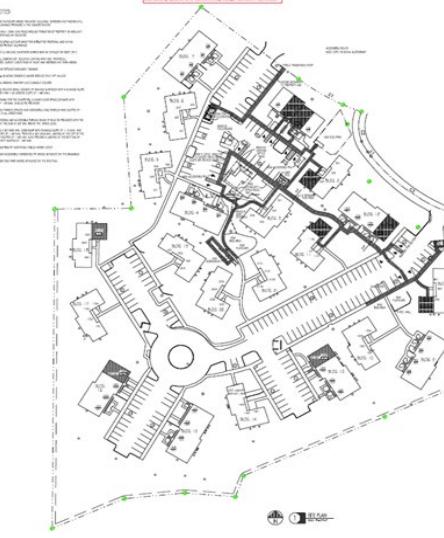


25038 Azle Oaks Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

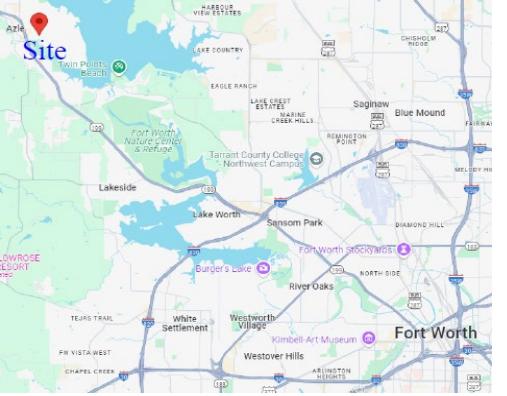
June 12, 2025

PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPALS / SPONSOR					
Application #	25038	TDHCA Program	Request	Recommended			Variegata Peak Investments, LLC (75% Owner) Jonathan Campbell					
Development	Azle Oaks Apartments	FHTC (9% Credit)	\$2,000,000	\$1,999,705	\$17,239/Unit	\$0.84	• SSK Consulting, LLC (25% Owner, 5% Developer) Rebecca Armer					
City / County	Azle / Tarrant						• LCJ Development, Inc. (95% Developer) James Washburn, Charles Craig Washburn					
Region/Area	3 / Urban											
Population	General											
Set-Aside	USDA											
Activity	Acquisition/Rehab (Built in 1976)											
TYPICAL BUILDING ELEVATION/PHOTO												
												
SITE PLAN												
												
RECOMMENDATION												
<p>TDHCA Program: FHTC (9% Credit)</p> <p>Request: \$2,000,000</p> <p>Recommended: \$1,999,705</p> <p>Unit Size: \$17,239/Unit</p> <p>Unit Price: \$0.84</p>												
Related Parties			Contractor - Yes			Seller - No						
UNIT DISTRIBUTION					INCOME DISTRIBUTION							
# Beds	# Units	% Total	Income	# Units	% Total	Income	# Units	% Total				
Eff	-	0%	20%	-	0%	20%	-	0%				
1	52	45%	30%	9	8%	30%	9	8%				
2	64	55%	40%	-	0%	40%	-	0%				
3	-	0%	50%	24	21%	50%	24	21%				
4	-	0%	60%	83	72%	60%	83	72%				
			70%	-	0%	70%	-	0%				
			80%	-	0%	80%	-	0%				
			MR	-	0%	MR	-	0%				
TOTAL	116	100%	TOTAL	116	100%	TOTAL	116	100%				
PRO FORMA FEASIBILITY INDICATORS												
Pro Forma Underwritten					Applicant's Pro Forma							
Debt Coverage	1.16	Expense Ratio	60.6%		Breakeven Occ.	87.5%	Breakeven Rent	\$856				
Average Rent	\$906	B/E Rent Margin	\$50		Property Taxes	\$578/unit	Exemption/PILOT	0%				
Total Expense	\$6,126/unit	Controllable	\$2,719/unit									
MARKET FEASIBILITY INDICATORS												
Gross Capture Rate (10% Maximum)					N/A							
Highest Unit Capture Rate	0%	N/A	N/A		Dominant Unit Cap. Rate	0 BR/20%	0					
Premiums (↑80% Rents)		N/A	N/A		Rent Assisted Units	89	77% Total Units					
DEVELOPMENT COST SUMMARY												
Costs Underwritten					TDHCA's Costs - Based on SCR							
Avg. Unit Size	744 SF	Density	13.4/acre		Acquisition	\$21K/unit	\$2,452K					
Building Cost	\$95.62/SF	\$71K/unit	\$8,250K		Hard Cost	\$110K/unit	\$12,738K					
Total Cost		\$197K/unit	\$22,886K		Developer Fee	\$2,642K	(0% Deferred)	Paid Year: 1				
Contractor Fee	\$1,783K	30% Boost	Yes									
REHABILITATION COSTS / UNIT												
Site Work	\$20K	20%	Finishes/Fixture	\$22K	22%							
Building Shell	\$35K	35%	Amenities	\$9K	9%							
HVAC	\$12K	12%	Total Exterior	\$64K	64%							
Appliances	\$2K	2%	Total Interior	\$36K	36%							

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS				EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Bellwether Enterprise USDA 528	40/40	6.75%	\$5,000,000	1.23	Azle Oaks Housing, Ltd	0/0	0.00%	\$241,053	1.16	Raymond James	\$16,697,533
USDA RD 515 Perm	30/50	1.00%	\$947,238	1.16						LCJ Development, Inc	\$0
TOTAL DEBT (Must Pay)			\$5,947,238		CASH FLOW DEBT / GRANTS			\$241,053		TOTAL EQUITY SOURCES	\$16,697,533
										TOTAL DEBT SOURCES	\$6,188,291
										TOTAL CAPITALIZATION	\$22,885,824

CONDITIONS

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		AERIAL PHOTOGRAPH(s)									
STRENGTHS/MITIGATING FACTORS		AERIAL PHOTOGRAPH(s)									
▪ 89 out of 116 units (76.7 %) have USDA rental assistance		AERIAL PHOTOGRAPH(s)									
▪ No new affordable developments in the PMA		AERIAL PHOTOGRAPH(s)									
▪ Experienced USDA rehab developer/operator		AERIAL PHOTOGRAPH(s)									
WEAKNESSES/RISKS		AERIAL PHOTOGRAPH(s)									
▪ 49 year-old property may have less appeal		AERIAL PHOTOGRAPH(s)									
▪ Rising material costs could adversely affect budget		AERIAL PHOTOGRAPH(s)									
AREA MAP		AERIAL PHOTOGRAPH(s)									
											

**Real Estate Analysis Division****Underwriting Report**

June 12, 2025

DEVELOPMENT IDENTIFICATIONTDHCA Application #: **25038** Program(s): **9% HTC****Azle Oaks Apartments**Address/Location: **700 Jarvis Lane**City: **Azle** County: **Tarrant** Zip: **76020**Population: **General** Program Set-Aside: **USDA** Area: **Urban**Activity: **Acquisition/Rehab** Building Type: **Garden (Up to 4-story)** Region: **3**Low-Income: **40% at 60%**Analysis Purpose: **New Application - Initial Underwriting****ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
FHTC (9% Credit)	\$2,000,000				\$1,999,705						

CONDITIONS

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	24
60% of AMI	60% of AMI	83

DEVELOPMENT SUMMARY

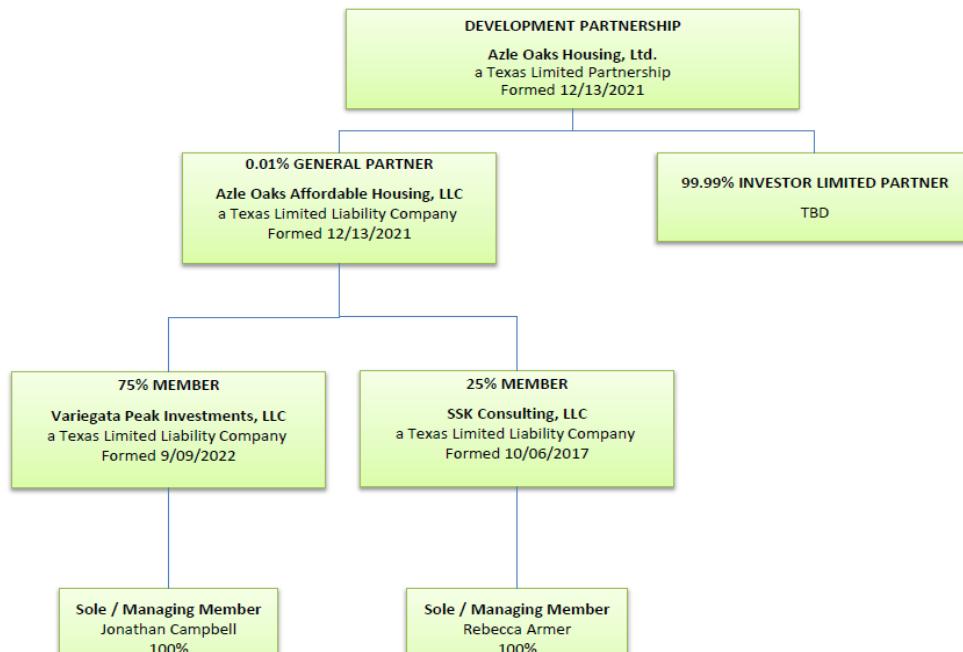
This application is requesting tax credits for the rehabilitation of an original development that was constructed in three phases. There are 52 one-bedroom units and 64 two-bedroom units totaling 116 units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ 89 out of 116 units (76.7 %) have USDA rental assistance	▫ 49 year-old property may have less appeal
▫ No new affordable developments in the PMA	▫ Rising material costs could adversely affect budget
▫ Experienced USDA rehab developer/operator	▫

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN

SITE NOTES



AERIAL PHOTO



Comments:

180 spaces are required by the City of Azle. 186 open surface parking spaces (1.6/unit) will be provided at no charge to the residents.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	A	A2	B	Office								Total Buildings
Floors/Stories	2	2	1	1								
Number of Bldgs	3	5	13	1								22
Units per Bldg	8	8	4									
Total Units	24	40	52									116
Avg. Unit Size (SF)	744 sf		Total NRA (SF)	86,276		Common Area (SF)*	5,780					

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 8.67 acres **Density:** 13.4 units/acre

Site Control: 8.661 **Site Plan:** 8.67 **Appraisal:** 8.67 **ESA:** N/A

Feasibility Report Survey: 8.669 **Feasibility Report Engineer's Plan:** N/A **Existing LURA:** N/A

Control Type: Real Estate Purchase and Sale Agreement

Development Site: 8.67 acres Cost: \$2,447,238 \$21,097 per unit

Seller: Azle Oaks Apartments

Buyer: Parkside Consulting LLC

Assignee: Azle Oaks Housing, Ltd.

Comments:

The Purchase Price is \$1.5M plus all assumable USDA Section 515 debt which is estimated to be \$947,238 assuming a 5/2026 closing date. Small variance in overall acquisition costs in Cost Schedule to the Appraisal is attributable to expected loan assumption balance.

APPRaised VALUE			
Appraiser: Pacific Southwest Valuation, LLC		Date: 2/18/2025	
Land as Vacant: 8.66 acres	\$750,000	Per Unit:	\$6,466
Existing Buildings: (as-is)	\$1,200,000	Per Unit:	\$10,345
Land + Buildings: (as-is)	\$1,950,000	Per Unit:	\$16,810
Favorable Financing:	\$575,000	Per Unit:	\$4,957
Total Development: (as-is)	\$2,525,000	Per Unit:	\$21,767
Comments: Applicant's land value is shown as \$565,910 while the appraisal states a hypothetical land value of \$750,000. Underwriter utilized the land value from the appraisal. The existing building value is the Market Value (As Is) less the hypothetical value of the land. Since the anticipated transfer value exceeds the \$1,950,000 Market value, Underwriter also added the value of the Favorable Financing (calculated by the appraiser on the 515 loan being assumed). The calculated Favorable Financing was allocated pro-rata to the land and buildings.			
SITE INFORMATION			
Flood Zone: X	Scattered Site? No		
Zoning: MF-2	Within 100-yr floodplain? No		
Re-Zoning Required? No	Utilities at Site? Yes		
Year Constructed: 1976	Title Issues? No		
Current Uses of Subject Site: Existing multifamily property			
TENANT RELOCATION PLAN			
The Applicant intends to primarily address the exterior, however, certain rehabilitation work will be performed in the interior, which at most, will cause inconvenience for the tenant, but no need for relocation during the work. This work will be performed on a unit-by-unit basis so as not to unduly disrupt the tenants. However, the work is not of the type that will cause the tenant to relocate so that the workers can complete the rehabilitation. Nevertheless, the Applicant has included relocation expenses of \$120,000 (\$1,034/unit) in the Cost Pro Forma for unforeseen circumstances.			
HIGHLIGHTS of ENVIRONMENTAL REPORTS			
Comments: Developments funded by USDA are not required to supply an Environmental Site Assessment, as these are existing properties previously approved and subsidized by USDA. It is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements. USDA retains on-going oversight of the properties.			
MARKET ANALYSIS			
Comments: USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market. The subject property is 81.9% occupied (21 vacant) per the February 2025 Rent Roll submitted by Applicant.			

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$462,448	Avg. Rent:	\$906	Expense Ratio:	60.6%
Debt Service:	\$398,596	B/E Rent:	\$856	Controllable Expenses:	\$2,719
Net Cash Flow:	\$63,852	UW Occupancy:	92.5%	Property Taxes/Unit:	\$578
Aggregate DCR:	1.16	B/E Occupancy:	87.5%	Program Rent Year:	2024

Underwriter utilized proposed USDA-RD rents and 2024 HTC rents for the Rent Proforma. There are currently two sets of Utility Allowances. The Applicant and Underwriter utilized the consolidated allowance that will be used after the development has completed the rehab and been placed in service. Application is infeasible without USDA rent increases on the 89 units that have RD assistance.

Unit Type	Current Approved USDA RA Rent	Proposed USDA RA Rent	Increase	Variance
1BR Phase I&II	\$577	\$970	\$393	68.11%
1BR Phase III	\$610	\$970	\$360	59.02%
2BR Phase I&II	\$638	\$1,160	\$522	81.82%
2BR Phase III	\$685	\$1,160	\$475	69.34%

Applicant provided a staffing plan from the new management company to support increases in Salaries from historical numbers. Underwriter assumed that energy efficient and water saving improvements will decrease utility costs from historical numbers. Overall variance to Applicant's pro forma was under 5%, so Applicant's overall operating expenses were used for purposes of underwriting.

As underwritten, the residual 15-year cash flow is \$1.26M. There is no deferred developer fee.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	\$108,768/ac	\$21,134/unit	\$2,451,510	Contractor Fee	\$1,783,320
Off-site + Site Work		\$28,707/unit	\$3,330,000	Soft Cost + Financing	\$2,016,530
Building Cost	\$95.62/sf	\$71,121/unit	\$8,250,000	Developer Fee	\$2,642,286
Contingency	10.00%	\$9,983/unit	\$1,158,000	Reserves	\$1,254,178
Total Development Cost		\$22,885,824		Rehabilitation Cost	\$99,828/unit
Qualified for 30% Basis Boost?				High Opportunity Index [9% only]	

Acquisition:

Underwriter's acquisition costs were derived using the Appraisal's valuation for land and buildings plus the appraiser's allocation for favorable financing on the assumed 515 loan. Those costs were then reconciled to equal Applicant's purchase price of \$1.5M plus the projected 515 loan assumption balance at closing of \$947k (total acquisition cost of \$2.45M) as prescribed in the Real Estate Purchase and Sale Agreement.

Applicant's eligible building acquisition cost is overstated by \$377k.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$2,310,000	\$19,914/unit	20%	Finishes/Fixtures	\$2,582,000	\$22,259/unit	22%
Building Shell	\$4,048,000	\$34,897/unit	35%	HVAC	\$1,365,000	\$11,767/unit	12%
Amenities	\$1,020,000	\$8,793/unit	9%	Appliances	\$255,000	\$2,198/unit	2%
Total Exterior	\$7,378,000	\$63,603/unit	64%	Total Interior	\$4,202,000	\$36,224/unit	36%

SCOPE & COST REVIEW

Provider: GIBCO Environmental LLC

Date: 2/20/2025

Scope of Work:

ADA Compliance

- Concrete work needed to retrofit dumpster pads for wheelchair accessibility and retrofit mailbox pad.
- Metal handrails to be fabricated and installed as needed.
- Framing work needed to meet Accessibility Work. This will include widening of hallways, moving wet walls in accessible units, demolition of concrete to relocate plumbing, creation of necessary turning radius in bathrooms, re-insulation and hanging of drywall.
- Lever handle doorknobs and required locking mechanisms. Replacement of all entry doors with ADA compliant thresholds.
- All tubs will be replaced. Accordingly, drywall will be removed and replaced around newly installed surrounds. Additionally, drywall will be removed and replaced to install backing for grab bars.
- Install AC/DC HC strobe smoke alarms for HC units.
- Install HC parking cut in ramps.
- Rework accessible parking areas that exceed 2% slope/cross slope.
- Replace uneven/damaged sidewalks to connect accessible routes.
- Retrofit plumbing to meet handicapped accessibility requirements.

Mandatory Development Amenities

- Screens on all operable windows (included with new Energy Star Window Installation)
- Energy-Star rated refrigerator (will be supplied in all units - ice maker will be supplied)
- Oven/Range (will be supplied in all units)
- Blinds (will be supplied for all windows)
- Energy-Star Ceiling Fan (at least 1 per unit)
- Energy-Star rated lighting (all lighting fixtures will be changed complex wide)
- HVAC (all areas of units will have heating and air conditioning – Exterior Storage excluded)
- Adequate parking (parking will meet requirements per local code)
- Energy Star rated windows (All existing windows will be replaced)
- Adequate accessible parking (Accessible parking will comply with 2010 ADA requirements)

Common Amenities

- Covered pavilion with sitting area
- Furnished Community Room

Unit Development Construction Features

- Covered Entries
- Microwave Oven
- Self-Cleaning/continuous cleaning oven
- Energy-Star rated refrigerator with icemaker
- Energy-Star rated ceiling fans in all Bedrooms
- EPA WaterSense qualified toilets in all bathrooms
- EPA WaterSense qualified showerheads and faucets in all bathrooms)

Development Construction Features

- 15 SEER HVAC
- Thirty (30) year roof

Systems & Components

- HVAC (existing air handlers and condensing units are replaced in all units)
- Water Heaters (existing water heaters are replaced in all units)
- Tubs and surrounds (existing tubs and surrounds are replaced in all units)

Contingency:

\$80k in soft cost contingency was moved to Contingency (as required by rule). However, since Contingency was already budgeted at the full 10%, the resulting total Contingency is overstated by \$80k.

Developer Fee:

Adjustments to Building Acquisition Cost and Contingency resulted in Developer Fee being overstated by \$65k.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$22,885,824	\$20,257,528	\$2,236,542

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES					
Funding Source	Description	Amount	Rate	LTC	
BOK Financial	Construction Loan	\$16,332,575	7.25%	74%	
Raymond James	FHTC	\$3,340,000	\$0.84	15%	
City of Azle	In-Kind Contribution	\$250	0.00%	0%	
LCJ Development, Inc	Fee	\$2,166,400	0.00%	10%	
Azle Oaks Housing, Ltd	Op Reserve Deposit	\$241,053	0.00%	1%	
		\$22,080,278		Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Bellwether Enterprise USDA 528	\$5,000,000	6.75%	40	40.0	\$5,000,000	6.75%	40	40.0	22%
USDA RD 515 Perm	\$947,238	1.00%	50	30.0	\$947,238	1.00%	50	30.0	4%
Azle Oaks Housing, Ltd	\$241,053	0.00%	0	0.0	\$241,053	0.00%	0	0.0	1%
Total	\$6,188,291				\$6,188,291				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Raymond James	\$16,700,000	\$0.84		\$16,697,533	\$0.84	73%	
LCJ Development, Inc	\$143,247		5%	\$0		0%	0%
Total	\$16,843,247			\$16,697,533			
				\$22,885,824			Total Sources

Credit Price Sensitivity based on current capital structure	
\$0.835	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.772	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:		
Total Development Cost	\$22,885,824	
Permanent Sources (debt + non-HTC equity)	\$6,188,291	
Gap in Permanent Financing	\$16,697,533	

Possible Tax Credit Allocations:		
	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$18,675,128	\$2,236,542
Needed to Balance Sources & Uses	\$16,697,533	\$1,999,705
Requested by Applicant	\$16,700,000	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$16,697,533	\$1,999,705

Deferred Developer Fee	\$0	(0 % deferred)
Repayable in	N/A	

Recommendation:

Underwriter recommends an allocation of \$1,999,705 in annual 9% Housing Tax Credits as determined by the amount needed to balance sources & uses.

Underwriter:	Eric Weiner
Manager of Real Estate Analysis:	Gregg Kazak
Director of Real Estate Analysis:	Jeanna Adams

UNIT MIX/RENT SCHEDULE

Azle Oaks Apartments, Azle, 9% HTC #25038

LOCATION DATA

CITY:	Azle
COUNTY:	Tarrant
Area Median Income	\$101,900
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	52	44.8%	43	0	0	0
2	64	55.2%	46	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	116	100.0%	89	-	-	-

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	744 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	9	-	24	83	-	-	-	116
% Total			0.0%	7.8%	0.0%	20.7%	71.6%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

FEDERAL HTC		RENT ASSISTED UNIT		UNIT MIX			APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS			TDHCA PRO FORMA RENTS				MARKET RENTS				
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$573	USDA-RD	\$967	4	1	1	633	\$967	\$97	\$870	\$0	\$1.37	\$870	\$3,480	\$3,480	\$870	\$1.37	\$0	\$967	\$1.53	\$967
TC 50%	\$956	USDA-RD	\$967	11	1	1	633	\$967	\$97	\$870	\$0	\$1.37	\$870	\$9,570	\$9,570	\$870	\$1.37	\$0	\$967	\$1.53	\$967
TC 60%	\$1,147	USDA-RD	\$967	28	1	1	633	\$967	\$97	\$870	\$0	\$1.37	\$870	\$24,360	\$24,360	\$870	\$1.37	\$0	\$967	\$1.53	\$967
TC 60%	\$1,147	0	\$967	9	1	1	633	\$967	\$97	\$870	\$0	\$1.37	\$870	\$7,830	\$7,830	\$870	\$1.37	\$0	\$967	\$1.53	\$967
TC 30%	\$688	USDA-RD	\$1,054	2	2	1	795	\$1,054	\$119	\$935	\$0	\$1.18	\$935	\$1,870	\$1,870	\$935	\$1.18	\$0	\$1,054	\$1.33	\$1,054
TC 50%	\$1,147	USDA-RD	\$1,054	5	2	1	795	\$1,054	\$119	\$935	\$0	\$1.18	\$935	\$4,675	\$4,675	\$935	\$1.18	\$0	\$1,054	\$1.33	\$1,054
TC 60%	\$1,377	USDA-RD	\$1,054	8	2	1	795	\$1,054	\$119	\$935	\$0	\$1.18	\$935	\$7,480	\$7,480	\$935	\$1.18	\$0	\$1,054	\$1.33	\$1,054
TC 60%	\$1,377	0	\$1,054	9	2	1	795	\$1,054	\$119	\$935	\$0	\$1.18	\$935	\$8,415	\$8,415	\$935	\$1.18	\$0	\$1,054	\$1.33	\$1,054
TC 30%	\$688	USDA-RD	\$1,054	3	2	1	857	\$1,054	\$119	\$935	\$0	\$1.09	\$935	\$2,805	\$2,805	\$935	\$1.09	\$0	\$1,054	\$1.23	\$1,054
TC 50%	\$1,147	USDA-RD	\$1,054	8	2	1	857	\$1,054	\$119	\$935	\$0	\$1.09	\$935	\$7,480	\$7,480	\$935	\$1.09	\$0	\$1,054	\$1.23	\$1,054
TC 60%	\$1,377	USDA-RD	\$1,054	20	2	1	857	\$1,054	\$119	\$935	\$0	\$1.09	\$935	\$18,700	\$18,700	\$935	\$1.09	\$0	\$1,054	\$1.23	\$1,054
TC 60%	\$1,377	0	\$1,054	9	2	1	857	\$1,054	\$119	\$935	\$0	\$1.09	\$935	\$8,415	\$8,415	\$935	\$1.09	\$0	\$1,054	\$1.23	\$1,054
TOTALS/AVERAGES:				116			86,276			\$0	\$1.22	\$906	\$105,080	\$105,080	\$906	\$1.22	\$0	\$1,015	\$1.36	\$1,015	

ANNUAL POTENTIAL GROSS RENT:

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Azle Oaks Apartments, Azle, 9% HTC #25038

STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	2024 Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
POTENTIAL GROSS RENT				\$1.22	\$906	\$1,260,960	\$1,260,960	\$906	\$1.22		0.0%	\$0	
Laundry & vending					\$2.50	\$3,480							
Interest Income					\$0.17	\$240							
Late fees, return cks					\$2.50	\$3,480							
Total Secondary Income					\$5.17		\$7,200	\$5.17			0.0%	\$0	
POTENTIAL GROSS INCOME						\$1,268,160	\$1,268,160				0.0%	\$0	
Vacancy & Collection Loss					7.5% PGI	(95,112)	(95,112)	7.5% PGI			0.0%	-	
EFFECTIVE GROSS INCOME						\$1,173,048	\$1,173,048				0.0%	\$0	

General & Administrative	\$64,193	\$553/Unit	\$35,093	\$303	1.75%	\$0.24	\$177	\$20,500	\$35,093	\$303	\$0.41	2.99%	-41.6%	(14,593)
Management	\$54,691	3.1% EGI	\$73,350	\$632	10.68%	\$1.45	\$1,080	\$125,280	\$125,280	\$1,080	\$1.45	10.68%	0.0%	-
Payroll & Payroll Tax	\$175,686	\$1,515/Unit	\$54,745	\$472	12.04%	\$1.64	\$1,218	\$141,280	\$141,280	\$1,218	\$1.64	12.04%	0.0%	-
Repairs & Maintenance	\$101,948	\$879/Unit	\$120,524	\$1,039	6.49%	\$0.88	\$656	\$76,100	\$81,200	\$700	\$0.94	6.92%	-6.3%	(5,100)
Electric/Gas	\$28,163	\$243/Unit	\$24,216	\$209	1.36%	\$0.19	\$138	\$16,000	\$16,000	\$138	\$0.19	1.36%	0.0%	-
Water, Sewer, & Trash	\$102,814	\$886/Unit	\$73,644	\$635	5.24%	\$0.71	\$530	\$61,500	\$61,500	\$530	\$0.71	5.24%	0.0%	-
Property Insurance	\$96,361	\$1.12 /sf	\$147,316	\$1,270	11.98%	\$1.63	\$1,211	\$140,500	\$140,500	\$1,211	\$1.63	11.98%	0.0%	-
Property Tax (@ 100%) 2.220967	\$117,556	\$1,013/Unit	\$63,425	\$547	5.71%	\$0.78	\$578	\$67,000	\$67,000	\$578	\$0.78	5.71%	0.0%	-
Reserve for Replacements					4.20%	\$0.57	\$425	\$49,300	\$49,300	\$425	\$0.57	4.20%	0.0%	-
Security					0.40%	\$0.06	\$41	\$4,750	\$4,750	\$41	\$0.06	0.40%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.40%	\$0.05	\$40	\$4,640	\$4,640	\$40	\$0.05	0.40%	0.0%	-
Resident Services					0.32%	\$0.04	\$32	\$3,750	\$3,750	\$32	\$0.04	0.32%	0.0%	-
TOTAL EXPENSES					60.58%	\$8.24	\$6,126	\$710,600	\$730,293	\$6,296	\$8.46	62.26%	-2.7%	\$ (19,693)
NET OPERATING INCOME ("NOI")					39.42%	\$5.36	\$3,987	\$462,448	\$442,755	\$3,817	\$5.13	37.74%	4.4%	\$ 19,693

CONTROLLABLE EXPENSES		\$2,719/Unit		\$2,889/Unit	
-----------------------	--	--------------	--	--------------	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Azle Oaks Apartments, Azle, 9% HTC #25038

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	
Bellwether Enterprise USDA 528	0.25%	1.18	1.23	374,514	6.75%	40	40	\$5,000,000	\$5,000,000	40	40	6.75%	\$374,514	1.23	21.8%	
USDA RD 515 Perm		1.11	1.16	\$24,189	1.00%	50	30	\$947,238	\$947,238	30	50	1.00%	\$24,082	1.16	4.1%	
CASH FLOW DEBT / GRANTS																
Azle Oaks Housing, Ltd		1.11	1.16		0.00%	0	0	\$241,053	\$241,053	0	0	0.00%	\$0	1.16	1.1%	
				\$398,703				TOTAL DEBT / GRANT SOURCES	\$6,188,291				TOTAL DEBT SERVICE	\$398,596	1.16	27.0%
NET CASH FLOW		\$44,052	\$63,745					APPLICANT	NET OPERATING INCOME				\$462,448	\$63,852	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	
Raymond James	LIHTC Equity		73.0%	\$2,000,000	\$0.84	\$16,700,000	\$16,697,533	\$0.84	\$1,999,705	73.0%	\$17,239	Needed to Fill Gap	
LCJ Development, Inc	Deferred Developer Fees		0.6%	(5% Deferred)		\$143,247		(0% Deferred)		0.0%	Total Developer Fee:	\$2,642,286	
Additional (Excess) Funds Req'd			0.0%			\$0				0.0%			
TOTAL EQUITY SOURCES			73.6%			\$16,843,247	\$16,697,533			73.0%			
TOTAL CAPITALIZATION											15-Yr Cash Flow after Deferred Fee:	\$1,263,366	

DEVELOPMENT COST / ITEMIZED BASIS																	
APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS				COST VARIANCE			
Eligible Basis	Acquisition	New Const. Rehab	Total Costs				Total Costs				Eligible Basis	New Const. Rehab	Acquisition	%	\$		
			\$	/ Unit	\$	/ Unit	\$	/ Unit	\$	/ Unit							
Land Acquisition			\$4,879 / Unit		\$565,910		\$942,888 / Unit							-40.0%	(\$376,978)		
Building Acquisition		\$1,885,600	\$16,255 / Unit		\$1,885,600		\$1,508,622		\$13,005 / Unit					\$1,508,622	25.0%	\$376,978	
Off-Sites			\$0		\$0		\$0		\$0						0.0%	\$0	
Site Work			\$2,310,000		\$19,914 / Unit		\$2,310,000		\$19,914 / Unit						0.0%	\$0	
Site Amenities			\$1,020,000		\$8,793 / Unit		\$1,020,000		\$1,020,000						0.0%	\$0	
Building Cost			\$8,250,000	\$95.62 / sf	\$71,121/Unit		\$8,250,000		\$8,250,000	\$71,121/Unit	\$95.62 / sf				0.0%	\$0	
Contingency			\$1,238,000	10.69%		10.69%	\$1,238,000		\$1,158,000	10.00%		10.00%			6.9%	\$80,000	
Contractor Fees			\$1,783,320	13.91%		13.91%	\$1,783,320		\$1,783,320	14.00%		14.00%			0.0%	\$0	
Soft Costs			\$0	\$498,300			\$5,434 / Unit		\$630,300						\$0	0.0%	\$0
Financing			\$0	\$1,087,000			\$11,950 / Unit		\$1,386,230						\$0	0.0%	\$0
Developer Fee	35.90%	\$541,600	\$2,166,400	13.38%		15.30%	\$2,708,000		\$2,642,286	15.00%		15.00%			\$2,415,993	2.5%	\$65,714
Reserves						14 Months	\$1,254,178		\$1,254,178	13 Months						0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$2,427,200	\$18,353,020		\$198,548 / Unit		\$23,031,538		\$22,885,824		\$197,292 / Unit			\$18,522,613	\$1,734,915	0.6%	\$145,714
Acquisition Cost			(\$376,978)						\$0								
Contingency				(\$80,000)					(\$80,000)								
Contractor's Fee				\$0					\$0								
Financing Cost				\$0													
Developer Fee	15.00%	(\$315,307)	\$249,593	15.00%		15.00%	(\$65,714)										
Reserves									(\$0)								
ADJUSTED BASIS / COST		\$1,734,915	\$18,522,613		\$197,292/unit		\$22,885,824		\$22,885,824		\$197,292/unit			\$18,522,613	\$1,734,915	0.0%	(\$0)
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA										\$22,885,824							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Azle Oaks Apartments, Azle, 9% HTC #25038

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$1,734,915	\$18,522,613	\$1,734,915	\$18,522,613
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$1,734,915	\$18,522,613	\$1,734,915	\$18,522,613
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$1,734,915	\$24,079,397	\$1,734,915	\$24,079,397
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$1,734,915	\$24,079,397	\$1,734,915	\$24,079,397
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$69,397	\$2,167,146	\$69,397	\$2,167,146
CREDITS ON QUALIFIED BASIS	\$2,236,542		\$2,236,542	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION			
	Credit Price	\$0.8350	Variance to Request	Credit Allocation	Credits	Proceeds
Method	Annual Credits	Proceeds	----	----	----	----
Eligible Basis	\$2,236,542	\$18,675,128	----	----	----	----
Needed to Fill Gap	\$1,999,705	\$16,697,533	\$1,999,705	(\$295)	(\$2,467)	
Applicant Request	\$2,000,000	\$16,700,000	----	----	----	----

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	86,276 SF	\$101.32	8,741,543
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	0.00%		0.00	0
9-Ft Ceilings	3.00%		3.04	262,246
Roof Adjustment(s)			2.06	177,746
Subfloor			(2.43)	(209,493)
Floor Cover			3.75	323,535
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$1,460	0	0.00	0
Rough-ins	\$715	232	1.92	165,880
Built-In Appliances	\$2,200	116	2.96	255,200
Exterior Stairs	\$4,250	0	0.00	0
Heating/Cooling			4.11	354,594
Storage Space	\$0.00	0	0.00	0
Carports	\$21.40	0	0.00	0
Garages	\$41.00	0	0.00	0
Common/Support Area	\$0.00	0	0.00	0
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$4.60	86,276	4.60	396,870
SUBTOTAL			121.33	10,468,122
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			121.33	\$10,468,122
Plans, specs, survey, bldg permits	3.10%		(3.76)	(\$324,512)
Contractor's OH & Profit	11.10%		(13.47)	(1,161,961)
NET BUILDING COSTS		\$77,428/unit	\$104.10/sf	\$8,981,648

Long-Term Pro Forma

Azle Oaks Apartments, Azle, 9% HTC #25038

Growth Rate						Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40	
	Year 1	Year 2	Year 3	Year 4	Year 5								
EFFECTIVE GROSS INCOME	2.00%	\$1,173,048	\$1,196,509	\$1,220,439	\$1,244,848	\$1,269,745	\$1,401,901	\$1,547,812	\$1,708,909	\$1,886,774	\$2,083,151	\$2,299,967	\$2,539,350
TOTAL EXPENSES	3.00%	\$710,600	\$730,665	\$751,307	\$772,543	\$794,390	\$913,431	\$1,050,653	\$1,208,871	\$1,391,340	\$1,601,823	\$1,844,672	\$2,124,923
NET OPERATING INCOME ("NOI")		\$462,448	\$465,844	\$469,132	\$472,305	\$475,355	\$488,470	\$497,159	\$500,038	\$495,434	\$481,328	\$455,295	\$414,426
EXPENSE/INCOME RATIO	60.6%	61.1%	61.6%	62.1%	62.6%	65.2%	67.9%	70.7%	73.7%	76.9%	80.2%	83.7%	
MUST -PAY DEBT SERVICE													
Bellwether Enterprise USDA 528		\$374,514	\$374,451	\$374,383	\$374,311	\$374,234	\$373,758	\$373,092	\$372,160	\$370,855	\$369,028	\$366,469	\$362,887
USDA RD 515 Perm		\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082	\$24,082
TOTAL DEBT SERVICE		\$398,596	\$398,533	\$398,465	\$398,393	\$398,315	\$397,840	\$397,174	\$396,242	\$394,937	\$393,109	\$390,551	\$386,969
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.19	1.23	1.25	1.26	1.25	1.22	1.17	1.07
ANNUAL CASH FLOW		\$63,852	\$67,311	\$70,667	\$73,912	\$77,040	\$90,630	\$99,985	\$103,796	\$100,497	\$88,219	\$64,744	\$27,457
Deferred Developer Fee Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$63,852	\$131,163	\$201,830	\$275,742	\$352,782	\$780,214	\$1,263,366	\$1,777,234	\$2,289,512	\$2,759,172	\$3,134,812	\$3,352,775