


25038 Azle Oaks Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

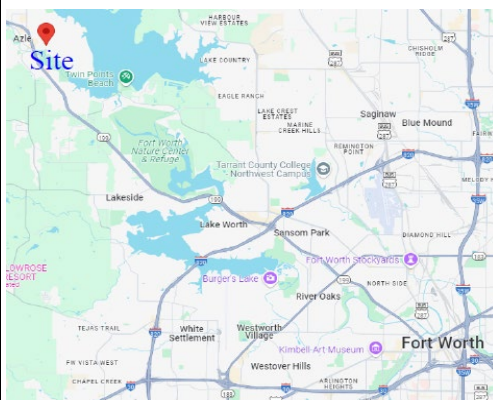
June 12, 2025


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)							Related Parties	
									Contractor - Yes	
									Seller - No	
TYPICAL BUILDING ELEVATION/PHOTO										
										
UNIT DISTRIBUTION										
# Beds	# Units	% Total	Income	# Units	% Total					
Eff	-	0%	20%	-	0%					
1	52	45%	30%	9	8%					
2	64	55%	40%	-	0%					
3	-	0%	50%	24	21%					
4	-	0%	60%	83	72%					
			70%	-	0%					
			80%	-	0%					
			MR	-	0%					
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	
STRENGTHS/MITIGATING FACTORS	
89 out of 116 units (76.7 %) have USDA rental assistance	
No new affordable developments in the PMA	
Experienced USDA rehab developer/operator	
WEAKNESSES/RISKS	
49 year-old property may have less appeal	
Rising material costs could adversely affect budget	

AREA MAP


AERIAL PHOTOGRAPH(s)


**Real Estate Analysis Division****Underwriting Report****June 12, 2025****DEVELOPMENT IDENTIFICATION**

TDHCA 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.

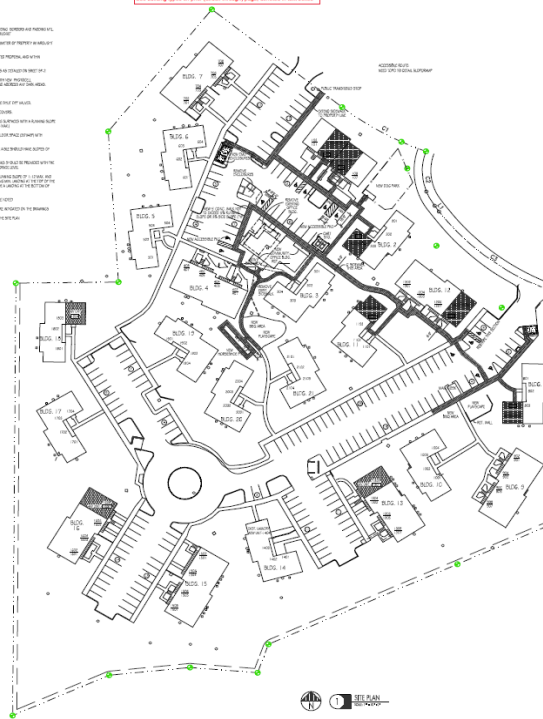
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DEVELOPMENT SUMMARY																	
<p>This application is requesting tax credits for the rehabilitation of an original development that was constructed in three phases. There are 52 one-bedroom units and 64 two-bedroom units totaling 116 units.</p>																	
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DEVELOPMENT TEAM																	
OWNERSHIP STRUCTURE																	
<pre> graph TD DP["DEVELOPMENT PARTNERSHIP Azle Oaks Housing, Ltd. a Texas Limited Partnership Formed 12/13/2021"] GP["0.01% GENERAL PARTNER Azle Oaks Affordable Housing, LLC a Texas Limited Liability Company Formed 12/13/2021"] ILP["99.99% INVESTOR LIMITED PARTNER TBD"] M75["75% MEMBER Variegata Peak Investments, LLC a Texas Limited Liability Company Formed 9/09/2022"] M25["25% MEMBER SSK Consulting, LLC a Texas Limited Liability Company Formed 10/06/2017"] SM1["Sole / Managing Member Jonathan Campbell 100% (ability to control)"] SM2["Sole / Managing Member Rebecca Armer 100% (ability to control)"] DP --- GP DP --- ILP GP --- M75 GP --- M25 M75 --- SM1 M25 --- SM2 </pre>																	

DEVELOPMENT SUMMARY

SITE PLAN

SITE NOTES

1. SEE THE EXISTING AND PROPOSED LOTS, STREETS AND PARKING LOTS.
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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											22
Number of Bldgs	3	5	13	1											
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:
Existing Buildings: (as-is)		\$1,200,000	Per Unit:
Land + Buildings: (as-is)		\$1,950,000	Per Unit:
Favorable Financing:		\$575,000	Per Unit:
Total Development: (as-is)		\$2,525,000	Per Unit:
			\$21,767
<p>Comments:</p> <p>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.</p>			
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
<p>Current Uses of Subject Site:</p> <p>Existing multifamily property</p>			
TENANT RELOCATION PLAN			
<p>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.</p>			
HIGHLIGHTS of ENVIRONMENTAL REPORTS			
<p>Comments:</p> <p>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.</p>			
MARKET ANALYSIS			
<p>Comments:</p> <p>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.</p>			

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		\$197,292/unit	\$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:	<u>Eric Weiner</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

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	# Units	-	9	-	24	83	-	-	-	116
Income	% Total	0.0%	7.8%	0.0%	20.7%	71.6%	0.0%	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:		\$1,260,960	\$1,260,960
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*MFDL units float among Unit Types

STABILIZED PRO FORMA
<i>Azle Oaks Apartments, Azle , 9% HTC #25038</i>

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				
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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	\$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
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	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
EQUITY / DEFERRED FEES											
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:	
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%	\$2,642,286	
TOTAL EQUITY SOURCES		73.6%			\$16,843,247	\$16,697,533			73.0%		

TOTAL CAPITALIZATION	\$23,031,538	\$22,885,824	15-Yr Cash Flow after Deferred Fee:		\$1,263,366
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		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				\$4,879 / Unit	\$565,910	\$942,888	\$8,128 / 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	\$ / Unit	\$0	\$0	\$ / Unit		\$0			0.0%	\$0	
Site Work			\$2,310,000	\$19,914 / Unit	\$2,310,000	\$2,310,000	\$19,914 / Unit		\$2,310,000			0.0%	\$0	
Site Amenities			\$1,020,000	\$8,793 / Unit	\$1,020,000	\$1,020,000	\$8,793 / Unit		\$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	\$8,250,000			0.0%	\$0
Contingency			\$1,238,000	10.69%	10.69%	\$1,238,000	\$1,158,000	10.00%	10.00%	\$1,158,000			6.9%	\$80,000
Contractor Fees			\$1,783,320	13.91%	13.91%	\$1,783,320	\$1,783,320	14.00%	14.00%	\$1,783,320			0.0%	\$0
Soft Costs		\$0	\$498,300	\$5,434 / Unit	\$630,300	\$630,300	\$5,434 / Unit		\$498,300	\$0		0.0%	\$0	
Financing		\$0	\$1,087,000	\$11,950 / Unit	\$1,386,230	\$1,386,230	\$11,950 / Unit		\$1,087,000	\$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	\$226,293	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%
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		
Method	Annual Credits	Proceeds	Credit Price \$0.8350	Variance to Request	
			Credit Allocation	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 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%	\$1,173,048	\$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													
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