24171 Sherry Pointe Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 20, 2024

PROPERTY IDENTIFICATION	
Application #	**24171**
Development	**Sherry Pointe Apartments**
City / County	**Arlington / Tarrant**
Region/Area	**3 / Urban**
Population	**General**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

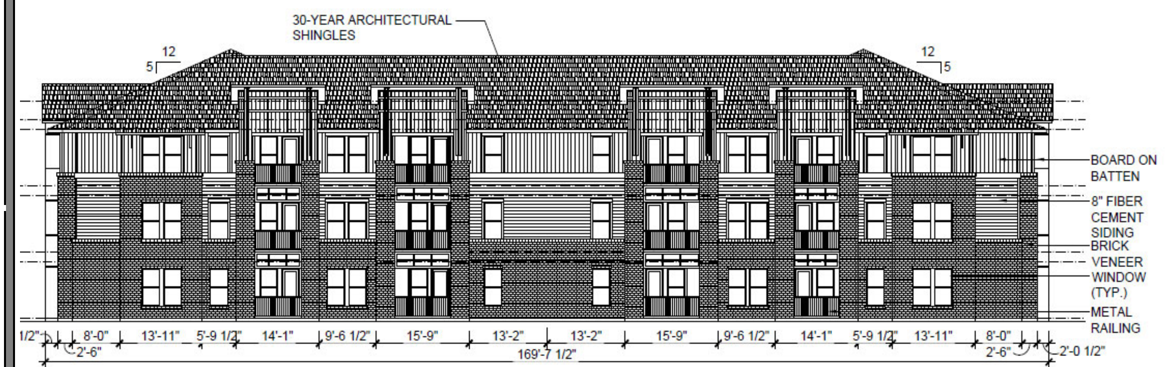
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$20,833/Unit	$0.88

KEY PRINCIPALS / SPONSOR

Deepak P. Sulakhe - OM Housing, LLC

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

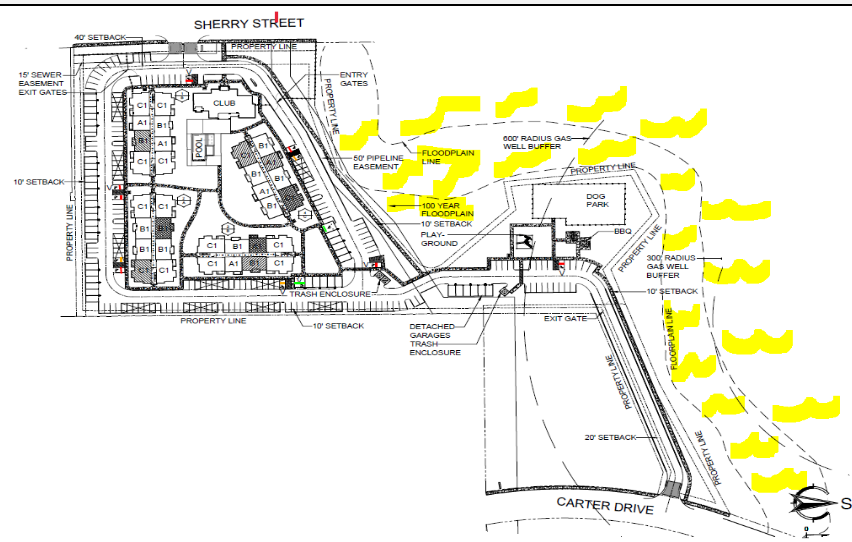


UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	18	19%	30%	9	9%
2	36	38%	40%	-	0%
3	42	44%	50%	36	38%
4	-	0%	60%	43	45%
			70%	-	0%
			80%	-	0%
			MR	8	8%
TOTAL	96	100%	TOTAL	96	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	Expense Ratio	48.4%
Breakeven Occ.	85.6%	Breakeven Rent	$1,056
Average Rent	$1,143	B/E Rent Margin	$88
Property Taxes	$1,124/unit	Exemption/PILOT	0%
Total Expense	$6,305/unit	Controllable	$3,344/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.6%
Highest Unit Capture Rate	3%	3 BR/50%	17
Dominant Unit Cap. Rate	2%	3 BR/60%	19
Premiums (↑80% Rents)	No		
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,009 SF	Density	13.1/acre
Acquisition		$23K/unit	$2,209K
Building Cost	$133.58/SF	$135K/unit	$12,936K
Hard Cost		$168K/unit	$16,155K
Total Cost		$280K/unit	$26,893K
Developer Fee	$2,668K	(47% Deferred)	Paid Year: 10
Contractor Fee	$2,104K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Colliers Mortgage LLC - Const. to Perm. FHA	40/40	6.00%	$8,050,000	1.17
TOTAL DEBT (Must Pay)			$8,050,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Arlington - In-Kind Contribution	0/0	0.00%	$500	1.17
CASH FLOW DEBT / GRANTS			$500	

EQUITY / DEFERRED FEES	
Source	Amount
PNC Bank	$17,598,240
OM Housing, LLC	$1,244,753
TOTAL EQUITY SOURCES	$18,842,993
TOTAL DEBT SOURCES	$8,050,500
TOTAL CAPITALIZATION	$26,893,493

CONDITIONS

1 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

2 Receipt and acceptance by Cost Certification:

- Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

  For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

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

RISK PROFILE

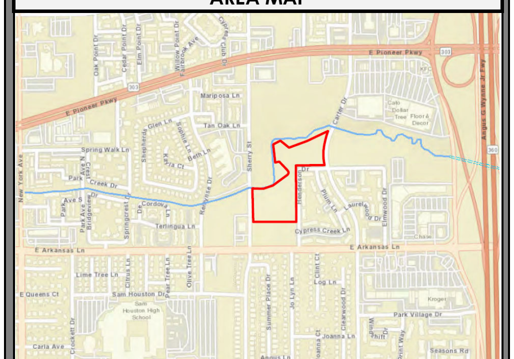
STRENGTHS/MITIGATING FACTORS

- Low Gross Capture Rate
- High 15-Yr Cash Flow after Deferred Fee
- Experienced developer (LIHTC)

WEAKNESSES/RISKS

- A small portion of the northwestern boundary property appears to be located within a floodway, Zone AE.
- DCR 1.17

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 20, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24171** Program(s): **9% HTC**

Sherry Pointe Apartments

Address/Location: NEQ of E Arkansas Ln and Sherry St

City: Arlington County: Tarrant Zip: 76010

Population:	General	Program Set-Aside:	General	Area:	Urban
Activity:	New Construction	Building Type:	Garden (Up to 4-story)	Region:	3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

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

CONDITIONS

1 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

2 Receipt and acceptance by Cost Certification:

- Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

  For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

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	43

DEVELOPMENT SUMMARY

The Development includes 96 units (18 1-BR units, 36 2-BR units, and 42 3-BR units) of typical construction serving the general population. There will be four 3-story residential buildings and one clubhouse building. Parking will meet City of Arlington requirements and be a combination of detached garages, carports, and uncovered parking. There will be a learning center which will offer after school educational services as required by the 2024 QAP.

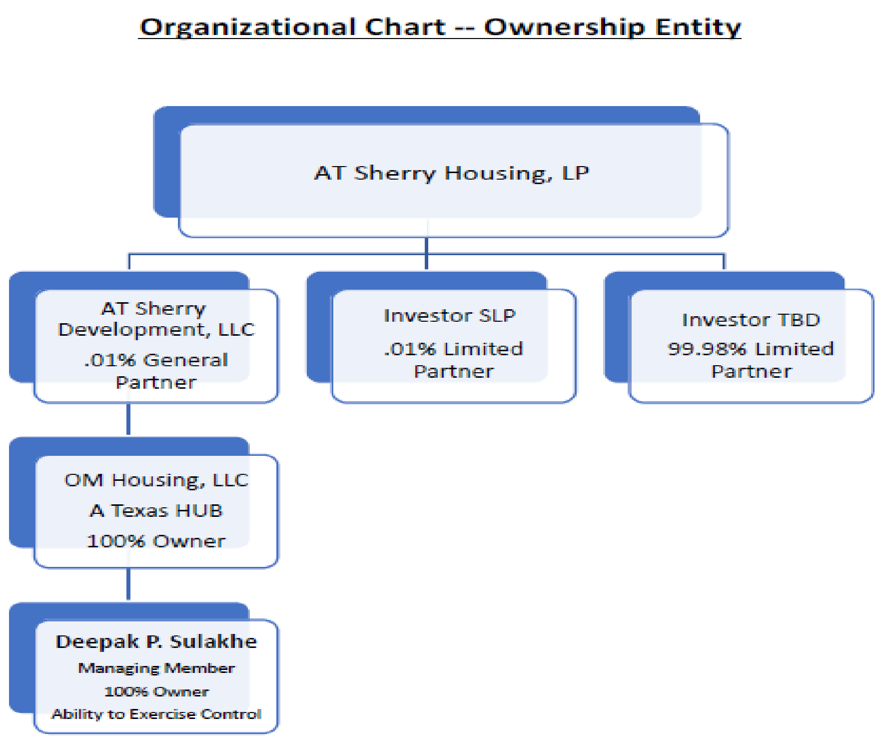
RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Low Gross Capture Rate
▫	High 15-Yr Cash Flow after Deferred Fee
▫	Experienced developer (LIHTC)

	WEAKNESSES/RISKS
▫	A small portion of the northwestern boundary property appears to be located within a floodway, Zone AE.
▫	DCR 1.17
▫	

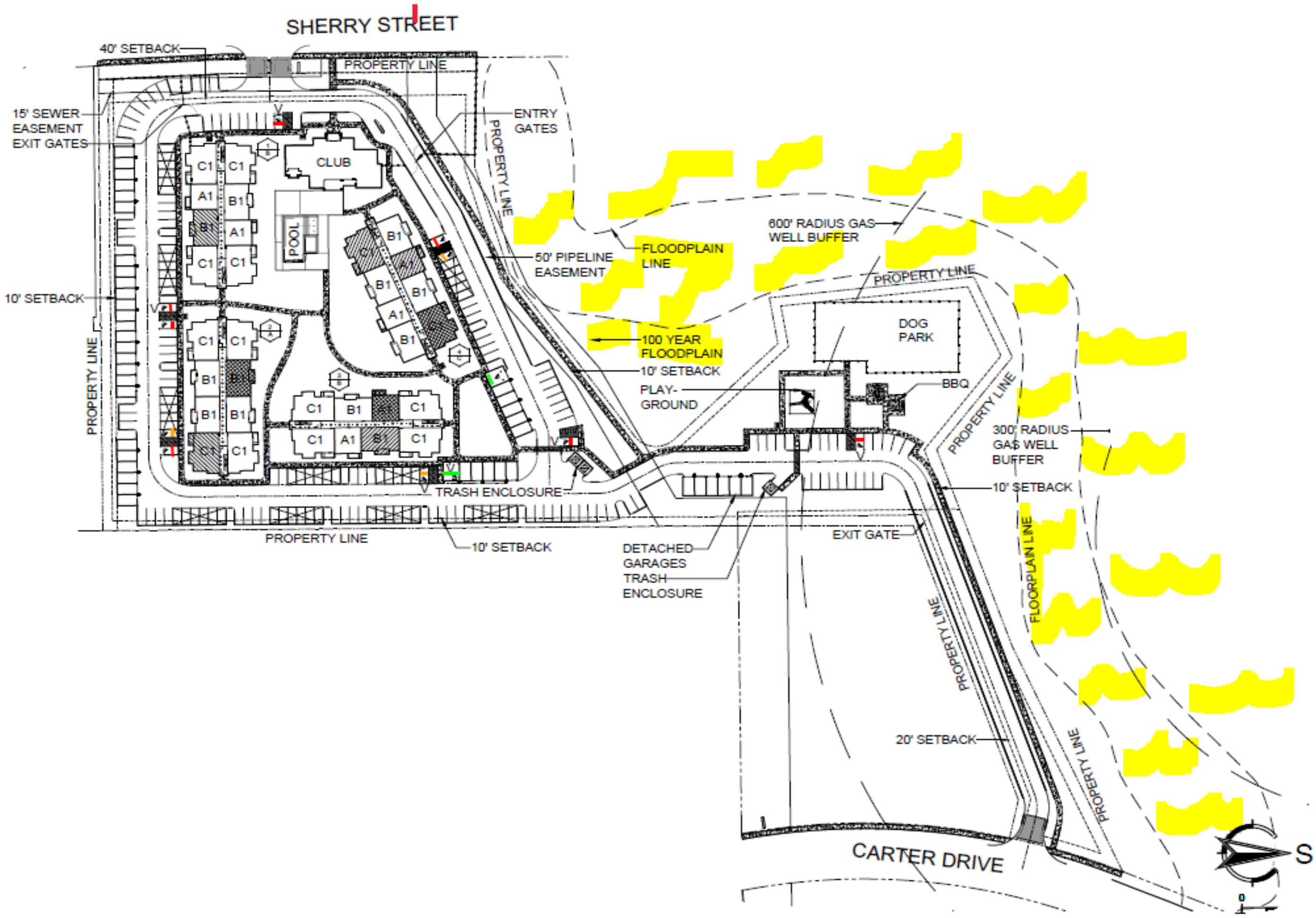
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

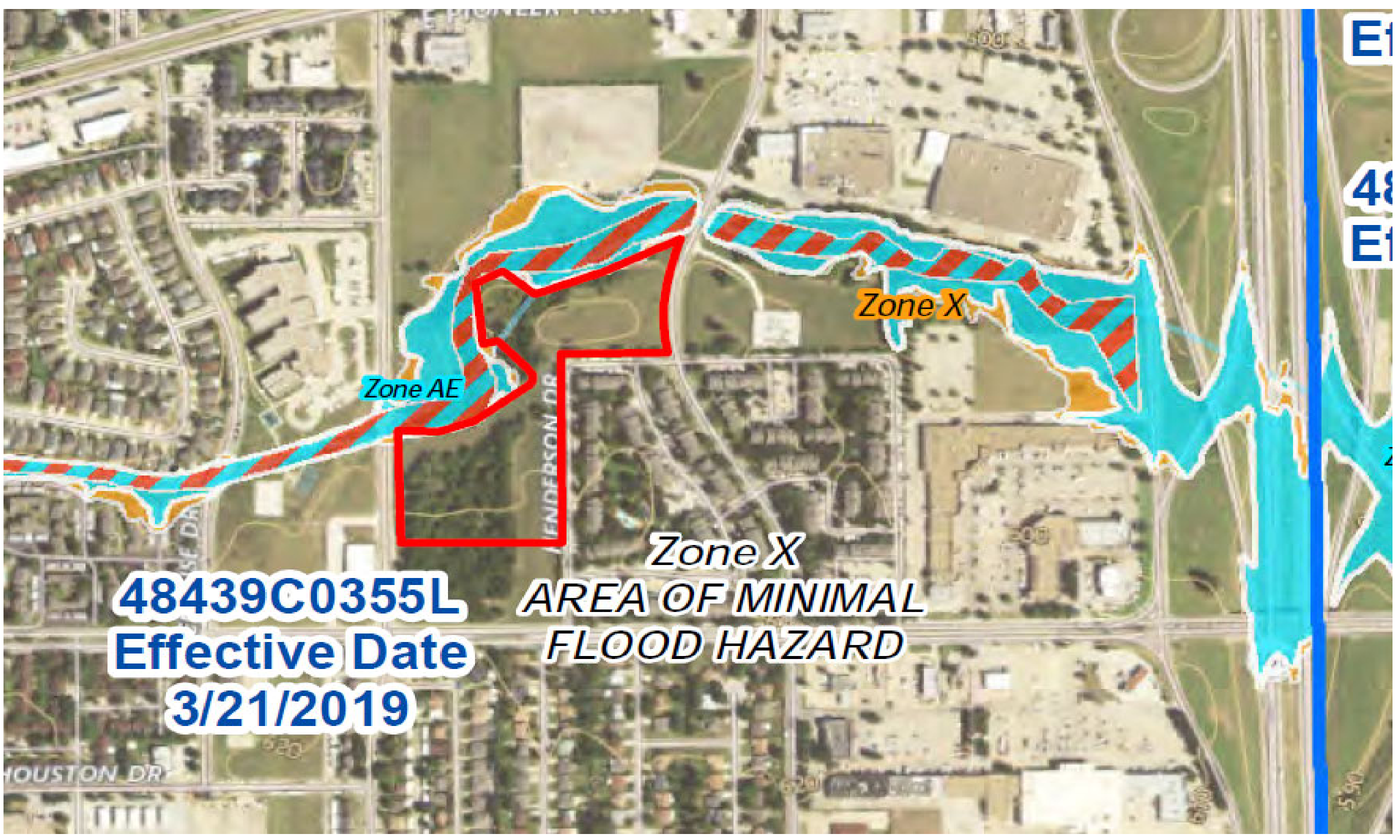


DEVELOPMENT SUMMARY

SITE PLAN




Upp Operating
Natural Gas
Well Pad Site
Undeveloped
Land
Undeveloped
Land
Pipeline
Regulator
Station
Undeveloped
Land
Undeveloped
Land
Harmony
Apartments
Undeveloped
Land
Dollar
General
Multi-Tenant
Retail Center with
Exxon Branded
Gasoline
Filling Station


Zone X
Zone AE
Zone X
AREA OF MINIMAL
FLOOD HAZARD
48439C0355L
Effective Date
3/21/2019

Comments:

The subject property is predominately in Unshaded Zone X (outside of the 100 and 500-year floodplains) with the exception of the northwestern boundary, of which is a small portion appears to be located within a floodway, Zone AE (100-year floodplain) and Shaded Zone X (500-year floodplain) as shown on the FEMA FIRM Map Number 48439C0355L, with an effective date of March 21, 2019.

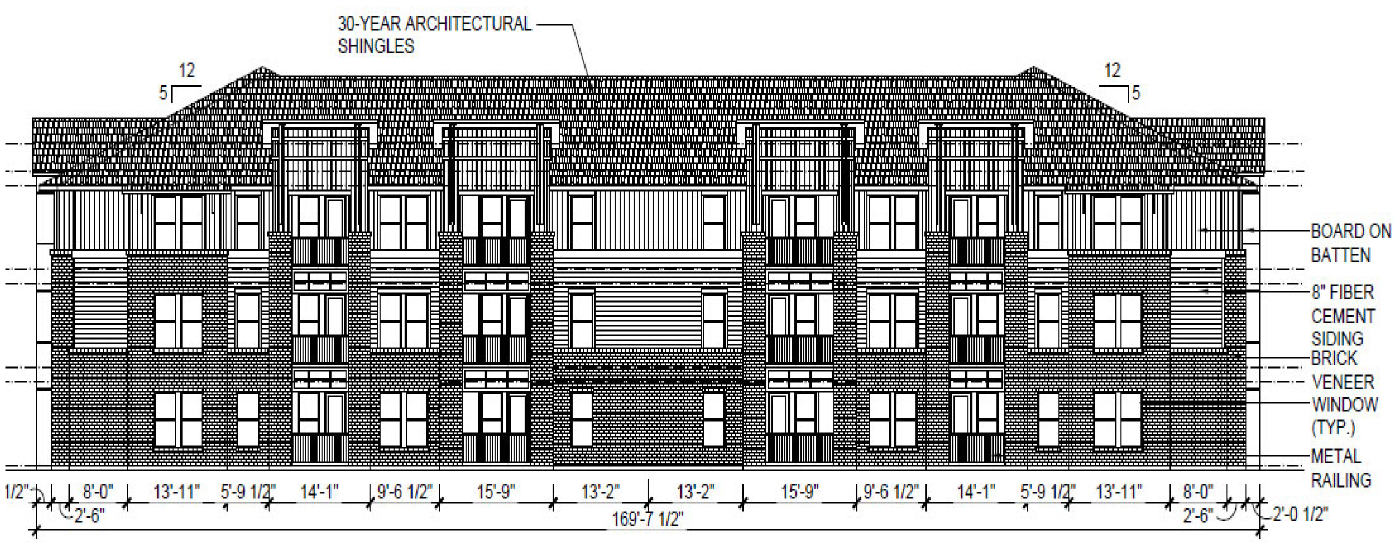
Parking	No Fee		Tenant-Paid		Total	
Open Surface	113	*1.2/unit*	0	--	113	*1.2/unit*
Carport	60	*0.6/unit*	0	--	60	*0.6/unit*
Garage	42	*0.4/unit*	0	--	42	*0.4/unit*
Total Parking	**215**	*2.2/unit*	**0**	--	**215**	*2.2/unit*

Comments:

The required off-street parking is 1.5 spaces per 1 bedroom, 2 spaces per 2 bedroom, and 2.5 spaces per 3 bedroom. At least half of the required number of parking spaces shall be provided in a parking structure, enclosed garage, or carport at no cost to the tenant. Bike parking requirement is 10% of all automobile spaces. The total number of required parking is 204 spaces and 20 bike spaces.

The Development is providing a total of 215 parking spaces; 113 open surface parking, 60 carport spaces, and 42 detached garages. The Development is also providing 24 bike parking spaces. The applicant is meeting the requirement.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	A	B	C										Total Buildings
Floors/Stories	3	3	3										
Number of Bldgs	1	2	1										**4**
Units per Bldg	24	24	24										
Total Units	24	48	24										**96**

Avg. Unit Size (SF)	**1,009 sf**	**Total NRA (SF)**	**96,840**	**Common Area (SF)***	**16,834**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 7.33 acres Density: 13.1 units/acre

Site Control: 7.33 **Site Plan:** 7.33 **Appraisal:** NA **ESA:** 9.076

Feasibility Report Survey: 7.33 **Feasibility Report Engineer's Plan:** 7.33 **Existing LURA:** NA

Control Type: Commercial Contract

Total Acquisition:	9.076	acres	Cost:	$2,450,000	
Development Site:	7.33	acres	Cost:	$1,978,680	$20,611 per unit

Seller: Pioneer Village, LLC

Buyer: OM Housing, LLC

Assignee: AT Sherry Housing, LP

Related-Party Seller/Identity of Interest: No

Comments:

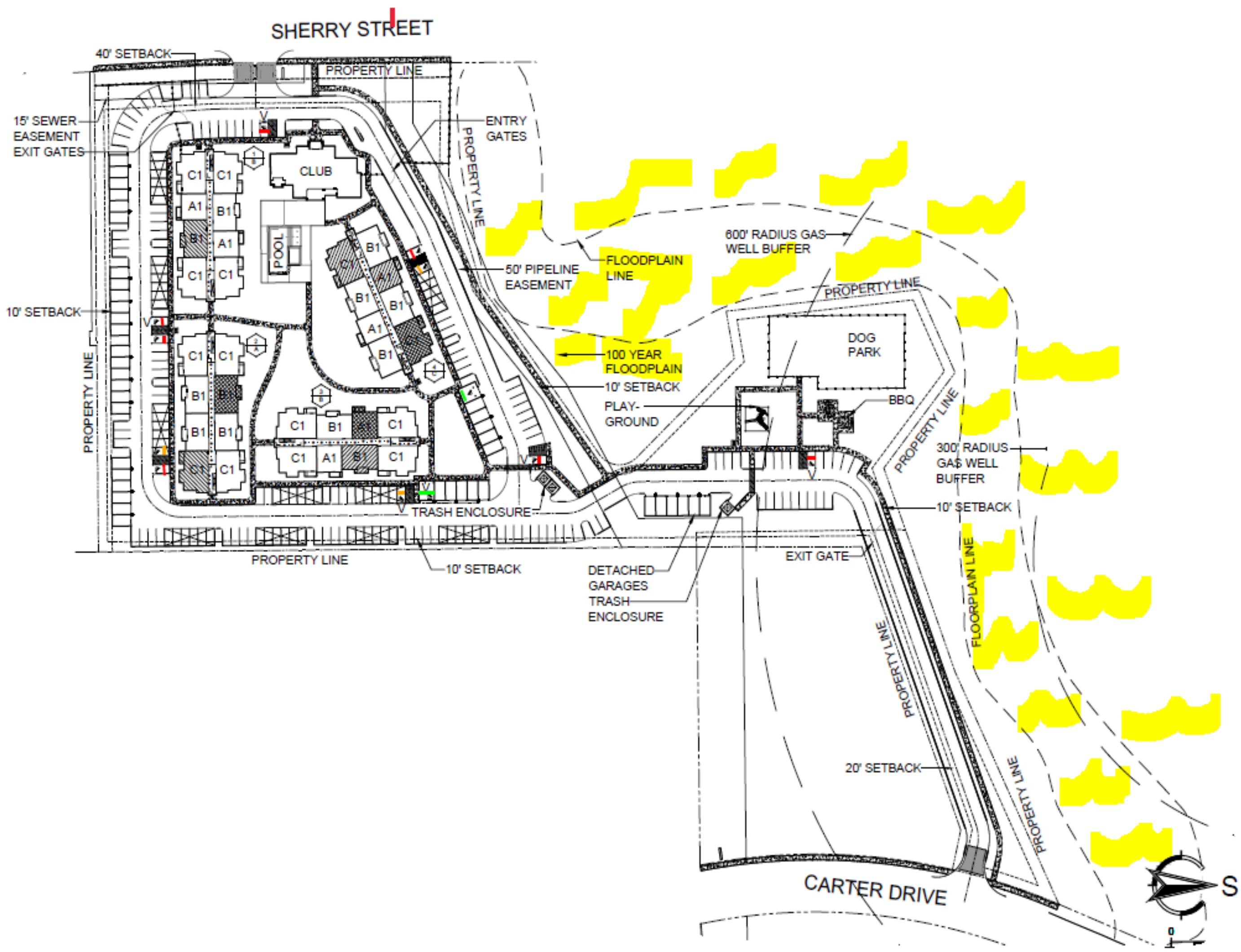
The site is currently owned by Pioneer Village, LLC, which is an unrelated party. OM Housing, LLC has a contract for 9.076 acres ($2,450,000) with Pioneer Village, LLC. OM Housing, LLC made a second contract between itself and the HTC owner (AT Sherry Housing, LP) to split off the smaller 7.33 acres that will be the HTC development. The larger 9.076 acres will close between Pioneer Village, LLC and OM Housing, LLC, then afterwards the 7.33 acres between OM Housing, LLC and AT Sherry Housing, LP can simultaneously close for the HTC development.

That purchase price for the HTC part ($1,978,680) is the prorated amount for the 7.33 acres out of 9.076 acres using a total purchase price from the contract with Pioneer Village, LLC on the larger acreage (9.076) of $2,450,000. Underwriter confirmed the prorated calculation for the site control.

The LURA is going to encumber the 7.33 acres. There are no land dedications.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	PD for RMF 22 and CC	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No



Other Observations:

The subject property is predominately in Unshaded Zone X (outside of the 100 and 500-year floodplains) with the exception of the northwestern boundary, of which is a small portion appears to be located within a floodway, Zone AE (100-year floodplain) and Shaded Zone X (500-year floodplain) as shown on the FEMA FIRM Map Number 48439C0355L, with an effective date of *March 21, 2019*. However, review of the subject property's ALTA Survey indicates the entire subject property is located within Unshaded Zone X with no impacts to the floodplain. The subject property is not located in a FEMA-designated Special Flood Hazard Area and flood insurance or mitigation for flood impacts is not required.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, LLC

Date: 2/12/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- None identified.

Comments:

A stream with a permanent flow of water was observed traversing the north-northwest portion of the subject property observed during the site visit; however, no potential wetland areas observed adjacent to the stream on the subject property.

Markers for a natural gas pipeline operated by Summit Midstream were observed within an easement traversing the central portion of the subject property and a natural gas pipeline regulator station was observed at an east adjoining property across Carter Drive.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC

Date: 3/21/2024

Primary Market Area (PMA): 17.76 sq. miles 2 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
	None	N/A	#N/A	#N/A	N/A	#N/A

Stabilized Affordable Developments in PMA

Total Units	1,804
Total Developments	8
Average Occupancy	97.1%

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	**Assisted**		
Total Households in the Primary Market Area	33,412			
Potential Demand from the Primary Market Area	12,622			
10% External Demand	1,262			
Potential Demand from Other Sources	0			
GROSS DEMAND	13,884			
Subject Affordable Units	88			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	88			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.6%**			

Population: General **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	2,991	299	9	0	0.3%						
50% AMGI	3,306	331	36	0	1.0%						
60% AMGI	6,325	633	43	0	0.6%						

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%	506	51	2	0	0.4%						
1 BR/50%	656	66	6	0	0.8%						
1 BR/60%	1,062	106	8	0	0.7%						
2 BR/30%	705	71	4	0	0.5%						
2 BR/50%	786	79	13	0	1.5%						
2 BR/60%	1,498	150	16	0	1.0%						
3 BR/30%	519	52	3	0	0.5%						
3 BR/50%	471	47	17	0	3.3%						
3 BR/60%	954	95	19	0	1.8%						

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$644,942	Avg. Rent:	$1,143	Expense Ratio:	48.4%
Debt Service:	$551,631	B/E Rent:	$1,056	Controllable Expenses:	$3,344
Net Cash Flow:	$93,311	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,124
Aggregate DCR:	1.17	B/E Occupancy:	85.6%	Program Rent Year:	2023

If less than 15% market units, the QAP requires the market rents not exceed 80% AMI. Per the Market Study, the achievable market rent is 1.3% lower for the 1-BR, 3.0% lower for the 2-BR, and 0.6% higher for the 3-BR. The applicant is assuming the following further discount to the market study rent: 1.3% for the 1-BR, 4.3% for the 2-BR, and 10.1% for the 3-BR. Underwriter has elected to match these below market rent for the non-restricted units.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$269,943/ac	$23,007/unit	**$2,208,680**	Contractor Fee	**$2,104,468**
Off-site + Site Work		$25,521/unit	**$2,450,000**	Soft Cost + Financing	**$2,899,467**
Building Cost	$133.58/sf	$134,750/unit	**$12,936,028**	Developer Fee	**$2,667,500**
Contingency	5.00%	$8,014/unit	**$769,301**	Reserves	**$858,049**
Total Development Cost	$280,141/unit	**$26,893,493**	**Rehabilitation Cost**	**N/A**	

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

Off-site:

There will be $200K for Off-site water per the Off-Site Cost Breakdown.

Building Cost:

Underwriter adjusted base cost for the low number of units.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$26,893,493	**$23,307,828**	**$2,499,765**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Colliers Mortgage LLC - Const. to Perm. FHA	Conventional/FHA	$8,050,000	6.00%	32%
PNC Bank - Construction Loan	Construction Loan	$8,074,300	7.00%	32%
PNC Bank	HTC	$6,159,384	$0.88	25%
City of Arlington - In-Kind Contribution	§11.9(d)(2)LPS Contribution	$0	0.00%	0%
OM Housing, LLC	Deferred Developer Fee	$2,604,494	0.00%	10%
		$24,888,178	**Total Sources**	

PERMANENT SOURCES

Debt Source	PROPOSED Amount	PROPOSED Interest Rate	PROPOSED Amort	PROPOSED Term	UNDERWRITTEN Amount	UNDERWRITTEN Interest Rate	UNDERWRITTEN Amort	UNDERWRITTEN Term	UNDERWRITTEN LTC
Colliers Mortgage LLC - Const. to Perm. FHA	$8,050,000	6.00%	40	40.0	$8,050,000	6.00%	40	40.0	30%
City of Arlington - In-Kind Contribution	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
Total	**$8,050,500**				**$8,050,500**				

Equity & Deferred Fees	PROPOSED Amount	PROPOSED Rate	PROPOSED % Def	UNDERWRITTEN Amount	UNDERWRITTEN Rate	UNDERWRITTEN % TC	UNDERWRITTEN % Def
PNC Bank	$17,598,240	$0.88		$17,598,240	$0.88	65%	
OM Housing, LLC	$1,244,753		47%	$1,244,753		5%	47%
Total	**$18,842,993**			**$18,842,993**			
				$26,893,493	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.942	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.834	Minimum Credit Price below which the Development would be characterized as infeasible

Comments:

Underwriter included .25% MIP fee to the debt service payment.

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$26,893,493
Permanent Sources (debt + non-HTC equity)	$8,050,500
Gap in Permanent Financing	$18,842,993

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$21,995,728	$2,499,765
Needed to Balance Sources & Uses	$18,842,993	$2,141,463
Requested by Applicant	$17,598,240	$2,000,000

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

Deferred Developer Fee	**$1,244,753**	**(47% deferred)**
Repayable in	**10 years**	

Recommendation:

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

Underwriter:	*Mario Castellanos*
Manager of Real Estate Analysis:	*Robert Castillo*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Sherry Pointe Apartments, Arlington, 9% HTC #24171

LOCATION DATA

CITY:	Arlington
COUNTY:	Tarrant
Area Median Income	$97,700
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	18	18.8%	0	0	0	0
2	36	37.5%	0	0	0	0
3	42	43.8%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**96**	**100.0%**	-	-	-	-

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	91.67%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	1,009 sf

53%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	9	-	36	43	-	-	8	**96**
	% Total	0.0%	9.4%	0.0%	37.5%	44.8%	0.0%	0.0%	8.3%	**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%	$538	2	1	1	750	$538	$60	$478	$0	$0.64	$478	**$956**	**$956**	$478	$0.64	$0	$1,400	$1.87	$1,418
TC 50%	$897	6	1	1	750	$897	$60	$837	$0	$1.12	$837	**$5,022**	**$5,022**	$837	$1.12	$0	$1,400	$1.87	$1,418
TC 60%	$1,077	8	1	1	750	$1,077	$60	$1,017	$0	$1.36	$1,017	**$8,136**	**$8,136**	$1,017	$1.36	$0	$1,400	$1.87	$1,418
MR		2	1	1	750	$0	$60		NA	$1.87	$1,400	**$2,800**	**$2,800**	$1,400	$1.87	NA	$1,400	$1.87	$1,418
TC 30%	$646	4	2	2	950	$646	$79	$567	$0	$0.60	$567	**$2,268**	**$2,268**	$567	$0.60	$0	$1,600	$1.68	$1,672
TC 50%	$1,077	13	2	2	950	$1,077	$79	$998	$0	$1.05	$998	**$12,974**	**$12,974**	$998	$1.05	$0	$1,600	$1.68	$1,672
TC 60%	$1,293	16	2	2	950	$1,293	$79	$1,214	$0	$1.28	$1,214	**$19,424**	**$19,424**	$1,214	$1.28	$0	$1,600	$1.68	$1,672
MR		3	2	2	950	$0	$79		NA	$1.68	$1,600	**$4,800**	**$4,800**	$1,600	$1.68	NA	$1,600	$1.68	$1,672
TC 30%	$746	3	3	2	1,170	$746	$97	$649	$0	$0.55	$649	**$1,947**	**$1,947**	$649	$0.55	$0	$1,800	$1.54	$2,003
TC 50%	$1,244	17	3	2	1,170	$1,244	$97	$1,147	$0	$0.98	$1,147	**$19,499**	**$19,499**	$1,147	$0.98	$0	$1,800	$1.54	$2,003
TC 60%	$1,493	19	3	2	1,170	$1,493	$97	$1,396	$0	$1.19	$1,396	**$26,524**	**$26,524**	$1,396	$1.19	$0	$1,800	$1.54	$2,003
MR		3	3	2	1,170	$0	$97		NA	$1.54	$1,800	**$5,400**	**$5,400**	$1,800	$1.54	NA	$1,800	$1.54	$2,003
TOTALS/AVERAGES:		**96**			**96,840**				**$0**	**$1.13**	**$1,143**	**$109,750**	**$109,750**	**$1,143**	**$1.13**	**$0**	**$1,650**	**$1.64**	**$1,769**

ANNUAL POTENTIAL GROSS RENT:	**$1,317,000**	**$1,317,000**

STABILIZED PRO FORMA

Sherry Pointe Apartments, Arlington, 9% HTC #24171

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Tarrant County		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.13	$1,143	$1,317,000	$1,317,000	$1,143	$1.13		0.0%	$0
late fees, app fees, retained deposits							$30.00	$34,560						
Total Secondary Income							$30.00		$34,560	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,351,560	$1,351,560				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(101,367)	(101,367)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,250,193	$1,250,193				0.0%	$0
General & Administrative	$60,164	$627/Unit	$37,720	$393	2.82%	$0.36	$368	$35,289	$37,720	$393	$0.39	3.02%	-6.4%	(2,432)
Management	$48,894	3.1% EGI	$47,764	$498	4.00%	$0.52	$521	$50,008	$50,008	$521	$0.52	4.00%	0.0%	-
Payroll & Payroll Tax	$138,728	$1,445/Unit	$153,850	$1,603	12.42%	$1.60	$1,617	$155,246	$153,850	$1,603	$1.59	12.31%	0.9%	1,396
Repairs & Maintenance	$77,355	$806/Unit	$51,662	$538	4.65%	$0.60	$606	$58,147	$62,400	$650	$0.64	4.99%	-6.8%	(4,253)
Electric/Gas	$28,432	$296/Unit	$18,296	$191	1.39%	$0.18	$181	$17,360	$18,296	$191	$0.19	1.46%	-5.1%	(936)
Water, Sewer, & Trash	$82,368	$858/Unit	$50,718	$528	4.40%	$0.57	$573	$55,000	$50,718	$528	$0.52	4.06%	8.4%	4,282
Property Insurance	$65,035	$0.67 /sf	$65,414	$681	7.90%	$1.02	$1,029	$98,777	$98,777	$1,029	$1.02	7.90%	0.0%	-
Property Tax (@ 100%) 2.206570	$117,186	$1,221/Unit	$131,398	$1,369	8.63%	$1.11	$1,124	$107,904	$135,740	$1,414	$1.40	10.86%	-20.5%	(27,836)
Reserve for Replacements					1.92%	$0.25	$250	$24,000	$24,000	$250	$0.25	1.92%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.28%	$0.04	$37	$3,520	$3,520	$37	$0.04	0.28%	0.0%	-
TOTAL EXPENSES					**48.41%**	**$6.25**	**$6,305**	**$605,251**	**$635,029**	**$6,615**	**$6.56**	**50.79%**	**-4.7%**	**$ (29,778)**
NET OPERATING INCOME ("NOI")					**51.59%**	**$6.66**	**$6,718**	**$644,942**	**$615,164**	**$6,408**	**$6.35**	**49.21%**	**4.8%**	**$ 29,778**
CONTROLLABLE EXPENSES							$3,344/Unit			$3,364/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Sherry Pointe Apartments, Arlington, 9% HTC #24171

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Colliers Mortgage LLC - Const. to Perm. FHA	0.25%	1.12	1.17	551,631	6.00%	40	40.0	$8,050,000	$8,050,000	40.0	40.0	6.00%	$551,631	1.17	29.9%
CASH FLOW DEBT / GRANTS															
City of Arlington - In-Kind Contribution		1.12	1.17		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.17	0.0%
				$551,631	**TOTAL DEBT / GRANT SOURCES**			**$8,050,500**	**$8,050,500**		**TOTAL DEBT SERVICE**		**$551,631**	**1.17**	29.9%
NET CASH FLOW		$63,533	$93,311						**APPLICANT**	**NET OPERATING INCOME**		**$644,942**	**$93,311**	**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**	
PNC Bank	LIHTC Equity	65.4%	$2,000,000	$0.88	$17,598,240	$17,598,240	$0.8799	$2,000,000	65.4%	$20,833	Applicant Request	
OM Housing, LLC	Deferred Developer Fees	4.6%	(47% Deferred)		$1,244,753	$1,244,753	(47% Deferred)		4.6%	**Total Developer Fee:**		**$2,667,500**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		70.1%			$18,842,993	$18,842,993			70.1%			
TOTAL CAPITALIZATION					**$26,893,493**	**$26,893,493**			**15-Yr Cash Flow after Deferred Fee:**			**$926,499**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	**New Const. Rehab**	**Total Costs**			**Total Costs**			**New Const. Rehab**	**Acquisition**	**%**	**$**
Land Acquisition				$20,611 / Unit	$1,978,680	$1,978,680	$20,611 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
Closing costs & acq. legal fees					$230,000	$230,000					0.0%	$0
Off-Sites		$0		$2,083 / Unit	$200,000	$200,000	$2,083 / Unit		$0		0.0%	$0
Site Work		$1,695,000		$18,177 / Unit	$1,745,000	$1,745,000	$18,177 / Unit		$1,695,000		0.0%	$0
Site Amenities		$505,000		$5,260 / Unit	$505,000	$505,000	$5,260 / Unit		$505,000		0.0%	$0
Building Cost		$12,936,028	$133.58 /sf	$134,750/Unit	$12,936,028	$11,583,619	$120,663/Unit	$119.62 /sf	$11,583,619		11.7%	$1,352,409
Contingency		$769,301	5.08%	5.00%	$769,301	$769,301	5.48%	5.58%	$769,301		0.0%	$0
Contractor Fees		$2,104,468	13.23%	13.03%	$2,104,468	$2,072,409	14.00%	14.00%	$2,037,409		1.5%	$32,059
Soft Costs	$0	$1,403,363		$14,618 / Unit	$1,403,363	$1,403,363	$14,618 / Unit		$1,403,363	$0	0.0%	$0
Financing	$0	$1,227,168		$15,584 / Unit	$1,496,104	$1,496,104	$15,584 / Unit		$1,227,168	$0	0.0%	$0
Developer Fee	$0	$2,667,500	12.92%	12.77%	$2,667,500	$2,667,500	13.70%	13.88%	$2,667,500	$0	0.0%	$0
Reserves				9 Months	$858,049	$1,156,882	12 Months				-25.8%	($298,833)
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$23,307,828**		$280,141 / Unit	**$26,893,493**	**$25,807,858**	$268,832 / Unit		**$21,888,360**	**$0**	**4.2%**	**$1,085,635**
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**	**$23,307,828**		$280,141/unit	**$26,893,493**	**$25,807,858**	$268,832/unit		**$21,888,360**	**$0**	**4.2%**	**$1,085,635**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$26,893,493**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Sherry Pointe Apartments, Arlington, 9% HTC #24171

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$23,307,828	$0	$21,888,360
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$23,307,828	$0	$21,888,360
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$30,300,176	$0	$28,454,867
Applicable Fraction	91.67%	91.67%	92%	92%
TOTAL QUALIFIED BASIS	$0	$27,775,162	$0	$26,083,628
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,499,765	$0	$2,347,527
CREDITS ON QUALIFIED BASIS	$2,499,765		$2,347,527	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	Variance to Request	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,499,765	$21,995,728	----	----	----
Needed to Fill Gap	$2,141,463	$18,842,993	----	----	----
Applicant Request	$2,000,000	$17,598,240	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		96,840 SF	$96.57	9,351,612
Adjustments				
Exterior Wall Finish	4.59%		4.44	$429,585
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.57%		3.45	334,247
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(20,659)
Floor Cover			3.68	356,371
Breezeways	$39.78	13,342	5.48	530,721
Balconies	$39.41	6,371	2.59	251,038
Plumbing Fixtures	$1,420	234	3.43	332,280
Rough-ins	$700	192	1.39	134,400
Built-In Appliances	$2,280	96	2.26	218,880
Exterior Stairs	$3,550	16	0.59	56,800
Heating/Cooling			3.12	302,141
Storage Space	$39.78	638	0.26	25,375
Carports	$16.05	9,720	1.61	156,006
Garages	$30.00	9,400	2.91	282,000
Common/Support Area	$132.37	3,312	4.53	438,418
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$3.65	114,132	4.30	416,582
SUBTOTAL			**140.39**	**13,595,797**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**140.39**	**$13,595,797**
Plans, specs, survey, bldg permits	3.30%		(4.63)	($448,661)
Contractor's OH & Profit	11.50%		(16.15)	(1,563,517)
NET BUILDING COSTS		$120,663/unit	$119.62/sf	$11,583,619

Long-Term Pro Forma

Sherry Pointe Apartments, Arlington, 9% HTC #24171

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$1,250,193	$1,275,197	$1,300,701	$1,326,715	$1,353,249	$1,494,096	$1,649,603	$1,821,295	$2,010,857	$2,220,149	$2,451,223	$2,706,349
TOTAL EXPENSES	3.00%	$605,251	$622,908	$641,085	$659,797	$679,061	$784,230	$905,839	$1,046,473	$1,209,129	$1,397,272	$1,614,920	$1,866,723
NET OPERATING INCOME ("NOI")		**$644,942**	**$652,289**	**$659,616**	**$666,917**	**$674,188**	**$709,867**	**$743,764**	**$774,822**	**$801,728**	**$822,877**	**$836,304**	**$839,626**
EXPENSE/INCOME RATIO		48.4%	48.8%	49.3%	49.7%	50.2%	52.5%	54.9%	57.5%	60.1%	62.9%	65.9%	69.0%
MUST -PAY DEBT SERVICE													
Colliers Mortgage LLC - Const. to Perm. FHA		$551,631	$551,507	$551,374	$551,234	$551,085	$550,189	$548,981	$547,351	$545,153	$542,187	$538,188	$532,793
TOTAL DEBT SERVICE		$551,631	$551,507	$551,374	$551,234	$551,085	$550,189	$548,981	$547,351	$545,153	$542,187	$538,188	$532,793
DEBT COVERAGE RATIO		1.17	1.18	1.20	1.21	1.22	1.29	1.35	1.42	1.47	1.52	1.55	1.58
ANNUAL CASH FLOW		**$93,311**	**$100,782**	**$108,241**	**$115,684**	**$123,104**	**$159,678**	**$194,784**	**$227,471**	**$256,576**	**$280,689**	**$298,116**	**$306,833**
Deferred Developer Fee Balance		$1,151,442	$1,050,660	$942,419	$826,735	$703,631	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$22,030	$926,499	$1,999,662	$3,226,026	$4,583,558	$6,042,337	$7,563,001