



Real Estate Analysis Division

October 28, 2024

Addendum to Underwriting Report

TDHCA Application #: **21506 20042**

Program(s): **9% HTC/MDL**

The Commons at St. Anthony's

Address/Location: SWC Amarillo Blvd. and N. Polk Street

City: Amarillo

County: Potter

Zip: 79107

APPLICATION HISTORY	
Report Date	
10/28/24	State Housing Tax Credit Memo
07/08/22	Updated MDL Closing Memo
01/11/22	MDL Closing Memo
10/06/21	MDL Application
06/30/20	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
TDHCA (Deferred Payable)	\$2,000,000	0.00%	N/A	30	\$2,000,000	0.00%	NA	15	2
State Housing Tax Credit	\$0				\$100,000				
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

Status: Satisfied

b: Substantially final construction contract with Schedule of Values.

Status: Satisfied

c: Updated term sheets with substantially final terms from all lenders

Status: Satisfied

d: Substantially final draft of limited partnership agreement.

Status: FINAL LPA INCLUDING FINAL STATE AND FEDERAL HISTORIC CREDITS TO BE CLEARED AT CLOSING BY MDL STAFF OR TDHCA LEGAL STAFF

Status: Satisfied

e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

Status: Satisfied

f: Compliance with the Department's NHTF Rehabilitation Standards, as approved by HUD.

Status: Conditioned has been cleared by Program and the alternative requirement for the windows incorporated into the draft MFDL Contract.

2 Receipt and acceptance by Commitment:

a: Documentation of the approved subdivision plat.

Status: Cleared. The City of Amarillo has approved the above Final Plat on 8/4/2020.

b: Revision to the Scope and Cost Review addressing §11.306(d)(6).

Status: Cleared. SCR references Subchapter B along with accessible work included in the scope.

3 Receipt and acceptance by Carryover:

a: Documentation of the status of the Historic Tax Credit application and approval.

Status: Cleared.

b: Documentation of restrictive covenant with SALRC.

Status: Cleared.

4 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment and vapor study were completed, and that all

b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and

d: Architect certification that buildings were tested for the presence of radon and any recommended

e: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	16
50% of AMI	50% of AMI	22
60% of AMI	60% of AMI	86

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	13

ANALYSIS

The underwriting analysis has been revised based on Applicant's new Schedule of Sources including Applicant's request of \$100k in annual State Housing Tax Credits. Applicant will be using the additional equity to help pay for a \$1M increase in the total construction contract. REA previously recommended proceeding to close the Direct Loan as a second lien in the amount of \$2,000,000 at 0% interest structured as Deferred Payable with a 15 year permanent term to match the senior debt, and a 24 month construction term.

Operating Pro Forma

Applicant reassigned three 50% AMI units to 30% AMI as required by the tie breaker for state credits.

The 60% rents are now budgeted at 95% of the full rent limit since full program rents are not achievable. Underwriting for the MDL Closing Memo assumed 85% of the full rent limit for 60% units.

Underwritten Net Operating Income increased by \$4K (1%) from \$407k to \$411k. That increase is the result of adjusting for 2024 LIHTC rents offset by budgeted increases in operating expenses, which now include \$6,600 in supportive services.

As underwritten, 15 year residual cash flow is \$698k after repayment of deferred developer fee in year 8.

Development Cost

Building cost increased by \$3.7M (18%). However, based on the actual construction contract in place, there was a significant reduction in the cost of site work & site amenities as well as significant reductions in contingency and contractor fees. With those reductions, the total construction contract only increased by \$37k.

Developer Fee is unchanged per requirements of the SHTC Rules.

Underwritten Total Development Cost is \$34.7M (a 1% increase of \$245k from previous underwriting).

Sources of Funds

Underwritten NOI provides 1.27 times debt coverage on the senior debt. The Direct Loan is Deferred Payable.

Applicant added State Housing Credit equity of \$529k for an annual State Housing Tax Credit request of \$100k at a credit price of 0.53.

Current analysis indicates \$653k in Deferred Developer Fee which is \$285k less than the last Underwriting. However, total Developer Fee has not increased since MDL Closing or since original underwriting (as required by the rules).

Recommendation

Underwriter recommends Applicant's request for \$100,000 in annual State Housing Tax Credits
Furthermore, the prior recommendations for an annual 9% Housing Tax Credit allocation of \$1,500,000 and for
the \$2,000,000 second lien Direct Loan remain unchanged.

Underwriter:

Eric Weiner

Manager of Real Estate Analysis:

Gregg Kazak

Director of Real Estate Analysis:

Jeanna Adams

UNIT MIX/RENT SCHEDULE

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

LOCATION DATA	
CITY:	Amarillo
COUNTY:	Potter
Area Median Income	\$71,600
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	36	29.0%	0	4
1	45	36.3%	0	5
2	43	34.7%	0	4
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	124	100.0%	-	13

54%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	16	12.9%
40%	-	0.0%
50%	22	17.7%
60%	86	69.4%
70%	-	0.0%
80%	-	0.0%
TOTAL	124	100.0%

Pro Forma ASSUMPTIONS		
Revenue Growth	2.00%	
Expense Growth	3.00%	
Basis Adjust	130%	
Applicable Fraction	100%	
APP % Acquisition	3.32%	
APP % Construction	9.00%	
Average Unit Size	766 sf	

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		UNIT MIX			APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS			TDHCA PRO FORMA 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	
TC 30%	\$460	30%/30%	\$461	1	0	1	554	\$460	\$67	\$393	\$0	\$0.71	\$393	\$393	\$393	\$393	\$0.71	\$0	
TC 30%	\$460			3	0	1	605	\$460	\$67	\$393	\$0	\$0.65	\$393	\$1,179	\$1,179	\$393	\$0.65	\$0	
TC 60%	\$921			5	0	1	605	\$921	\$67	\$854	(\$46)	\$1.34	\$808	\$4,040	\$4,040	\$808	\$1.34	(\$46)	
TC 50%	\$767			1	0	1	606	\$767	\$67	\$700	\$0	\$1.16	\$700	\$700	\$700	\$700	\$1.16	\$0	
TC 50%	\$767			1	0	1	613	\$767	\$67	\$700	\$0	\$1.14	\$700	\$700	\$700	\$700	\$1.14	\$0	
TC 50%	\$767			3	0	1	622	\$767	\$67	\$700	\$0	\$1.13	\$700	\$2,100	\$2,100	\$700	\$1.13	\$0	
TC 60%	\$921			7	0	1	622	\$921	\$67	\$854	(\$46)	\$1.30	\$808	\$5,656	\$5,656	\$808	\$1.30	(\$46)	
TC 30%	\$460	30%/30%	\$461	3	0	1	646	\$460	\$67	\$393	\$0	\$0.61	\$393	\$1,179	\$1,179	\$393	\$0.61	\$0	
TC 60%	\$921			6	0	1	646	\$921	\$67	\$854	(\$46)	\$1.25	\$808	\$4,848	\$4,848	\$808	\$1.25	(\$46)	
TC 60%	\$921			2	0	1	664	\$921	\$67	\$854	(\$46)	\$1.22	\$808	\$1,616	\$1,616	\$808	\$1.22	(\$46)	
TC 60%	\$921			4	0	1	667	\$921	\$67	\$854	(\$46)	\$1.21	\$808	\$3,232	\$3,232	\$808	\$1.21	(\$46)	
TC 60%	\$987			2	1	1	679	\$987	\$77	\$910	\$0	\$1.34	\$910	\$1,820	\$1,820	\$910	\$1.34	\$0	
TC 30%	\$493	30%/30%	\$493	2	1	1	682	\$493	\$77	\$416	\$0	\$0.61	\$416	\$832	\$832	\$416	\$0.61	\$0	
TC 60%	\$987			4	1	1	682	\$987	\$77	\$910	(\$49)	\$1.26	\$861	\$3,444	\$3,444	\$861	\$1.26	(\$49)	
TC 60%	\$987			3	1	1	694	\$987	\$77	\$910	(\$49)	\$1.24	\$861	\$2,583	\$2,583	\$861	\$1.24	(\$49)	
TC 50%	\$822			2	1	1	714	\$822	\$77	\$745	\$0	\$1.04	\$745	\$1,490	\$1,490	\$745	\$1.04	\$0	
TC 50%	\$822			2	1	1	720	\$822	\$77	\$745	\$0	\$1.03	\$745	\$1,490	\$1,490	\$745	\$1.03	\$0	
TC 60%	\$987			3	1	1	720	\$987	\$77	\$910	(\$49)	\$1.20	\$861	\$2,583	\$2,583	\$861	\$1.20	(\$49)	
TC 60%	\$987			2	1	1	736	\$987	\$77	\$910	(\$49)	\$1.17	\$861	\$1,722	\$1,722	\$861	\$1.17	(\$49)	
TC 60%	\$987			2	1	1	739	\$987	\$77	\$910	(\$49)	\$1.17	\$861	\$1,722	\$1,722	\$861	\$1.17	(\$49)	
TC 30%	\$493	30%/30%	\$493	3	1	1	755	\$493	\$77	\$416	\$0	\$0.55	\$416	\$1,248	\$1,248	\$416	\$0.55	\$0	
TC 50%	\$822			3	1	1	755	\$822	\$77	\$745	\$0	\$0.99	\$745	\$2,235	\$2,235	\$745	\$0.99	\$0	
TC 60%	\$987			10	1	1	755	\$987	\$77	\$910	(\$49)	\$1.14	\$861	\$8,610	\$8,610	\$861	\$1.14	(\$49)	
TC 60%	\$987			3	1	1	758	\$987	\$77	\$910	(\$49)	\$1.14	\$861	\$2,583	\$2,583	\$861	\$1.14	(\$49)	
TC 50%	\$822			3	1	1	778	\$822	\$77	\$745	\$0	\$0.96	\$745	\$2,235	\$2,235	\$745	\$0.96	\$0	
TC 60%	\$987			1	1	1	805	\$987	\$77	\$910	(\$49)	\$1.07	\$861	\$861	\$861	\$861	\$1.07	(\$49)	
TC 30%	\$592	30%/30%	\$645	2	2	1	859	\$592	\$97	\$495	\$0	\$0.58	\$495	\$990	\$990	\$495	\$0.58	\$0	
TC 60%	\$1,185			1	2	1	869	\$1,185	\$97	\$1,088	(\$59)	\$1.18	\$1,029	\$1,029	\$1,029	\$1,029	\$1.18	(\$59)	
TC 60%	\$1,185			6	2	1	871	\$1,185	\$97	\$1,088	(\$59)	\$1.18	\$1,029	\$6,174	\$6,174	\$1,029	\$1.18	(\$59)	
TC 50%	\$987			2	2	1	886	\$987	\$97	\$890	\$0	\$1.00	\$890	\$1,780	\$1,780	\$890	\$1.00	\$0	
TC 50%	\$987			2	2	1	903	\$987	\$97	\$890	\$0	\$0.99	\$890	\$1,780	\$1,780	\$890	\$0.99	\$0	
TC 60%	\$1,185			3	2	1	903	\$1,185	\$97	\$1,088	(\$59)	\$1.14	\$1,029	\$3,087	\$3,087	\$1,029	\$1.14	(\$59)	
TC 60%	\$1,185			1	2	1	906	\$1,185	\$97	\$1,088	(\$59)	\$1.14	\$1,029	\$1,029	\$1,029	\$1,029	\$1.14	(\$59)	
TC 50%	\$987			2	2	1	911	\$987	\$97	\$890	\$0	\$0.98	\$890	\$1,780	\$1,780	\$890	\$0.98	\$0	
TC 60%	\$1,185			4	2	1	911	\$1,185	\$97	\$1,088	(\$59)	\$1.13	\$1,029	\$4,116	\$4,116	\$1,029	\$1.13	(\$59)	
TC 30%	\$592	30%/30%	\$645	1	2	1	925	\$592	\$97	\$495	\$0	\$0.54	\$495	\$495	\$495	\$495	\$0.54	\$0	
TC 60%	\$1,185			10	2	1	925	\$1,185	\$97	\$1,088	(\$59)	\$1.11	\$1,029	\$10,290	\$10,290	\$1,029	\$1.11	(\$59)	
TC 50%	\$987			1	2	1	929	\$987	\$97	\$890	\$0	\$0.96	\$890	\$890	\$890	\$890	\$0.96	\$0	
TC 60%	\$1,185			5	2	1	929	\$1,185	\$97	\$1,088	(\$59)	\$1.11	\$1,029	\$5,145	\$5,145	\$1,029	\$1.11	(\$59)	
TC 60%	\$1,185			1	2	1	979	\$1,185	\$97	\$1,088	(\$59)	\$1.05	\$1,029	\$1,029	\$1,029	\$1,029	\$1.05	(\$59)	
TC 60%	\$1,185			1	2	1	1,040	\$1,185	\$97	\$1,088	(\$59)	\$0.99	\$1,029	\$1,029	\$1,029	\$1,029	\$0.99	(\$59)	
TC 30%	\$592	30%/30%	\$645	1	2	1	1,103	\$592	\$97	\$495	\$0	\$0.45	\$495	\$495	\$495	\$495	\$0.45	\$0	
TOTALS/AVERAGES:				124			94,989			(\$35)	\$1.08	\$825	\$102,239	\$102,239	\$825	\$1.08	(\$35)		

ANNUAL POTENTIAL GROSS RENT:	\$1,226,868	\$1,226,868
------------------------------	-------------	-------------

STABILIZED PRO FORMA

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

STABILIZED FIRST YEAR PRO FORMA																						
	COMPARABLES			APPLICANT				MDL Closing	MDL App	Original UW		MDL App	MDL Closing	TDHCA				VARIANCE				
	Database	3 Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	Applicant	Applicant	TDHCA	TDHCA	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$			
				\$1.08	\$825	\$1,226,868	\$1,087,716	\$1,056,996	\$1,076,640	\$1,077,037	\$1,076,328	\$1,087,716	\$1,226,868	\$825	\$1.08		0.0%	\$0				
POTENTIAL GROSS RENT					\$10.00	\$14,880	\$14,880	\$14,880	16,368													
late fees, app fees, retained deposits					\$10.00					16,368	\$14,880	\$14,880	\$14,880	\$10.00				0.0%	\$0			
Total Secondary Income							\$1,241,748	\$1,102,596	\$1,071,876	\$1,093,008	\$1,093,405	\$1,091,208	\$1,102,596	\$1,241,748			0.0%	\$0				
POTENTIAL GROSS INCOME																	0.0%	\$0				
Vacancy & Collection Loss					7.5% PGI	(93,131)	(82,695)	(80,391)	(81,976)	(82,005)	(81,841)	(82,695)	(93,131)	7.5% PGI			0.0%	-				
EFFECTIVE GROSS INCOME							\$1,148,617	\$1,019,901	\$991,485	\$1,011,032	\$1,011,400	\$1,009,367	\$1,019,901	\$1,148,617			0.0%	\$0				
General & Administrative	\$41,623	\$336/Unit	\$39,166	\$316	4.71%	\$0.57	\$436	\$54,085	\$50,380	\$24,265	\$28,840	\$39,166	\$39,166	\$46,500	\$375	\$0.49	4.05%	16.3%	7,585			
Management	\$35,899	4.4% EGI	\$44,422	\$358	4.25%	\$0.51	\$394	\$48,806	\$42,842	\$42,268	\$42,969	\$42,984	\$42,898	\$43,346	\$48,816	\$394	\$0.51	4.25%	0.0%	(10)		
Payroll & Payroll Tax	\$151,697	\$1,223/Unit	\$164,829	\$1,329	13.44%	\$1.63	\$1,245	\$154,396	\$154,396	\$141,071	\$142,216	\$142,216	\$141,071	\$154,396	\$154,396	\$1,245	\$1.63	13.44%	0.0%	-		
Repairs & Maintenance	\$79,071	\$638/Unit	\$84,156	\$679	8.84%	\$1.07	\$819	\$101,540	\$114,540	\$84,500	\$77,160	\$80,600	\$80,600	\$86,800	\$86,800	\$700	\$0.91	7.56%	17.0%	14,740		
Electric/Gas	\$27,207	\$219/Unit	\$21,731	\$175	1.74%	\$0.21	\$161	\$20,000	\$15,000	\$15,000	\$15,000	\$21,731	\$21,731	\$21,731	\$21,731	\$175	\$0.23	1.89%	-8.0%	(1,731)		
Water, Sewer, & Trash	\$65,043	\$525/Unit	\$69,950	\$564	7.70%	\$0.93	\$714	\$88,500	\$65,940	\$59,400	\$59,500	\$59,500	\$59,400	\$69,950	\$88,500	\$714	\$0.93	7.70%	0.0%	-		
Property Insurance	\$38,927	\$0.41 /sf	\$40,947	\$330	14.90%	\$1.80	\$1,380	\$171,120	\$86,641	\$86,641	\$43,400	\$43,400	\$86,641	\$86,641	\$171,289	\$1,381	\$1.80	14.91%	-0.1%	(169)		
Property Tax (@ 100%)	1.371090	\$54,327	\$438/Unit	\$56,547		\$456	4.87%	\$0.59	\$451	\$55,979	\$47,440	\$84,803	\$113,444	\$108,237	\$85,064	\$58,107	\$55,979	\$451	\$0.59	4.87%	0.0%	-
Reserve for Replacements						\$0	2.70%	\$0.33	\$250	\$31,000	\$31,000	\$37,200	\$37,200	\$37,200	\$37,200	\$31,000	\$31,000	\$250	\$0.33	2.70%	0.0%	-
Supportive Services							\$0	0.57%	\$0.07	\$53	\$6,600	\$0	\$0	\$0	\$0	\$0	\$6,600	\$53	\$0.07	0.57%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)							\$0	0.43%	\$0.05	\$40	\$4,960	\$4,960	\$4,960	\$4,960	\$4,960	\$4,960	\$4,960	\$40	\$0.05	0.43%	0.0%	-
TDHCA MDL Compliance (\$34/MDL unit)							\$0	0.04%	\$0.00	\$4	\$442	\$0	\$0	\$0	\$442	\$0	\$442	\$4	\$0.00	0.04%	0.0%	-
TOTAL EXPENSES							64.20%	\$7.76	\$5,947	\$ 737,428	\$ 613,139	\$580,108	\$564,689	\$579,994	\$599,173	\$596,097	\$717,013	\$5,782	\$7.55	62.42%	2.8%	\$20,415
NET OPERATING INCOME ("NOI")							35.80%	\$4.33	\$3,316	\$411,189	\$406,762	\$411,377	\$446,343	\$431,406	\$410,194	\$423,805	\$431,604	\$3,481	\$4.54	37.58%	-4.7%	\$ (20,415)
CONTROLLABLE EXPENSES										\$3,375/Unit										\$3,209/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

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	MDL Closing	MDL App	Original UW	MDL App	MDL Closing	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	APP						Applicant	Applicant	Applicant	TDHCA	TDHCA						DCR	LTC	
Walker and Dunlop		1.33	1.27	324,086	5.45%	40	15	\$5,271,000	\$5,271,000	\$5,978,403	\$6,700,000	\$6,700,000	\$5,978,403	\$5,271,000	\$5,271,000	15	40	5.45%	\$324,086	1.27	15.2%
CASH FLOW DEBT / GRANTS																					
TDHCA (Deferred Payable)		1.33	1.27		0.00%	NA	15	\$2,000,000	\$2,000,000	\$2,000,000	\$500	\$500	\$2,000,000	\$2,000,000	\$2,000,000	15	NA	0.00%		1.27	5.8%
City of Amarillo		1.33	1.27		0.00%	0	0	\$500	\$500	\$500	\$0	\$0	\$500	\$500	\$500	0	0	0.00%		1.27	0.0%
Potter County ARPA		1.33	1.27		0.00%	0	0	\$500,000	\$500,000	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	0	0	0.00%		1.27	1.4%
City of Amarillo ARPA		1.33	1.27		0.00%	0	0	\$1,050,000	\$1,050,000	\$0	\$0	\$0	\$1,050,000	\$1,050,000	\$1,050,000	0	0	0.00%		1.27	3.0%
COA Fee Waivers		1.33	1.27		0.00%	0	0	\$88,098	\$88,098	\$0	\$0	\$0	\$88,098	\$88,098	\$88,098	0	0	0.00%		1.27	0.3%
Rate Lock Refund		1.33	1.27		0.00%	0	0	\$105,420	\$105,420	\$0	\$0	\$0	\$105,420	\$105,420	\$105,420	0	0	0.00%		1.27	0.3%
		\$324,086		TOTAL DEBT / GRANT SOURCES				\$9,015,018	\$9,015,018	\$7,978,903	\$6,700,500	\$6,700,500	\$7,978,903	\$9,015,018	\$9,015,018	TOTAL DEBT SERVICE		\$324,086	1.27	26.0%	
NET CASH FLOW		\$107,518	\$87,103														APPLICANT NET OPERATING INCOME	\$411,189	\$87,103	NET CASH FLOW	
EQUITY SOURCES																					
APPLICANT'S PROPOSED EQUITY STRUCTURE										AS UNDERWRITTEN EQUITY STRUCTURE											
EQUITY / DEFERRED FEES	DESCRIPTION		% Cost	Annual Credit	Credit Price	Amount	MDL Closing	MDL App	Original UW	MDL App	Closing					Annual Credits per Unit	Allocation Method				
	LIHTC Equity		35.5%	\$1,500,000	0.82	\$12,298,770	\$12,298,770	\$13,498,650	\$13,498,650	\$12,298,770	\$12,298,770	\$12,298,770	\$12,298,770	\$12,298,770	\$0.82	\$1,500,000	35.5%	\$12,097	Previous Allocation		
Boston Financial	Federal Historic Credits		14.6%			\$5,042,645	\$5,042,645	\$4,529,970	\$3,806,305	\$3,806,305	\$4,529,970	\$5,042,645	\$5,042,645	\$5,042,645				14.6%			
Boston Financial	State Historic Credits		20.5%			\$7,111,148	\$7,111,148	\$3,388,172	\$3,171,921	\$3,171,921	\$3,388,172	\$7,111,148	\$7,111,148	\$7,111,148				20.5%			
Commerce Bank	Deferred Developer Fee		1.6%	(47% Deferred)		\$555,982	\$937,681	\$978,134	\$934,670	\$934,669	\$978,134	\$937,681	\$652,810	\$652,810	(28% Deferred)		1.9%	Total Developer Fee:	\$2,304,454		
Advantage Capital	SHTC Equity		1.5%	\$100,000	0.53	\$529,947	\$0	\$0	\$0	\$0	\$0	\$0	\$529,947	\$529,947	\$0.53	\$100,000	1.5%				
Additional (Excess) Funds Req'd			0.0%														0.0%				
	TOTAL EQUITY SOURCES		73.7%			\$25,538,492	\$25,390,244	\$24,195,046	\$21,411,546	\$21,411,545	\$24,195,046	\$25,390,244	\$25,635,320				74.0%				
TOTAL CAPITALIZATION						\$34,553,510	\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262	\$34,650,338						15-Yr Cash Flow after Deferred Fee:	\$697,769	
DEVELOPMENT COST / ITEMIZED BASIS																					
APPLICANT COST / BASIS ITEMS										TDHCA COST / BASIS ITEMS											
Eligible Basis			Total Costs	Applicant	MDL Closing	MDL App	Original UW		TDHCA	TDHCA	Closing	Total Costs	Eligible Basis	New Const. Rehab	Acquisition	%	\$				
	Acquisition	New Const. Rehab					Applicant	Applicant	Applicant	TDHCA	TDHCA	TDHCA									
Land Acquisition			\$2,618 / Unit	\$324,615	\$324,615	\$324,615	\$300,000	\$300,000	\$324,615	\$324,615	\$324,615	\$2,618 / Unit				0.0%	\$0				
Closing costs & acq. legal fees				\$811	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$811						\$0			
Off-Sites			\$ / Unit	\$0	\$280,000	\$210,000	\$210,000	\$114,745	\$210,000	\$280,000	\$0	\$ / Unit				0.0%	\$0				
Site Work			\$398,561	\$3,214 / Unit	\$398,561	\$452,411	\$519,570	\$1,056,147	\$1,523,188	\$519,570	\$452,411	\$394,388	\$3,181 / Unit				1.1%	\$4,173			
Site Amenities			\$90,207	\$727 / Unit	\$90,207	\$203,505	\$200,000	\$375,000	\$384,400	\$270,560	\$241,082	\$90,207	\$727 / Unit				0.0%	\$0			
Building Cost			\$23,343,345	\$245.75 /sf	\$188,253 /Unit	\$23,343,345	\$19,824,635	\$19,259,858	\$15,506,969	\$15,125,783	\$19,189,298	\$19,787,058	\$23,444,344	#####	\$246.81 /sf			-0.4%	(\$100,999)		
Contingency			\$44,736	0.19%		\$44,736	\$2,076,055	\$2,018,943	\$1,457,590	\$1,457,590	\$2,018,943	\$2,076,055	\$44,736	0.19%							
Contractor Fees			\$1,806,714	7.57%		\$1,806,714	\$2,906,474	\$3,080,229	\$2,599,217	\$2,599,217	\$3,080,229	\$2,906,474	\$1,806,714	7.54%							
Soft Costs		0	\$2,414,399		\$20,971 / Unit	\$2,600,399	\$2,341,980	\$1,852,833	\$1,504,739	\$1,504,739	\$1,852,833	\$2,341,980	\$2,600,399	\$20,971 / Unit							
Financing		0	\$1,912,943		\$24,460 / Unit	\$3,033,035	\$3,084,499	\$1,815,069	\$2,217,562	\$2,217,562	\$1,815,069	\$3,084,499	\$3,033,035	\$24,460 / Unit							
Developer Fee		\$0	\$2,304,454	7.68%		\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	7.65%							
Reserves						7 Months	\$606,634	\$606,634	\$588,378	\$580,368	\$588,378	\$606,634	\$606,634	7 Months							
	TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$32,315,359		\$278,657 / Unit	\$34,553,511	\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262	\$34,650,338	\$279,438 / Unit	\$32,315,359	\$0	-0.3%	(\$96,827)		
	ADJUSTED BASIS / COST		\$0	\$32,315,359		\$278,657/unit	\$34,553,511	\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262	\$34,650,338	\$279,438/unit	\$32,315,359	\$0	-0.3%	(\$96,827)		
	TOTAL HOUSING DEVELOPMENT COSTS																				

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

CREDIT CALCULATION ON QUALIFIED BASIS			
Applicant		TDHCA	
Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$32,315,359	\$0
Deduction of Federal Historic Credits	\$0	(\$6,592,645)	\$0
TOTAL ELIGIBLE BASIS	\$0	\$25,722,714	\$0
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS	\$0	\$33,439,528	\$0
Applicable Fraction	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$33,439,528	\$0
Applicable Percentage	3.32%	9.00%	3.32%
ANNUAL CREDIT ON BASIS	\$0	\$3,009,558	\$0
CREDITS ON QUALIFIED BASIS	\$3,009,558		\$3,009,558

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Credit Price	\$0.8199	Variance to Request		
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$3,009,558	\$24,675,904	----	----	----
Needed to Fill Gap	\$1,579,619	\$12,951,580	----	----	----
Previous Allocation	\$1,500,000	\$12,298,770	\$1,500,000	\$0	\$0

Long-Term Pro Forma

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

	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%	\$1,148,617	\$1,171,589	\$1,195,021	\$1,218,921	\$1,243,300	\$1,372,704	\$1,515,576	\$1,673,318	\$1,847,478	\$2,039,765	\$2,252,066	\$2,486,462
TOTAL EXPENSES	3.00%	\$737,428	\$759,063	\$781,337	\$804,269	\$827,879	\$956,823	\$1,106,001	\$1,278,604	\$1,478,328	\$1,709,455	\$1,976,943	\$2,286,537
NET OPERATING INCOME ("NOI")		\$411,189	\$412,526	\$413,684	\$414,652	\$415,421	\$415,880	\$409,575	\$394,714	\$369,150	\$330,310	\$275,123	\$199,925
EXPENSE/INCOME RATIO		64.2%	64.8%	65.4%	66.0%	66.6%	69.7%	73.0%	76.4%	80.0%	83.8%	87.8%	92.0%
MUST -PAY DEBT SERVICE													
Walker and Dunlop		\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086
TOTAL DEBT SERVICE		\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086	\$324,086
DEBT COVERAGE RATIO		1.27	1.27	1.28	1.28	1.28	1.28	1.26	1.22	1.14	1.02	0.85	0.62
ANNUAL CASH FLOW		\$87,103	\$88,441	\$89,598	\$90,566	\$91,335	\$91,794	\$85,489	\$70,628	\$45,064	\$6,225	(\$48,963)	(\$124,160)
Deferred Developer Fee Balance		\$565,707	\$477,266	\$387,668	\$297,102	\$205,767	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$254,674	\$697,769	\$1,084,453	\$1,365,663	\$1,480,350	\$1,353,135	\$891,546



Real Estate Analysis Division

July 8, 2022

Addendum to Underwriting Report

TDHCA Application #: **21506 20042** Program(s): **9% HTC/MDL**

The Commons at St. Anthony's

Address/Location: SWC Amarillo Blvd. and N. Polk Street

City: Amarillo County: Potter Zip: 79107

APPLICATION HISTORY	
Report Date	
07/08/22	Updated MDL Closing Memo
01/11/22	MDL Closing Memo
10/06/21	MDL Application
06/30/20	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
TDHCA (Deferred Payable)	\$2,000,000	0.00%	N/A	30	\$2,000,000	0.00%	NA	15	2
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Closing

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

Status: Satisfied

b: Substantially final construction contract with Schedule of Values.

Status: Satisfied

c: Updated term sheets with substantially final terms from all lenders

Status: Satisfied

d: Substantially final draft of limited partnership agreement.

Status: FINAL LPA INCLUDING FINAL STATE AND FEDERAL HISTORIC CREDITS TO BE CLEARED AT CLOSING BY MDL STAFF OR TDHCA LEGAL STAFF

e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

Status: Satisfied

f: Compliance with the Department's NHTF Rehabilitation Standards, as approved by HUD.

Status: Conditioned has been cleared by Program and the alternative requirement for the windows incorporated into the draft MFDL Contract.

2 Receipt and acceptance by Commitment:

a: Documentation of the approved subdivision plat.

Status: Cleared. The City of Amarillo has approved the above Final Plat on 8/4/2020.

b: Revision to the Scope and Cost Review addressing §11.306(d)(6).

Status: Cleared. SCR references Subchapter B along with accessible work included in the scope.

3 Receipt and acceptance by Carryover:

a: Documentation of the status of the Historic Tax Credit application and approval.

Status: Cleared.

b: Documentation of restrictive covenant with SALRC.

Status: Cleared.

4 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment and vapor study were completed, and that all

b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and

d: Architect certification that buildings were tested for the presence of radon and any recommended

e: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	13
50% of AMI	50% of AMI	25
60% of AMI	60% of AMI	86

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	13

ANALYSIS

2022 HTC rents and 2021 NHTF rents are underwritten.

The MDL will close as a "Deferred Payable" loan instead of "Deferred Forgivable" at the request of the Applicant. The Application is still consistent with the requirements of NOFA 2021-3.

Underwriting supports the Direct Loan as a second lien in the amount of \$2,000,000 at 0% interest structured as Deferred Payable with a 15 year permanent term to match the senior debt, and 30 month construction term.

Director of Real Estate Analysis:

Jeanna Adams

UNIT MIX/RENT SCHEDULE
The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

LOCATION DATA	
CITY:	Amarillo
COUNTY:	Potter
Area Median Income	\$71,600
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	36	29.0%	0	4
1	45	36.3%	0	5
2	43	34.7%	0	4
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	124	100.0%	-	13

55% Average Income		
Income	# Units	% Total
20%	-	0.0%
30%	13	10.5%
40%	-	0.0%
50%	25	20.2%
60%	86	69.4%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	124	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	766 sf

HTC		TDHCA Direct Loan Program		UNIT MIX			APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS			TDHCA PRO FORMA 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	
TC 30%	\$405	30%/30%	\$376	1	0	1	554	\$376	\$42	\$334	\$0	\$0.60	\$334	\$334	\$334	\$334	\$0.60	\$0	
TC 50%	\$676			3	0	1	605	\$676	\$42	\$634	\$0	\$1.05	\$634	\$1,902	\$1,902	\$634	\$1.05	\$0	
TC 60%	\$811			5	0	1	605	\$811	\$42	\$769	(\$112)	\$1.09	\$657	\$3,285	\$3,285	\$657	\$1.09	(\$112)	
TC 50%	\$676			1	0	1	606	\$676	\$42	\$634	\$0	\$1.05	\$634	\$634	\$634	\$634	\$1.05	\$0	
TC 50%	\$676			1	0	1	613	\$676	\$42	\$634	\$0	\$1.03	\$634	\$634	\$634	\$634	\$1.03	\$0	
TC 50%	\$676			3	0	1	622	\$676	\$42	\$634	\$0	\$1.02	\$634	\$1,902	\$1,902	\$634	\$1.02	\$0	
TC 60%	\$811			7	0	1	622	\$811	\$42	\$769	(\$112)	\$1.06	\$657	\$4,599	\$4,599	\$657	\$1.06	(\$112)	
TC 30%	\$405	30%/30%	\$376	3	0	1	646	\$376	\$42	\$334	\$0	\$0.52	\$334	\$1,002	\$1,002	\$334	\$0.52	\$0	
TC 60%	\$811			6	0	1	646	\$811	\$42	\$769	(\$112)	\$1.02	\$657	\$3,942	\$3,942	\$657	\$1.02	(\$112)	
TC 60%	\$811			2	0	1	664	\$811	\$42	\$769	(\$112)	\$0.99	\$657	\$1,314	\$1,314	\$657	\$0.99	(\$112)	
TC 60%	\$811			4	0	1	667	\$811	\$42	\$769	(\$112)	\$0.99	\$657	\$2,628	\$2,628	\$657	\$0.99	(\$112)	
TC 60%	\$869			2	1	1	679	\$869	\$48	\$821	(\$81)	\$1.09	\$740	\$1,480	\$1,480	\$740	\$1.09	(\$81)	
TC 30%	\$434	30%/30%	\$403	2	1	1	682	\$403	\$48	\$355	\$0	\$0.52	\$355	\$710	\$710	\$355	\$0.52	\$0	
TC 60%	\$869			4	1	1	682	\$869	\$48	\$821	(\$81)	\$1.09	\$740	\$2,960	\$2,960	\$740	\$1.09	(\$81)	
TC 60%	\$869			3	1	1	694	\$869	\$48	\$821	(\$81)	\$1.07	\$740	\$2,220	\$2,220	\$740	\$1.07	(\$81)	
TC 50%	\$724			2	1	1	714	\$724	\$48	\$676	\$0	\$0.95	\$676	\$1,352	\$1,352	\$676	\$0.95	\$0	
TC 50%	\$724			2	1	1	720	\$724	\$48	\$676	\$0	\$0.94	\$676	\$1,352	\$1,352	\$676	\$0.94	\$0	
TC 60%	\$869			3	1	1	720	\$869	\$48	\$821	(\$81)	\$1.03	\$740	\$2,220	\$2,220	\$740	\$1.03	(\$81)	
TC 60%	\$869			2	1	1	736	\$869	\$48	\$821	(\$81)	\$1.01	\$740	\$1,480	\$1,480	\$740	\$1.01	(\$81)	
TC 60%	\$869			2	1	1	739	\$869	\$48	\$821	(\$81)	\$1.00	\$740	\$1,480	\$1,480	\$740	\$1.00	(\$81)	
TC 30%	\$434	30%/30%	\$403	3	1	1	755	\$403	\$48	\$355	\$0	\$0.47	\$355	\$1,065	\$1,065	\$355	\$0.47	\$0	
TC 50%	\$724			3	1	1	755	\$724	\$48	\$676	\$0	\$0.90	\$676	\$2,028	\$2,028	\$676	\$0.90	\$0	
TC 60%	\$869			10	1	1	755	\$869	\$48	\$821	(\$81)	\$0.98	\$740	\$7,400	\$7,400	\$740	\$0.98	(\$81)	
TC 60%	\$869			3	1	1	758	\$869	\$48	\$821	(\$81)	\$0.98	\$740	\$2,220	\$2,220	\$740	\$0.98	(\$81)	
TC 50%	\$724			3	1	1	778	\$724	\$48	\$676	\$0	\$0.87	\$676	\$2,028	\$2,028	\$676	\$0.87	\$0	
TC 60%	\$869			1	1	1	805	\$869	\$48	\$821	(\$81)	\$0.92	\$740	\$740	\$740	\$740	\$0.92	(\$81)	
TC 30%	\$521	30%/30%	\$549	2	2	1	859	\$521	\$61	\$460	(\$38)	\$0.49	\$422	\$844	\$844	\$422	\$0.49	(\$38)	
TC 60%	\$1,042			1	2	1	869	\$1,042	\$61	\$981	(\$21)	\$1.10	\$960	\$960	\$960	\$960	\$1.10	(\$21)	
TC 60%	\$1,042			6	2	1	871	\$1,042	\$61	\$981	(\$21)	\$1.10	\$960	\$5,760	\$5,760	\$960	\$1.10	(\$21)	
TC 50%	\$868			2	2	1	886	\$868	\$61	\$807	\$0	\$0.91	\$807	\$1,614	\$1,614	\$807	\$0.91	\$0	
TC 50%	\$868			2	2	1	903	\$868	\$61	\$807	\$0	\$0.89	\$807	\$1,614	\$1,614	\$807	\$0.89	\$0	
TC 60%	\$1,042			3	2	1	903	\$1,042	\$61	\$981	(\$34)	\$1.05	\$947	\$2,841	\$2,841	\$947	\$1.05	(\$34)	
TC 60%	\$1,042			1	2	1	906	\$1,042	\$61	\$981	(\$34)	\$1.05	\$947	\$947	\$947	\$947	\$1.05	(\$34)	
TC 50%	\$868			2	2	1	911	\$868	\$61	\$807	\$0	\$0.89	\$807	\$1,614	\$1,614	\$807	\$0.89	\$0	
TC 60%	\$1,042			4	2	1	911	\$1,042	\$61	\$981	(\$34)	\$1.04	\$947	\$3,788	\$3,788	\$947	\$1.04	(\$34)	
TC 30%	\$521	30%/30%	\$549	1	2	1	925	\$521	\$61	\$460	(\$38)	\$0.46	\$422	\$422	\$422	\$422	\$0.46	(\$38)	
TC 60%	\$1,042			10	2	1	925	\$1,042	\$61	\$981	(\$34)	\$1.02	\$947	\$9,470	\$9,470	\$947	\$1.02	(\$34)	
TC 50%	\$868			1	2	1	929	\$868	\$61	\$807	\$0	\$0.87	\$807	\$807	\$807	\$807	\$0.87	\$0	
TC 60%	\$1,042			5	2	1	929	\$1,042	\$61	\$981	(\$34)	\$1.02	\$947	\$4,735	\$4,735	\$947	\$1.02	(\$34)	
TC 60%	\$1,042			1	2	1	979	\$1,042	\$61	\$981	(\$34)	\$0.97	\$947	\$947	\$947	\$947	\$0.97	(\$34)	
TC 60%	\$1,042			1	2	1	1,040	\$1,042	\$61	\$981	(\$34)	\$0.91	\$947	\$947	\$947	\$947	\$0.91	(\$34)	
TC 30%	\$521	30%/30%	\$549	1	2	1	1,103	\$521	\$61	\$460	(\$38)	\$0.38	\$422	\$422	\$422	\$422	\$0.38	(\$38)	
TOTALS/AVERAGES:				124			94,989			(\$51)	\$0.95	\$731	\$90,643	\$731	\$90,643	\$731	\$0.95	(\$51)	

ANNUAL POTENTIAL GROSS RENT:	\$1,087,716	\$1,087,716
------------------------------	-------------	-------------

STABILIZED PRO FORMA

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

STABILIZED FIRST YEAR PRO FORMA																			
COMPARABLES			APPLICANT				MDL App		Original UW		MDL App		TDHCA				VARIANCE		
Database		3 Local Comps	% EGI	Per SF	Per Unit	Amount	Amount	Applicant	TDHCA	Amount	Amount	Per Unit	Per SF	% EGI	%	\$			
POTENTIAL GROSS RENT				\$0.95		\$731	\$1,087,716	\$1,056,996	\$1,076,640	\$1,077,037	\$1,076,328	\$1,087,716	\$731	\$0.95		0.0%	\$0		
late fees, app fees, retained deposits						\$10.00		\$14,880	\$14,880	16,368									
Total Secondary Income						\$10.00					16,368	\$14,880	\$14,880	\$10.00		0.0%	\$0		
POTENTIAL GROSS INCOME							\$1,102,596	\$1,071,876	\$1,093,008	\$1,093,405	\$1,091,208	\$1,102,596				0.0%	\$0		
Vacancy & Collection Loss						7.5% PGI	(82,695)	(80,391)	(81,976)	(82,005)	(81,841)	(82,695)	7.5% PGI			0.0%	-		
EFFECTIVE GROSS INCOME							\$1,019,901	\$991,485	\$1,011,032	\$1,011,400	\$1,009,367	\$1,019,901				0.0%	\$0		
General & Administrative	\$41,623	\$336/Unit	\$39,166	\$316	4.94%	\$0.53	\$406	\$50,380	\$24,265	\$28,840	\$39,166	\$39,166	\$316	\$0.41	3.84%	28.6%	11,214		
Management	\$35,899	4.4% EGI	\$44,422	\$358	4.20%	\$0.45	\$346	\$42,842	\$42,268	\$42,969	\$42,984	\$42,898	\$43,346	\$350	\$0.46	4.25%	-1.2%	(504)	
Payroll & Payroll Tax	\$151,697	\$1,223/Unit	\$164,829	\$1,329	15.14%	\$1.63	\$1,245	\$154,396	\$141,071	\$142,216	\$142,216	\$141,071	\$154,396	\$1,245	\$1.63	15.14%	0.0%	-	
Repairs & Maintenance	\$79,071	\$638/Unit	\$84,156	\$679	11.23%	\$1.21	\$924	\$114,540	\$84,500	\$77,160	\$80,600	\$80,600	\$86,800	\$700	\$0.91	8.51%	32.0%	27,740	
Electric/Gas	\$27,207	\$219/Unit	\$21,731	\$175	1.47%	\$0.16	\$121	\$15,000	\$15,000	\$15,000	\$21,731	\$21,731	\$175	\$0.23	2.13%	-31.0%	(6,731)		
Water, Sewer, & Trash	\$65,043	\$525/Unit	\$69,950	\$564	6.47%	\$0.69	\$532	\$65,940	\$59,400	\$59,500	\$59,500	\$59,400	\$69,950	\$564	\$0.74	6.86%	-5.7%	(4,010)	
Property Insurance	\$38,927	\$0.41 /sf	\$40,947	\$330	8.50%	\$0.91	\$699	\$86,641	\$86,641	\$43,400	\$43,400	\$86,641	\$86,641	\$699	\$0.91	8.50%	0.0%	-	
Property Tax (@ 100%) 1.371090	\$54,327	\$438/Unit	\$56,547	\$456	4.65%	\$0.50	\$383	\$47,440	\$84,803	\$113,444	\$108,237	\$85,064	\$58,107	\$469	\$0.61	5.70%	-18.4%	(10,667)	
Reserve for Replacements						\$0	3.04%	\$0.33	\$250	\$31,000	\$37,200	\$37,200	\$37,200	\$31,000	\$250	\$0.33	3.04%	0.0%	-
Supportive Services						\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.0%	-	
TDHCA Compliance fees (\$40/HTC unit)						\$0	0.49%	\$0.05	\$40	\$4,960	\$4,960	\$4,960	\$4,960	\$4,960	\$40	\$0.05	0.49%	0.0%	-
TOTAL EXPENSES						60.12%	\$6.45	\$4,945	\$613,139	\$580,108	\$564,689	\$579,994	\$599,173	\$596,097	\$4,807	\$6.28	58.45%	2.9%	\$17,042
NET OPERATING INCOME ("NOI")						39.88%	\$4.28	\$3,280	\$406,762	\$411,377	\$446,343	\$431,406	\$410,194	\$423,805	\$3,418	\$4.46	41.55%	-4.0%	\$ (17,042)
CONTROLLABLE EXPENSES									\$3,228/Unit									\$3,000/Unit	

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

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	MDL App	Original UW	MDL App	Principal	Term	Amort	Rate	Pmt	Cumulative				
		UW	App						Applicant	Applicant	TDHCA						DCR	LTC			
Walker and Dunlop		1.20	1.15	353,460	6.12%	40	15	\$5,271,000	\$5,978,403	\$6,700,000	\$6,700,000	\$5,978,403	\$5,271,000	15	40	6.12%	\$353,327	1.15	15.3%		
CASH FLOW DEBT / GRANTS																					
TDHCA (Deferred Payable)		1.20	1.15		0.00%	NA	15	\$2,000,000	\$2,000,000	\$500	\$500	\$2,000,000	\$2,000,000	15	NA	0.00%		1.15	5.8%		
City of Amarillo		1.20	1.15		0.00%	0	0	\$500	\$500	\$0	\$0	\$500	\$500	0	0	0.00%		1.15	0.0%		
Potter County ARPA		1.20	1.15		0.00%	0	0	\$500,000	\$0	\$0	\$0	\$500,000	\$0	0	0	0.00%		1.15	1.5%		
City of Amarillo ARPA		1.20	1.15		0.00%	0	0	\$1,050,000	\$0	\$0	\$0	\$1,050,000	\$0	0	0	0.00%		1.15	3.1%		
COA Fee Waivers		1.20	1.15		0.00%	0	0	\$88,098	\$0	\$0	\$0	\$88,098	\$0	0	0	0.00%		1.15	0.3%		
Rate Lock Refund		1.20	1.15		0.00%	0	0	\$105,420	\$0	\$0	\$0	\$105,420	\$0	0	0	0.00%		1.15	0.3%		
		\$353,460						TOTAL DEBT / GRANT SOURCES	\$9,015,018	\$7,978,903	\$6,700,500	\$6,700,500	\$7,978,903	\$9,015,018			TOTAL DEBT SERVICE	\$353,327	1.15	26.2%	
NET CASH FLOW		\$70,345	\$53,302														APPLICANT	NET OPERATING INCOME	\$406,762	\$53,436	NET CASH FLOW
EQUITY SOURCES																					
APPLICANT'S PROPOSED EQUITY STRUCTURE												AS UNDERWRITTEN EQUITY STRUCTURE									
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	MDL APP	Original UW	MDL APP	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method							
Boston Financial	LIHTC Equity	35.7%	\$1,500,000	0.82	\$12,298,770	\$12,298,770	\$13,498,650	\$13,498,650	\$12,298,770	\$12,298,770	\$0.82	\$1,500,000	35.7%	\$12,097	Previous Allocation						
Federal Historic Credits - BFIM		14.7%			\$5,042,645	\$4,529,970	\$3,806,305	\$3,806,305	\$4,529,970	\$5,042,645						14.7%					
State Historic Credits-Commerce		20.7%			\$7,111,148	\$6,388,172	\$3,171,921	\$3,171,921	\$6,388,172	\$7,111,148						20.7%					
Commonwealth/KRS Housing	Deferred Developer Fees	2.7%	(41% Deferred)		\$937,681	\$978,134	\$934,670	\$934,669	\$978,134	\$937,681	(41% Deferred)	2.7%	Total Developer Fee:	\$2,304,454							
TOTAL EQUITY SOURCES		73.8%			\$25,390,244	\$24,195,046	\$21,411,546	\$21,411,545	\$24,195,046	\$25,390,244			73.8%								
TOTAL CAPITALIZATION					\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262						15-Yr Cash Flow after Deferred Fee:	\$52,207				
DEVELOPMENT COST / ITEMIZED BASIS																					
APPLICANT COST / BASIS ITEMS												TDHCA COST / BASIS ITEMS									
Eligible Basis	Acquisition	New Const. Rehab			Total Costs	MDL APP	Original UW	MDL APP				Total Costs	Eligible Basis	New Const. Rehab	Acquisition	%	\$				
Land Acquisition					\$2,618 / Unit	\$324,615	\$324,615	\$300,000	\$300,000	\$324,615	\$324,615	\$2,618 / Unit				0.0%	\$0				
Off-Sites					\$2,258 / Unit	\$280,000	\$210,000	\$114,745	\$210,000	\$280,000	\$280,000	\$2,258 / Unit				0.0%	\$0				
Site Work					\$452,411	\$3,648 / Unit	\$452,411	\$519,570	\$1,056,147	\$1,523,188	\$519,570	\$452,411	\$3,648 / Unit			452,411		0.0%	\$0		
Site Amenities					\$30,000	\$1,641 / Unit	\$203,505	\$200,000	\$375,000	\$384,400	\$270,560	\$241,082	\$1,944 / Unit			\$30,000		-15.6%	(\$37,577)		
Building Cost					\$19,824,635	\$208.70 /sf	\$159,876/Unit	\$19,824,635	\$19,259,858	\$15,506,969	\$15,125,783	\$19,189,298	\$19,787,058	\$159,573/Unit	\$208.31 /sf	\$19,787,058		0.2%	\$37,577		
Contingency					\$2,076,055	10.22%	10.00%	\$2,076,055	\$2,018,943	\$1,457,590	\$1,457,590	\$2,018,943	\$2,076,055	10.00%		10.00%	\$2,026,947		0.0%	\$0	
Contractor Fees					\$2,906,474	12.99%	12.73%	\$2,906,474	\$3,080,229	\$2,599,217	\$2,599,217	\$3,080,229	\$2,906,474	12.73%		13.04%	\$2,906,474		0.0%	\$0	
Soft Costs		0	\$1,947,882		\$18,887 / Unit	\$2,341,980	\$1,852,833	\$1,504,739	\$1,504,739	\$1,852,833	\$2,341,980	\$18,887 / Unit				\$1,947,882		0.0%	\$0		
Financing		0	\$1,484,021		\$24,875 / Unit	\$3,084,499	\$1,815,069	\$2,217,562	\$2,217,562	\$1,815,069	\$3,084,499	\$24,875 / Unit				\$1,484,021		0.0%	\$0		
Developer Fee			\$0	\$2,304,454	8.02%		7.90%	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454	\$2,304,454				\$2,304,454		0.0%	\$0		
Reserves							8 Months	\$606,634	\$588,378	\$580,368	\$580,368	\$588,378	\$606,634	8 Months					0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			\$0	\$31,025,932		\$277,462 / Unit	\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262	\$277,462 / Unit			\$30,939,247	\$0	0.0%	\$0		
Acquisition Cost																					
Contingency																					
Contractor's Fee																					
Financing Cost																					
Developer Fee																					
Reserves																					
ADJUSTED BASIS / COST			\$0	\$30,980,582		\$277,462/unit	\$34,405,262	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$34,405,262	\$277,462/unit			\$30,939,247	\$0	0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COSTS																					
\$34,405,262																					

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$30,980,582	\$0	\$30,939,247
Deduction of Federal Historic Credits	\$0	(\$5,042,645)	\$0	(\$5,042,645)
TOTAL ELIGIBLE BASIS	\$0	\$25,937,937	\$0	\$25,896,602
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$33,719,318	\$0	\$33,665,582
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$33,719,318	\$0	\$33,665,582
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,034,739	\$0	\$3,029,902
CREDITS ON QUALIFIED BASIS		\$3,034,739		\$3,029,902

ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
		Credit Price	\$0.8199	Variance to Request
Method	Annual Credits	Proceeds	Credit Allocation	Credits
Eligible Basis	\$3,029,902	\$24,642,715	----	----
Needed to Fill Gap	\$1,614,363	\$13,236,451	----	----
Previous Allocation	\$1,500,000	\$12,298,770	\$1,500,000	\$0

Long-Term Pro Forma

The Commons at St. Anthony's, Amarillo, 9% HTC #21506 20042

	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%	\$1,019,901	\$1,040,299	\$1,061,105	\$1,082,327	\$1,103,974	\$1,218,876	\$1,345,738	\$1,485,804	\$1,640,447	\$1,811,186	\$1,999,696	\$2,207,826
TOTAL EXPENSES	3.00%	\$613,139	\$631,105	\$649,601	\$668,643	\$688,248	\$795,308	\$919,154	\$1,062,432	\$1,228,205	\$1,420,023	\$1,641,997	\$1,898,888
NET OPERATING INCOME ("NOI")		\$406,762	\$409,195	\$411,504	\$413,684	\$415,726	\$423,568	\$426,584	\$423,372	\$412,242	\$391,163	\$357,699	\$308,938
EXPENSE/INCOME RATIO		60.1%	60.7%	61.2%	61.8%	62.3%	65.2%	68.3%	71.5%	74.9%	78.4%	82.1%	86.0%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327	\$353,327
DEBT COVERAGE RATIO		1.15	1.16	1.16	1.17	1.18	1.20	1.21	1.20	1.17	1.11	1.01	0.87
ANNUAL CASH FLOW		\$53,436	\$55,868	\$58,178	\$60,357	\$62,399	\$70,241	\$73,257	\$70,045	\$58,915	\$37,837	\$4,373	(\$44,389)
Deferred Developer Fee Balance		\$884,245	\$828,378	\$770,200	\$709,842	\$647,443	\$310,238	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$52,207	\$411,662	\$732,044	\$967,819	\$1,062,109	\$944,457



Real Estate Analysis Division

January 11, 2022

Addendum to Underwriting Report

TDHCA Application #: **21506 20042** Program(s): **9% HTC/MDL**

The Commons at St. Anthony's

Address/Location: SWC Amarillo Blvd. and N. Polk Street

City: Amarillo County: Potter Zip: 79107

APPLICATION HISTORY	
Report Date	
01/11/22	MDL Closing Memo
10/06/21	MDL Application
06/30/20	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
TDHCA (Deferred Payable)	\$2,000,000	0.00%	N/A	30	\$2,000,000	0.00%	35	15	2
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Closing

- a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
- b: Substantially final construction contract with Schedule of Values.
- c: Updated term sheets with substantially final terms from all lenders
- d: Substantially final draft of limited partnership agreement.
- e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

Status: Conditions a-e satisfied.

- f: Compliance with the Department's NHTF Rehabilitation Standards, as approved by HUD.

Status: Conditioned has been cleared by Program and the alternative requirement for the windows incorporated into the draft MFDL Contract.

2 Receipt and acceptance by Commitment:

a: Documentation of the approved subdivision plat.

Status: Cleared. The City of Amarillo has approved the above Final Plat on 8/4/2020.

b: Revision to the Scope and Cost Review addressing §11.306(d)(6).

Status: Cleared. SCR references Subchapter B along with accessible work included in the scope.

3 Receipt and acceptance by Carryover:

a: Documentation of the status of the Historic Tax Credit application and approval.

Status: Cleared.

b: Documentation of restrictive covenant with SALRC.

Status: Cleared.

4 Receipt and acceptance by Cost Certification:

a: Architect certification that a noise assessment and vapor study were completed, and that all

b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and

d: Architect certification that buildings were tested for the presence of radon and any recommended

e: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	13
50% of AMI	50% of AMI	25
60% of AMI	60% of AMI	86

TDHCA SET-ASIDES for DIRECT LOAN LURA

Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	13

ANALYSIS

The MDL will close as a "Deferred Payable" loan instead of "Deferred Forgivable" at the request of the Applicant. Underwriting has been updated with a small revision to the construction contract. The Application is still consistent with the requirements of NOFA 2021-3.

Underwriting supports the Direct Loan as a second lien in the amount of \$2,000,000 at 0% interest structured as Deferred Payable with a 15 year term and 35 year amortization to match the senior debt.

Director of Real Estate Analysis:

Jeanna Adams

Commons at St. Anthony, 9%HTC/MDL, 21506_20042
Unit Mix

# Units	Bed rooms	Bath rooms	Unit Size (NRA SF)	Total NRA (sf)	Tax Credit Designation	MF Direct Loan Designation
1	0	1	554	554	TC 30%	30%/30%
3	0	1	605	1,815	TC 50%	0
5	0	1	605	3,025	TC 60%	0
1	0	1	606	606	TC 50%	0
1	0	1	613	613	TC 50%	0
3	0	1	622	1,866	TC 50%	0
7	0	1	622	4,354	TC 60%	0
3	0	1	646	1,938	TC 30%	30%/30%
6	0	1	646	3,876	TC 60%	0
2	0	1	664	1,328	TC 60%	0
4	0	1	667	2,668	TC 60%	0
2	1	1	679	1,358	TC 60%	0
2	1	1	682	1,364	TC 30%	30%/30%
4	1	1	682	2,728	TC 60%	0
3	1	1	694	2,082	TC 60%	0
2	1	1	714	1,428	TC 50%	0
2	1	1	720	1,440	TC 50%	0
3	1	1	720	2,160	TC 60%	0
2	1	1	736	1,472	TC 60%	0
2	1	1	739	1,478	TC 60%	0
3	1	1	755	2,265	TC 30%	30%/30%
3	1	1	755	2,265	TC 50%	0
10	1	1	755	7,550	TC 60%	0
3	1	1	758	2,274	TC 60%	0
3	1	1	778	2,334	TC 50%	0
1	1	1	805	805	TC 60%	0
2	2	1	859	1,718	TC 30%	30%/30%
1	2	1	869	869	TC 60%	0
6	2	1	871	5,226	TC 60%	0
2	2	1	886	1,772	TC 50%	0
2	2	1	903	1,806	TC 50%	0
3	2	1	903	2,709	TC 60%	0
1	2	1	906	906	TC 60%	0
2	2	1	911	1,822	TC 50%	0
4	2	1	911	3,644	TC 60%	0
2	2	1	925	1,850	TC 30%	30%/30%
9	2	1	925	8,325	TC 60%	0
1	2	1	929	929	TC 50%	0
5	2	1	929	4,645	TC 60%	0
1	2	1	979	979	TC 60%	0
1	2	1	1,040	1,040	TC 60%	0
1	2	1	1,103	1,103	TC 60%	0
124				94,989		

Commons at St. Anthony, 9%HTC/MDL, 21506_20042
Sources of Funds

Source	Type	Interim		Permanent Period			
		Principal	Rate	Principal	Term	Amort	Rate
TDHCA (Deferred Payable)	MF Direct Loan Const. to Perm. (Repayable)	\$2,000,000	0.00%	\$2,000,000	15	35	0.00%
Walker and Dunlop	Conventional Loan			\$5,899,000	15	35	4.77%
Rate Lock Refund				\$117,980	0	0	0%
First United Bank	Conventional Loan	\$25,500,000	3.50%				
TOTAL		\$27,500,000		\$8,016,980			
<hr/>							
Boston Financial	HTC Equity	\$2,264,909		\$12,298,770			
Federal Historic Credits - BFIM	Federal Historic Credits	\$0		\$4,529,817			
State Historic Credits-Commerce	State Historic Credits	\$0		\$6,387,957			
TOTAL		\$2,264,909		\$23,216,544			
<hr/>							
PARTNERSHIP DEBT							
Commonwealth/KRS Housing	Deferred Developer Fee	\$1,410,637		\$951,461			
TOTAL		\$1,410,637		\$951,461			
<hr/>							
CASH FLOW DEBT / GRANTS							
City of Amarillo	§11.9(d)(2)LPS Contribution	\$500		\$500			
TOTAL		\$500		\$500			
TOTAL CAPITALIZATION		\$31,176,046		\$32,185,485			

Commons at St. Anthony, 9%HTC/MDL, 21506_20042
Uses of Funds

<u>Description</u>	<u>Hard Cost</u>	<u>Total Development Cost</u>
Land Acquisition		\$324,615
Building Acquisition		\$0
		\$0
Off-Sites	\$280,000	\$280,000
Site Work	\$452,411	\$452,411
Site Amenities	\$203,505	\$203,505
Building Cost	\$18,804,923	\$18,804,923
Contingency		\$1,974,084
Contractor Fees		\$2,933,312
Soft Costs		\$2,358,480
Financing		\$1,961,075
Developer Fee		\$2,304,454
Reserves		\$588,626
Totals	\$19,740,839	\$32,185,485



Real Estate Analysis Division

October 6, 2021

Addendum to Underwriting Report

TDHCA Application #: **21506 20042** Program(s): **9% HTC/MDL**

The Commons at St. Anthony's

Address/Location: SWC Amarillo Blvd. and N. Polk Street

City: Amarillo County: Potter Zip: 79107

APPLICATION HISTORY	
Report Date	PURPOSE
10/06/21	MDL Application
06/30/20	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
TDHCA (Deferred Forgivable)					\$2,000,000	0.00%	N/A	30	2
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS
<p>1 Receipt and acceptance before Direct Loan Closing</p> <p>a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.</p> <p>b: Substantially final construction contract with Schedule of Values.</p> <p>c: Updated term sheets with substantially final terms from all lenders</p> <p>d: Substantially final draft of limited partnership agreement.</p> <p>e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.</p> <p>f: Compliance with the Department's NHTF Rehabilitation Standards, as approved by HUD.</p> <p>2 Receipt and acceptance by Commitment:</p> <p>a: Documentation of the approved subdivision plat.</p> <p>Status: Cleared. The City of Amarillo has approved the above Final Plat on 8/4/2020.</p> <p>b: Revision to the Scope and Cost Review addressing §11.306(d)(6).</p> <p>Status: Cleared. SCR references Subchapter B along with accessible work included in the scope.</p> <p>3 Receipt and acceptance by Carryover:</p> <p>a: Documentation of the status of the Historic Tax Credit application and approval.</p> <p>Status: Cleared.</p> <p>b: Documentation of restrictive covenant with SALRC.</p> <p>Status: Cleared.</p> <p>4 Receipt and acceptance by Cost Certification:</p> <p>a: Architect certification that a noise assessment and vapor study were completed, and that all recommendations were implemented and the Development is compliant with HUD guidelines.</p> <p>b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.</p> <p>c: Certification that subsurface environmental investigation was performed as specified in the ESA, and that any recommended mitigation measures were fully implemented.</p> <p>d: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.</p> <p>e: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.</p>

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	13
50% of AMI	50% of AMI	25
60% of AMI	60% of AMI	86

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	13

ANALYSIS

The Development received a 9% HTC allocation in 2020. The Applicant has applied for Multifamily Direct Loan funding under the 2021-3 NOFA for NHTF funds.

Operating Pro Forma

Rents have been updated to the 2021 Program Rents.

Development Cost

Net Rentable Area (NRA) has increased by 3.11% and the land area has increased from 3.9 acres to 4.22 acres from the Original Application. Land price increased from \$300k to \$324,615.

Building Cost increased \$3,752,889 (24.2%)

Total Development Cost increased \$4,061,903 (14.4%)

Sources of Funds

The Applicant has applied for a Multifamily Direct Loan consistent with requirements of NOFA, structured as Deferred Forgivable.

If the Direct Loan amount is forgiven, it is considered a federal grant, and the amount must be deducted from eligible basis for Housing Tax Credits. With the Direct Loan amount as well as the Federal Historic Credits deducted, eligible basis continues to support the original Housing Tax Credit allocation of \$1,500,000.

The Underwriter recommends approval of a Direct Loan as a second lien in the amount of \$2,000,000 at 0% interest structured as Deferred Forgivable with a 30-year term.

Underwriter: Eric Weiner

Manager of Real Estate Analysis: Jeanna Adams

Director of Real Estate Analysis: Thomas Cavanagh

UNIT MIX/RENT SCHEDULE
The Commons at St. Anthony's, Amarillo, 9% HTC #20042

LOCATION DATA	
CITY:	Amarillo
COUNTY:	Potter
Area Median Income	\$71,600
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	36	29.0%	0	4
1	45	36.3%	0	5
2	43	34.7%	0	4
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	124	100.0%	-	13

55% Average Income		
Income	# Units	% Total
20%	-	0.0%
30%	13	10.5%
40%	-	0.0%
50%	25	20.2%
60%	86	69.4%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	124	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	766 sf

UNIT MIX / MONTHLY RENT SCHEDULE																					
HTC		TDHCA Direct Loan Program		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%	\$376	30%/30%	\$376	1	0	1	554	\$376	\$42	\$334	\$0	\$0.60	\$334	\$334	\$334	\$334	\$0.60	\$0	\$753	\$1.36	\$753
TC 50%	\$627			3	0	1	605	\$627	\$42	\$585	(\$1)	\$0.97	\$584	\$1,752	\$1,755	\$585	\$0.97	\$0	\$753	\$1.24	\$753
TC 60%	\$753			5	0	1	605	\$753	\$42	\$711	(\$17)	\$1.15	\$694	\$3,470	\$3,555	\$711	\$1.18	\$0	\$753	\$1.24	\$753
TC 50%	\$627			1	0	1	606	\$627	\$42	\$585	(\$1)	\$0.96	\$584	\$584	\$585	\$585	\$0.97	\$0	\$753	\$1.24	\$753
TC 50%	\$627			1	0	1	613	\$627	\$42	\$585	(\$1)	\$0.95	\$584	\$584	\$585	\$585	\$0.95	\$0	\$753	\$1.23	\$753
TC 50%	\$627			3	0	1	622	\$627	\$42	\$585	(\$1)	\$0.94	\$584	\$1,752	\$1,755	\$585	\$0.94	\$0	\$753	\$1.21	\$753
TC 60%	\$753			7	0	1	622	\$753	\$42	\$711	(\$17)	\$1.12	\$694	\$4,858	\$4,977	\$711	\$1.14	\$0	\$753	\$1.21	\$753
TC 30%	\$376	30%/30%	\$376	3	0	1	646	\$376	\$42	\$334	\$0	\$0.52	\$334	\$1,002	\$1,002	\$334	\$0.52	\$0	\$753	\$1.17	\$753
TC 60%	\$753			6	0	1	646	\$753	\$42	\$711	(\$17)	\$1.07	\$694	\$4,164	\$4,266	\$711	\$1.10	\$0	\$753	\$1.17	\$753
TC 60%	\$753			2	0	1	664	\$753	\$42	\$711	(\$17)	\$1.05	\$694	\$1,388	\$1,422	\$711	\$1.07	\$0	\$753	\$1.13	\$753
TC 60%	\$753			4	0	1	667	\$753	\$42	\$711	(\$17)	\$1.04	\$694	\$2,776	\$2,844	\$711	\$1.07	\$0	\$753	\$1.13	\$753
TC 60%	\$806			2	1	1	679	\$806	\$48	\$758	(\$18)	\$1.09	\$740	\$1,480	\$1,516	\$758	\$1.12	\$0	\$806	\$1.19	\$806
TC 30%	\$403	30%/30%	\$403	2	1	1	682	\$403	\$48	\$355	\$0	\$0.52	\$355	\$710	\$710	\$355	\$0.52	\$0	\$806	\$1.18	\$806
TC 60%	\$806			4	1	1	682	\$806	\$48	\$758	(\$18)	\$1.09	\$740	\$2,960	\$3,032	\$758	\$1.11	\$0	\$806	\$1.18	\$806
TC 60%	\$806			3	1	1	694	\$806	\$48	\$758	(\$18)	\$1.07	\$740	\$2,220	\$2,274	\$758	\$1.09	\$0	\$806	\$1.16	\$832
TC 50%	\$671			2	1	1	714	\$671	\$48	\$623	(\$1)	\$0.87	\$622	\$1,244	\$1,246	\$623	\$0.87	\$0	\$806	\$1.13	\$806
TC 50%	\$671			2	1	1	720	\$671	\$48	\$623	(\$1)	\$0.86	\$622	\$1,244	\$1,246	\$623	\$0.87	\$0	\$806	\$1.12	\$806
TC 60%	\$806			3	1	1	720	\$806	\$48	\$758	(\$18)	\$1.03	\$740	\$2,220	\$2,274	\$758	\$1.05	\$0	\$806	\$1.12	\$806
TC 60%	\$806			2	1	1	736	\$806	\$48	\$758	(\$18)	\$1.01	\$740	\$1,480	\$1,516	\$758	\$1.03	\$0	\$806	\$1.10	\$806
TC 60%	\$806			2	1	1	739	\$806	\$48	\$758	(\$18)	\$1.00	\$740	\$1,480	\$1,516	\$758	\$1.03	\$0	\$806	\$1.09	\$806
TC 30%	\$403	30%/30%	\$403	3	1	1	755	\$403	\$48	\$355	\$0	\$0.47	\$355	\$1,065	\$1,065	\$355	\$0.47	\$0	\$806	\$1.07	\$806
TC 50%	\$671			2	1	1	755	\$671	\$48	\$623	(\$1)	\$0.82	\$622	\$1,244	\$1,246	\$623	\$0.83	\$0	\$806	\$1.07	\$806
TC 60%	\$806			11	1	1	755	\$806	\$48	\$758	(\$18)	\$0.98	\$740	\$8,140	\$8,338	\$758	\$1.00	\$0	\$806	\$1.07	\$806
TC 60%	\$806			3	1	1	756	\$806	\$48	\$758	(\$18)	\$0.98	\$740	\$2,220	\$2,274	\$758	\$1.00	\$0	\$806	\$1.06	\$806
TC 50%	\$671			3	1	1	778	\$671	\$48	\$623	(\$1)	\$0.80	\$622	\$1,866	\$1,869	\$623	\$0.80	\$0	\$806	\$1.04	\$806
TC 60%	\$806			1	1	1	805	\$806	\$48	\$758	(\$18)	\$0.92	\$740	\$740	\$758	\$758	\$0.94	\$0	\$806	\$1.00	\$806
TC 30%	\$483	30%/30%	\$549	2	2	1	859	\$483	\$61	\$422	\$0	\$0.49	\$422	\$844	\$844	\$422	\$0.49	\$0	\$967	\$1.13	\$967
TC 60%	\$967			1	2	1	869	\$967	\$61	\$906	(\$20)	\$1.02	\$886	\$886	\$906	\$906	\$1.04	\$0	\$967	\$1.11	\$967
TC 60%	\$967			6	2	1	871	\$967	\$61	\$906	(\$20)	\$1.02	\$886	\$5,316	\$5,436	\$906	\$1.04	\$0	\$967	\$1.11	\$967
TC 50%	\$806			2	2	1	886	\$806	\$61	\$745	(\$1)	\$0.84	\$744	\$1,488	\$1,490	\$745	\$0.84	\$0	\$967	\$1.09	\$967
TC 50%	\$806			2	2	1	903	\$806	\$61	\$745	(\$1)	\$0.82	\$744	\$1,488	\$1,490	\$745	\$0.82	\$0	\$967	\$1.07	\$967
TC 60%	\$967			3	2	1	903	\$967	\$61	\$906	(\$20)	\$0.98	\$886	\$2,658	\$2,718	\$906	\$1.00	\$0	\$967	\$1.07	\$967
TC 60%	\$967			1	2	1	906	\$967	\$61	\$906	(\$20)	\$0.98	\$886	\$886	\$906	\$906	\$1.00	\$0	\$967	\$1.07	\$967
TC 50%	\$806			2	2	1	911	\$806	\$61	\$745	(\$1)	\$0.82	\$744	\$1,488	\$1,490	\$745	\$0.82	\$0	\$967	\$1.06	\$967
TC 60%	\$967			4	2	1	911	\$967	\$61	\$906	(\$20)	\$0.97	\$886	\$3,544	\$3,624	\$906	\$0.99	\$0	\$967	\$1.06	\$967
TC 30%	\$483	30%/30%	\$549	2	2	1	925	\$483	\$61	\$422	\$0	\$0.46	\$422	\$844	\$844	\$422	\$0.46	\$0	\$967	\$1.05	\$967
TC 60%	\$967			9	2	1	925	\$967	\$61	\$906	(\$20)	\$0.96	\$886	\$7,974	\$8,154	\$906	\$0.98	\$0	\$967	\$1.05	\$967
TC 50%	\$806			2	2	1	929	\$806	\$61	\$745	(\$1)	\$0.80	\$744	\$1,488	\$1,490	\$745	\$0.80	\$0	\$967	\$1.04	\$967
TC 60%	\$967			4	2	1	929	\$967	\$61	\$906	(\$20)	\$0.95	\$886	\$3,544	\$3,624	\$906	\$0.98	\$0	\$967	\$1.04	\$967
TC 60%	\$967			1	2	1	979	\$967	\$61	\$906	(\$20)	\$0.91	\$886	\$886	\$906	\$906	\$0.93	\$0	\$967	\$0.99	\$967
TC 60%	\$967			1	2	1	1,040	\$967	\$61	\$906	(\$20)	\$0.85	\$886	\$886	\$906	\$906	\$0.87	\$0	\$967	\$0.93	\$967
TC 60%	\$967			1	2	1	1,103	\$967	\$61	\$906	(\$20)	\$0.80	\$886	\$886	\$906	\$906	\$0.82	\$0	\$967	\$0.88	\$967
TOTALS/AVERAGES:		124		94,989				(\$13)		\$0.93	\$710	\$88,083	\$89,694	\$723	\$0.94	\$0	\$846	\$1.10	\$847		

ANNUAL POTENTIAL GROSS RENT:	\$1,056,996	\$1,076,328
------------------------------	-------------	-------------

STABILIZED PRO FORMA

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

STABILIZED FIRST YEAR PRO FORMA															
COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	3 Local Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$0.93		\$710	\$1,056,996	\$1,076,640	\$1,077,037	\$1,076,328	\$723	\$0.94		-1.8%	(\$19,332)
late fees, app fees, retained deposits				\$10.00		\$14,880		16,368							
Total Secondary Income				\$10.00					16,368	\$14,880	\$10.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,071,876	\$1,093,008	\$1,093,405	\$1,091,208					-1.8%	(\$19,332)
Vacancy & Collection Loss				7.5% PGI		(80,391)	(81,976)	(82,005)	(81,841)	7.5% PGI				-1.8%	1,450
Rental Concessions						-	0	0	-					0.0%	-
EFFECTIVE GROSS INCOME						\$991,485	\$1,011,032	\$1,011,400	\$1,009,367					-1.8%	(\$17,882)
General & Administrative	\$41,623	\$336/Unit	\$39,166	\$316	2.45%	\$0.26	\$196	\$24,265	\$28,840	\$39,166	\$39,166	\$316	\$0.41	3.88%	-38.0% (14,901)
Management	\$35,899	4.4% EGI	\$44,422	\$358	4.26%	\$0.44	\$341	\$42,268	\$42,969	\$42,984	\$42,898	\$346	\$0.45	4.25%	-1.5% (630)
Payroll & Payroll Tax	\$151,697	\$1,223/Unit	\$164,829	\$1,329	14.23%	\$1.49	\$1,138	\$141,071	\$142,216	\$142,216	\$141,071	\$1,138	\$1.49	13.98%	0.0%
Repairs & Maintenance	\$79,071	\$638/Unit	\$84,156	\$679	8.52%	\$0.89	\$681	\$84,500	\$77,160	\$80,600	\$80,600	\$650	\$0.85	7.99%	4.8% 3,900
Electric/Gas	\$27,207	\$219/Unit	\$21,731	\$175	1.51%	\$0.16	\$121	\$15,000	\$15,000	\$21,731	\$21,731	\$175	\$0.23	2.15%	-31.0% (6,731)
Water, Sewer, & Trash	\$65,043	\$525/Unit	\$69,950	\$564	5.99%	\$0.63	\$479	\$59,400	\$59,500	\$59,500	\$59,400	\$479	\$0.63	5.88%	0.0%
Property Insurance	\$38,927	\$0.41 /sf	\$40,947	\$330	8.74%	\$0.91	\$699	\$86,641	\$43,400	\$43,400	\$86,641	\$699	\$0.91	8.58%	0.0%
Property Tax (@ 100%) 2.508935	\$54,327	\$438/Unit	\$56,547	\$456	8.55%	\$0.89	\$684	\$84,803	\$113,444	\$108,237	\$85,064	\$686	\$0.90	8.43%	-0.3% (261)
Reserve for Replacements				\$0	3.75%	\$0.39	\$300	\$37,200	\$37,200	\$37,200	\$37,200	\$300	\$0.39	3.69%	0.0%
Supportive Services				\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%
TDHCA Compliance fees (\$40/HTC unit)				\$0	0.50%	\$0.05	\$40	\$4,960	\$4,960	\$4,960	\$4,960	\$40	\$0.05	0.49%	0.0%
TOTAL EXPENSES				58.51%	\$6.11	\$4,678	\$ 580,108	\$564,689	\$579,994	\$599,173	\$4,832	\$6.31	59.36%	-3.2% \$ (19,065)	
NET OPERATING INCOME ("NOI")				41.49%	\$4.33	\$3,318	\$411,377	\$446,343	\$431,406	\$410,194	\$3,308	\$4.32	40.64%	0.3% \$ 1,183	
CONTROLLABLE EXPENSES						\$2,615/Unit							\$2,758/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

DEBT / GRANT SOURCES																		
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE											
DEBT (Must Pay)	Fee	Cumulative DCR		Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative			
		UW	App					Applicant	TDHCA						DCR	LTC		
Walker and Dunlop		1.17	1.17	351,612	4.77%	35	17	\$5,978,403	\$6,700,000	\$6,700,000	\$5,978,403	17	35	4.77%	\$351,612	1.17	18.6%	
CASH FLOW DEBT / GRANTS																		
TDHCA (Deferred Forgivable)		1.17	1.17		0.00%	35	17	\$2,000,000	\$500	\$500	\$2,000,000	30		0.00%		1.17	6.2%	
City of Amarillo		1.17	1.17		0.00%	0	0	\$500	\$0	\$0	\$500	0	0	0.00%		1.17	0.0%	
		\$351,612		TOTAL DEBT / GRANT SOURCES		\$7,978,903		\$6,700,500	\$6,700,500	\$7,978,903		TOTAL DEBT SERVICE		\$351,612	1.17	24.8%		
NET CASH FLOW		\$58,582	\$59,765															
		APPLICANT		NET OPERATING INCOME		\$411,377											\$59,765	NET CASH FLOW

EQUITY SOURCES																
APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE									
EQUITY / DEFERRED FEES	DESCRIPTION		% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method		
							Applicant	TDHCA								
Boston Financial	LIHTC Equity		38.2%	\$1,500,000	0.82	\$12,298,770	\$13,498,650	\$13,498,650	\$12,298,770	\$0.82	\$1,500,000	38.2%	\$12,097	Previous Allocation		
Federal Historic Credits - BFIM			14.1%			\$4,529,970	\$3,806,305	\$3,806,305	\$4,529,970				14.1%			
State Historic Credits-Commerce			19.9%			\$6,388,172	\$3,171,921	\$3,171,921	\$6,388,172				19.9%			
Commonwealth/KRS Housing	Deferred Developer Fees		3.0%	(42% Deferred)		\$978,134	\$934,670	\$934,669	\$978,134		(42% Deferred)	3.0%	Total Developer Fee:	\$2,304,454		
Additional (Excess) Funds Req'd			0.0%						\$0	\$0		0.0%				
TOTAL EQUITY SOURCES			75.2%			\$24,195,046	\$21,411,546	\$21,411,546	\$24,195,046			75.2%				
TOTAL CAPITALIZATION						\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949					15-Yr Cash Flow after Deferred Fee:	\$159,650	

DEVELOPMENT COST / ITEMIZED BASIS																		
APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS								COST VARIANCE			
Eligible Basis	New Const. Rehab		Total Costs			Prior Underwriting		Total Costs			Eligible Basis		New Const. Rehab	Acquisition	%	\$		
						Applicant	TDHCA											
Land Acquisition			\$2,618 / Unit	\$324,615		\$300,000	\$300,000	\$324,615	\$2,618 / Unit						0.0%	\$0		
Off-Sites			\$1,694 / Unit	\$210,000		\$210,000	\$114,745	\$210,000	\$1,694 / Unit						0.0%	\$0		
Site Work			\$519,570	\$4,190 / Unit		\$519,570	\$1,056,147	\$1,523,188	\$519,570	\$4,190 / Unit					0.0%	\$0		
Site Amenities			\$0	\$1,613 / Unit		\$200,000	\$375,000	\$384,400	\$270,560	\$2,182 / Unit					-26.1%	(\$70,560)		
Building Cost			\$8,654,537	\$202.76 /sf		\$155,321/Unit	\$19,259,858	\$15,125,783	\$19,189,298	\$154,752/Unit	\$202.02 /sf				0.4%	\$70,560		
Contingency			\$2,018,943	22.01%		10.00%	\$2,018,943	\$1,457,590	\$1,457,590	\$2,018,943	10.00%				0.0%	\$0		
Contractor Fees			\$3,080,229	27.52%		13.87%	\$3,080,229	\$2,599,217	\$2,599,217	\$3,080,229	13.87%				0.0%	\$0		
Soft Costs			0	\$1,527,692		\$14,942 / Unit	\$1,852,833	\$1,504,739	\$1,504,739	\$1,852,833	\$14,942 / Unit				0.0%	\$0		
Financing			0	\$916,184		\$14,638 / Unit	\$1,815,069	\$2,217,562	\$2,217,562	\$1,815,069	\$14,638 / Unit				0.0%	\$0		
Developer Fee			0	\$2,304,454	13.78%		8.31%	\$2,304,454	\$2,304,454	\$2,304,454	8.84%				15.00%	\$2,092,231		
Reserves						8 Months	\$588,378	\$580,368	\$580,368	\$588,378	7 Months				0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			\$0	\$19,021,609		\$259,467 / Unit	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$259,467 / Unit				\$16,040,437	\$0	0.0%	\$0
Acquisition Cost			\$0				\$0	\$0										
Contingency																		
Contractor's Fee																		
Financing Cost																		
Developer Fee																		
Reserves																		
ADJUSTED BASIS / COST			\$0	\$16,040,437		\$259,467/unit	\$32,173,949	\$28,112,046	\$28,112,045	\$32,173,949	\$259,467/unit				\$16,040,437	\$0	0.0%	\$0
TOTAL HOUSING DEVELOPMENT COSTS							\$32,173,949											

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

CREDIT CALCULATION ON QUALIFIED BASIS			
Applicant		TDHCA	
Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$16,040,437	\$0
Deduction of Federal Historic Credits	\$0	(\$4,529,970)	\$0
Deduction of Forgivable NHTF		(\$2,000,000)	
Credit back voluntary reduction		\$10,605,321	
TOTAL ELIGIBLE BASIS	\$0	\$20,115,788	\$0
High Cost Area Adjustment		130%	
TOTAL ADJUSTED BASIS	\$0	\$26,150,524	\$0
Applicable Fraction	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$26,150,524	\$0
Applicable Percentage	3.32%	9.00%	3.32%
ANNUAL CREDIT ON BASIS	\$0	\$2,353,547	\$0
CREDITS ON QUALIFIED BASIS	\$2,353,547		\$2,353,547

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Credit Price	\$0.8199	Variance to Request		
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,353,547	\$19,297,157	----	----	----
Needed to Fill Gap	\$1,619,297	\$13,276,904	----	----	----
Previous Allocation	\$1,500,000	\$12,298,770	\$1,500,000	\$0	\$0

Long-Term Pro Forma

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$991,485	\$1,011,315	\$1,031,541	\$1,052,172	\$1,073,216	\$1,184,917	\$1,308,244	\$1,444,407	\$1,594,742	\$1,760,724	\$1,943,981
TOTAL EXPENSES	3.00%	\$580,108	\$597,089	\$614,570	\$632,567	\$651,096	\$752,273	\$869,303	\$1,004,682	\$1,161,303	\$1,342,517	\$1,552,202
NET OPERATING INCOME ("NOI")		\$411,377	\$414,226	\$416,971	\$419,605	\$422,120	\$432,643	\$438,941	\$439,725	\$433,438	\$418,207	\$391,780
EXPENSE/INCOME RATIO		58.5%	59.0%	59.6%	60.1%	60.7%	63.5%	66.4%	69.6%	72.8%	76.2%	79.8%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612	\$351,612
DEBT COVERAGE RATIO		1.17	1.18	1.19	1.19	1.20	1.23	1.25	1.25	1.23	1.19	1.11
ANNUAL CASH FLOW		\$59,765	\$62,614	\$65,359	\$67,992	\$70,507	\$81,031	\$87,328	\$88,112	\$81,826	\$66,595	\$40,167
Deferred Developer Fee Balance		\$918,369	\$855,755	\$790,396	\$722,404	\$651,897	\$266,327	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$159,650	\$601,139	\$1,026,019	\$1,393,453	\$1,652,127

20042 The Commons at St. Anthony's - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 30, 2020

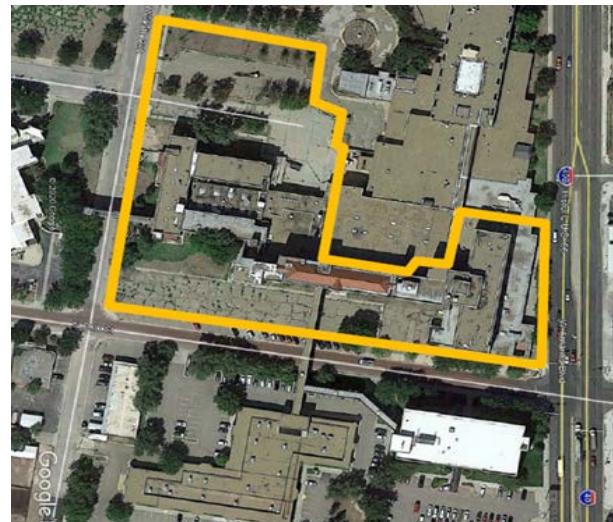
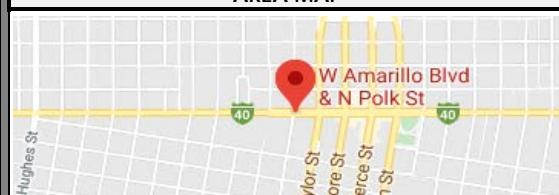
PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPALS / SPONSOR		
Application #	20042	TDHCA Program	Request	Recommended			KRS Housing, LLC co-developer, GP, Guarantor		
Development	The Commons at St. Anthony's	LIHTC (9% Credit)	\$1,500,000	\$1,500,000	\$12,097/Unit	\$0.90	Kent Hance		
City / County	Amarillo / Potter						Commonwealth Development Corp of Ameica (dba, Comontex Development Inc), co-developer, contractor		
Region/Area	1 / Urban						Craig Alter/Louie Lang		
Population	Elderly Limitation						True Casa Consulting-Jennifer Hicks		
Set-Aside	General						Related Parties	Contractor - Yes	Seller - No
Activity	Adaptive Re-Use 1928 - 1971								
TYPICAL BUILDING ELEVATION/PHOTO									
									
UNIT DISTRIBUTION									
# Beds	# Units	% Total	Income	# Units	% Total				
Eff	36	29%	30%	13	10%				
1	45	36%	40%	-	0%				
2	43	35%	50%	25	20%				
3	-	0%	60%	86	69%				
4	-	0%	MR	-	✓				
TOTAL	124	100%	TOTAL	124	100%				
PRO FORMA FEASIBILITY INDICATORS									
Pro Forma Underwritten					Applicant's Pro Forma				
Debt Coverage	1.17	Expense Ratio	✓ 55.9%						
Breakeven Occ.	✓ 86.5%	Breakeven Rent	\$676						
Average Rent	\$724	B/E Rent Margin	1.48						
Property Taxes	\$915/unit	Exemption/PILOT	0%						
Total Expense	\$4,554/unit	Controllable	\$2,603/unit						
MARKET FEASIBILITY INDICATORS									
Gross Capture Rate (10% Maximum)					✓ 1.7%				
Highest Unit Capture Rate	✓ 7%	0 BR/60%	24						
Dominant Unit Cap. Rate	✓ 3%	2 BR/60%	32						
Premiums (↑60% Rents)	#DIV/0!	#DIV/0!							
Rent Assisted Units	N/A								
DEVELOPMENT COST SUMMARY									
Costs Underwritten		TDHCA's Costs - Based on PCA							
Avg. Unit Size	743 SF	Density	31.8/acre						
Acquisition		\$02K/unit	\$300K						
Building Cost	\$168.33/SF	\$125K/unit	\$15,507K						
Hard Cost		\$150K/unit	\$18,606K						
Total Cost		\$227K/unit	\$28,112K						
Developer Fee	\$2,304K	(41% Deferred)	Paid Year: 12						
Contractor Fee	\$2,599K	30% Boost	Yes						
REHABILITATION COSTS / UNIT									
Site Work	\$13K	9%	Finishes/Fixture	\$43K	29%				
Building Shell	\$66K	44%	Amenities	\$3K	2%				
HVAC	\$11K	7%	Total Exterior	\$82K	59%				
Appliances	\$2K	1%	Total Interior	\$56K	41%				

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Walker and Dunlop	15/35	4.50%	\$6,700,000	1.17	City of Amarillo	0/0	0.00%	\$500	1.17	Redstone Equity Partners	\$13,498,650
										Federal Historic Credits	\$3,806,305
										State Historic Credits	\$3,171,921
										Commonwealth/KRS Housing	\$934,669
										TOTAL EQUITY SOURCES	\$21,411,545
										TOTAL DEBT SOURCES	\$6,700,500
TOTAL DEBT (Must Pay)			\$6,700,000		CASH FLOW DEBT / GRANTS			\$500		TOTAL CAPITALIZATION	\$28,112,045

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - a: Documentation of the approved subdivision plat.
 - b: Revision to the Scope and Cost Review addressing §11.306(d)(6).
- 2 Receipt and acceptance by Carryover:
 - a: Documentation of the status of the Historic Tax Credit application and approval.
 - b: Documentation of restrictive covenant with SALRC.
- 3 Receipt and acceptance by Cost Certification:
 - a: Architect certification that a noise assessment and vapor study were completed, and that all recommendations were implemented and the Development is compliant with HUD guidelines.
 - b: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c: Certification that subsurface environmental investigation was performed as specified in the ESA, and that any recommended mitigation measures were fully implemented.
 - d: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.
 - e: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

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			
<input type="checkbox"/> City support for development of campus <input type="checkbox"/> Developer experience with adaptive re-use <input type="checkbox"/> Low capture rates			
WEAKNESSES/RISKS			
<input type="checkbox"/> Breakeven rent <input type="checkbox"/> Tight feasibility indicators/low cash flow <input type="checkbox"/> Lack of outdoor space			
AREA MAP			
			

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

June 30, 2020

DEVELOPMENT IDENTIFICATION

TDHCA Application #:

20042

Program(s):

9% HTC

The Commons at St. Anthony'sAddress/Location: SWC Amarillo Blvd. and N. Polk StreetCity: AmarilloCounty: PotterZip: 79107Population: Elderly Limitation

Program Set-Aside:

GeneralArea: UrbanActivity: Adaptive Re-Use

Building Type:

Elevator ServedRegion: 1Analysis Purpose: New Application - Initial Underwriting**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - a Documentation of the approved subdivision plat.
 - b Revision to the Scope and Cost Review addressing §11.306(d)(6).
- 2 Receipt and acceptance by Carryover:
 - a Documentation of the status of the Historic Tax Credit application and approval.
 - b Documentation of restrictive covenant with SALRC.
- 3 Receipt and acceptance by Cost Certification:
 - a Architect certification that a noise assessment and vapor study were completed, and that all recommendations were implemented and the Development is compliant with HUD guidelines.
 - b Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c Certification that subsurface environmental investigation was performed as specified in the ESA, and that any recommended mitigation measures were fully implemented.
 - d Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.
 - e Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

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	13
50% of AMI	50% of AMI	25
60% of AMI	60% of AMI	86

DEVELOPMENT SUMMARY

The Commons at St. Anthony's is an adaptive re-use of a historic hospital into residential senior housing in Amarillo. The five-story reinforced concrete structure dating back to 1928, with subsequent additions between 1948 and 1971, will be reconstructed inside while maintaining the historic exterior, elevator lobby, as many windows as possible, and about 75% of the original red roof tiles on the oldest section.

The subject site is 3.9 acres of the 13 acre St. Anthony's campus. The site includes the Subject building along with several other buildings and parking areas located on the campus. The St. Anthony's Legacy and Redevelopment Corporation (SALRC) will retain ownership of the remainder hospital buildings and parking areas. This organization is focused on serving the Amarillo community, particularly those persons of lower income by creating opportunities for employment and training. SALRC plans to convert some of the parking areas into an urban farm. The professional office component of the hospital has been planned to accommodate social service organizations while educational and entrepreneurial collaborative programs are envisioned between the professional office area and the apartments developed through this application.

The Commons at St. Anthony's will house 124 affordable studio, one and two bedroom units.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ City support for development of campus	▫ Breakeven rent
▫ Developer experience with adaptive re-use	▫ Tight feasibility indicators/low cash flow
▫ Low capture rates	▫ Lack of outdoor space
▫	▫ 8 foot ceilings

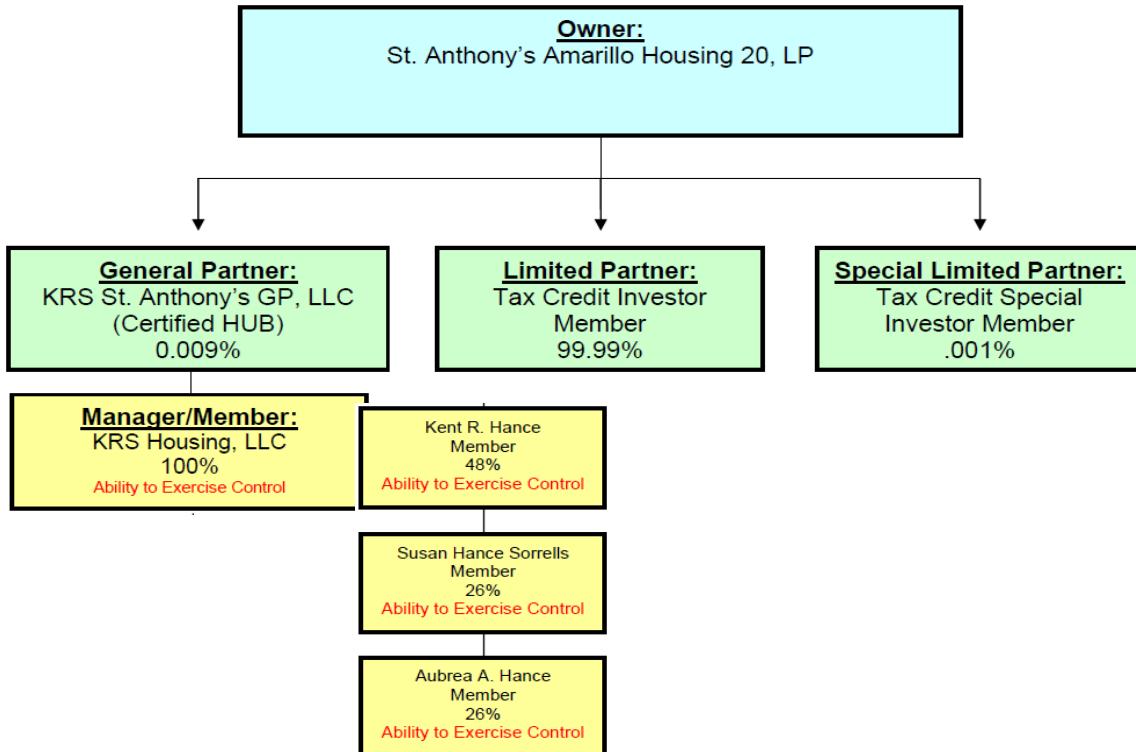
DEVELOPMENT TEAM

PRIMARY CONTACTS

Name: Craig Alter
 Phone: (512) 956-5432
 Relationship: Developer/Contractor

Name: Jennifer Hicks
 Phone: (512) 203-4417
 Relationship: Consultant

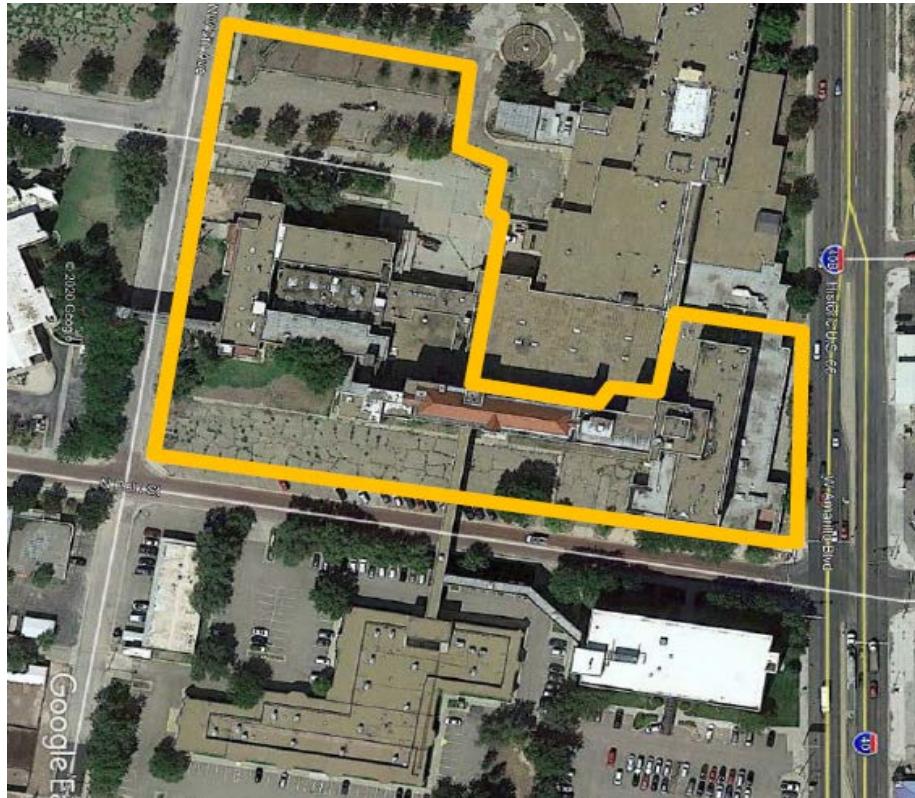
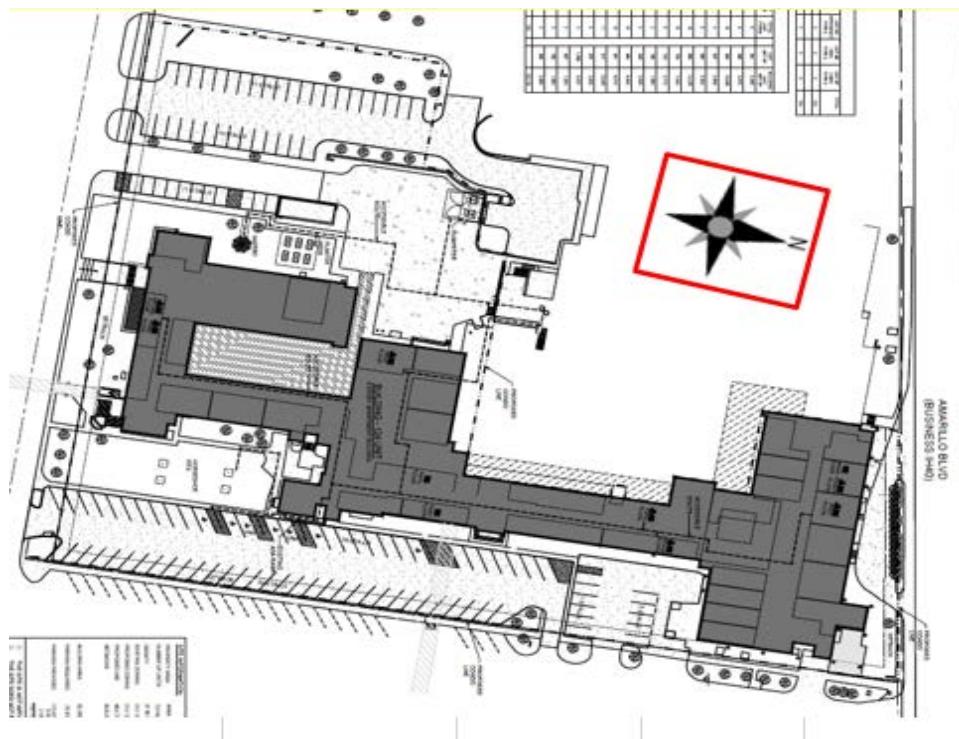
OWNERSHIP STRUCTURE



- KRS Housing, LLC (66.67% co-developer, GP, Guarantor) has participated in two LIHTC developments in Texas since 2018. The principal, Kent Hance, has participated in 17 developments since 1996. Commonwealth Development Corp of America (dba, Commontex Development, Inc) (33.33% co-developer, contractor) has participated in four LIHTC developments in Texas since 2013.
- Commonwealth Companies has experience and a successful track record of converting old schools, hospitals and factories by adaptively reusing them into apartments. Commonwealth has taken 20 sometimes blighted, often vandalized, and ready to be condemned buildings and brought them back to life. In addition to Commonwealth's experience with historic renovations, their full development portfolio includes almost 100 affordable housing projects across the country.
- Contractor, architect and supportive services provider are related entities to co-developers.

DEVELOPMENT SUMMARY

SITE PLAN



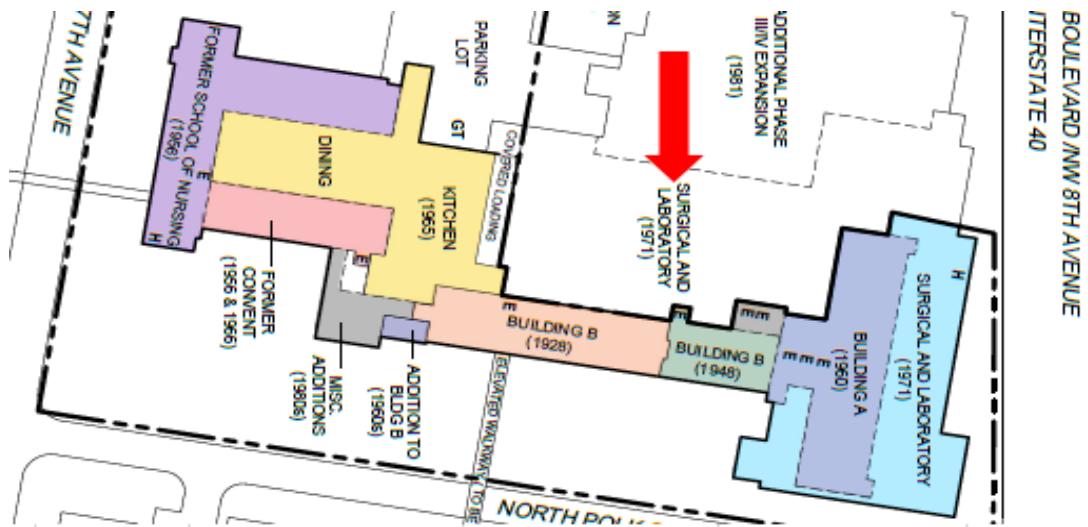


Comments:

The 3.9 acre site is currently mostly concrete; there will not be an increase in impervious cover, therefore storm water detention will not be required. The site slopes generally from east to west. The site amenities will include horseshoe pits, a gazebo, planter bed/garden area, and new interior courtyard after the demolition of the current dining room.

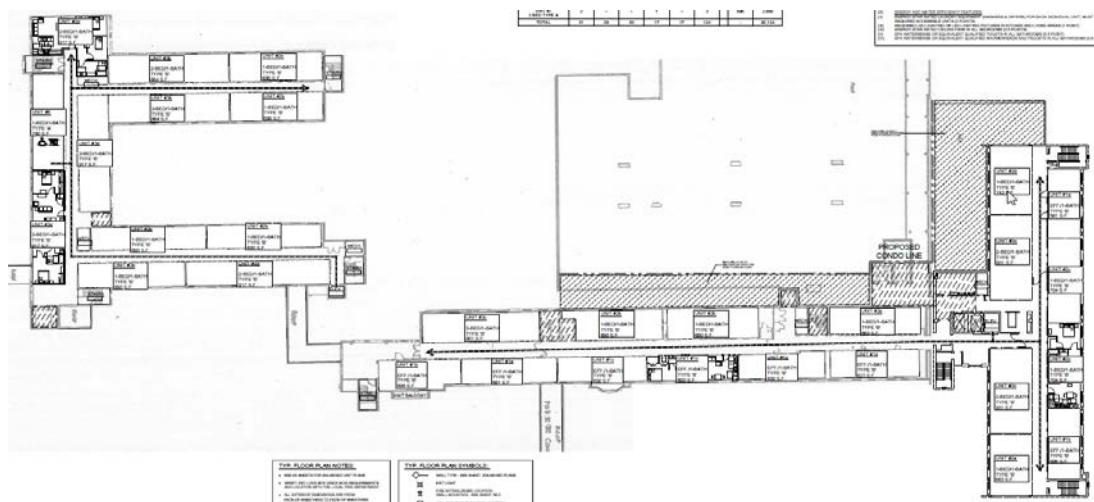
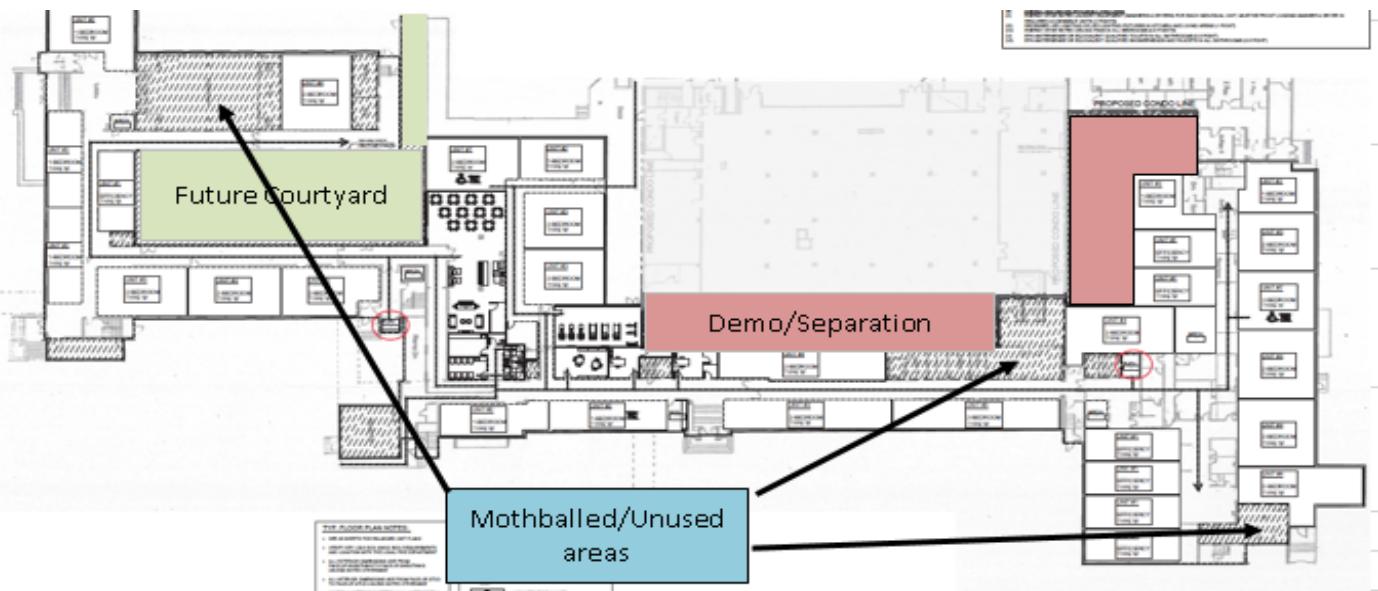
Egresses will be onto Polk Street and NW 7th Avenue. The two parking lots will be repaved; 93 parking spaces are required and 120 are provided.

Applicant is in discussion with SALRC to demo the Surgical and Laboratory Building that abuts Subject in order to increase views from Subject units, create a larger fire separation, and increase green space. Per Applicant, if permission is granted, they would obtain outside funding independent of the Commons redevelopment budget. Ownership of the land area under an enlarged demolition scope would remain with SALRC. The Commons at St. Anthony's site area would not be increased nor would it be responsible for any improvements in the demolished area.

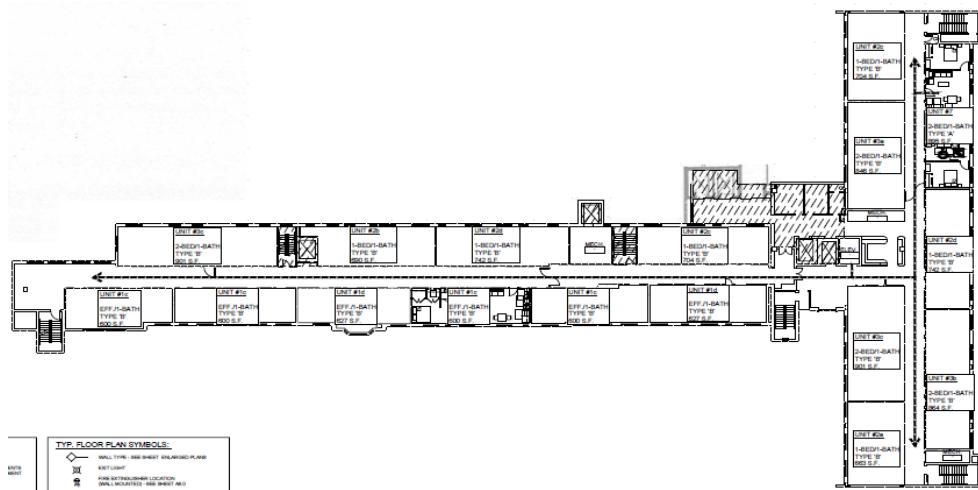


BUILDING PLAN (Typical)

First Floor



Fourth Floor



Comments:

The first and second floor plans are similar; the floor plan snakes throughout the different additions on a north/south plane. On the third floor, the buildings are no longer connected; the current catwalk will be demolished. The fourth and fifth floors consist of only the north buildings, ie, the south additions were only three stories, as seen below.

The common areas on the first floor include: the community room, fitness center, small library, laundry room, bathrooms, mailroom, as well as the management offices. There are multiple entrances throughout the building. Exterior common area consists of a new courtyard at the south where the current dining room will be demolished.

"Mothballed" is a term the National Park Service uses for areas of a project that are not being renovated in the current scope, but are being preserved in their current state. The areas indicated on the plans as "mothballed" will be cleaned of debris and any hazardous materials identified in the environmental reports will be addressed. Basic lighting will be installed and life safety systems will be installed per code. Minimal mechanicals will be installed to control humidity and protect sprinkler piping. The areas will be locked and residents will not have access. Staff will access "mothballed" areas to perform periodic inspections to make sure all is okay. Any broken windows will be replaced. There will be no exterior access to these mothballed area. They will not be used as storage.

Mothballed areas include: the basement, auditorium, mechanic rooms, elevator shafts not being used, offices, etc. Per Applicant, it is not uncommon for adaptive reuses that contain large spaces like auditoriums - a prime example are adaptive reuse of schools - to "mothball" those areas. The National Park Service would not allow the auditorium to be converted to dwelling units and would require it to remain as an auditorium. Since the project already has significant common space and is not in need of an auditorium, Commonwealth is choosing to "mothball" that space.

Approximately 75,000 sf of the total 225,634 sf of gross building space is mothballed. Actual indoor common area for resident use is 3,019 sf.

BUILDING ELEVATION

Northeast Elevation



South Elevation



Comments:

Northeast Elevation: The original 1928, five story (plus basement) brick/stone structure and a five story (plus basement) brick building added in 1960.

The South Elevation shows the three story (plus basement) brick School of Nursing built in 1956. The catwalk that connects it to previous convalescent center will be demolished.

The remaining additions consist of one and three story buildings connecting the structures shown above.

BUILDING CONFIGURATION

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage:	Development Site: <u>3.90</u> acres	Density: <u>31.8</u> units/acre
Site Control:	<u>3.9</u>	Site Plan: <u>3.9</u> Appraisal: <u>3.9</u> ESA: <u>3.9</u>
Control Type:	Real Estate Purchase Agreement	Contract Expiration: <u>6/29/2021</u>
Development Site:	<u>3.90</u> acres	Cost: <u>\$300,000</u> <u>\$2,419</u> per unit
Seller: <u>Saint Anthony's Legacy and Redevelopment Corp (SALRC)(as Agent of North Heights Advisory Association)</u>		
Buyer:	<u>KRS Housing, LLC</u>	
Assignee:	<u>St. Anthony's Amarillo Housing 20, LP</u>	
Related-Party Seller/Identity of Interest:	<u>No</u>	

Comments:

The City of Amarillo requested the entire hospital site be subdivided; one lot for the Commons at St. Anthony's and a separate lot for the remainder SALRC property. No shared common areas will be created by the plat. The subdivision plat is being processed and is expected by commitment.

The Commons at St. Anthony's owner, St. Anthony's Amarillo Housing 20, LP, will create a restrictive covenant in cooperation with SALRC to govern the use of the other lot within the subdivision and architectural modifications to the remainder building to prevent any conflicts with the Commons at St. Anthony's National Register of Historic Places designation.

Applicant will enter into an access agreement granting Seller vehicular and pedestrian access across the property from NW 7th Avenue to allow access to loading docs and building entrances on campus.

APPRaised VALUE

Appraiser:	<u>Novogradac</u>	Date: <u>2/27/2020</u>
Land as Vacant:	<u>3.9</u> acres	<u>\$590,000</u> <u>Per Unit:</u> <u>\$4,758</u>
Existing Buildings: (as-is)		<u>\$540,000</u> <u>Per Unit:</u> <u>\$4,355</u>
Total Development: (as-is)		<u>\$1,130,000</u> <u>Per Unit:</u> <u>\$9,113</u>

SITE INFORMATION

Flood Zone:	<u>X</u>	Scattered Site? <u>No</u>
Zoning:	<u>O-2</u>	Within 100-yr floodplain? <u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site? <u>Yes</u>
Year Constructed:	<u>1928 - 1971</u>	Title Issues? <u>Yes</u>

Current Uses of Subject Site:

Vacant historic hospital; 5 story concrete building and small parking lots

Surrounding Uses:

North: small motel, gas station and convenience store

East: medical office building and a florist

South: medical office building and single-family homes; the prior convalescent center is being converted into a daytime homeless service center

West: remaining portions of the former St. Anthony's Hospital that are outside of the project scope

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon

Date: 2/15/2019

Recognized Environmental Conditions (RECs) and Other Concerns:

- Various suspect asbestos-containing materials were observed throughout the property; Terracon recommends conducting a thorough asbestos survey prior to disturbance of suspect ACM during planned renovations or building demolition.
- Terracon recommends conducting a thorough lead-based paint survey prior to disturbance of suspect paint during planned renovations or building demolition.
- Based on the U.S. Department of Housing and Urban Development guidelines and the proximity of the airports, significant roads and railroad to the site, Terracon recommends that a noise assessment be conducted.
- Based on the facility's proximity to the site, its duration of operation (41 years), and former service station operations, the K&L Discount Food Mart PST facility constitutes a REC for the site.
- Based on the former "Tootn" Totum Store 72 facility's proximity to the site, its duration of operation (35 years) and its former service station operations, the "Tootn" Totum Store 72 facility constitutes a REC for the site.
- Terracon recommends conducting additional investigation to evaluate subsurface conditions associated with the identified RECs.
- The site is considered to have a moderate potential for elevated indoor concentrations of radon gas.

Comments:

According to the client, the proposed redevelopment of the site will include gutting the interiors of buildings on the site, including the plumbing, and installing new building materials. Based on this information, Terracon does not recommend testing for lead in drinking water.

Per Applicant, Commonwealth will move forward on further studies August 1st and will have a plan to comply with any recommendations prior to the financing closing. with the exception of the radon test which will occur after the building renovation is completed.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC
 Contact: Darrell G Jack

Date: 3/16/2020
 Phone: 210-530-0040

Primary Market Area (PMA): 55 sq. miles 4 mile equivalent radius

The PMA consists of 29 census tracts in Amarillo, mostly north of I-40; Hwy 87 bisects the PMA vertically.

ELIGIBLE HOUSEHOLDS BY INCOME								
Potter County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	\$9,024	\$9,672	\$11,592	\$11,592	---	---	---
	Max	\$15,060	\$17,190	\$19,350	\$21,480	---	---	---
50% AMGI	Min	\$15,048	\$16,104	\$19,344	\$19,344	---	---	---
	Max	\$25,100	\$28,650	\$32,250	\$35,800	---	---	---
60% AMGI	Min	\$18,072	\$19,344	\$23,208	\$23,208	---	---	---
	Max	\$30,120	\$34,380	\$38,700	\$42,960	---	---	---

AFFORDABLE HOUSING INVENTORY											
Competitive Supply (Proposed, Under Construction, and Unstabilized)											
File #	Development			In PMA?	Type	Target Population	Comp Units	Total Units			
	None										
Other Affordable Developments in PMA since 2015											
17307	Marabella				New	Elderly	n/a	101			
Stabilized Affordable Developments in PMA (Market Analyst)					Total Units	1,731					
					Total Developments	22					

OVERALL DEMAND ANALYSIS							
				Market Analyst		Underwriter	
				HTC	Assisted	HTC	Assisted
Total Households in the Primary Market Area				37,499		37,499	
Senior Households in the Primary Market Area				15,125		15,125	
Potential Demand from the Primary Market Area				6,781		6,781	
10% External Demand				678		678	
Potential Demand from Other Sources				0		0	
	GROSS DEMAND		7,459			7,459	
Subject Affordable Units				124		124	
Unstabilized Competitive Units				0		0	
	RELEVANT SUPPLY		124			124	
	Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE				1.7%		1.7%
Population:	Elderly Limitation	Market Area:	Urban	Maximum Gross Capture Rate:			
				10%			

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND										
AMGI Band	Market Analyst				Underwriter					
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
30% AMGI	2,088	209	13	0	1%	1,358	136	13	0	1%
50% AMGI	1,660	166	25	0	1%	1,811	181	25	0	1%
60% AMGI	3,033	303	86	0	3%	3,611	361	86	0	2%

Demand Analysis:

Minimum eligible income is calculated at 50% rent to income for Elderly developments. Gross demand includes all household sizes and both renter and owner households. Elderly is assumed age 55 and up.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
Unit Type	Market Analyst				Underwriter					
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
0 BR/30%	326	33	4	0	1%	372	37	4	0	1%
0 BR/50%	175	18	8	0	4%	388	39	8	0	2%
0 BR/60%	441	44	24	0	5%	317	32	24	0	7%
1 BR/30%	499	50	5	0	1%	625	63	5	0	1%
1 BR/50%	225	23	10	0	4%	717	72	10	0	1%
1 BR/60%	999	100	30	0	3%	785	78	30	0	3%
2 BR/30%	648	65	4	0	1%	437	44	4	0	1%
2 BR/50%	288	29	7	0	2%	593	59	7	0	1%
2 BR/60%	1,474	147	32	0	2%	841	84	32	0	3%

Market Analyst Comments:

The overall occupancy reported in the market is 91.1%. (p. 12)

Subject's "affordable" rents on a Total Rent Basis are as much as 59% below market rents currently offered in the marketplace. (p. 16)

29.5% of all households over 55 years of age rent rather than own. (p. 8)

Based on straight-line delineation of the household growth alone between the years of 2020 to 2025, the HISTA data estimates that the primary market area will require an additional 290 rental dwelling units overall, including 185 senior rental units. (p. 10)

Revisions to Market Study:	0
----------------------------	---

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$446,343	Avg. Rent:	\$724	Expense Ratio:	55.9%
Debt Service:	\$380,498	B/E Rent:	\$676	Controllable Expenses:	\$2,603
Net Cash Flow:	\$65,845	UW Occupancy:	92.5%	Property Taxes/Unit:	\$915
Aggregate DCR:	1.17	B/E Occupancy:	86.5%	Program Rent Year:	2019

Applicant's NOI is within 5% of Underwriter's, therefore Applicant's proforma is used for analysis.

Full tax credit rents are assumed; average rent with one month concession is equal to breakeven rent.

Expense ratio (56%) is below the 65% threshold. Controllable expenses of \$2.6k is lower than many applications seen over \$3k. Applicant assumes lower WST and utility expense. The site is mostly impervious and will not require much irrigation or exterior lighting; as well using all new plumbing, wiring and energy efficient fixtures throughout property.

Pro forma uses a Green Discount utility allowance. Use of the standard non-Green Discount utility allowances would cause the DCR to decrease to 1.14 and we would have to assume a \$50k reduction in debt in order to meet the 1.15 threshold. To utilize the Green Discount allowance for leasing activities when the development places in service, the Owner must evidence that the units and buildings have met the Green Discount requirements when the request is submitted

Applicant assumes \$233/unit G&A expense, which is quite low. Underwriter assumes \$316/units based on the similar sized affordable projects in the area.

Management company has agreed on a 4.25% fee.

If Applicant's annual expenses are \$21k (\$170/unit) higher than assumed, the project would not be feasible.

Deferred fee pays off in year 12 with a 15 year cumulative cash flow of \$396k.

Related-Party Property Management Company: _____ No _____

Revisions to Rent Schedule: 1

Revisions to Annual Operating Expenses: 0

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	\$76,923/ac	\$2,419/unit	\$300,000	Contractor Fee	\$2,599,217
Off-site + Site Work		\$13,235/unit	\$1,641,147	Soft Cost + Financing	\$3,722,301
Building Cost	\$168.33/sf	\$125,056/unit	\$15,506,969	Developer Fee	\$2,304,454
Contingency	8.50%	\$11,755/unit	\$1,457,590	Reserves	\$580,368
Total Development Cost	\$226,710/unit	\$28,112,046		Rehabilitation Cost	\$137,366/unit
Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH				

Off-site:

\$210k demolition of two existing pedestrian overpasses over Polk Street and NW 7th Avenue.

Site Work:

Site work is \$8,500/unit including: repaving/restriping, 25% curb replacement, 10% flatwork replacement, ADA compliance, new dumpster pad and enclosure, new monument sign, \$104k asbestos remediation, updating exterior electrical, etc.

\$500k exterior demolition includes: existing building structures adjacent to the proposed project area to establish our proposed condo line and the existing dining area structure that will become the courtyard.

\$3k/unit for site amenities including landscaping, garden beds, courtyard, etc.

Building Cost:

Applicant's building cost is estimated at \$168.33/sf or \$125k/unit. Underwriter utilized the costing provided in the Scope and Cost Review (shown in the rehabilitation cost table below) of \$164.19/sf or \$122k/unit for building cost.

Exterior work includes cleaning, repointing, replacing brick, cast stone, and concrete panels where needed. The few balconies and railings on several corner units will be refurbished, storefront windows and doors will be replaced; exterior windows that are deteriorated beyond repair will be replaced with new aluminum windows to meet historic requirements in all areas, including mothballed areas; membrane roofs will be replaced, the clay tile roof will be refurbished with 25% of tiles anticipated to be replaced; a new exterior wall will be constructed to re-enclose the surgical addition after the eastern bay is removed. The existing roof will be patched and made weather tight. Exterior handrails and guardrails will be modified to meet current codes and will be sandblasted and repainted.

\$900k of interior demolition, \$92k of lead-based paint abatement, and \$105k of asbestos abatement is included in eligible basis.

Interior work: Corridor walls, doors and frames will remain. Doors not to be utilized for new units will be pinned shut. On the interior of the units, these pinned doors would be dry walled over (mothballed). New ACT ceilings will be installed in the corridors at 8'-0". Existing corridor walls will be repainted. New flooring will be installed throughout. Behind the corridor walls all partitions, MEP's and finishes will be demolished to allow construction of the new dwelling units and support spaces per the floor plans, with all new finishes. With the exception of the elevator lobby, all interior elements will be demolished. Existing life safety systems will be demolished and new systems installed to current codes.

The former auditorium and the basement (and several smaller areas as noted on the plans) will be cleaned of debris and any hazardous materials and doors locked. Basic lighting and minimal mechanicals will be extended to this area to control humidity and protect sprinkler piping. Access will be limited to staff only. (Mothballed)

Two existing traction elevators will be refurbished; one in the north end and one in the south. The cabs will receive new finishes. All controls and operating gear will be replaced. Remaining elevators will be abandoned in place. Openings will be covered and sealed to meet shaft requirements. All existing HVAC systems, plumbing systems, and electrical distribution will be demolished and new systems installed. Common areas will receive a combination of heat pump units and packaged roof top units.

The 124 dwelling units will be completely new and include built-in shelving, utility room/closet with energy rated washers and dryers in each unit (scoring points) and unit heat pump systems.

Some units look directly into the remaining adjacent hospital building. There are 18 different unit designs to accommodate the strange layout caused by the multiple additions over the years.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$1,637,933	\$13,209/unit	9%	Finishes/Fixtures	\$5,383,142	\$43,412/unit	29%
Building Shell	\$8,159,709	\$65,804/unit	44%	HVAC	\$1,356,932	\$10,943/unit	7%
Amenities	\$384,400	\$3,100/unit	2%	Appliances	\$226,000	\$1,823/unit	1%
Total Exterior	\$10,182,042	\$82,113/unit	59%	Total Interior	\$6,966,074	\$56,178/unit	41%

SCOPE & COST REVIEW

Provider: Phase Engineering, Inc

Date: 2/19/2020

The Revised Scope and Cost Review provides a thorough analysis of the proposed adaptive reconstruction of the property, but does not specifically address compliance with the Department's accessibility requirements pursuant to Chapter 1, Subchapter B and §11.101(b)(8) (relating to Site and Development Requirements and Restrictions) and identify the specific items in the scope of work and costs needed to ensure that the Development will meet these requirements upon Rehabilitation.

Contingency:

Contingency is 8.5% in the pro forma; 10% is allowed for adaptive re-use.

Ineligible Costs:

\$500k of exterior demolition and \$104k of asbestos demolition is not included in basis. Underwriter moved the \$108k of lease-up deficit from financing to reserves, thereby removing it from basis.

Developer Fee:

Eligible developer fee exceeds the 15% limit by \$15K. Total developer fee is underwritten at 9.92% of total cost. Developer fee is 41% deferred.

Reserves:

Reserves total 7.4 months of operating expenses and debt service.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$28,112,045	\$17,066,988	\$1,551,500

Related-Party Contractor:

Yes

Related-Party Cost Estimator:

Yes

Revisions to Development Cost Schedule:	0
---	---

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Sterling Bank	Conventional Loan	\$21,545,000	6.00%	78%
Redstone Equity Partners	HTC	\$4,914,450	\$0.90	18%
Commonwealth/KRS Housing	Deferred Fee	\$1,071,728		4%
		\$27,531,678	Total Sources	

PERMANENT SOURCES				
-------------------	--	--	--	--

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Walker and Dunlop	\$6,700,000	4.50%	35	15	\$6,700,000	4.50%	35	15	24%
City of Amarillo	\$500				\$500				0%
Total	\$6,700,500				\$6,700,500				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Redstone Equity Partners	\$13,498,650	\$0.90	41%	\$13,498,650	\$0.90	48%	41%
Federal Historic Credits	\$3,806,305			\$3,806,305		14%	
State Historic Credits	\$3,171,921			\$3,171,921		11%	
Commonwealth/KRS Housing	\$934,670			\$934,669		3%	
Total	\$21,411,546			\$21,411,545			Total Sources
\$28,112,045							Total Sources

Credit Price Sensitivity based on current capital structure	
\$0.962	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.874	Minimum Credit Price below which the Development would be characterized as infeasible

Comments:

Applicant is applying for federal and state historic designations which will provide for historic tax credits. Federal tax credits are deducted from eligible basis.

Revisions to Sources Schedule:	0
--------------------------------	---

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$28,112,045
Permanent Sources (debt + non-HTC equity)	\$13,678,726
Gap in Permanent Financing	\$14,433,319

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$13,962,103	\$1,551,500
Needed to Balance Sources & Uses	\$14,433,319	\$1,603,863
Requested by Applicant	\$13,498,650	\$1,500,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$13,498,650	\$1,500,000
Deferred Developer Fee	\$934,669	(41% deferred)
Repayable in	12 years	

Comments:

Recommended tax credit allocation is limited to \$1,500,000 as requested by the Applicant; eligible basis could have supported another \$51,500 in annual credits.

Underwriter:

Jeanna Adams

Manager of Real Estate Analysis:

Thomas Cavanagh

Director of Real Estate Analysis:

Brent Stewart

UNIT MIX/RENT SCHEDULE									
------------------------	--	--	--	--	--	--	--	--	--

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

LOCATION DATA	
CITY:	Amarillo
COUNTY:	Potter
Area Median Income	\$71,600
PROGRAM REGION:	1
PROGRAM RENT YEAR:	2019

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	36	29.0%	0	0
1	45	36.3%	0	0
2	43	34.7%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	124	100.0%	-	-

55%		
Income	# Units	% Total
20%	-	0.0%
30%	13	10.5%
40%	-	0.0%
50%	25	20.2%
60%	86	69.4%
70%	-	0.0%
80%	-	0.0%
MR	-	0.0%
TOTAL	124	100.0%

Pro Forma ASSUMPTIONS		
Revenue Growth	2.00%	
Expense Growth	3.00%	
Basis Adjust	130%	
Applicable Fraction	100%	
APP % Acquisition	3.32%	
APP % Construction	9.00%	
Average Unit Size	743 sf	

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%	\$376	1	0	1	581	\$376	\$42	\$334	(\$0)	\$0.57	\$334	\$334	\$334	\$334	\$0.58	\$0	\$733	\$1.26	\$733
TC 50%	\$627	1	0	1	581	\$627	\$42	\$585	(\$0)	\$1.01	\$585	\$585	\$585	\$585	\$1.01	\$0	\$733	\$1.26	\$733
TC 60%	\$753	4	0	1	581	\$753	\$42	\$711	(\$0)	\$1.22	\$711	\$2,844	\$2,845	\$711	\$1.22	\$0	\$733	\$1.26	\$733
TC 30%	\$376	1	0	1	595	\$376	\$42	\$334	(\$0)	\$0.56	\$334	\$334	\$334	\$334	\$0.56	\$0	\$733	\$1.23	\$733
TC 50%	\$627	1	0	1	595	\$627	\$42	\$585	(\$0)	\$0.98	\$585	\$585	\$585	\$585	\$0.98	\$0	\$733	\$1.23	\$733
TC 60%	\$753	4	0	1	595	\$753	\$42	\$711	(\$0)	\$1.19	\$711	\$2,844	\$2,845	\$711	\$1.20	\$0	\$733	\$1.23	\$733
TC 30%	\$376	2	0	1	600	\$376	\$42	\$334	(\$0)	\$0.56	\$334	\$668	\$668	\$334	\$0.56	\$0	\$733	\$1.22	\$733
TC 50%	\$627	4	0	1	600	\$627	\$42	\$585	(\$0)	\$0.98	\$585	\$2,340	\$2,341	\$585	\$0.98	\$0	\$733	\$1.22	\$733
TC 60%	\$753	12	0	1	600	\$753	\$42	\$711	(\$0)	\$1.19	\$711	\$8,532	\$8,535	\$711	\$1.19	\$0	\$733	\$1.22	\$733
TC 50%	\$627	1	0	1	627	\$627	\$42	\$585	(\$0)	\$0.93	\$585	\$585	\$585	\$585	\$0.93	\$0	\$733	\$1.17	\$733
TC 60%	\$753	3	0	1	627	\$753	\$42	\$711	(\$0)	\$1.13	\$711	\$2,133	\$2,134	\$711	\$1.13	\$0	\$733	\$1.17	\$733
TC 50%	\$627	1	0	1	627	\$627	\$42	\$585	(\$0)	\$0.93	\$585	\$585	\$585	\$585	\$0.93	\$0	\$733	\$1.17	\$733
TC 60%	\$753	1	0	1	627	\$753	\$42	\$711	(\$0)	\$1.13	\$711	\$711	\$711	\$711	\$1.13	\$0	\$733	\$1.17	\$733
TC 30%	\$403	1	1	1	663	\$403	\$48	\$355	(\$0)	\$0.54	\$355	\$355	\$355	\$355	\$0.54	\$0	\$832	\$1.25	\$832
TC 50%	\$671	2	1	1	663	\$671	\$48	\$623	(\$0)	\$0.94	\$623	\$1,246	\$1,246	\$623	\$0.94	\$0	\$832	\$1.25	\$832
TC 60%	\$806	5	1	1	663	\$806	\$48	\$758	(\$0)	\$1.14	\$758	\$3,790	\$3,791	\$758	\$1.14	\$0	\$832	\$1.25	\$832
TC 30%	\$403	2	1	1	690	\$403	\$48	\$355	(\$0)	\$0.51	\$355	\$710	\$710	\$355	\$0.51	\$0	\$832	\$1.21	\$832
TC 50%	\$671	4	1	1	690	\$671	\$48	\$623	(\$0)	\$0.90	\$623	\$2,492	\$2,493	\$623	\$0.90	\$0	\$832	\$1.21	\$832
TC 60%	\$806	12	1	1	690	\$806	\$48	\$758	(\$0)	\$1.10	\$758	\$9,096	\$9,098	\$758	\$1.10	\$0	\$832	\$1.21	\$832
TC 30%	\$403	1	1	1	704	\$403	\$48	\$355	(\$0)	\$0.50	\$355	\$355	\$355	\$355	\$0.50	\$0	\$863	\$1.23	\$863
TC 50%	\$671	2	1	1	704	\$671	\$48	\$623	(\$0)	\$0.88	\$623	\$1,246	\$1,246	\$623	\$0.88	\$0	\$863	\$1.23	\$863
TC 60%	\$806	7	1	1	704	\$806	\$48	\$758	(\$0)	\$1.08	\$758	\$5,307	\$5,307	\$758	\$1.08	\$0	\$863	\$1.23	\$863
TC 50%	\$671	1	1	1	742	\$671	\$48	\$623	(\$0)	\$0.84	\$623	\$623	\$623	\$623	\$0.84	\$0	\$863	\$1.16	\$863
TC 60%	\$806	4	1	1	742	\$806	\$48	\$758	(\$0)	\$1.02	\$758	\$3,032	\$3,033	\$758	\$1.02	\$0	\$863	\$1.16	\$863
TC 60%	\$806	2	1	1	780	\$806	\$48	\$758	(\$0)	\$0.97	\$758	\$1,516	\$1,516	\$758	\$0.97	\$0	\$863	\$1.11	\$863
TC 30%	\$403	1	1	1	780	\$403	\$48	\$355	(\$0)	\$0.46	\$355	\$355	\$355	\$355	\$0.46	\$0	\$863	\$1.11	\$863
TC 50%	\$671	1	1	1	780	\$671	\$48	\$623	(\$0)	\$0.80	\$623	\$623	\$623	\$623	\$0.80	\$0	\$863	\$1.11	\$863
TC 50%	\$806	1	2	1	846	\$806	\$61	\$745	(\$0)	\$0.88	\$745	\$745	\$745	\$745	\$0.88	\$0	\$936	\$1.11	\$936
TC 60%	\$967	2	2	1	846	\$967	\$61	\$906	(\$0)	\$1.07	\$906	\$1,812	\$1,813	\$906	\$1.07	\$0	\$936	\$1.11	\$936
TC 30%	\$483	1	2	1	864	\$483	\$61	\$422	(\$0)	\$0.49	\$422	\$422	\$422	\$422	\$0.49	\$0	\$936	\$1.08	\$936
TC 50%	\$806	2	2	1	864	\$806	\$61	\$745	(\$0)	\$0.86	\$745	\$1,490	\$1,491	\$745	\$0.86	\$0	\$936	\$1.08	\$936
TC 60%	\$967	7	2	1	864	\$967	\$61	\$906	(\$0)	\$1.05	\$906	\$6,342	\$6,345	\$906	\$1.05	\$0	\$936	\$1.08	\$936
TC 30%	\$483	1	2	1	917	\$483	\$61	\$422	(\$0)	\$0.47	\$422	\$422	\$422	\$422	\$0.47	\$0	\$981	\$1.09	\$981
TC 50%	\$806	2	2	1	917	\$806	\$61	\$745	(\$0)	\$0.83	\$745	\$1,490	\$1,491	\$745	\$0.83	\$0	\$981	\$1.09	\$981
TC 60%	\$967	8	2	1	917	\$967	\$61	\$906	(\$0)	\$0.99	\$906	\$7,248	\$7,251	\$906	\$0.99	\$0	\$981	\$1.07	\$981
TC 30%	\$483	1	2	1	975	\$483	\$61	\$422	(\$0)	\$0.43	\$422	\$422	\$422	\$422	\$0.43	\$0	\$981	\$1.01	\$981
TC 60%	\$967	2	2	1	975	\$967	\$61	\$906	(\$0)	\$0.93	\$906	\$1,812	\$1,813	\$906	\$0.93	\$0	\$981	\$1.01	\$981
TC 60%	\$967	3	2	1	1,009	\$967	\$61	\$906	(\$0)	\$0.90	\$906	\$2,718	\$2,719	\$906	\$0.90	\$0	\$981	\$0.97	\$981
TC 60%	\$967	3	2	1	895	\$967	\$61	\$906	(\$0)	\$1.01	\$906	\$2,718	\$2,719	\$906	\$1.01	\$0	\$981	\$1.10	\$981
TOTALS/AVERAGES	124				92,124			(\$0)	0.97	\$724	\$89,720	\$89,753	\$724	0.97	\$0	\$855	\$1.15	\$855	

ANNUAL POTENTIAL GROSS RENT:	\$1,076,640	\$1,077,037
------------------------------	-------------	-------------

STABILIZED PRO FORMA

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	3 Local Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
												0.0%	(\$397)
POTENTIAL GROSS RENT				\$0.97		\$724	\$1,076,640	\$1,077,037	\$724	\$0.97			
late fees, app fees, retained deposits						\$11.00	\$16,368						
Total Secondary Income						\$11.00		\$16,368	\$11.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$1,093,008	\$1,093,405				0.0%	(\$397)
Vacancy & Collection Loss				7.5% PGI		(81,976)	(82,005)	7.5% PGI				0.0%	30
Rental Concessions						-	-					0.0%	-
EFFECTIVE GROSS INCOME							\$1,011,032	\$1,011,400				0.0%	(\$368)

General & Administrative	\$41,062	\$331/Unit	\$39,166	\$316	2.85%	\$0.31	\$233	\$28,840	\$39,166	\$316	\$0.43	3.87%	-26.4%	(10,326)	
Management	\$35,415	4.4% EGI	\$44,422	\$358	4.25%	\$0.47	\$347	\$42,969	\$42,984	\$347	\$0.47	4.25%	0.0%	(15)	
Payroll & Payroll Tax	\$151,697	\$1,223/Unit	\$164,829	\$1,329	14.07%	\$1.54	\$1,147	\$142,216	\$142,216	\$1,147	\$1.54	14.06%	0.0%	-	
Repairs & Maintenance	\$79,071	\$638/Unit	\$84,156	\$679	7.63%	\$0.84	\$622	\$77,160	\$80,600	\$650	\$0.87	7.97%	-4.3%	(3,440)	
Electric/Gas	\$26,842	\$216/Unit	\$21,731	\$175	1.48%	\$0.16	\$121	\$15,000	\$21,731	\$175	\$0.24	2.15%	-31.0%	(6,731)	
Water, Sewer, & Trash	\$65,043	\$525/Unit	\$69,950	\$564	5.89%	\$0.65	\$480	\$59,500	\$59,500	\$480	\$0.65	5.88%	0.0%	-	
Property Insurance	\$38,927	\$0.42 /sf	\$40,947	\$330	4.29%	\$0.47	\$350	\$43,400	\$43,400	\$350	\$0.47	4.29%	0.0%	-	
Property Tax (@ 100%) 2.508935	\$53,594	\$432/Unit	\$56,547	\$456	11.22%	\$1.23	\$915	\$113,444	\$108,237	\$873	\$1.17	10.70%	4.8%	5,207	
Reserve for Replacements					\$0	3.68%	\$0.40	\$300	\$37,200	\$37,200	\$300	\$0.40	3.68%	0.0%	-
Supportive Services					\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-	
TDHCA Compliance fees (\$40/HTC unit)					\$0	0.49%	\$0.05	\$40	\$4,960	\$4,960	\$40	\$0.05	0.49%	0.0%	-
TOTAL EXPENSES					55.85%	\$6.13	\$4,554	\$ 564,689	\$579,994	\$4,677	\$6.30	57.35%	-2.6%	\$ (15,305)	
NET OPERATING INCOME ("NOI")					44.15%	\$4.85	\$3,600	\$446,343	\$431,406	\$3,479	\$4.68	42.65%	3.5%	\$ 14,938	

CONTROLLABLE EXPENSES		\$2,603/Unit		\$2,768/Unit	
-----------------------	--	--------------	--	--------------	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

DEBT (Must Pay)	Fee	DEBT / GRANT SOURCES													
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
UW	App	DCR	LTC												
Walker and Dunlop		1.13	1.17	380,498	4.50%	35	15	\$6,700,000	\$6,700,000	15	35	4.50%	\$380,498	1.17	23.8%
Adjustment to Debt Per §11.302(c)(2)	0.00%									15	35	4.50%		1.17	0.0%
CASH FLOW DEBT / GRANTS															
City of Amarillo		1.13	1.17		0.00%	0	0	\$500	\$500	0	0	0.00%		1.17	0.0%
				\$380,498	TOTAL DEBT / GRANT SOURCES			\$6,700,500	\$6,700,500	TOTAL DEBT SERVICE			\$380,498	1.17	23.8%
NET CASH FLOW		\$50,908	\$65,845					APPLICANT	NET OPERATING INCOME		\$446,343	\$65,845	NET CASH FLOW		

	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
Redstone Equity Partners	LIHTC Equity	48.0%	\$1,500,000	0.90	\$13,498,650	\$13,498,650	\$0.90	\$1,500,000	48.0%	\$12,097	Applicant Request
Federal Historic Credits		13.5%			\$3,806,305	\$3,806,305			13.5%		
State Historic Credits		11.3%			\$3,171,921	\$3,171,921			11.3%		
Commonwealth/KRS Housing	Deferred Developer Fees	3.3%	(41% Deferred)		\$934,670	\$934,669	(41% Deferred)		3.3%	Total Developer Fee:	\$2,304,45
TOTAL EQUITY SOURCES		76.2%			\$21,411,546	\$21,411,545			76.2%		
TOTAL CAPITALIZATION					\$28,112,046	\$28,112,045				15-Yr Cash Flow after Deferred Fee:	\$395,55

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		\$2,419 / Unit		\$300,000	\$300,000	\$2,419 / Unit			0.0%
Building Acquisition	\$0	\$ / Unit		\$0	\$0	\$ / Unit		\$0	0.0%
Off-Sites		\$1,694 / Unit		\$210,000	\$114,745	\$925 / Unit			83.0%
Site Work	\$452,157	\$8,517 / Unit		\$1,056,147	\$1,523,188	\$12,284 / Unit		\$452,157	-30.7%
Site Amenities	\$375,000	\$3,024 / Unit		\$375,000	\$384,400	\$3,100 / Unit		\$375,000	-2.4%
Building Cost	\$8,654,537	\$168.33 /sf	\$125,056/Unit	\$15,506,969	\$15,125,783	\$121,982/Unit	\$164.19 /sf	\$8,654,537	2.5%
Contingency	\$735,636	7.76%		8.50%	\$1,457,590	\$1,457,590	8.50%		0.0%
Contractor Fees	\$1,427,361	13.97%		13.97%	\$2,599,217	\$2,599,217	13.97%	13.97%	\$1,427,361
Soft Costs	0	\$1,416,767		\$12,135 / Unit	\$1,504,739	\$1,504,739	\$12,135 / Unit	\$1,416,767	\$0
Financing	0	\$1,779,402		\$17,884 / Unit	\$2,217,562	\$2,217,562	\$17,884 / Unit	\$1,779,402	\$0
Developer Fee	\$0	\$2,241,500	15.10%	9.92%	\$2,304,454	\$2,304,454	9.92%	15.00%	\$2,226,129
Reserves		7 Months		\$580,368	\$580,368	7 Months			0.0%
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	\$0	\$17,082,359		\$226,710 / Unit	\$28,112,046	\$28,112,045	\$226,710 / Unit	\$17,066,988	\$0
Acquisition Cost	\$0				\$0				
Contingency		\$0			\$0				
Contractor's Fee		\$0			\$0				
Financing Cost		\$0							
Developer Fee	\$0	(\$15,371)			\$0				
Reserves					\$0				
ADJUSTED BASIS / COST	\$0	\$17,066,988		\$226,710/unit	\$28,112,046	\$28,112,045	\$226,710/unit	\$17,066,988	\$0
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY PCA/CNA					\$28,112,045				

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant	TDHCA		
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$17,066,988	\$0	\$17,066,988
Deduction of Federal Grants	\$0	(\$3,806,305)	\$0	(\$3,806,305)
TOTAL ELIGIBLE BASIS	\$0	\$13,260,683	\$0	\$13,260,683
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$17,238,888	\$0	\$17,238,888
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$17,238,888	\$0	\$17,238,888
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,551,500	\$0	\$1,551,500
CREDITS ON QUALIFIED BASIS		\$1,551,500		\$1,551,500

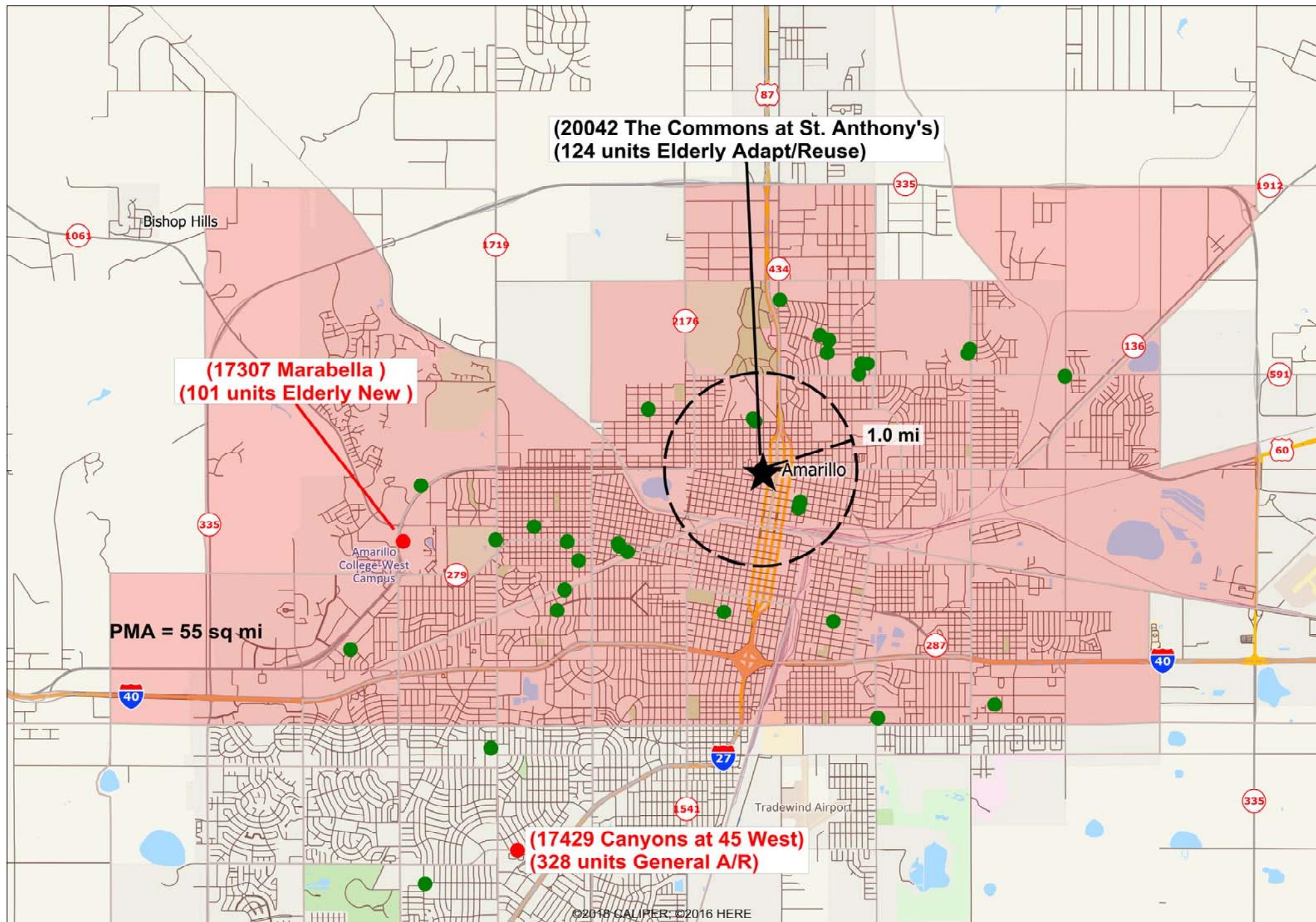
	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Credit Price	\$0.8999	Variance to Request		
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,551,500	\$13,962,103	----	----	----
Needed to Fill Gap	\$1,603,863	\$14,433,319	----	----	----
Applicant Request	\$1,500,000	\$13,498,650	\$1,500,000	\$0	\$0

Long-Term Pro Forma

The Commons at St. Anthony's, Amarillo, 9% HTC #20042

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$1,011,032	\$1,031,253	\$1,051,878	\$1,072,916	\$1,094,374	\$1,208,277	\$1,334,036	\$1,472,883	\$1,626,182	\$1,795,437	\$1,982,307
TOTAL EXPENSES	3.00%	\$564,689	\$581,200	\$598,198	\$615,697	\$633,711	\$732,078	\$845,845	\$977,437	\$1,129,662	\$1,305,774	\$1,509,538
NET OPERATING INCOME ("NOI")		\$446,343	\$450,053	\$453,680	\$457,219	\$460,663	\$476,199	\$488,191	\$495,446	\$496,520	\$489,663	\$472,769
EXPENSE/INCOME RATIO		55.9%	56.4%	56.9%	57.4%	57.9%	60.6%	63.4%	66.4%	69.5%	72.7%	76.2%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498	\$380,498
DEBT COVERAGE RATIO		1.17	1.18	1.19	1.20	1.21	1.25	1.28	1.30	1.30	1.29	1.24
ANNUAL CASH FLOW		\$65,845	\$69,555	\$73,182	\$76,721	\$80,164	\$95,701	\$107,692	\$114,948	\$116,021	\$109,164	\$92,271
Deferred Developer Fee Balance		\$868,824	\$799,270	\$726,088	\$649,367	\$569,203	\$120,564	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$395,553	\$957,945	\$1,538,704	\$2,101,805	\$2,601,433

20042 The Commons at St. Anthony's PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.