



Addendum to Underwriting Report

TDHCA Application #: **25504_24023** Program(s): **9% HTC/MDL**

930 Military Parkway Living

Address/Location: 940 Military Parkway

City: Mesquite County: Dallas Zip: 75149

APPLICATION HISTORY	
Report Date	PURPOSE
06/27/25	Amendment & MDL Award - 2025-1 NOFA - NHTF
08/05/24	Initial Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
MF Direct Loan Const. to Perm. (Repayable)					\$4,000,000	2.00%	35	40.0 yrs	2	24M	3
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Contract:

Board approval of a new ownership structure, or written confirmation from Borrower than no
a: organizational changes will be made.

Status: To be cleared by Program Staff

b: Board approval to reduce the development site acreage from 8.732 acres down to 4.74 acres.

Status: To be cleared by Program Staff

2 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: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR.

f: Substantially final ground lease.

3 Receipt and acceptance by Commitment:

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

4 Receipt and acceptance by Cost Certification:

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

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

c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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.

PREVIOUS SET-ASIDE

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

CURRENT SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	19
50% of AMI	50% of AMI	38
60% of AMI	60% of AMI	13
70% of AMI	70% of AMI	12
80% of AMI	80% of AMI	13

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18

ANALYSIS

The development originally received a 9% HTC allocation of \$2,000,000 in August 2024. The applicant is now applying for a MDL 2025-1 NHTF loan of \$4,000,000. The MDL loan will have an interest rate of 2%, 40 year term and amortization period of 35 years, allowing this Project to be feasible under §11.302(g)(4).

The Applicant added Mesquite Housing Finance Corporation to the ownership structure. There is going to be a ground lease which will allow for a property tax exemption.

In addition, the Applicant is submitting a material amendment to change the development acreage from 8.732 acres down to 4.74 acres. Per the applicant, this change does not alter the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre.

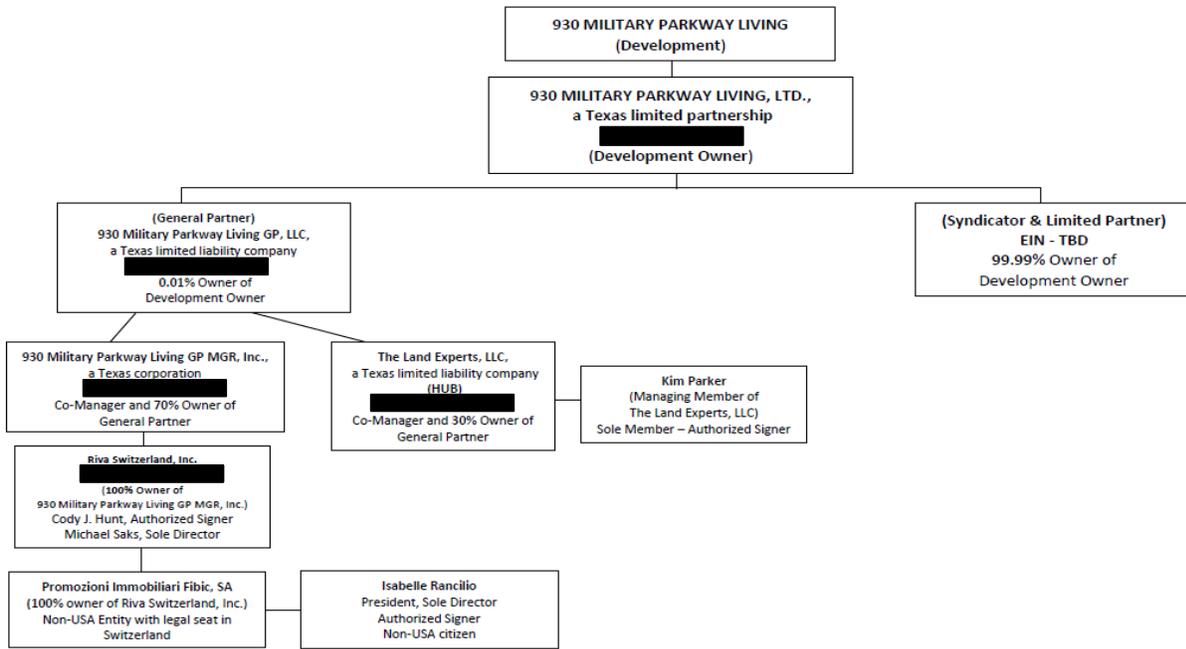
The 3.99 acres of undeveloped land will be dedicated to the city.



PREVIOUS OWNERSHIP STRUCTURE

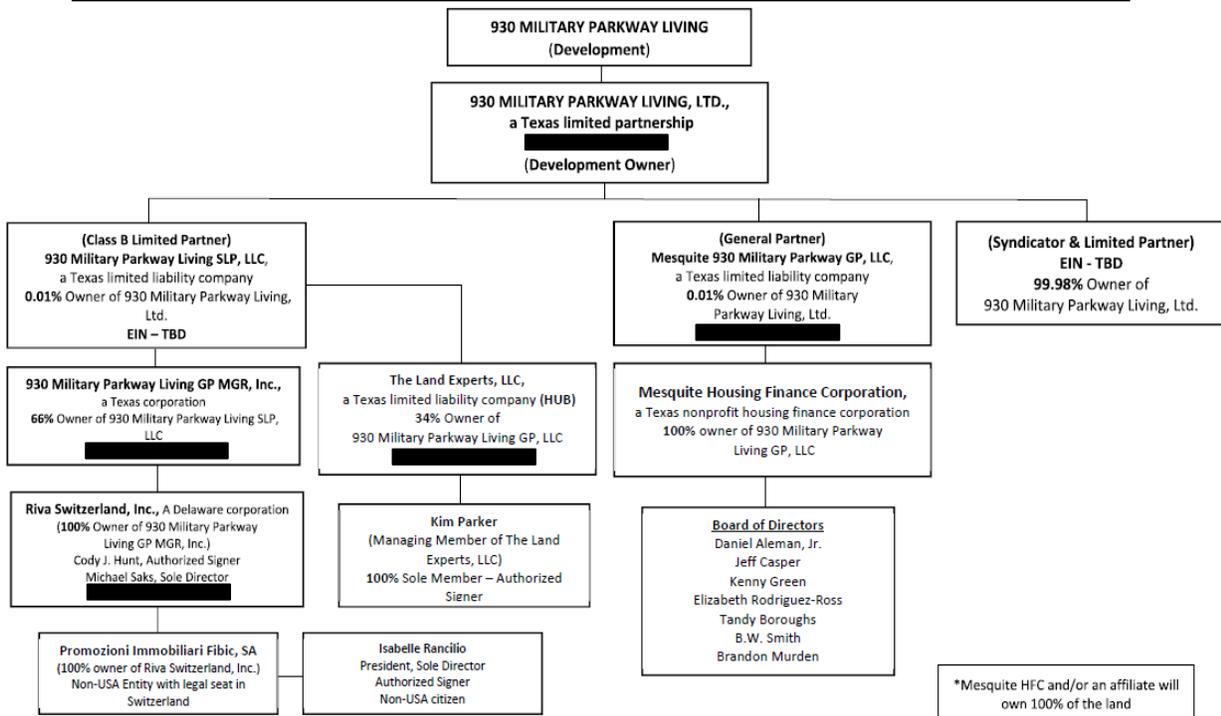
Cody J. Hunt has Ability to Exercise Control

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE (2024 9% Housing Tax Credit Application)



NEW OWNERSHIP STRUCTURE

930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE (2024 9% Housing Tax Credit Application)



Operating Pro Forma

Underwriter is using the most current 2025 program rent limits for 9% HTC and 2025 limits for NHTF. The Applicant submitted a rent schedule using the 2024 program rent limits for 9% HTC however, the Underwriter updated the Applicant's rent schedule with the 2025 HTC rents.

Effective Gross Income increased by \$113K, Total expenses decreased by \$93K, and as a result, Net Operating Income increased by \$207K.

Applicant is not expecting to collect full market rate for their market rent units which also affects the 80% units not collecting max program limits.

The Applicant is discounting their TC80 units by 8% two-bedroom and 6% three-bedroom units to the maximum net program rent collected.

Tax exemption is now expected for this property because of the inclusion of the Mesquite Housing Finance Corporation as the General Partner in the ownership structure.

Without the tax exemption, DCR falls to 0.84 resulting in negative cash flow which would characterize the development as infeasible.

Insurance quote provided for \$700/per unit.

Development Cost

Site work costs were most affected from previous underwriting with an increase of \$2.46M

Total Housing Development Costs have increased by \$3.1M

Developer Fee has decreased by \$11K.

A Schedule of Values or contract bid was not provided, therefore, the Underwriter re-costed out the building using the Architectural Drawings provided in the application with the 2025 Marshall and Swift's costs.

Underwriter adjusted the base cost for a 5-story build.

Building cost decreased by \$187k.

Sources of Funds

The construction to perm loan lender did not change (Regions Bank - HUD 221(d)4) but the Construction to Perm loan increased from \$13M to \$14.3M and the interest rate increased from 5.25% to 5.75%.

The senior financing is a FHA 221(d)4 construction-to-permanent loan and has a separate MIP fee of 0.25%.

Application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

The equity bridge loan lender did not change (Regions Bank). Equity bridge loan decreased from \$14.5M to \$12.9M and the interest rate increased from 5% to 6.85%.

The equity investor remains Region Bank and the capital contribution decreased by \$600K and the credit price decreasing from \$0.91 to \$0.88.

Applicant is now including \$4M MDL NHTF loan construction to permanent loan 0% during construction and 2% in the permanent period. TDHCA will be in the third lien position during construction and in the second lien during the permanent period.

The deferred developer fee has decreased by \$1.5M and pays off in three years.

The Debt Coverage Ratio on the senior debt is 1.20. The Combined DCR for a Multifamily Direct Loan subordinate to FHA debt is determined based on 75% of Surplus Cash remaining after the senior debt service. The Combined DCR is 1.00 as required by the QAP.

Underwriter adjusted the amortization period from 40 to 35 years because the DCR exceeded the maximum allowable 1.50 during years 36-40, per §11.302(g)(4). We cannot reduce the MDL term to 35, as it must mature within 6 months of the senior loan.

If at Direct Loan Closing the DCR is above 1.50 after the MDL pays off in year 35, the Applicant must commit to depositing 25% of annual cash flow into a special reserve to remain with the property until the 40 year maturity, sale, or refinance. Since the MDL will be repaid in year 35, the special reserve deposits can be made from the 75% surplus cash after senior debt service payment.

Underwriter recommends a construction-to-permanent Multifamily Direct Loan of \$4,000,000 at 2% interest, 40 year term, and a 35 year amortization period; loan payments will be calculated using 75% of Surplus Cash, as defined by FHA. Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property. Annualized monthly debt service for full amortization is \$159,006. The construction term is assumed at 24 months.

The MDL funding is 2025-1 NHTF funds.

The original annual 9% HTC allocation of \$2,000,000 is still recommended.

Underwriter:	<u>Travis Mason</u>
Manager of Real Estate Analysis:	<u>Robert Castillo</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

STABILIZED PRO FORMA

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Dallas County Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.49	\$1,396	\$1,859,412	\$1,737,012	\$1,737,012	\$1,859,412	\$1,396	\$1.49		0.0%	\$0
Application, Pet, Late, and NSF Fees						\$25.00	\$33,300	21,108						
Laundry, Vending, Cable						\$0.00	\$0	12,120						
Total Secondary Income						\$25.00			33,228	\$33,300	\$25.00		0.0%	\$0
POTENTIAL GROSS INCOME							\$1,892,712	\$1,770,240	\$1,770,240	\$1,892,712			0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(141,953)	(132,768)	(132,768)	(141,953)	7.5% PGI		0.0%	-
EFFECTIVE GROSS INCOME							\$1,750,759	\$1,637,472	\$1,637,472	\$1,750,759			0.0%	\$0

General & Administrative	\$66,963	\$603/Unit	\$85,414	\$769	4.49%	\$0.75	\$708	\$78,570	\$48,094	\$59,748	\$85,414	\$769	\$0.82	4.88%	-8.0%	(6,844)
Management	\$54,409	3.1% EGI	\$58,548	\$527	4.00%	\$0.67	\$631	\$70,030	\$81,874	\$81,874	\$70,030	\$631	\$0.67	4.00%	0.0%	-
Payroll & Payroll Tax	\$160,404	\$1,445/Unit	\$176,172	\$1,587	9.87%	\$1.66	\$1,556	\$172,769	\$161,969	\$160,404	\$176,172	\$1,587	\$1.69	10.06%	-1.9%	(3,403)
Repairs & Maintenance	\$89,442	\$806/Unit	\$78,508	\$707	4.32%	\$0.73	\$682	\$75,655	\$75,654	\$72,150	\$72,150	\$650	\$0.69	4.12%	4.9%	3,505
Electric/Gas	\$31,611	\$285/Unit	\$15,166	\$137	1.21%	\$0.20	\$191	\$21,241	\$21,241	\$19,221	\$15,166	\$137	\$0.15	0.87%	40.1%	6,075
Water, Sewer, & Trash	\$95,238	\$858/Unit	\$95,033	\$856	4.51%	\$0.76	\$711	\$78,973	\$63,373	\$77,255	\$95,033	\$856	\$0.91	5.43%	-16.9%	(16,060)
Property Insurance	\$75,197	\$0.72 /sf	\$99,596	\$897	4.44%	\$0.74	\$700	\$77,700	\$77,700	\$77,700	\$77,700	\$700	\$0.74	4.44%	0.0%	-
Property Tax (@ 0%) 2.334446	\$130,498	\$1,176/Unit	\$118,297	\$1,066	0.00%	\$0.00	\$0	\$0	\$138,750	\$138,750	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.59%	\$0.27	\$250	\$27,750	\$27,750	\$27,750	\$27,750	\$250	\$0.27	1.59%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.22%	\$0.04	\$34	\$3,800	\$3,520	\$3,520	\$3,800	\$34	\$0.04	0.22%	0.0%	-
TOTAL EXPENSES					34.64%	\$5.81	\$5,464	\$606,488	\$699,925	\$718,373	\$623,215	\$5,615	\$5.97	35.60%	-2.7%	\$ (16,726)
NET OPERATING INCOME ("NOI")					65.36%	\$10.97	\$10,309	\$1,144,270	\$937,547	\$919,099	\$1,127,544	\$10,158	\$10.81	64.40%	1.5%	\$ 16,726

CONTROLLABLE EXPENSES							\$3,849/Unit									\$3,999/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

DEBT / GRANT SOURCES																				
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE									
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative				
DEBT (Must Pay)	Fee	UW	App						Applicant	TDHCA						DCR	LTC			
Regions Bank - HUD 221(d)(4)	0.25%	1.19	1.20	950,186	5.75%	40	40.0	\$14,300,000	\$13,072,400	\$13,072,400	\$14,300,000	40.0	40.0	5.75%	\$950,185	1.20	39.7%			
TDHCA MFDL 2025-1		1.03	1.04	\$145,356	2.00%	40	40.0	\$4,000,000			\$4,000,000	40.0	35.0	2.00%	\$159,006	1.00	11.1%			
CASH FLOW DEBT / GRANTS																				
City of Mesquite		1.03	1.04		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0.0	0.00%		1.00	0.0%			
				\$1,095,542	TOTAL DEBT / GRANT SOURCES			\$18,300,500	\$13,072,900	\$13,072,900	\$18,300,500	TOTAL DEBT SERVICE			\$1,109,191	1.00	50.8%			
NET CASH FLOW		\$32,002	\$48,728	APPLICANT NET OPERATING INCOME														\$1,144,270	\$35,079	NET CASH FLOW

EQUITY SOURCES														
		APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
		DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES							Applicant	TDHCA						
Regions Bank		LIHTC Equity	48.8%	\$2,000,000	\$0.88	\$17,598,240	\$18,198,180	\$18,198,180	\$17,598,240	\$0.88	\$2,000,000	48.8%	\$18,018	Previous Allocation
GP Equity		GP Equity	0.0%			\$100	\$100	\$100	\$100			0.0%		
RIVA, MHFC, and TLE HUB		Deferred Developer Fees	0.4%	(4% Deferred)		\$134,475	\$1,639,669	\$1,628,426	\$134,475	(4% Deferred)		0.4%		
Additional (Excess) Funds Req'd			0.0%			\$0			\$0			0.0%		
TOTAL EQUITY SOURCES			49.2%			\$17,732,815	\$19,837,949	\$19,826,706	\$17,732,815			49.2%		
TOTAL CAPITALIZATION						\$36,033,315	\$32,910,849	\$32,899,606	\$36,033,315	15-Yr Cash Flow after Deferred Fee:				\$2,348,145

DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE		
		Eligible Basis		Total Costs	Applicant	TDHCA	Total Costs	Eligible Basis		%	\$			
Acquisition	New Const. Rehab	New Const. Rehab	Acquisition											
Land Acquisition				\$14,414 / Unit	\$1,600,000	\$1,600,000	\$1,600,000	\$14,414 / Unit			0.0%	\$0		
Broker Fees					\$48,000	\$48,000	\$48,000				0.0%	\$0		
Off-Sites		\$0		\$ / Unit	\$0	\$0	\$0	\$ / Unit	\$0		0.0%	\$0		
Site Work		\$3,751,471		\$33,797 / Unit	\$3,751,471	\$1,293,473	\$1,293,473	\$3,751,471	\$33,797 / Unit	\$3,751,471	0.0%	\$0		
Site Amenities		\$973,430		\$8,770 / Unit	\$973,430	\$967,242	\$967,242	\$973,430	\$8,770 / Unit	\$973,430	0.0%	\$0		
Building Cost		\$15,444,231	\$148.05 /sf	\$139,137/Unit	\$15,444,231	\$15,630,948	\$15,453,840	\$13,859,348	\$124,859/Unit	\$132.86 /sf	\$13,859,348	11.4%	\$1,584,883	
Contingency		\$862,175	4.27%	4.27%	\$862,175	\$758,376	\$758,376	\$862,175	4.64%	4.64%	\$862,175	0.0%	\$0	
Contractor Fees		\$2,794,365	13.29%	13.29%	\$2,794,365	\$2,504,833	\$2,504,833	\$2,722,499	14.00%	14.00%	\$2,722,499	2.6%	\$71,866	
Soft Costs		\$0	\$2,265,328	\$22,717 / Unit	\$2,521,578	\$2,663,071	\$2,663,071	\$2,521,578	\$22,717 / Unit	\$2,265,328	\$0	0.0%	\$0	
Financing		\$0	\$1,416,813	\$26,654 / Unit	\$2,958,543	\$2,423,992	\$2,423,992	\$2,958,543	\$26,654 / Unit	\$1,416,813	\$0	0.0%	\$0	
Developer Fee		\$0	\$3,719,186	13.52%	13.52%	\$3,719,186	\$3,730,429	\$3,692,620	14.39%	14.39%	\$3,719,186	\$0	0.0%	\$0
Reserves				10 Months	\$1,360,336	\$1,290,485	\$1,290,485	\$1,360,336	9 Months			0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$31,226,999	\$324,624 / Unit	\$36,033,315	\$32,910,849	\$32,695,932	\$34,376,566	\$309,699 / Unit	\$29,570,250	\$0	4.8%	\$1,656,749	
Acquisition Cost		\$0			\$0	\$0								
Contingency			\$0		\$0	\$0								
Contractor's Fee			\$0		\$0	\$0								
Financing Cost			\$0											
Developer Fee		\$0	\$0		\$0	(\$11,243)								
Reserves					\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$31,226,999	\$324,624/unit	\$36,033,315	\$32,899,606	\$32,695,932	\$34,376,566	\$309,699/unit	\$29,570,250	\$0	4.8%	\$1,656,749	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$36,033,315								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$31,226,999	\$0	\$29,570,250
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$31,226,999	\$0	\$29,570,250
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$40,595,099	\$0	\$38,441,326
Applicable Fraction	83.00%	83.00%	83%	83%
TOTAL QUALIFIED BASIS	\$0	\$33,694,212	\$0	\$31,906,566
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,032,479	\$0	\$2,871,591
CREDITS ON QUALIFIED BASIS	\$3,032,479		\$2,871,591	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.8799	Credits	Proceeds
Eligible Basis	\$3,032,479	\$26,683,147	----	----	----
Needed to Fill Gap	\$2,015,283	\$17,732,715	----	----	----
Previous Allocation	\$2,000,000	\$17,598,240	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	104,316 SF	\$102.72	10,714,911
Adjustments				
Exterior Wall Finish	3.60%		3.70	\$385,737
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.45%		3.54	369,664
Roof Adjustment(s)			(0.25)	(26,079)
Subfloor			0.60	62,590
Floor Cover			3.68	383,883
Breezeways	\$56.01	16,378	8.79	917,311
Balconies	\$55.80	8,339	4.46	465,283
Plumbing Fixtures	\$1,420	266	3.62	377,720
Rough-ins	\$700	222	1.49	155,400
Built-In Appliances	\$2,280	111	2.43	253,080
Exterior Stairs	\$4,250	16	0.65	68,000
Heating/Cooling			3.12	325,466
Storage Space	\$56.01	0	0.00	0
Carports	\$21.40	3,240	0.66	69,336
Garages	\$30.00	0	0.00	0
Common/Support Area	\$125.67	5,325	6.42	669,214
Elevators	\$247,819	2	4.75	495,638
Other:			0.00	0
Fire Sprinklers	\$4.60	126,019	5.56	579,687
SUBTOTAL			155.94	16,266,840
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			155.94	\$16,266,840
Plans, specs, survey, bldg permits	3.30%		(5.15)	(\$536,806)
Contractor's OH & Profit	11.50%		(17.93)	(1,870,687)
NET BUILDING COSTS		\$124,859/unit	\$132.86/sf	\$13,859,348

Long-Term Pro Forma

930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023

	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%	\$1,750,759	\$1,785,774	\$1,821,489	\$1,857,919	\$1,895,077	\$2,092,319	\$2,310,089	\$2,550,525	\$2,815,985	\$3,109,075	\$3,432,670	\$3,789,946
TOTAL EXPENSES	3.00%	\$606,488	\$623,983	\$641,988	\$660,519	\$679,591	\$783,649	\$903,844	\$1,042,703	\$1,203,148	\$1,388,561	\$1,602,859	\$1,850,575
NET OPERATING INCOME ("NOI")		\$1,144,270	\$1,161,791	\$1,179,501	\$1,197,400	\$1,215,486	\$1,308,670	\$1,406,244	\$1,507,821	\$1,612,837	\$1,720,514	\$1,829,811	\$1,939,371
EXPENSE/INCOME RATIO		34.6%	34.9%	35.2%	35.6%	35.9%	37.5%	39.1%	40.9%	42.7%	44.7%	46.7%	48.8%
MUST -PAY DEBT SERVICE													
Regions Bank - HUD 221(d)(4)		\$950,185	\$949,949	\$949,698	\$949,433	\$949,151	\$947,477	\$945,246	\$942,273	\$938,314	\$933,039	\$926,013	\$916,652
TDHCA MFDL 2025-1		\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	
TOTAL DEBT SERVICE		\$1,109,191	\$1,108,955	\$1,108,704	\$1,108,439	\$1,108,158	\$1,106,483	\$1,104,252	\$1,101,280	\$1,097,320	\$1,092,045	\$1,085,019	\$916,652
DEBT COVERAGE RATIO		1.00	1.00	1.01	1.02	1.04	1.10	1.17	1.24	1.32	1.40	1.48	2.12
ANNUAL CASH FLOW		\$35,079	\$52,836	\$70,797	\$88,961	\$107,329	\$202,187	\$301,993	\$406,542	\$515,517	\$628,468	\$744,792	\$1,022,719
Deferred Developer Fee Balance		\$99,396	\$46,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$24,238	\$113,199	\$220,528	\$1,039,739	\$2,348,145	\$4,169,912	\$6,527,856	\$9,442,813	\$12,932,920	\$17,807,815

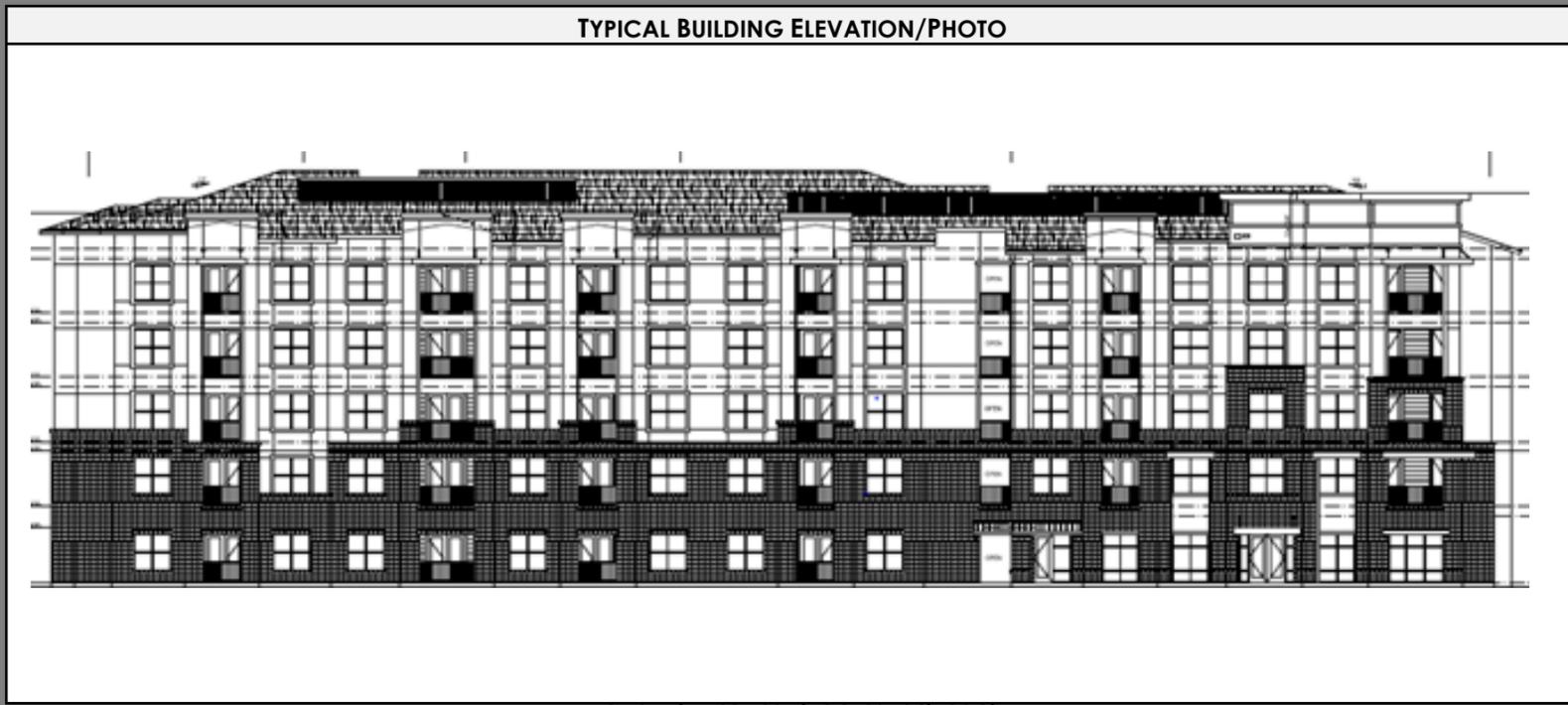
24023 930 Military Parkway Living - Application Summary

REAL ESTATE ANALYSIS DIVISION
August 5, 2024

PROPERTY IDENTIFICATION	
Application #	24023
Development	930 Military Parkway Living
City / County	Mesquite / Dallas
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

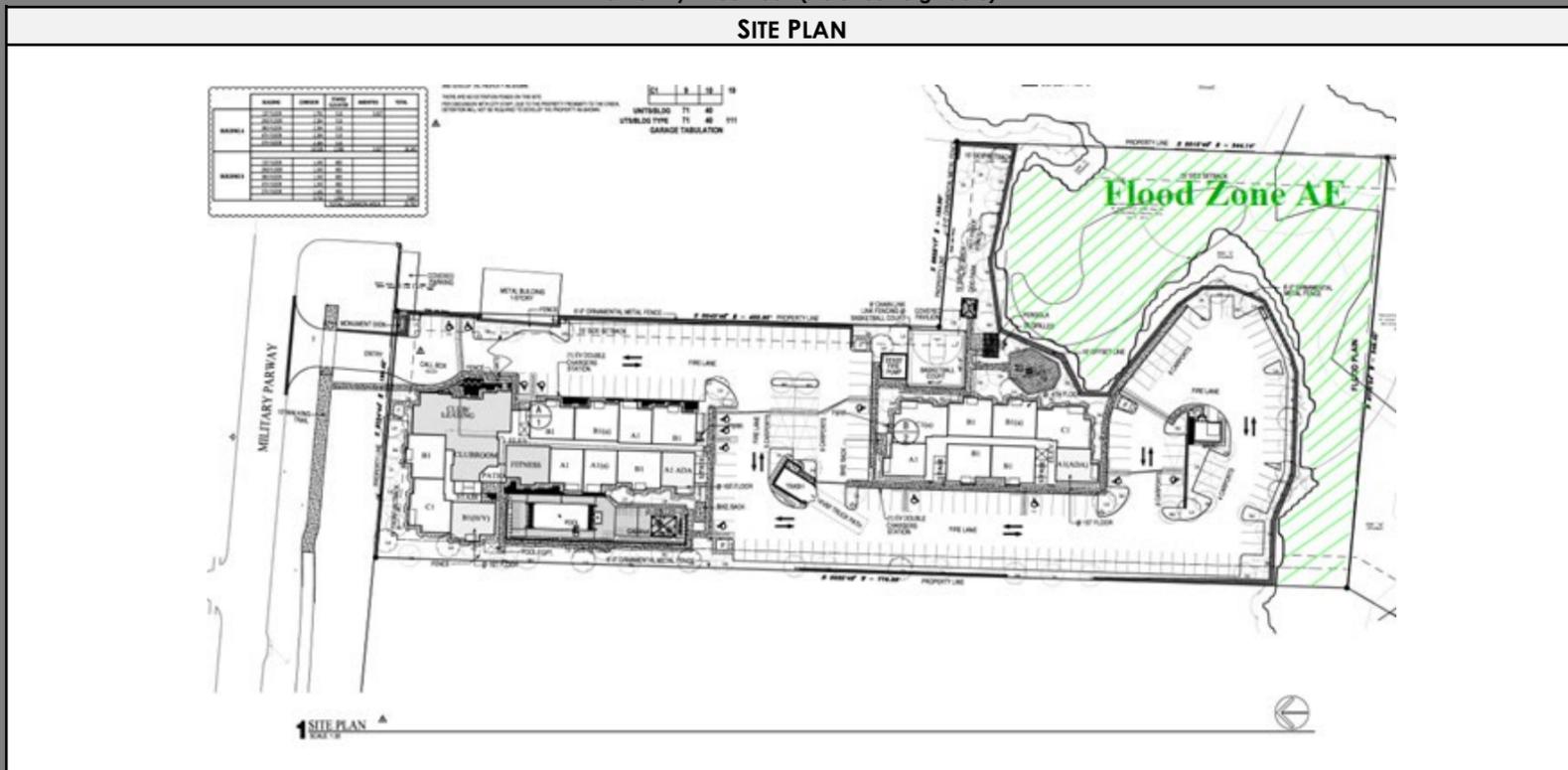
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$18,018/Unit	\$0.91

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> Cody Hunt / Riva Switzerland, Inc. (90%) Kim Parker / The Land Experts, LLC (10%) 		
Related Parties	Contractor - No	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	30	27%	30%	9	8%
2	62	56%	40%	-	0%
3	19	17%	50%	36	32%
4	-	0%	60%	35	32%
			70%	6	5%
			80%	2	2%
			MR	23	21%
TOTAL	111	100%	TOTAL	111	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	42.7%
Breakeven Occ.	85.6%	Breakeven Rent	\$1,205
Average Rent	\$1,304	B/E Rent Margin	\$99
Property Taxes	\$1,250/unit	Exemption/PILOT	0%
Total Expense	\$6,306/unit	Controllable	\$3,336/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			2.8%
Highest Unit Capture Rate	13%	3 BR/70%	2
Dominant Unit Cap. Rate	10%	2 BR/60%	27
Premiums (↑80% Rents)	Yes		\$127/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	940 SF	Density	12.7/acre
Acquisition		\$15K/unit	\$1,648K
Building Cost	\$149.84/SF	\$141K/unit	\$15,631K
Hard Cost		\$168K/unit	\$18,650K
Total Cost		\$296K/unit	\$32,900K
Developer Fee	\$3,719K	(44% Deferred)	Paid Year: 10
Contractor Fee	\$2,505K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Regions Bank HUD 221 (d)(4)	40/40	5.25%	\$13,072,400	1.15	City of Mesquite	0/0	0.00%	\$500	1.15	Regions Bank	\$18,198,180
										GP Equity	\$100
										RIVA/The Land Experts	\$1,628,426
										TOTAL EQUITY SOURCES	\$19,826,706
										TOTAL DEBT SOURCES	\$13,072,900
TOTAL DEBT (Must Pay)			\$13,072,400		CASH FLOW DEBT / GRANTS			\$500		TOTAL CAPITALIZATION	\$32,899,606

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.
- 2 Receipt and acceptance by Cost Certification:
 - a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.
 - b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.
 - c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.

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

RISK PROFILE

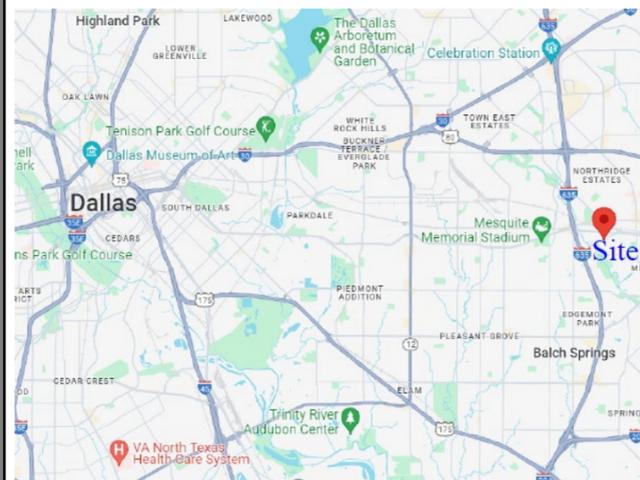
STRENGTHS/MITIGATING FACTORS

- Gross Capture Rate of 2.8%
- Low expense ratio
- Developer's construction and management experience with LIHTC properties in Texas

WEAKNESSES/RISKS

- DCR right at 1.15

AREA MAP





DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24023** Program(s): **9% HTC**

930 Military Parkway Living

Address/Location: 940 Military Parkway

City: Mesquite County: Dallas Zip: 75149

Population: General Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

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

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.
 - 2 Receipt and acceptance by Cost Certification:
 - a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.
 - b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.
 - c: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.
- Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

DEVELOPMENT SUMMARY

930 Military Parkway Living will be an elevator served development that will offer 111 units. The development will consist of 1,2, and 3 bedroom units using income averaging. The development will serve incomes at 30% AMI to 80% AMI and will include a total of 23 market rate units (21% of total units). Site amenities offered will include a clubhouse, pool and a fenced dog park.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Gross Capture Rate of 2.8%
▫	Low expense ratio
▫	Developer's construction and management experience with LIHTC properties in Texas

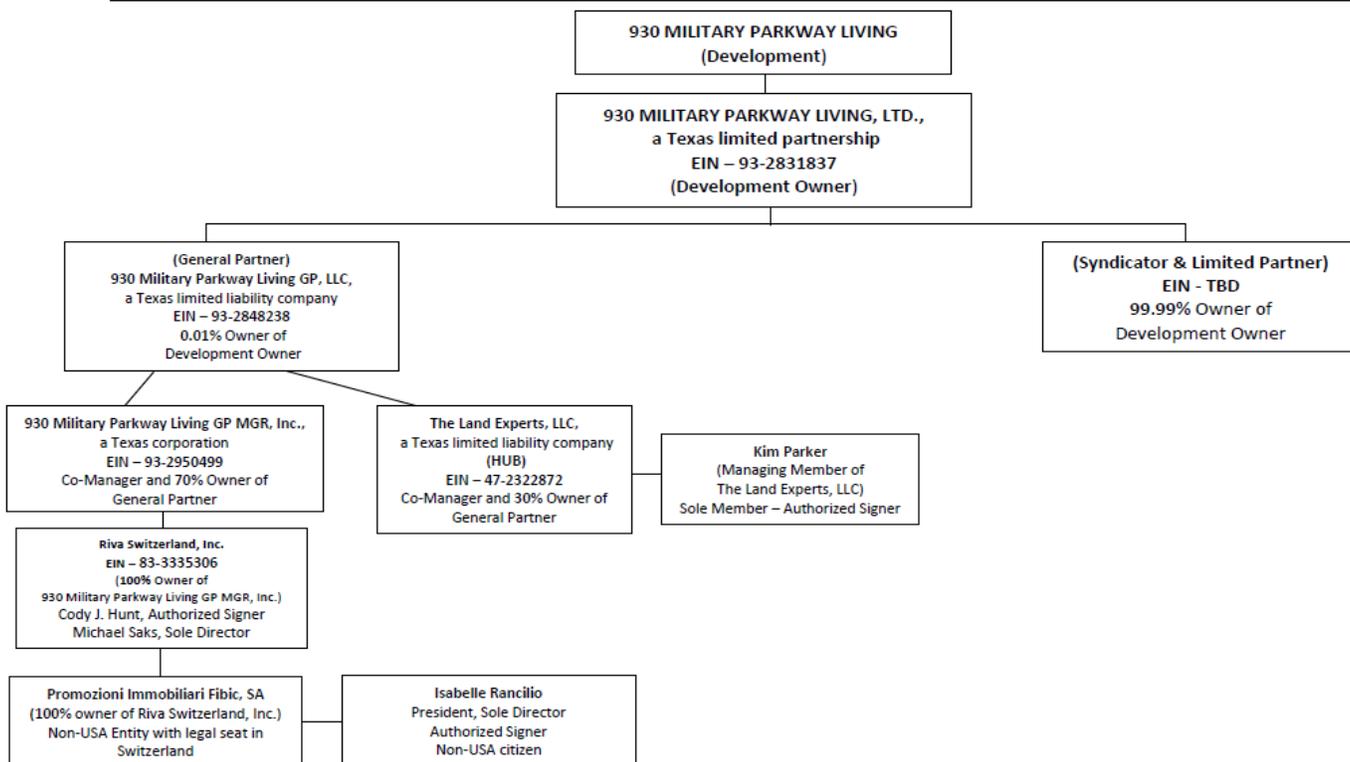
WEAKNESSES/RISKS	
▫	DCR right at 1.15
▫	
▫	

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

Cody J. Hunt has Ability to Exercise Control

**930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE
(2024 9% Housing Tax Credit Application)**



AERIAL



Parking	No Fee		Tenant-Paid		Total	
	Count	Cost/unit	Count	Cost/unit	Count	Cost/unit
Open Surface	164	1.5/unit	0	--	164	1.5/unit
Carport	26	0.2/unit	0	--	26	0.2/unit
Garage	0	--	0	--	0	--
Total Parking	190	1.7/unit	0	--	190	1.7/unit

Comments:

Project has 190 parking spaces including 26 carport spaces. The project meets the City of Mesquite's minimum parking requirement for PD districts. All parking will be provided at no charge to the residents.

SITE INFORMATION

Flood Zone: <u> X/AE </u>	Scattered Site? <u> No </u>
Zoning: <u> - Multifamily Residen </u>	Within 100-yr floodplain? <u> Yes </u>
Re-Zoning Required? <u> No </u>	Utilities at Site? <u> Yes </u>
Year Constructed: <u> N/A </u>	Title Issues? <u> No </u>

Other Observations:

The subject property is an 8.732-acre, irregularly shaped, parcel of land. The property is made up of two separate tracts of land, the northern 4.74 acres referred to as the "Tutt Tract" and the southern 3.992 acres referred to as the "Ward Tract." The property is currently un-platted. Of the total acreage, only about 4 acres of the property is developable due to a creek and the associated floodplain running across the southern portion of the property from east to west. The stream has an associated Zone AE floodplain designation with base flood elevations determined, which takes up most of the developable space on the southern portion of the property.

The Conceptual Site Plan indicates that the proposed improvements currently encroach into the existing floodplain. If any development, construction, or fill takes place within the studied floodplain, additional permits and studies will be required. Modification and reclamation of the existing floodplain will likely be required to develop the property as shown.

Developer has noted that no building or parking areas will be located in the 100 year floodplain.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 2/21/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- No evidence of recognized environmental conditions in connection with the property.
- Review of historical aerial photographs and topographic maps indicate a pond located on the northeast portion of the subject property, north of a stream. Further investigation is warranted to assess the property for wetland near the creek and within the 100-year floodplain. An onsite wetlands determination assessment is recommended to determine if all characteristics for a wetland are present at the subject property.
- The subject property is predominately in Unshaded Zone X (outside of the 100 and 500-year floodplains) with the exception of the southern and central portions and far eastern portion of the property which is in Zone AE (100-year floodplain) and Zone X500 (500-year floodplain) as shown on the FEMA FIRM Map Number 48113C0390K, with an effective date of July 7, 2014. The subject property is located in a FEMA-designated Special Flood Hazard Area and flood insurance or mitigation for flood impacts may be required.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC

Date: 3/10/2024

Primary Market Area (PMA): 33 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
22061	Torrington Arcadia Trails	Yes	New Const.	General	208	250

Other Affordable Developments in PMA since 2017

7602	Villas of Mesquite Creek			General	N/A	252
9189	Crestshire Village			General	N/A	74
12221	Riverstone Trails			General	N/A	96
14402	Sterlingshire Apartment Homes			General	N/A	264

Stabilized Affordable Developments in PMA

Total Units	2,599
Total Developments	14
Average Occupancy	96.5%

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	31,384			
Potential Demand from the Primary Market Area	9,488			
10% External Demand	949			
Potential Demand from Other Sources	0			
GROSS DEMAND	10,437			
Subject Affordable Units	88			
Unstabilized Competitive Units	208			
RELEVANT SUPPLY	296			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.8%			

Population: **General**

Market Area: **Urban**

Maximum Gross Capture Rate: **10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

Market Analyst										
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	2,226	223	9	0	0.4%					
50% AMGI	2,968	297	36	91	3.9%					
60% AMGI	2,686	269	35	83	4.0%					
70% AMGI	882	88	6	34	4.1%					
80% AMGI	727	73	2	0	0.3%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

Market Analyst										
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	307	31	6	0	1.8%					
1 BR/50%	469	47	21	42	12.2%					
2 BR/30%	565	57	2	0	0.3%					
2 BR/50%	602	60	15	49	9.7%					
2 BR/60%	727	73	27	49	9.5%					
2 BR/70%	468	47	4	0	0.8%					
2 BR/80%	499	50	1	0	0.2%					
3 BR/30%	635	64	1	0	0.1%					
3 BR/60%	744	74	8	34	5.1%					
3 BR/70%	258	26	2	34	12.7%					
3 BR/80%	258	26	1	0	0.4%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$937,547	Avg. Rent:	\$1,304	Expense Ratio:	42.7%
Debt Service:	\$815,253	B/E Rent:	\$1,205	Controllable Expenses:	\$3,336
Net Cash Flow:	\$122,294	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,250
Aggregate DCR:	1.15	B/E Occupancy:	85.6%	Program Rent Year:	2023

The project will contain 88 affordable units using income averaging and 23 market rate units, for a total of 111 units. Cumulative 15-year cash flow is \$1.6M after deferred developer fee is paid off in year 10.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$183,234/ac	\$14,847/unit	\$1,648,000	Contractor Fee	\$2,504,833
Off-site + Site Work		\$20,367/unit	\$2,260,715	Soft Cost + Financing	\$5,087,063
Building Cost	\$149.84/sf	\$140,819/unit	\$15,630,948	Developer Fee	\$3,719,186
Contingency	4.24%	\$6,832/unit	\$758,376	Reserves	\$1,290,485
Total Development Cost	\$296,393/unit	\$32,899,606		Rehabilitation Cost	N/A

Qualified for 30% Basis Boost?

Non-Qualified Elderly not in QCT covered by Revitalization Plan [9% only]

Acquisition:

The original contract sales price of each of the two tracts being acquired is \$750,000, totaling \$1,500,000. However, Applicant's acquisition cost is reflected at \$1,600,000, which include \$100,000 in extension fees that were added to the total price according to the provisions stated in each of the contracts.

Building Cost:

Using Marshall & Swift's "Good Quality" base cost for an elevator served-building, building costs were underwritten at \$139K/unit or \$148/sf vs. Applicants budget of \$141K/unit or \$150/sf. The difference only equates to a 1.1% variance.

Developer Fee:

Applicant overstated developer fee by \$11K.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$32,899,606	\$27,898,075	\$2,542,584

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Regions Bank HUD 221 (d)(4)	HUD 221(d)(4)	\$13,072,400	5.25%	40%
Regions Bank	Equity Bridge Loan	\$14,485,566	5.00%	44%
Regions Bank	HTC	\$2,667,234	\$0.91	8%
GP Equity	GP Equity	\$100	\$0.00	0%
City of Mesquite	§11.9(d)(2)LPS Contribution	\$500	0.00%	0%
RIVA/The Land Experts	Dererred Developer Fee	\$2,685,049	0.00%	8%
		\$32,910,849	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions Bank HUD 221 (d)(4)	\$13,072,400	5.25%	40	40.0	\$13,072,400	5.25%	40	40.0	40%
City of Mesquite	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
Total	\$13,072,900				\$13,072,900				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions Bank	\$18,198,180	\$0.91		\$18,198,180	\$0.91	55%	
GP Equity	\$100			\$100		0%	
RIVA/The Land Experts	\$1,639,669		44%	\$1,628,426		5%	44%
Total	\$19,837,949			\$19,826,706			
				\$32,899,606	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.991	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.831	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	\$32,899,606
Permanent Sources (debt + non-HTC equity)	\$13,073,000
Gap in Permanent Financing	\$19,826,606

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$23,135,200	\$2,542,584
Needed to Balance Sources & Uses	\$19,826,606	\$2,178,966
Requested by Applicant	\$18,198,180	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$18,198,180	\$2,000,000

Deferred Developer Fee	\$1,628,426	(44% deferred)
Repayable in	10 years	

Recommendation:

Underwriter recommends \$2,000,000 in annual 9% housing tax credits as requested by Applicant.

Underwriter:	<u>Georgia Simmons</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE

930 Military Parkway Living , Mesquite, 9% HTC #24023

LOCATION DATA	
CITY:	Mesquite
COUNTY:	Dallas
Area Median Income	\$105,600
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	30	27.0%	0	0	0	0
2	62	55.9%	0	0	0	0
3	19	17.1%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	111	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	77.90%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	940 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	9	-	36	35	6	2	23	111
Income	% Total	0.0%	8.1%	0.0%	32.4%	31.5%	5.4%	1.8%	20.7%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$580	6	1	1	750	\$580	\$69	\$511	\$0	\$0.68	\$511	\$3,066	\$3,066	\$511	\$0.68	\$0	\$1,624	\$2.17	\$1,804
TC 50%	\$966	21	1	1	750	\$966	\$69	\$897	\$0	\$1.20	\$897	\$18,837	\$18,837	\$897	\$1.20	\$0	\$1,624	\$2.17	\$1,804
MR		3	1	1	750	\$0	\$69		NA	\$2.17	\$1,624	\$4,872	\$4,872	\$1,624	\$2.17	NA	\$1,624	\$2.17	\$1,804
TC 30%	\$696	2	2	2	960	\$696	\$92	\$604	\$0	\$0.63	\$604	\$1,208	\$1,208	\$604	\$0.63	\$0	\$1,869	\$1.95	\$2,077
TC 50%	\$1,160	15	2	2	960	\$1,160	\$92	\$1,068	\$0	\$1.11	\$1,068	\$16,020	\$16,020	\$1,068	\$1.11	\$0	\$1,869	\$1.95	\$2,077
TC 60%	\$1,392	27	2	2	960	\$1,392	\$92	\$1,300	\$0	\$1.35	\$1,300	\$35,100	\$35,100	\$1,300	\$1.35	\$0	\$1,869	\$1.95	\$2,077
TC 70%	\$1,624	4	2	2	960	\$1,624	\$92	\$1,532	\$0	\$1.60	\$1,532	\$6,128	\$6,128	\$1,532	\$1.60	\$0	\$1,869	\$1.95	\$2,077
TC 80%	\$1,856	1	2	2	960	\$1,856	\$92	\$1,764	\$0	\$1.84	\$1,764	\$1,764	\$1,764	\$1,764	\$1.84	\$0	\$1,869	\$1.95	\$2,077
MR		9	2	2	960	\$0	\$92		NA	\$1.95	\$1,869	\$16,821	\$16,821	\$1,869	\$1.95	NA	\$1,869	\$1.95	\$2,077
MR		4	2	2	1,005	\$0	\$92		NA	\$1.86	\$1,869	\$7,476	\$7,476	\$1,869	\$1.86	NA	\$1,869	\$1.86	\$2,077
TC 30%	\$804	1	3	2	1,164	\$804	\$115	\$689	\$0	\$0.59	\$689	\$689	\$689	\$689	\$0.59	\$0	\$1,869	\$1.61	\$2,077
TC 60%	\$1,608	8	3	2	1,164	\$1,608	\$115	\$1,493	\$0	\$1.28	\$1,493	\$11,944	\$11,944	\$1,493	\$1.28	\$0	\$2,182	\$1.87	\$2,424
TC 70%	\$1,876	2	3	2	1,164	\$1,876	\$115	\$1,761	\$0	\$1.51	\$1,761	\$3,522	\$3,522	\$1,761	\$1.51	\$0	\$2,182	\$1.87	\$2,424
TC 80%	\$2,145	1	3	2	1,164	\$2,145	\$115	\$2,030	\$0	\$1.74	\$2,030	\$2,030	\$2,030	\$2,030	\$1.74	\$0	\$2,182	\$1.87	\$2,424
MR		7	3	2	1,164	\$0	\$115		NA	\$1.87	\$2,182	\$15,274	\$15,274	\$2,182	\$1.87	NA	\$2,182	\$1.87	\$2,424
TOTALS/AVERAGES:		111			104,316				\$0	\$1.39	\$1,304	\$144,751	\$144,751	\$1,304	\$1.39	\$0	\$1,854	\$1.97	\$2,059

ANNUAL POTENTIAL GROSS RENT:		\$1,737,012	\$1,737,012
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

930 Military Parkway Living , Mesquite, 9% HTC #24023

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Local Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
	POTENTIAL GROSS RENT				\$1.39	\$1,304	\$1,737,012	\$1,737,012	\$1,304	\$1.39		0.0%
Application, Pet, Late and NSF Fees					\$15.85	\$21,108						
Laundry, Vending, Cable					\$9.10	\$12,120						
Total Secondary Income					\$24.95		\$33,228	\$24.95			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,770,240	\$1,770,240				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(132,768)	(132,768)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,637,472	\$1,637,472				0.0%	\$0

General & Administrative	\$66,963	\$603/Unit	\$59,748	\$538	2.94%	\$0.46	\$433	\$48,094	\$59,748	\$538	\$0.57	3.65%	-19.5%	(11,654)
Management	\$54,409	3.1% EGI	\$45,710	\$412	5.00%	\$0.78	\$738	\$81,874	\$81,874	\$738	\$0.78	5.00%	0.0%	-
Payroll & Payroll Tax	\$160,404	\$1,445/Unit	\$169,748	\$1,529	9.89%	\$1.55	\$1,459	\$161,969	\$160,404	\$1,445	\$1.54	9.80%	1.0%	1,565
Repairs & Maintenance	\$89,442	\$806/Unit	\$53,286	\$480	4.62%	\$0.73	\$682	\$75,654	\$72,150	\$650	\$0.69	4.41%	4.9%	3,504
Electric/Gas	\$31,611	\$285/Unit	\$19,221	\$173	1.30%	\$0.20	\$191	\$21,241	\$19,221	\$173	\$0.18	1.17%	10.5%	2,020
Water, Sewer, & Trash	\$95,238	\$858/Unit	\$77,255	\$696	3.87%	\$0.61	\$571	\$63,373	\$77,255	\$696	\$0.74	4.72%	-18.0%	(13,882)
Property Insurance	\$75,197	\$0.72 /sf	\$18,603	\$168	4.75%	\$0.74	\$700	\$77,700	\$77,700	\$700	\$0.74	4.75%	0.0%	-
Property Tax (@ 100%) 2.334446	\$130,498	\$1,176/Unit	\$61,024	\$550	8.47%	\$1.33	\$1,250	\$138,750	\$138,750	\$1,250	\$1.33	8.47%	0.0%	-
Reserve for Replacements					1.69%	\$0.27	\$250	\$27,750	\$27,750	\$250	\$0.27	1.69%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.21%	\$0.03	\$32	\$3,520	\$3,520	\$32	\$0.03	0.21%	0.0%	-
TOTAL EXPENSES					42.74%	\$6.71	\$6,306	\$699,925	\$718,373	\$6,472	\$6.89	43.87%	-2.6%	\$ (18,448)
NET OPERATING INCOME ("NOI")					57.26%	\$8.99	\$8,446	\$937,547	\$919,099	\$8,280	\$8.81	56.13%	2.0%	\$ 18,448

CONTROLLABLE EXPENSES							\$3,336/Unit							\$3,503/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC #24023

DEBT / GRANT SOURCES															
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App											DCR	LTC
Regions Bank HUD 221(d)(4)	0.25%	1.13	1.15	815,253	5.25%	40	40.0	\$13,072,400	\$13,072,400	40.0	40.0	5.25%	\$815,253	1.15	39.7%
CASH FLOW DEBT / GRANTS															
City of Mesquite		1.13	1.15		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.15	0.0%
				\$815,253	TOTAL DEBT / GRANT SOURCES			\$13,072,900	\$13,072,900	TOTAL DEBT SERVICE			\$815,253	1.15	39.7%

NET CASH FLOW	\$103,846	\$122,294	APPLICANT		NET OPERATING INCOME	\$937,547	\$122,294	NET CASH FLOW
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EQUITY SOURCES												
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Regions Bank	LIHTC Equity	55.3%	\$2,000,000	\$0.91	\$18,198,180	\$18,198,180	\$0.91	\$2,000,000	55.3%	\$18,018	Applicant Request	
GP Equity	GP Equity	0.0%			\$100	\$100			0.0%			
RIVA/The Land Experts	Deferred Developer Fees	5.0%	(44% Deferred)		\$1,639,669	\$1,628,426	(44% Deferred)		4.9%		Total Developer Fee:	\$3,719,186
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%			
TOTAL EQUITY SOURCES		60.3%			\$19,837,949	\$19,826,706			60.3%			

TOTAL CAPITALIZATION				\$32,910,849	\$32,899,606			15-Yr Cash Flow after Deferred Fee:	\$1,582,336
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DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE		
Eligible Basis		Total Costs				Total Costs				Eligible Basis		%	\$
Acquisition	New Const. Rehab									New Const. Rehab	Acquisition		
Land Acquisition			\$14,414 / Unit	\$1,600,000	\$1,600,000	\$14,414 / Unit						0.0%	\$0
Broker Fees				\$48,000	\$48,000							0.0%	\$0
Off-Sites	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0				0.0%	\$0
Site Work	\$1,293,473		\$11,653 / Unit	\$1,293,473	\$1,293,473	\$11,653 / Unit		\$1,293,473				0.0%	\$0
Site Amenities	\$967,242		\$8,714 / Unit	\$967,242	\$967,242	\$8,714 / Unit		\$967,242				0.0%	\$0
Building Cost	\$15,095,568	\$149.84 /sf	\$140,819/Unit	\$15,630,948	\$15,453,840	\$139,224/Unit	\$148.14 /sf	\$15,095,568				1.1%	\$177,108
Contingency	\$758,376	4.37%	4.24%	\$758,376	\$758,376	4.28%	4.37%	\$758,376				0.0%	\$0
Contractor Fees	\$2,429,880	13.41%	13.43%	\$2,504,833	\$2,504,833	13.56%	13.41%	\$2,429,880				0.0%	\$0
Soft Costs	\$0	\$2,481,821	\$23,992 / Unit	\$2,663,071	\$2,663,071	\$23,992 / Unit		\$2,481,821		\$0		0.0%	\$0
Financing	\$0	\$1,232,836	\$21,838 / Unit	\$2,423,992	\$2,423,992	\$21,838 / Unit		\$1,232,836		\$0		0.0%	\$0
Developer Fee	\$0	\$3,638,879	15.00%	15.05%	\$3,730,429	\$3,692,620	15.00%	15.00%	\$3,638,879	\$0		1.0%	\$37,809
Reserves			10 Months	\$1,290,485	\$1,290,485	10 Months						0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$27,898,075	\$296,494 / Unit	\$32,910,849	\$32,695,932	\$294,558 / Unit	\$27,898,075	\$0	0.7%	\$214,917		
Acquisition Cost	\$0			\$0				\$0					
Contingency		\$0		\$0				\$0					
Contractor's Fee		\$0		\$0				\$0					
Financing Cost		\$0		\$0				\$0					
Developer Fee	\$0	\$0	15.00%	(\$11,243)									
Reserves				\$0				\$0					
ADJUSTED BASIS / COST		\$0	\$27,898,075	\$296,393/unit	\$32,899,606	\$32,695,932	\$294,558/unit	\$27,898,075	\$0	0.6%	\$203,674		
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$32,899,606								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

930 Military Parkway Living , Mesquite, 9% HTC #24023

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$27,898,075	\$0	\$27,898,075
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$27,898,075	\$0	\$27,898,075
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$36,267,498	\$0	\$36,267,498
Applicable Fraction	77.90%	77.90%	78%	78%
TOTAL QUALIFIED BASIS	\$0	\$28,250,933	\$0	\$28,250,933
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,542,584	\$0	\$2,542,584
CREDITS ON QUALIFIED BASIS	\$2,542,584		\$2,542,584	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9099	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,542,584	\$23,135,200	----	----	----
Needed to Fill Gap	\$2,178,966	\$19,826,606	----	----	----
Applicant Request	\$2,000,000	\$18,198,180	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	104,316 SF	\$120.73	12,593,963
Adjustments				
Exterior Wall Finish	3.60%		4.35	\$453,383
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.45%		4.17	434,492
Roof Adjustment(s)			(0.25)	(26,079)
Subfloor			0.60	62,590
Floor Cover			3.68	383,883
Breezeways	\$40.80	16,378	6.41	668,303
Balconies	\$40.69	8,339	3.25	339,329
Plumbing Fixtures	\$2,130	382	7.80	813,660
Rough-ins	\$790	222	1.68	175,380
Built-In Appliances	\$3,675	111	3.91	407,925
Exterior Stairs	\$3,550	16	0.54	56,800
Heating/Cooling			3.12	325,466
Storage Space	\$40.80	0	0.00	0
Carports	\$16.05	3,120	0.48	50,076
Garages	\$30.00	0	0.00	0
Common/Support Area	\$134.13	4,510	5.80	604,945
Elevators	\$168,600	2	3.23	337,200
Other:			0.00	0
Fire Sprinklers	\$3.65	125,204	4.38	456,995
SUBTOTAL			173.88	18,138,310
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			173.88	\$18,138,310
Plans, specs, survey, bldg permits	3.30%		(5.74)	(\$598,564)
Contractor's OH & Profit	11.50%		(20.00)	(2,085,906)
NET BUILDING COSTS		\$139,224/unit	\$148.14/sf	\$15,453,840

Long-Term Pro Forma

930 Military Parkway Living , Mesquite, 9% HTC #24023

	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%	\$1,637,472	\$1,670,221	\$1,703,626	\$1,737,698	\$1,772,452	\$1,956,931	\$2,160,610	\$2,385,488	\$2,633,771	\$2,907,896	\$3,210,552	\$3,544,709
TOTAL EXPENSES	3.00%	\$699,925	\$720,104	\$740,872	\$762,246	\$784,244	\$904,263	\$1,042,888	\$1,203,031	\$1,388,059	\$1,601,872	\$1,848,984	\$2,134,620
NET OPERATING INCOME ("NOI")		\$937,547	\$950,118	\$962,754	\$975,452	\$988,208	\$1,052,668	\$1,117,721	\$1,182,457	\$1,245,712	\$1,306,023	\$1,361,568	\$1,410,089
EXPENSE/INCOME RATIO		42.7%	43.1%	43.5%	43.9%	44.2%	46.2%	48.3%	50.4%	52.7%	55.1%	57.6%	60.2%
MUST -PAY DEBT SERVICE													
Regions Bank HUD 221(d)(4)		\$815,253	\$815,006	\$814,747	\$814,473	\$814,184	\$812,492	\$810,292	\$807,434	\$803,720	\$798,894	\$792,623	\$784,474
TOTAL DEBT SERVICE		\$815,253	\$815,006	\$814,747	\$814,473	\$814,184	\$812,492	\$810,292	\$807,434	\$803,720	\$798,894	\$792,623	\$784,474
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.30	1.38	1.46	1.55	1.63	1.72	1.80
ANNUAL CASH FLOW		\$122,294	\$135,111	\$148,008	\$160,980	\$174,024	\$240,176	\$307,429	\$375,023	\$441,992	\$507,130	\$568,945	\$625,615
Deferred Developer Fee Balance		\$1,506,132	\$1,371,020	\$1,223,013	\$1,062,033	\$888,009	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$179,997	\$1,582,336	\$3,322,304	\$5,398,799	\$7,805,180	\$10,527,941	\$13,545,146