDENTIFICATION

TDHCA Application #: 23013 Program(s): 9% HTC

Laurel at Blackhawk

Address/Location: 9205 Wayfarer Ln

City: Houston County: Harris Zip: 77075

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

Activity: Reconstruction Building Type: Elevator Served Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000				

CONDITIONS

- Receipt and acceptance by Cost Certification:
 - Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were 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	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	44

DEVELOPMENT SUMMARY

The Laurel at Blackhawk is a proposed new construction (single family residence to be demolished) development for elderly persons located in the City of Houston at 9205 Wayfarer Lane. The development will feature 1- and 2-bedroom units at 30%, 50%, and 60% of Area Median Income, as well as at market rates. The acquisition is an arms-length transaction.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<input type="checkbox"/> Low gross capture rate	<input type="checkbox"/> Raising expense environment with 1.16 DCR

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

Guarantor:
J. Steve Ford

Historically Underutilized Business:
Vin Capital Resources, LLC
Ownership: 20%
Cash Flow: 20%
Developer Fee: 19.33%

The Laurel at Blackhawk

OWNER
The Laurel at Blackhawk, LP
A Texas Limited Partnership (To-Be-Formed)

Syndicator (TBD)
Its Limited Partner
99.99% Ownership

The Laurel at Blackhawk GP, LLC
Its General Partner
0.01% Ownership

Entity and managers have ability to exercise Control
Managers:
Jeremy Bartholomew - Manager
Carrie Ford Compton - Manager
J. Steve Ford - Manager

Encore Residential, LLC
20% Member

Bellbeacon, LLC
20% Member

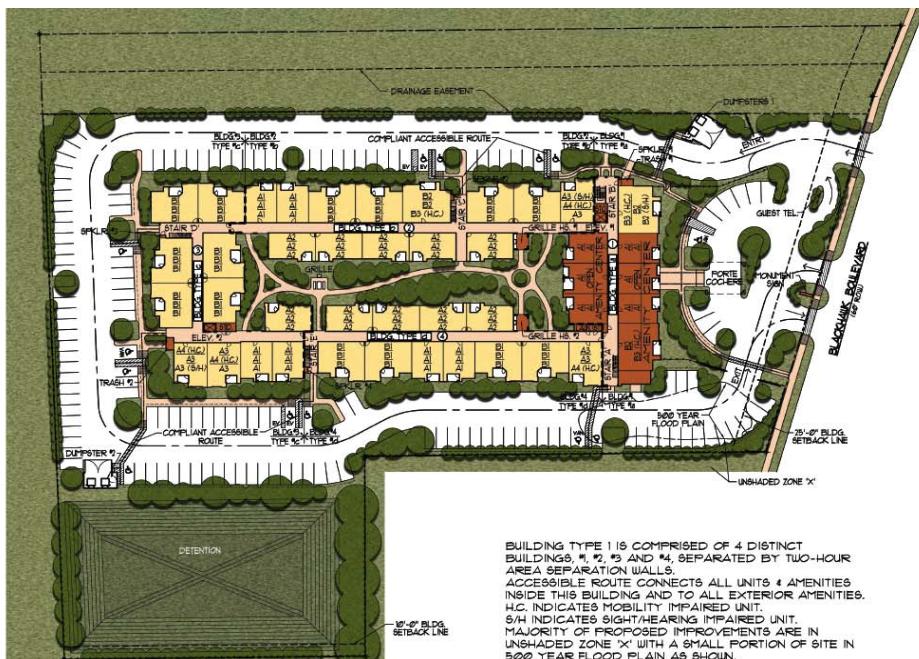
Berylium Services, LLC
20% Member

Vin Capital Resources, LLC
Certified HUB
20% Member
Managers:
Carrie Ford Compton
J. Steve Ford
John S. Ford
Jill Wright Ford

JFB Properties, LLC
20% Member

DEVELOPMENT SUMMARY

SITE PLAN



BUILDING TYPE I IS COMPRISED OF 4 DISTINCT BUILDINGS, # 2, 3 AND 4, SEPARATED BY TWO-HOUR AREA SEPARATION WALLS. ACCESSIBLE ROUTE CONNECTS ALL UNITS + AMENITIES INSIDE THIS BUILDING AND TO ALL EXTERIOR AMENITIES. HC. INDICATES MOBILITY IMPAIRED UNIT. S/H INDICATES SIGHT/HEARING IMPAIRED UNIT. MAJORITY OF PROPOSED IMPROVEMENTS ARE IN UNSHADED ZONE X' WITH A SMALL PORTION OF SITE IN 500 YEAR FLOOD PLAIN AS SHOWN.



Comments:

Provided parking of 155 spaces is compliant with requirements.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1a	1b	1c	1d									Total Buildings
Floors/Stories	3	3	3	3									
Number of Bldgs	1	1	1	1									4
Units per Bldg	15	39	33	33									
Total Units	15	39	33	33									120
Avg. Unit Size (SF)	790 sf			Total NRA (SF)	94,804			Common Area (SF)*	31,968				

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.46 acres **Density:** 22.0 units/acre

Site Control: 5.46 **Site Plan:** 5.46 **Appraisal:** N/A **ESA:** 5.46

Feasibility Report Survey: 5.46

Feasibility Report Engineer's Plan: 5.46

Control Type: Earnest Money Contract

Development Site: 5.46 acres Cost: \$2,125,000 \$17,708 per unit

Seller: Patricia French

Buyer: Encore Residential, LLC

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

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

Current Uses of Subject Site:

One single family dwelling and one storage shed. The proposed development site currently includes one single family residence that is owned by the seller and occupied by a relative of the seller. There is no lease and no rent is paid.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: The Murillo Company Date: 2/23/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- Testing for asbestos containing materials is recommended considering the structure on the subject property was constructed in 1954.
- A pipeline containing highly volatile liquid is located approximately 1/4 mile south of the property. Records indicate that the pipeline contains Liquefied Petroleum Gas.

According to Code of Federal Regulations (CFR) Part 51 Subpart C, liquified petroleum pipelines are an exception to the requirement of needing to determine a "Blast zone" (i.e., acceptable separation distance). CFR Part 51 Subpart C states that the term "hazard" does not include pipelines for the transmission of hazardous substances, if such pipelines are underground or comply with applicable federal, state, and local safety standards. The pipeline is underground; therefore, we do not believe that it is appropriate to assess a "blast zone" for the pipeline.

MARKET ANALYSIS

Provider: Araiza Appraisal & Consulting Date: 3/24/2023

Primary Market Area (PMA): 18 sq. miles 2 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Stabilized Affordable Developments in PMA	Total Units	1,356
	Total Developments	7
	Average Occupancy	93%

OVERALL DEMAND ANALYSIS					
			Market Analyst		
Total Households in the Primary Market Area			HTC	Assisted	
Senior Households in the Primary Market Area			31,867		
Potential Demand from the Primary Market Area			4,111		
10% External Demand			411		
Potential Demand from Other Sources			0		
		GROSS DEMAND	4,522		
Subject Affordable Units			89		
Unstabilized Competitive Units			0		
		RELEVANT SUPPLY	89		
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE			2.0%		

Population:	Elderly Limitation	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND						
	Market Analyst					
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate	
AMGI Band						
30% AMGI	925	93	9	0	1%	
50% AMGI	1,408	141	36	0	2%	
60% AMGI	1,778	178	44	0	2%	

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE						
	Market Analyst					
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate	
Unit Type						
1 BR/30%	544	54	5	0	1%	
1 BR/50%	433	43	20	0	4%	
1 BR/60%	440	44	28	0	6%	
2 BR/30%	258	26	4	0	1%	
2 BR/50%	395	40	16	0	4%	
2 BR/60%	581	58	16	0	3%	

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$633,676	Avg. Rent:	\$980	Expense Ratio:	52.4%
Debt Service:	\$546,683	B/E Rent:	\$915	Controllable Expenses:	\$3,193
Net Cash Flow:	\$86,993	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,042
Aggregate DCR:	1.16	B/E Occupancy:	86.5%	Program Rent Year:	2022

Underwriter utilized Applicant's market rents which are 6-7% lower than determined by the market study.

Deferred fee pays off in year 10 with a 15 year cumulative cash flow of \$908k.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$389,265/ac	\$17,708/unit	\$2,125,000	Contractor Fee	\$2,113,167
Off-site + Site Work		\$15,320/unit	\$1,838,400	Soft Cost + Financing	\$3,646,276
Building Cost	\$129.41/sf	\$102,235/unit	\$12,268,200	Developer Fee	\$3,089,775
Contingency	7.00%	\$8,229/unit	\$987,462	Reserves	\$605,643
Total Development Cost		\$222,283/unit	\$26,673,923	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		High Opportunity Index [9% only]			

Building Cost:

Underwriter utilized Marshall & Swift's "good" base cost adjusted for Covid cost increases, and increases for the small number of units..

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$26,673,923	\$23,688,280	\$2,039,326

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES					
Funding Source	Description	Amount	Rate	LTC	
Citi	Conventional Loan	\$20,544,463	7.00%	88%	
Hudson Housing Capital	HTC	\$2,759,724	\$0.92	12%	
City of Houston	Local Government Funds	\$500	0.00%	0%	
		\$23,304,687			Total Sources

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Citi	\$7,250,000	6.85%	35	15.0	\$7,250,000	6.85%	35	15.0	27%
City of Houston	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
Total	\$7,250,500				\$7,250,500				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hudson Housing Capital	\$18,398,160	\$0.92		\$18,398,160	\$0.92	69%	
The Laurel at Blackhawk Developers, LLC	\$1,025,263		33%	\$1,025,263		4%	33%
Total	\$19,423,423			\$19,423,423			
				\$26,673,923			Total Sources

Credit Price Sensitivity based on current capital structure	
\$0.971	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.874	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$26,673,923
Permanent Sources (debt + non-HTC equity)	\$7,250,500
Gap in Permanent Financing	\$19,423,423

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$18,759,927	\$2,039,326
Needed to Balance Sources & Uses	\$19,423,423	\$2,111,453
Requested by Applicant	\$18,398,160	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$18,398,160	\$2,000,000

Deferred Developer Fee	\$1,025,263	(33% deferred)
Repayable in	10 years	

Recommendation:

Underwriter recommends an annual tax credit allocation of \$2,000,000 per the applicant's request.

Underwriter:	<i>Jeffrey Price</i>
Manager of Real Estate Analysis:	<i>Diamond Unique Thompson</i>
Manager of Real Estate Analysis:	<i>Gregg Kazak</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>

UNIT MIX/RENT SCHEDULE

Laurel at Blackhawk, Houston, 9% HTC #23013

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	\$90,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	70	58.3%	0	0	0
2	50	41.7%	0	0	0
3	-	0.0%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	120	100.0%	-	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	73.58%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	790 sf

53%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	9	-	36	44	-	-	31	120
	% Total	0.0%	7.5%	0.0%	30.0%	36.7%	0.0%	0.0%	25.8%	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%	\$498	3	1	1	655	\$498	\$76	\$422	\$0	\$0.64	\$422	\$1,266	\$1,266	\$422	\$0.64	\$0	\$1,200	\$1.83	\$1,275
TC 50%	\$831	8	1	1	655	\$831	\$76	\$755	\$0	\$1.15	\$755	\$6,040	\$6,040	\$755	\$1.15	\$0	\$1,200	\$1.83	\$1,275
TC 60%	\$997	10	1	1	655	\$997	\$76	\$921	\$0	\$1.41	\$921	\$9,210	\$9,210	\$921	\$1.41	\$0	\$1,200	\$1.83	\$1,275
MR		7	1	1	655	\$0	\$76		NA	\$1.83	\$1,200	\$8,400	\$8,400	\$1,200	\$1.83	NA	\$1,200	\$1.83	\$1,275
TC 30%	\$498	2	1	1	674	\$498	\$76	\$422	\$0	\$0.63	\$422	\$844	\$844	\$422	\$0.63	\$0	\$1,200	\$1.78	\$1,275
TC 50%	\$831	10	1	1	674	\$831	\$76	\$755	\$0	\$1.12	\$755	\$7,550	\$7,550	\$755	\$1.12	\$0	\$1,200	\$1.78	\$1,275
TC 60%	\$997	13	1	1	674	\$997	\$76	\$921	\$0	\$1.37	\$921	\$11,973	\$11,973	\$921	\$1.37	\$0	\$1,200	\$1.78	\$1,275
MR		5	1	1	674	\$0	\$76		NA	\$1.78	\$1,200	\$6,000	\$6,000	\$1,200	\$1.78	NA	\$1,200	\$1.78	\$1,275
TC 50%	\$831	2	1	1	777	\$831	\$76	\$755	\$0	\$0.97	\$755	\$1,510	\$1,510	\$755	\$0.97	\$0	\$1,200	\$1.54	\$1,378
TC 60%	\$997	5	1	1	777	\$997	\$76	\$921	\$0	\$1.19	\$921	\$4,605	\$4,605	\$921	\$1.19	\$0	\$1,200	\$1.54	\$1,378
MR		5	1	1	777	\$0	\$76		NA	\$1.54	\$1,200	\$6,000	\$6,000	\$1,200	\$1.54	NA	\$1,200	\$1.54	\$1,378
TC 30%	\$598	3	2	2	924	\$598	\$100	\$498	\$0	\$0.54	\$498	\$1,494	\$1,494	\$498	\$0.54	\$0	\$1,450	\$1.57	\$1,475
TC 50%	\$997	15	2	2	924	\$997	\$100	\$897	\$0	\$0.97	\$897	\$13,455	\$13,455	\$897	\$0.97	\$0	\$1,450	\$1.57	\$1,475
TC 60%	\$1,197	13	2	2	924	\$1,197	\$100	\$1,097	\$0	\$1.19	\$1,097	\$14,261	\$14,261	\$1,097	\$1.19	\$0	\$1,450	\$1.57	\$1,475
MR		11	2	2	924	\$0	\$100		NA	\$1.57	\$1,450	\$15,950	\$15,950	\$1,450	\$1.57	NA	\$1,450	\$1.57	\$1,475
TC 30%	\$598	1	2	2	1,014	\$598	\$100	\$498	\$0	\$0.49	\$498	\$498	\$498	\$498	\$0.49	\$0	\$1,450	\$1.43	\$1,565
TC 50%	\$997	1	2	2	1,014	\$997	\$100	\$897	\$0	\$0.88	\$897	\$897	\$897	\$897	\$0.88	\$0	\$1,450	\$1.43	\$1,565
TC 60%	\$1,197	3	2	2	1,014	\$1,197	\$100	\$1,097	\$0	\$1.08	\$1,097	\$3,291	\$3,291	\$1,097	\$1.08	\$0	\$1,450	\$1.43	\$1,565
MR		3	2	2	1,014	\$0	\$100		NA	\$1.43	\$1,450	\$4,350	\$4,350	\$1,450	\$1.43	NA	\$1,450	\$1.43	\$1,565
TOTALS/AVERAGES:		120			94,804				\$0	\$1.24	\$980	\$117,594	\$117,594	\$980	\$1.24	\$0	\$1,304	\$1.65	\$1,375

ANNUAL POTENTIAL GROSS RENT:	\$1,411,128	\$1,411,128	
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STABILIZED PRO FORMA

Laurel at Blackhawk, Houston, 9% HTC #23013

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$1.24		\$980	\$1,411,128	\$1,411,128	\$980	\$1.24		0.0% \$0
Laundry, Vending, Deposit Forfeitures							\$20.00	\$28,800					
Total Secondary Income							\$20.00		\$28,800	\$20.00		0.0%	\$0
POTENTIAL GROSS INCOME							\$1,439,928	\$1,439,928				0.0%	\$0
Vacancy & Collection Loss							7.5% PGI	(107,995)	(107,995)	7.5% PGI		0.0%	-
EFFECTIVE GROSS INCOME								\$1,331,933	\$1,331,933			0.0%	\$0

General & Administrative	\$52,761	\$440/Unit	\$41,734	\$348	2.23%	\$0.31	\$248	\$29,700	\$41,734	\$348	\$0.44	3.13%	-28.8% (12,034)
Management	\$52,222	3.9% EGI	\$54,565	\$455	5.00%	\$0.70	\$555	\$66,597	\$66,597	\$555	\$0.70	5.00%	0.0% 0
Payroll & Payroll Tax	\$165,305	\$1,378/Unit	\$208,657	\$1,739	14.90%	\$2.09	\$1,653	\$198,400	\$198,400	\$1,653	\$2.09	14.90%	0.0% -
Repairs & Maintenance	\$90,221	\$752/Unit	\$102,107	\$851	4.88%	\$0.69	\$542	\$65,000	\$78,000	\$650	\$0.82	5.86%	-16.7% (13,000)
Electric/Gas	\$29,667	\$247/Unit	\$29,933	\$249	1.50%	\$0.21	\$167	\$20,000	\$20,000	\$167	\$0.21	1.50%	0.0% -
Water, Sewer, & Trash	\$86,236	\$719/Unit	\$57,653	\$480	5.26%	\$0.74	\$583	\$70,000	\$70,000	\$583	\$0.74	5.26%	0.0% -
Property Insurance	\$76,717	\$0.81 /sf	\$125,603	\$1,047	6.76%	\$0.95	\$750	\$90,000	\$90,000	\$750	\$0.95	6.76%	0.0% -
Property Tax (@ 100%) 2.5600	\$104,858	\$874/Unit			9.38%	\$1.32	\$1,042	\$125,000	\$125,000	\$1,042	\$1.32	9.38%	0.0% -
Reserve for Replacements					2.25%	\$0.32	\$250	\$30,000	\$30,000	\$250	\$0.32	2.25%	0.0% -
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0% -
TDHCA Compliance fees (\$40/HTC unit)					0.27%	\$0.04	\$30	\$3,560	\$3,560	\$30	\$0.04	0.27%	0.0% -
Security					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0% -
TOTAL EXPENSES				52.42%	\$7.37	\$5,819	\$698,257	\$723,291	\$6,027	\$7.63	54.30%	-3.5%	\$ (25,034)
NET OPERATING INCOME ("NOI")				47.58%	\$6.68	\$5,281	\$633,676	\$608,642	\$5,072	\$6.42	45.70%	4.1%	\$ 25,034

CONTROLLABLE EXPENSES		\$3,193/Unit		\$3,401/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Laurel at Blackhawk, Houston, 9% HTC #23013

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	
Citi		1.11	1.16	546,683	6.85%	35	15.0	\$7,250,000	\$7,250,000	15.0	35	6.85%	\$546,683	1.16	27.2%	
CASH FLOW DEBT / GRANTS																
City of Houston		1.11	1.16		0.00%	0	0.0	\$500	\$500	0.0	0	0.00%		1.16	0.0%	
				\$546,683				TOTAL DEBT / GRANT SOURCES	\$7,250,500				TOTAL DEBT SERVICE	\$546,683	1.16	27.2%
NET CASH FLOW		\$61,959	\$86,993					APPLICANT	NET OPERATING INCOME				\$633,676	\$86,993	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
Hudson Housing Capital	LIHTC Equity		69.0%	\$2,000,000	\$0.92	\$18,398,160	\$18,398,160	\$0.9199	\$2,000,000	69.0%	\$16,667	Applicant Request
The Laurel at Blackhawk Developers, LLC	Deferred Developer Fees		3.8%	(33% Deferred)		\$1,025,263	\$1,025,263	(33% Deferred)		3.8%	Total Developer Fee:	\$3,089,775
Additional (Excess) Funds Req'd			0.0%			\$0				0.0%		
TOTAL EQUITY SOURCES			72.8%			\$19,423,423	\$19,423,423			72.8%		
TOTAL CAPITALIZATION						\$26,673,923	\$26,673,923				15-Yr Cash Flow after Deferred Fee:	\$908,289

DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE		
Eligible Basis		Acquisition	Total Costs				Total Costs				Eligible Basis			
Land Acquisition			\$17,708 / Unit	\$2,125,000	\$2,125,000	\$17,708 / Unit						0.0%	\$0	
Building Acquisition			\$ / Unit	\$0	\$0	\$ / Unit						\$0	0.0%	\$0
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit						\$0	0.0%	\$0
Site Work			\$1,391,400	\$11,595 / Unit	\$1,391,400	\$1,391,400	\$11,595 / Unit					\$1,391,400	0.0%	\$0
Site Amenities			\$447,000	\$3,725 / Unit	\$447,000	\$447,000	\$3,725 / Unit					\$447,000	0.0%	\$0
Building Cost			\$12,268,200	\$129.41 / sf	\$102,235/Unit	\$12,268,200	\$13,370,084	\$111,417/Unit	\$141.03 / sf	\$12,268,200		-8.2%	(\$1,101,884)	
Contingency			\$987,462	7.00%	7.00%	\$987,462	\$987,462	6.49%	7.00%	\$987,462		0.0%	\$0	
Contractor Fees			\$2,113,167	14.00%	14.00%	\$2,113,167	\$2,113,167	13.05%	14.00%	\$2,113,167		0.0%	\$0	
Soft Costs			\$0	\$1,509,410		\$12,578 / Unit	\$1,509,410	\$12,578 / Unit				\$0	0.0%	\$0
Financing			\$0	\$1,881,866		\$17,807 / Unit	\$2,136,866	\$2,136,866	\$17,807 / Unit			\$0	0.0%	\$0
Developer Fee			\$0	\$3,089,775	15.00%	15.00%	\$3,089,775	\$3,089,775	14.24%	15.00%	\$3,089,775		0.0%	\$0
Reserves					6 Months	\$605,643	\$605,643	6 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			\$0	\$23,688,280		\$222,283 / Unit	\$26,673,923	\$27,775,807	\$231,465 / Unit		\$23,688,280	\$0	-4.0%	(\$1,101,884)
Acquisition Cost			\$0			\$0								
Contingency			\$0			\$0								
Contractor's Fee			\$0			\$0								
Financing Cost			\$0											
Developer Fee			\$0	\$0		\$0								
Reserves														
ADJUSTED BASIS / COST			\$0	\$23,688,280		\$222,283/unit	\$26,673,923	\$27,775,807	\$231,465/unit		\$23,688,280	\$0	-4.0%	(\$1,101,884)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):							\$26,673,923							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Laurel at Blackhawk, Houston, 9% HTC #23013

CREDIT CALCULATION ON QUALIFIED BASIS			
Applicant		TDHCA	
Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$23,688,280	\$0
Deduction of Federal Grants	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$23,688,280	\$0
High Cost Area Adjustment		130%	
TOTAL ADJUSTED BASIS	\$0	\$30,794,764	\$0
Applicable Fraction	73.58%	73.58%	74%
TOTAL QUALIFIED BASIS	\$0	\$22,659,182	\$0
Applicable Percentage	4.00%	9.00%	4.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,039,326	\$0
CREDITS ON QUALIFIED BASIS		\$2,039,326	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Credit Price	\$0.9199	Variance to Request		
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,039,326	\$18,759,927	----	----	----
Needed to Fill Gap	\$2,111,453	\$19,423,423	----	----	----
Applicant Request	\$2,000,000	\$18,398,160	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	94,804 SF	\$115.82	10,980,215
Adjustments				
Exterior Wall Finish	1.36%		1.58	\$149,331
Elderly	3.00%		3.47	329,406
9-Ft. Ceilings	3.17%		3.67	348,073
Roof Adjustment(s)			0.00	0
Subfloor			(0.16)	(14,853)
Floor Cover			2.82	267,347
Breezeways	\$30.56	25,343	8.17	774,398
Balconies	\$30.67	6,943	2.25	212,976
Plumbing Fixtures	\$1,610	150	2.55	241,500
Rough-ins	\$600	240	1.52	144,000
Built-In Appliances	\$2,950	120	3.73	354,000
Exterior Stairs	\$3,050	18	0.58	54,900
Heating/Cooling			2.37	224,685
Storage Space	\$30.56		0.00	0
Carports	\$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$126.12	7,118	9.47	897,691
Elevators	\$132,200	2	2.79	264,400
Other:			0.00	0
Fire Sprinklers	\$3.65	127,265	4.90	464,517
SUBTOTAL			165.53	15,692,587
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			165.53	\$15,692,587
Plans, specs, survey, bldg permits	3.30%		(5.46)	(517,855)
Contractor's OH & Profit	11.50%		(19.04)	(1,804,647)
NET BUILDING COSTS		\$111,417/unit	\$141.03/sf	\$13,370,084

Long-Term Pro Forma

Laurel at Blackhawk, Houston, 9% HTC #23013

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$1,331,933	\$1,358,572	\$1,385,744	\$1,413,458	\$1,441,728	\$1,591,784	\$1,757,458	\$1,940,375	\$2,142,331	\$2,365,307	\$2,611,490
TOTAL EXPENSES	3.00%	\$698,257	\$718,539	\$739,416	\$760,905	\$783,026	\$903,763	\$1,043,316	\$1,204,639	\$1,391,152	\$1,606,814	\$1,856,210
NET OPERATING INCOME ("NOI")		\$633,676	\$640,033	\$646,328	\$652,553	\$658,702	\$688,021	\$714,142	\$735,737	\$751,179	\$758,493	\$755,279
EXPENSE/INCOME RATIO		52.4%	52.9%	53.4%	53.8%	54.3%	56.8%	59.4%	62.1%	64.9%	67.9%	71.1%
MUST -PAY DEBT SERVICE												
Citi		\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683
TOTAL DEBT SERVICE		\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683	\$546,683
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.20	1.26	1.31	1.35	1.37	1.39	1.38
ANNUAL CASH FLOW												
Deferred Developer Fee Balance		\$938,270	\$844,920	\$745,275	\$639,405	\$527,386	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$121,712	\$908,289	\$1,812,479	\$2,806,902	\$3,855,021	\$4,909,179