



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.

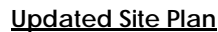
SET-ASIDES

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	
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The material amendment consists of:

- ## Original 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:	<u>Jeffrey Price</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
<i>Laurel at Blackhawk, Houston, 9% HTC #23013</i>

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	# Units	-	9	-	36	44	-	-	16	105
Income	% 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											
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	PREVIOUS UW		Principal	Term	Amort	Rate	Pmt	Cumulative						
UW	App	Applicant	TDHCA						DCR	LTC												
DEBT (Must Pay)	Fee																					
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 / DEFERRED FEES	EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE					PREVIOUS UW		AS UNDERWRITTEN EQUITY STRUCTURE					
								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:	
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%	\$2,810,005	
TOTAL EQUITY SOURCES		78.3%			\$19,433,073	\$19,423,423	\$19,423,423	\$19,433,073			78.3%		
TOTAL CAPITALIZATION					\$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					PREVIOUS UW		TDHCA COST / BASIS ITEMS				COST VARIANCE		
		Eligible Basis		Total Costs					Total Costs		Eligible Basis				
		Acquisition	New Const. Rehab.								New Const. Rehab.	Acquisition			
													%	\$	
Land Acquisition				\$20,238 / Unit	\$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	\$ / Unit		\$0		0.0%	\$0	
Off-Sites				\$ / Unit	\$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%	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%	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	\$2,278,940		\$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%	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	\$21,543,375
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,543,375	\$0	\$21,543,375
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$28,006,387	\$0	\$28,006,387
Applicable Fraction	83.73%	83.73%	84%	84%
TOTAL QUALIFIED BASIS	\$0	\$23,450,234	\$0	\$23,450,234
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,110,521	\$0	\$2,110,521
CREDITS ON QUALIFIED BASIS	\$2,110,521		\$2,110,521	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS			FINAL ANNUAL LIHTC ALLOCATION		
Method	Annual Credits	Proceeds	Credit Price \$0.9199	Variance to Request	
			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

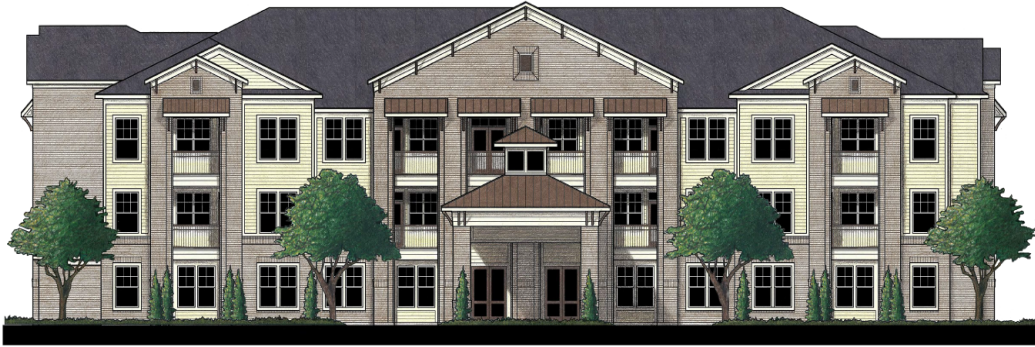
Laurel at Blackhawk, Houston, 9% HTC #23013

	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	\$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	\$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		\$79,923	\$84,403	\$88,796	\$93,097	\$97,297	\$116,513	\$131,933	\$142,241	\$145,834	\$140,771	\$124,715
Deferred Developer Fee Balance		\$954,989	\$870,587	\$781,790	\$688,693	\$591,397	\$45,980	\$0	\$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

PROPERTY IDENTIFICATION		RECOMMENDATION				KEY PRINCIPALS / SPONSOR																																																																			
Application #	23013	TDHCA Program	Request	Recommended		Resolution Companies/Jeremy Bartholomew Developer/Guarantor Audrey Martin/Consultant																																																																			
Development	Laurel at Blackhawk	LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$16,667/Unit			\$0.92																																																																	
City / County	Houston / Harris																																																																								
Region/Area	6 / Urban																																																																								
Population	Elderly Limitation																																																																								
Set-Aside	General					Related Parties																																																																			
Activity	Reconstruction					Contractor - TBD																																																																			
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TYPICAL BUILDING ELEVATION/PHOTO																																																																									
																																																																									
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PRO FORMA FEASIBILITY INDICATORS																																																																									
Pro Forma Underwritten				Applicant's Pro Forma																																																																					
Debt Coverage	1.16	Expense Ratio	52.4%																																																																						
Breakeven Occ.	86.5%	Breakeven Rent	\$915																																																																						
Average Rent	\$980	B/E Rent Margin	\$65																																																																						
Property Taxes	\$1,042/unit	Exemption/PILOT	0%																																																																						
Total Expense	\$5,819/unit	Controllable	\$3,193/unit																																																																						
MARKET FEASIBILITY INDICATORS																																																																									
Gross Capture Rate (10% Maximum)				2.0%																																																																					
Highest Unit Capture Rate	6%	1 BR/60%	28																																																																						
Dominant Unit Cap. Rate	6%	1 BR/60%	28																																																																						
Premiums (↑60% Rents)	Yes	\$309/Avg.																																																																							
Rent Assisted Units	N/A																																																																								
DEVELOPMENT COST SUMMARY																																																																									
Costs Underwritten				Applicant's Costs																																																																					
Avg. Unit Size	790 SF	Density	22.0/acre																																																																						
Acquisition	\$18K/unit	\$2,125K																																																																							
Building Cost	\$129.41/SF	\$102K/unit	\$12,268K																																																																						
Hard Cost	\$126K/unit	\$15,094K																																																																							
Total Cost	\$222K/unit	\$26,674K																																																																							
Developer Fee	\$3,090K	(33% Deferred)	Paid Year: 10																																																																						
Contractor Fee	\$2,113K	30% Boost	Yes																																																																						
SITE PLAN																																																																									
 <p>BUILDING TYPE 1 IS COMPRISED OF 4 DISTINCT BUILDINGS # 1, 2, 3 AND 4, SEPARATED BY TWO-HOUR AREA SEPARATION WALLS. ACCESSIBLE ROUTE CONNECTS ALL UNITS 4 AMENITIES INSIDE THIS BUILDING AND TO ALL EXTERIOR AMENITIES. H.C. INDICATES MOBILITY IMPAIRED UNIT. B/H INDICATES BIGHT/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.</p>																																																																									

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	
											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
TOTAL DEBT (Must Pay)			\$7,250,000		CASH FLOW DEBT / GRANTS			\$500				

CONDITIONS	
<ul style="list-style-type: none"> - 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)					
<table border="1"> <thead> <tr> <th>RISK PROFILE</th> </tr> </thead> <tbody> <tr> <td>STRENGTHS/MITIGATING FACTORS</td> </tr> <tr> <td> <ul style="list-style-type: none"> Low gross capture rate </td> </tr> <tr> <td>WEAKNESSES/RISKS</td> </tr> <tr> <td> <ul style="list-style-type: none"> Raising expense environment with 1.16 DCR </td> </tr> </tbody> </table>	RISK PROFILE	STRENGTHS/MITIGATING FACTORS	<ul style="list-style-type: none"> Low gross capture rate 	WEAKNESSES/RISKS	<ul style="list-style-type: none"> Raising expense environment with 1.16 DCR 	
RISK PROFILE						
STRENGTHS/MITIGATING FACTORS						
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<table border="1"> <thead> <tr> <th>AREA MAP</th> </tr> </thead> <tbody> <tr> <td> </td> </tr> </tbody> </table>	AREA MAP					
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: <u>9205 Wayfarer Ln</u>			
City: <u>Houston</u>		County: <u>Harris</u>	Zip: <u>77075</u>
Population: <u>Elderly Limitation</u>	Program Set-Aside: <u>General</u>	Area: <u>Urban</u>	
Activity: <u>Reconstruction</u>	Building Type: <u>Elevator Served</u>	Region: <u>6</u>	
Analysis Purpose: <u>New Application - Initial Underwriting</u>			

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

- Low gross capture rate

WEAKNESSES/RISKS

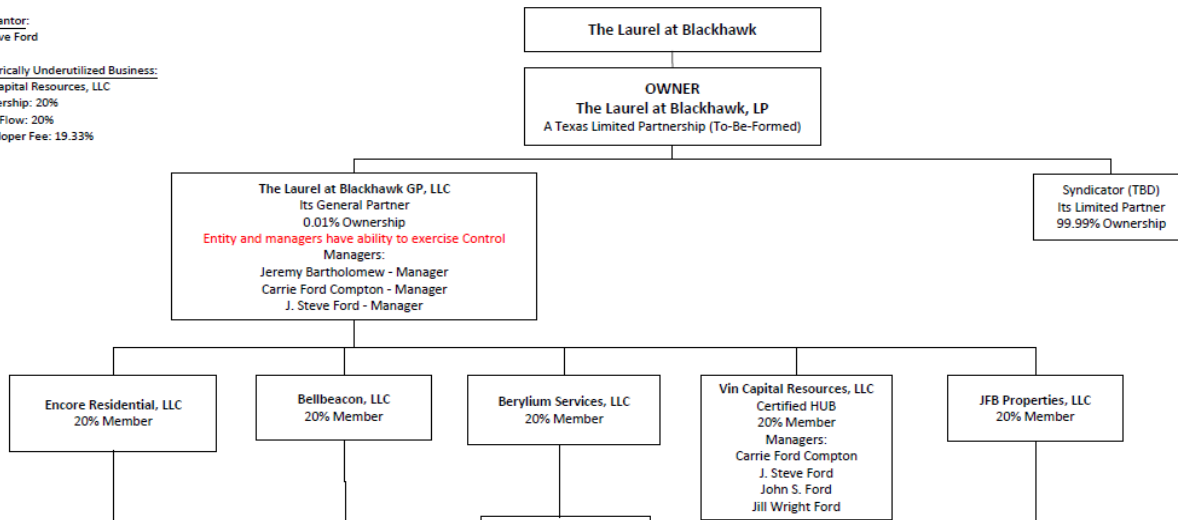
- Raising expense environment with 1.16 DCR

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

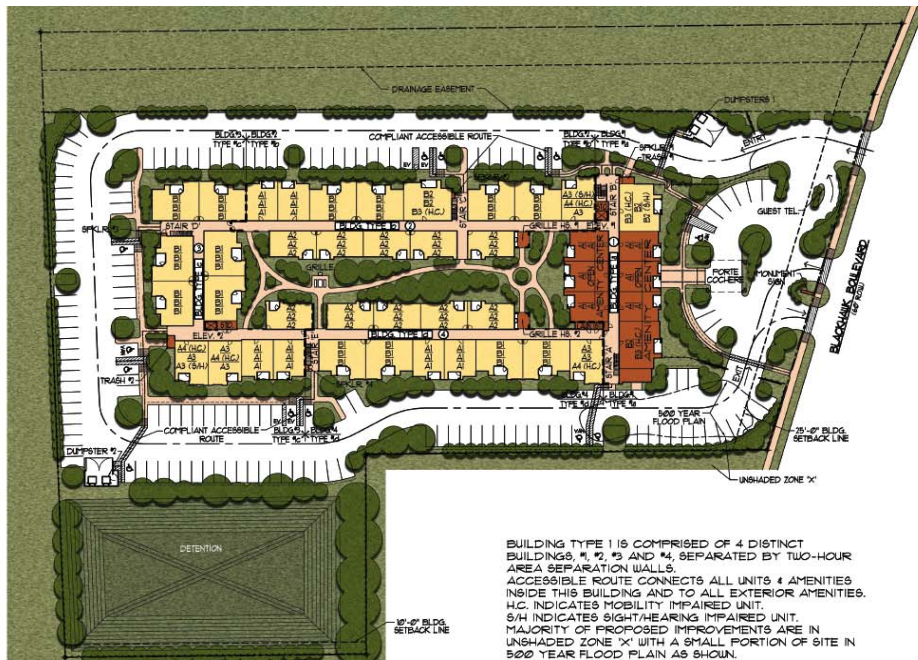
Guarantor:
J. Steve Ford

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



DEVELOPMENT SUMMARY

SITE PLAN



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									4
Number of Bldgs	1	1	1	1									
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: <u>Unshaded X and Shaded X</u>	Scattered Site? <u>No</u>	
Zoning: <u>No Zoning</u>	Within 100-yr floodplain? <u>No</u>	
Re-Zoning Required? <u>No</u>	Utilities at Site? <u>Yes</u>	
Year Constructed: <u>NA</u>	Title Issues? <u>No</u>	

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		
		HTC	Assisted	
Total Households in the Primary Market Area		31,867		
Senior Households in the Primary Market Area		9,801		
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%
--------------------	---------------------------	---------------------	--------------	------------------------------------	------------

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND									
		Market Analyst							
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate				
30% AMGI	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							
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate				
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:	<u>Jeffrey Price</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
<i>Laurel at Blackhawk, Houston, 9% HTC #23013</i>

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	# Units	-	9	-	36	44	-	-	31	120
Income	% 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
<i>Laurel at Blackhawk, Houston, 9% HTC #23013</i>

		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														
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	\$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 / 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
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		Total Costs					Total Costs			Eligible Basis		%	\$		
													Acquisition	New Const. Rehab									New Const. Rehab	Acquisition				
Land Acquisition															\$17,708 / Unit		\$2,125,000		\$2,125,000		\$17,708 / Unit				0.0%	\$0		
Building Acquisition													\$0			\$ / Unit		\$0		\$ / Unit		\$0				0.0%	\$0	
Off-Sites																\$ / Unit		\$0		\$ / Unit		\$0			0.0%	\$0		
Site Work														\$1,391,400		\$11,595 / Unit		\$1,391,400		\$11,595 / Unit		\$1,391,400			0.0%	\$0		
Site Amenities														\$447,000		\$3,725 / Unit		\$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		\$1,509,410		\$0	0.0%	\$0		
Financing													\$0	\$1,881,866		\$17,807 / Unit		\$2,136,866		\$17,807 / Unit		\$1,881,866		\$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%	\$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																	\$0											
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	\$23,688,280
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$23,688,280	\$0	\$23,688,280
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$30,794,764	\$0	\$30,794,764
Applicable Fraction	73.58%	73.58%	74%	74%
TOTAL QUALIFIED BASIS	\$0	\$22,659,182	\$0	\$22,659,182
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,039,326	\$0	\$2,039,326
CREDITS ON QUALIFIED BASIS	\$2,039,326		\$2,039,326	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.9199	Variance to Request	
	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		\$86,993	\$93,350	\$99,645	\$105,870	\$112,019	\$141,338	\$167,459	\$189,053	\$204,496	\$211,810	\$208,596
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