



Real Estate Analysis Division

November 19, 2025

Addendum to Underwriting Report

TDHCA Application #: **25196** Program(s): **9% HTC**

Victoria Gardens

Address/Location: 1809 Grant St

City: Brownsville County: Cameron Zip: 78521

	APPLICATION HISTORY
Report Date	PURPOSE
11/19/25	9% State Credit Award Update
06/25/25	Original 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
State Housing Tax Credits	\$0				\$263,200						
FHTC (9% Credit)	\$2,000,000				\$2,000,000						

CONDITIONS STATUS

— Receipt and acceptance by Cost Certification:

- Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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	21
60% of AMI	60% of AMI	49

ANALYSIS

In July 2025, Victoria Gardens was awarded \$2,000,000 in annual 9% Housing Tax Credits. Now Applicant has applied for an additional \$263,200 in annual State Housing Tax Credits ("SHTC").

The amendment includes the following changes in tax credit units:

- Increasing the TC 30% 1-BR units from 2 to 6
- Decreasing the TC 50% 1-BR units from 4 to 0
- Increasing the TC 30% 2-BR units from 3 to 10
- Decreasing the TC 50% 2-BR units from 7 to 0
- Increasing the TC 30% 3-BR units from 2 to 5
- Decreasing the TC 50% 3-BR units from 3 to 0
- The total 60% units remains the same at 49
- The total market rate units remains the same at 13

Operating Pro Forma

Underwriter is utilizing 2025 rents.

The income and expenses remain relatively unchanged. Effective Gross Income decreased by \$355, while Total Expenses decreased by \$18 and Net Operating Income decreased by \$337.

As underwritten, the long-term Pro Forma exhibits a 15-year residual cash flow of \$1.6M after repayment of deferred developer fee in year 4.

DCR increased from 1.18 to 1.29 primarily due to the substitution of debt with equity.

Development Cost

Building costs did not change from previous underwriting.

Total Housing Development Costs were reduced by \$34,700 due to a \$17,200 decrease in Financing Costs, a \$1,800 decrease in Developer Fee and a \$15,700 decrease in Reserves.

Sources of Funds

Legacy Bank loan decreased by \$400,000 (from \$4,500,000 to \$4,100,000).

Housing Authority COB loan decreased by \$455,000 (from \$910,000 to \$455,000).

The reduction in the senior debt and the reduction in the cash flow loan from the Housing Authority were primarily facilitated by the additional SHTC equity.

The equity investment letter for the State Housing Credits from Hudson Housing Capital indicates that the Investor (Hudson) will contribute to the Partnership a total capital contribution of \$17,913,000 (the Total Equity), or approximately \$0.83 (the Tax Credit Price) per total Tax Credit available to the Investor and \$0.50 (the State Tax Credit Price) per total State Tax Credit. The total capital contribution of \$17,913,000 represents \$16,598,000 in LIHTC equity with an annual allocation of \$2,000,000 and \$1,315,000 in SHTC equity with an annual allocation of \$263,200.

The revised debt and equity structure also facilitates a \$494,700 reduction in Deferred Developer Fee.

Recommendation:

Underwriter recommends \$263,200 in annual State Housing Tax Credits as requested by the Applicant.

Furthermore, Underwriter still recommends an annual Federal Tax Credit allocation of \$2,000,000 as previously awarded.

Underwriter:	<u>Georgia Simmons</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE									
Victoria Gardens, Brownsville, 9% HTC #25196									

LOCATION DATA	
CITY:	Brownsville
COUNTY:	Cameron
Area Median Income	\$66,500
PROGRAM REGION:	11
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	20	24.1%	0	0	0	0
2	43	51.8%	0	0	0	0
3	20	24.1%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	83	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	84.33%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	975 sf

51%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	21	-	-	49	-	-	13	83
	% Total	0.0%	25.3%	0.0%	0.0%	59.0%	0.0%	0.0%	15.7%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
FEDERAL 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%	\$447	6	1	1	735	\$447	\$67	\$380	\$0	\$0.52	\$380	\$2,280	\$2,280	\$380	\$0.52	\$0	\$860	\$1.17	\$1,100
TC 60%	\$894	11	1	1	735	\$894	\$67	\$827	\$0	\$1.13	\$827	\$9,097	\$9,097	\$827	\$1.13	\$0	\$860	\$1.17	\$1,100
MR		3	1	1	735	\$0	\$67		NA	\$1.17	\$860	\$2,580	\$2,580	\$860	\$1.17	NA	\$860	\$1.17	\$1,100
TC 30%	\$536	10	2	2	982	\$536	\$88	\$448	\$0	\$0.46	\$448	\$4,480	\$4,480	\$448	\$0.46	\$0	\$1,020	\$1.04	\$1,350
TC 60%	\$1,072	26	2	2	982	\$1,072	\$88	\$984	\$0	\$1.00	\$984	\$25,584	\$25,584	\$984	\$1.00	\$0	\$1,020	\$1.04	\$1,350
MR		7	2	2	982	\$0	\$88		NA	\$1.04	\$1,020	\$7,140	\$7,140	\$1,020	\$1.04	NA	\$1,020	\$1.04	\$1,350
TC 30%	\$619	5	3	2	1,201	\$619	\$108	\$511	\$0	\$0.43	\$511	\$2,555	\$2,555	\$511	\$0.43	\$0	\$1,170	\$0.97	\$1,450
TC 60%	\$1,239	12	3	2	1,201	\$1,239	\$108	\$1,131	\$0	\$0.94	\$1,131	\$13,572	\$13,572	\$1,131	\$0.94	\$0	\$1,170	\$0.97	\$1,450
MR		3	3	2	1,201	\$0	\$108		NA	\$0.97	\$1,170	\$3,510	\$3,510	\$1,170	\$0.97	NA	\$1,170	\$0.97	\$1,450
TOTALS/AVERAGES:		83			80,946				\$0	\$0.87	\$853	\$70,798	\$70,798	\$853	\$0.87	\$0	\$1,018	\$1.04	\$1,314

ANNUAL POTENTIAL GROSS RENT:	\$849,576	\$849,576	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

Victoria Gardens, Brownsville, 9% HTC #25196

STABILIZED FIRST YEAR PRO FORMA

COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Local Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT			\$0.87	\$853	\$849,576	\$849,960	\$849,960	\$849,576	\$853	\$0.87		0.0%	\$0
late fees, phone, cable laundry				\$15.00	\$14,940	14,940							
Total Secondary Income				\$15.00			14,940	\$14,940	\$15.00			0.0%	\$0
POTENTIAL GROSS INCOME					\$864,516	\$864,900	\$864,900	\$864,516				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI	(64,839)	(64,868)	(64,868)	(64,839)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME					\$799,677	\$800,033	\$800,033	\$799,677				0.0%	\$0

General & Administrative	\$35,928	\$433/Unit	\$46,572	\$561	3.65%	\$0.36	\$352	\$29,220	\$29,220	\$35,928	\$35,928	\$433	\$0.44	4.49%	-18.7%	(6,708)
Management	\$34,963	4.0% EGI	\$30,760	\$371	5.00%	\$0.49	\$482	\$39,984	\$40,002	\$40,002	\$39,984	\$482	\$0.49	5.00%	0.0%	0
Payroll & Payroll Tax	\$110,086	\$1,326/Unit	\$110,176	\$1,327	12.70%	\$1.25	\$1,224	\$101,571	\$101,571	\$110,176	\$110,176	\$1,327	\$1.36	13.78%	-7.8%	(8,605)
Repairs & Maintenance	\$53,682	\$647/Unit	\$39,466	\$475	6.02%	\$0.60	\$580	\$48,179	\$48,179	\$53,950	\$53,950	\$650	\$0.67	6.75%	-10.7%	(5,771)
Electric/Gas	\$18,781	\$226/Unit	\$11,616	\$140	1.90%	\$0.19	\$183	\$15,228	\$15,228	\$11,616	\$11,616	\$140	\$0.14	1.45%	31.1%	3,612
Water, Sewer, & Trash	\$58,119	\$700/Unit	\$40,963	\$494	5.49%	\$0.54	\$529	\$43,884	\$43,884	\$40,963	\$40,963	\$494	\$0.51	5.12%	7.1%	2,921
Property Insurance	\$72,909	\$0.90 /sf	\$122,907	\$1,481	10.12%	\$1.00	\$975	\$80,946	\$80,946	\$80,946	\$80,946	\$975	\$1.00	10.12%	0.0%	-
Property Tax (@ 0%) 2.276383	\$60,951	\$734/Unit	\$29,044	\$350	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					2.59%	\$0.26	\$250	\$20,750	\$20,750	\$20,750	\$20,750	\$250	\$0.26	2.59%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.35%	\$0.03	\$34	\$2,800	\$2,800	\$2,800	\$2,800	\$34	\$0.03	0.35%	0.0%	-
TOTAL EXPENSES					47.84%	\$4.73	\$4,609	\$382,562	\$382,580	\$397,131	\$397,113	\$4,784	\$4.91	49.66%	-3.7%	\$ (14,551)
NET OPERATING INCOME ("NOI")					52.16%	\$5.15	\$5,025	\$417,115	\$417,453	\$402,902	\$402,564	\$4,850	\$4.97	50.34%	3.6%	\$ 14,551

CONTROLLABLE EXPENSES			\$2,868/Unit			\$3,044/Unit		
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

		DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
UW	App	Applicant	TDHCA						DCR	LTC							
DEBT (Must Pay)	Fee	1.25	1.29	322,982	7.25%	35	15	\$4,100,000	\$4,500,000	\$4,500,000	\$4,100,000	15	35	7.25%	\$322,982	1.29	17.3%
CASH FLOW DEBT / GRANTS																	
Housing Authority COB		1.25	1.29		0.50%	0	40	\$455,000	\$910,000	\$910,000	\$455,000	40	0	0.50%		1.29	1.9%
HACB/BHFC - HUD CFP Funds		1.25	1.29		2.00%	0	30	\$888,799	\$888,799	\$888,799	\$888,799	30	0	2.00%		1.29	3.8%
City of Brownsville		1.25	1.29		0.00%	0	0	\$1,000	\$1,000	\$1,000	\$1,000	0	0	0.00%		1.29	0.0%
				\$322,982	TOTAL DEBT / GRANT SOURCES			\$5,444,799	\$6,299,799	\$6,299,799	\$5,444,799	TOTAL DEBT SERVICE			\$322,982	1.29	23.0%

NET CASH FLOW	\$79,582	\$94,133	APPLICANT		NET OPERATING INCOME		\$417,115	\$94,133	NET CASH FLOW
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EQUITY / DEFERRED FEES	EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
								Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
	Prior Underwriting												
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA						
Hudson Housing Capital	LIHTC Equity	70.1%	\$2,000,000	\$0.83	\$16,598,000	\$16,598,000	\$16,598,000	\$16,598,000	\$0.83	\$2,000,000	70.1%	\$24,096	Applicant Request
Hudson Housing Capital	SHTC Equity	5.6%	\$263,200	\$0.50	\$1,315,000	\$0		\$1,315,000	\$0.50	\$263,200	5.6%		
VDC Victoria Gardens Development, LLC	Deferred Developer Fees	1.4%	(11% Deferred)		\$331,999	\$826,699	\$826,699	\$331,999	(11% Deferred)		1.4%	Total Developer Fee:	\$2,904,404
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		77.0%			\$18,244,999	\$17,424,699	\$17,424,699	\$18,244,999			77.0%		

TOTAL CAPITALIZATION						\$23,689,798	\$23,724,498	\$23,724,498	\$23,689,798			15-Yr Cash Flow after Deferred Fee:		\$1,589,387
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		DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE		
		Eligible Basis					Prior Underwriting					Eligible Basis				
		Acquisition	New Const. Rehab				Applicant	TDHCA				New Const. Rehab	Acquisition			%
Land Acquisition				\$10,964 / Unit		\$910,000	\$910,000	\$910,000	\$910,000	\$910,000	\$10,964 / Unit				0.0%	\$0
Off-Sites			\$0	\$1,536 / Unit		\$127,505	\$127,505	\$127,505	\$127,505	\$127,505	\$1,536 / Unit		\$0		0.0%	\$0
Site Work			\$1,513,652	\$28,945 / Unit		\$2,402,451	\$2,402,451	\$2,402,451	\$2,402,451	\$2,402,451	\$28,945 / Unit		\$1,513,652		0.0%	\$0
Site Amenities			\$236,250	\$2,846 / Unit		\$236,250	\$236,250	\$236,250	\$236,250	\$236,250	\$2,846 / Unit		\$236,250		0.0%	\$0
Building Cost			\$11,512,332	\$142.22 /sf	\$138,703/Unit	\$11,512,332	\$11,512,332	\$11,687,257	\$11,687,257	\$11,687,257	\$140,810/Unit	\$144.38 /sf	\$11,512,332		-1.5%	(\$174,925)
Contingency			\$713,926	5.38%	5.00%	\$713,926	\$713,926	\$713,926	\$713,926	\$713,926	4.94%	5.38%	\$713,926		0.0%	\$0
Contractor Fees			\$1,956,661	14.00%	13.05%	\$1,956,661	\$1,956,661	\$1,956,661	\$1,956,661	\$1,956,661	12.90%	14.00%	\$1,956,661		0.0%	\$0
Soft Costs		\$0	\$1,401,952	\$16,891 / Unit		\$1,401,952	\$1,401,952	\$1,401,952	\$1,401,952	\$16,891 / Unit		\$1,401,952	\$0	0.0%	\$0	
Financing		\$0	\$1,011,617	\$14,481 / Unit		\$1,201,917	\$1,219,117	\$1,219,117	\$1,201,917	\$14,481 / Unit		\$1,011,617	\$0	0.0%	\$0	
Developer Fee		\$0	\$2,751,958	15.00%	15.00%	\$2,904,404	\$2,906,204	\$2,906,204	\$2,904,404	14.87%	15.00%	\$2,751,958	\$0	0.0%	\$0	
Reserves				5 Months		\$322,400	\$338,100	\$338,100	\$322,400	5 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$21,098,348	\$285,419 / Unit		\$23,689,798	\$23,724,498	\$23,899,423	\$23,864,723	\$287,527 / Unit		\$21,098,348	\$0	-0.7%	(\$174,925)	
Acquisition Cost		\$0					\$0	\$0								
Contingency			\$0				\$0	\$0								
Contractor's Fee			\$0				\$0	\$0								
Financing Cost			\$0													
Developer Fee		\$0	\$0			\$0	\$0									
Reserves							\$0	\$0								

ADJUSTED BASIS / COST	\$0	\$21,098,348	\$285,419/unit	\$23,689,798	\$23,724,498	\$23,899,423	\$23,864,723	\$287,527/unit	\$21,098,348	\$0	-0.7%	(\$174,925)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):				\$23,689,798								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
Victoria Gardens, Brownsville, 9% HTC #25196

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$21,098,348	\$0	\$21,098,348
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,098,348	\$0	\$21,098,348
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$27,427,852	\$0	\$27,427,852
Applicable Fraction	84.33%	84.33%	84%	84%
TOTAL QUALIFIED BASIS	\$0	\$23,130,666	\$0	\$23,130,666
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,081,760	\$0	\$2,081,760
CREDITS ON QUALIFIED BASIS	\$2,081,760		\$2,081,760	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8299	Variance to Request	
	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,081,760	\$17,276,526	----	----	----
Needed to Fill Gap	\$2,040,005	\$16,929,999	----	----	----
Applicant Request	\$2,000,000	\$16,598,000	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Fourplex	80,946 SF	\$125.54	10,162,094
Adjustments				
Exterior Wall Finish	2.30%		2.89	\$234,229
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.29%		4.13	334,142
Roof Adjustment(s)			0.37	30,000
Subfloor			(1.12)	(90,334)
Floor Cover			3.75	303,548
Breezeways	\$52.39	2,220	1.44	116,306
Balconies	\$52.58	6,750	4.38	354,915
Plumbing Fixtures	\$1,460	272	4.91	397,120
Rough-ins	\$715	166	1.47	118,690
Built-In Appliances	\$2,200	83	2.26	182,600
Exterior Stairs	\$4,250	12	0.63	51,000
Heating/Cooling			4.11	332,688
Storage Space	\$52.39	0	0.00	0
Carports	\$21.40	0	0.00	0
Garages	\$41.00	0	0.00	0
Common/Support Area	\$125.77	5,461	8.49	686,830
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$4.60	88,627	5.04	407,684
SUBTOTAL			168.28	13,621,512
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			168.28	\$13,621,512
Plans, specs, survey, bldg permits	3.10%		(5.22)	(\$422,267)
Contractor's OH & Profit	11.10%		(18.68)	(1,511,988)
NET BUILDING COSTS		\$140,810/unit	\$144.38/sf	\$11,687,257

Long-Term Pro Forma

Victoria Gardens, Brownsville, 9% HTC #25196

	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%	\$799,677	\$815,671	\$831,984	\$848,624	\$865,596	\$955,688	\$1,055,157	\$1,164,979	\$1,286,231	\$1,420,103	\$1,567,908
TOTAL EXPENSES	3.00%	\$382,562	\$393,639	\$405,040	\$416,776	\$428,855	\$494,771	\$570,938	\$658,962	\$760,702	\$878,313	\$1,014,286
NET OPERATING INCOME ("NOI")		\$417,115	\$422,032	\$426,944	\$431,848	\$436,742	\$460,917	\$484,219	\$506,017	\$525,528	\$541,790	\$553,622
EXPENSE/INCOME RATIO		47.8%	48.3%	48.7%	49.1%	49.5%	51.8%	54.1%	56.6%	59.1%	61.8%	64.7%
MUST -PAY DEBT SERVICE												
Legacy Bank and Trust		\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982
TOTAL DEBT SERVICE		\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982	\$322,982
DEBT COVERAGE RATIO		1.29	1.31	1.32	1.34	1.35	1.43	1.50	1.57	1.63	1.68	1.71
ANNUAL CASH FLOW												
		\$94,133	\$99,050	\$103,962	\$108,866	\$113,760	\$137,935	\$161,237	\$183,035	\$202,547	\$218,808	\$230,640
Deferred Developer Fee Balance		\$237,866	\$138,816	\$34,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$74,013	\$187,773	\$829,339	\$1,589,387	\$2,461,713	\$3,436,516	\$4,499,552	\$5,631,126

25196 Victoria Gardens - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 25, 2025

PROPERTY IDENTIFICATION		RECOMMENDATION			
Application #	25196	TDHCA Program	Request	Recommended	
Development	Victoria Gardens	FHTC (9% Credit)	\$2,000,000	\$2,000,000	\$24,096/Unit \$0.83
City / County	Brownsville / Cameron				
Region/Area	11 / Urban				
Population	General				
Set-Aside	Non-Profit				
Activity	Reconstruction				

KEY PRINCIPALS / SPONSOR		
• Versa Development, LLC (Co-Developer 50% Fee) Manish Verma		
• Brownsville Housing Opportunity Corporation (Co-Developer 50% Fee) Luis Eduardo Garduno- President		
Related Parties	Contractor - TBD	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

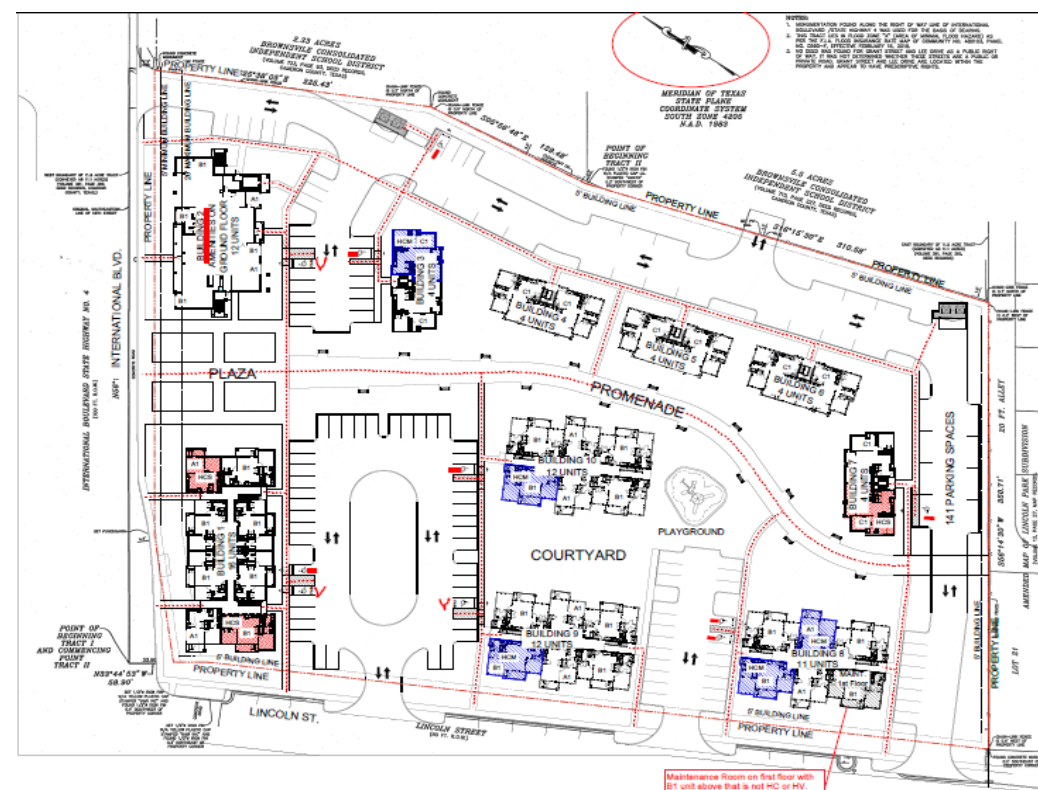


1 TYPE I - FRONT ELEVATION - PRES
1/18" = 1'-0"

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	20	24%	30%	7	8%
2	43	52%	40%	-	0%
3	20	24%	50%	14	17%
4	-	0%	60%	49	59%
			70%	-	0%
			80%	-	0%
			MR	13	16%
TOTAL	83	100%	TOTAL	83	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	Expense Ratio	47.8%
Breakeven Occ.	85.2%	Breakeven Rent	\$785
Average Rent	\$853	B/E Rent Margin	\$68
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,609/unit	Controllable	\$2,868/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			1.7%
Highest Unit Capture Rate	3%	2 BR/50%	7
Dominant Unit Cap. Rate	3%	2 BR/60%	26
Premiums (↑80% Rents)	No		
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	975 SF	Density	14.2/acre
Acquisition		\$11K/unit	\$910K
Building Cost	\$142.22/SF	\$139K/unit	\$11,512K
Hard Cost		\$181K/unit	\$14,992K
Total Cost		\$286K/unit	\$23,724K
Developer Fee	\$2,906K	(28% Deferred)	Paid Year: 10
Contractor Fee	\$1,957K	30% Boost	Yes

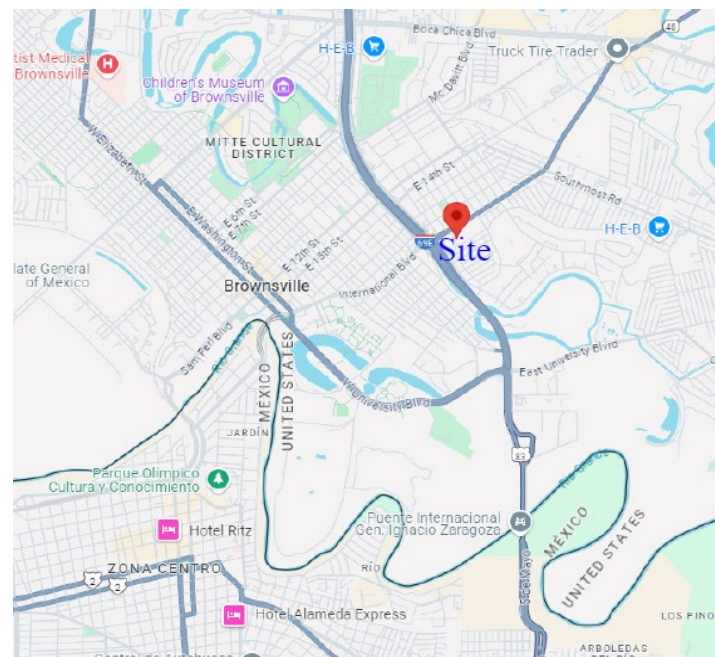
DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Legacy Bank and Trust	15/35	7.25%	\$4,500,000	1.18	Housing Authority COB	40/0	0.50%	\$910,000	1.18	Hudson Housing Capital	\$16,598,000
					HACB/BHFC - HUD CFP Funds	30/0	2.00%	\$888,799	1.18	VDC Victoria Gardens Development, L	\$826,699
					City of Brownsville	0/0	0.00%	\$1,000	1.18		
										TOTAL EQUITY SOURCES	\$17,424,699
										TOTAL DEBT SOURCES	\$6,299,799
TOTAL DEBT (Must Pay)			\$4,500,000		CASH FLOW DEBT / GRANTS			\$1,799,799		TOTAL CAPITALIZATION	\$23,724,498

CONDITIONS

- Receipt and acceptance by Cost Certification:
 - Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	Low Gross Capture Rate of 1.7%
▫	Full Property Tax Exemption
▫	New reconstructed development and attractive
WEAKNESSES/RISKS	
▫	Construction Cost Risk
▫	Feasibility dependent upon property tax exemption
AREA MAP	



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

June 25, 2025

DEVELOPMENT IDENTIFICATIONTDHCA Application #: **25196** Program(s): **9% HTC****Victoria Gardens**

Address/Location: 1809 Grant St

City: Brownsville County: Cameron Zip: 78521

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

Activity: Reconstruction Building Type: Fourplex Region: 11

Low-Income: 40% at 60%

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

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

CONDITIONS

— Receipt and acceptance by Cost Certification:

- Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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	7
50% of AMI	50% of AMI	14
60% of AMI	60% of AMI	49

DEVELOPMENT SUMMARY

Victoria Gardens will be a combination of reconstruction and new construction. The original Victoria Gardens units were built in 1944 and have outlived their useful life. The existing forty-six (46) units will be demolished, removed, and replaced with a total of eighty-three (83) units of new housing serving families in the Brownsville area. The unit mix consists of twenty (20) 1-bedroom units, forty-three (43) 2-bedroom units, and twenty (20) 3-bedroom units. Seventy (70) of the units will be allocated to residents earning at or below 60% AMI, with the remaining thirteen (13) units leased at market rates. The site has never had any LIHTCs associated with the property. Site control is in the form of a ground lease with a term of 75 years on property owned by the Housing Authority of the City of Brownsville (HACB). HACB was the recipient of a 2021 HUD Choice Neighborhood Planning Grant. Victoria Gardens represents the anchor site for the HUD Choice Neighborhood Plan making it eligible for Tax Credit preference.

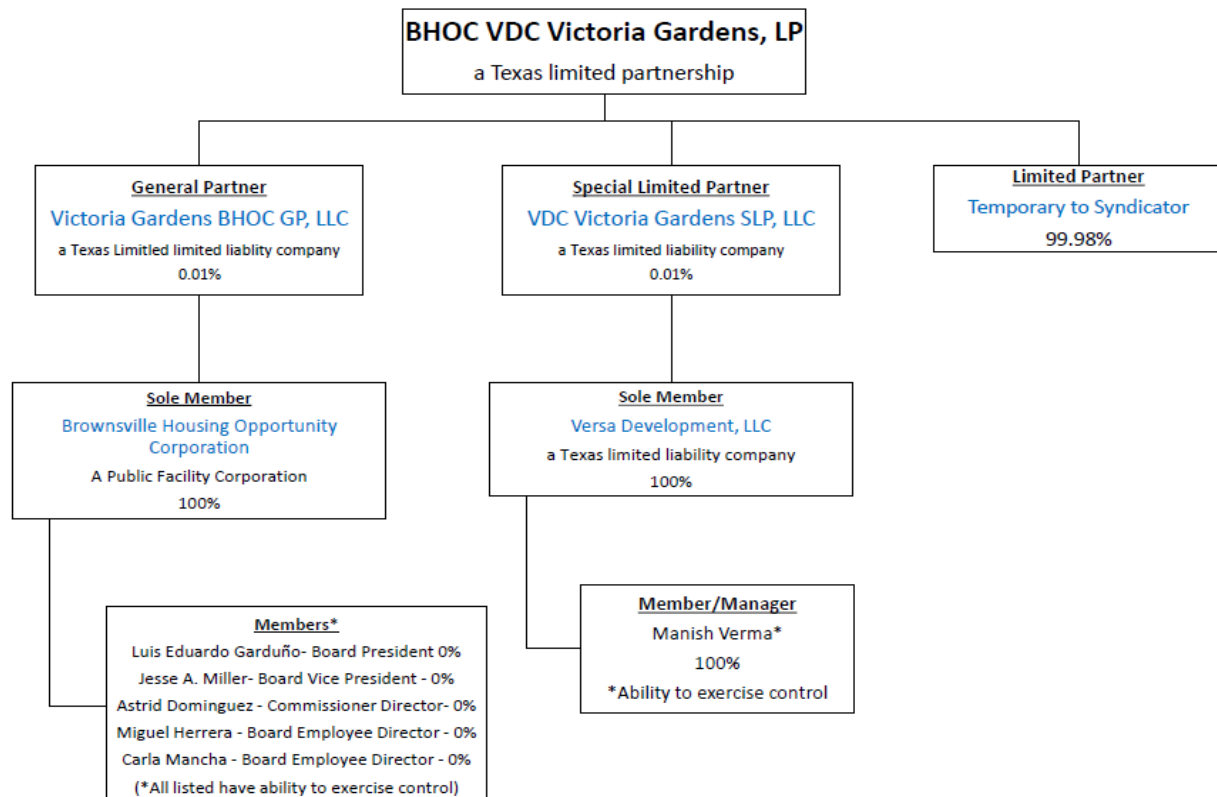
RISK PROFILE

STRENGTHS/MITIGATING FACTORS		WEAKNESSES/RISKS	
▫	Low Gross Capture Rate of 1.7%	▫	Construction Cost Risk
▫	Full Property Tax Exemption	▫	Feasibility dependent upon property tax exemption
▫	New reconstructed development and attractive design should enhance leasing	▫	

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

Victoria Gardens – Owner Organizational Chart



SITE PLAN

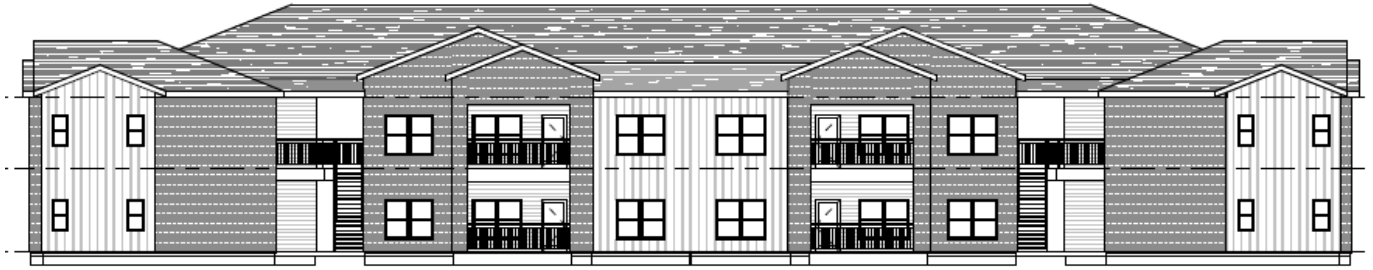




Comments:

The project will have 141 open surface parking spaces (1.7/unit) which is in compliance with the local code requirement of 95 parking spaces. All parking will be provided at no charge to the residents.

BUILDING ELEVATION



① TYPE I - FRONT ELEVATION - PRES
1/16" = 1'-0"

BUILDING CONFIGURATION

Building Type	TYPE I	TYPE II	TYPE III	TYPE IV	TYPE IV								Total Buildings	
Floors/Stories	2	3	2	2	2									
Number of Bldgs	1	1	5	2	1									10
Units per Bldg	16	12	4	12	11									
Total Units	16	12	20	24	11									83
Avg. Unit Size (SF)		975 sf		Total NRA (SF)		80,946		Common Area (SF)*				5,972		

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.84 acres Density: 14.2 units/acre
Site Control: 6.07 **Site Plan:** 5.84 **Appraisal:** 5.84 **ESA:** 5.84
Feasibility Report Survey: 5.84 **Feasibility Report Engineer's Plan:** 5.84 **Existing LURA:** N/A

Control Type: Contract for Ground Lease and Bill of Sale

Development Site: 5.84 acres Cost: \$910,000 \$10,964 per unit

Seller: Housing Authority of the City of Brownsville

Buyer: BHOC VDC Victoria gardens, L. P.

Related-Party Seller/Identity of Interest: Yes

Comments:

The ground lease lists 6.07 acres, including an apparent Right-of-Way (ROW) encroachment along International Blvd. The ROW area is expected to be deeded to the City of Brownsville prior to construction start as part of the permitting and entitlement process. No buildings will be constructed in the ROW easement, hence the net of 5.84 acres in all relevant reports.

The acquisition is an identity of interest transaction and an appraisal was provided to support the acquisition price and acquisition eligible basis. Brownsville Housing Opportunity Corporation (non-profit affiliate of the Housing Authority of the City of Brownsville) is the sole member of the GP. The Housing Authority of the City of Brownsville will retain ownership of the land and lease it to the Partnership under a 75-year ground lease, thereby facilitating an ad valorem tax exemption for the development.

The project is owned by the Housing Authority of the City of Brownsville and was used exclusively as public housing. HUD previously approved the disposition of the project from public housing.

APPRAISED VALUE

Appraiser: Araiza Appraisal & Consulting Date: 1/30/2025

Land as Vacant: 5.84 acres \$910,000 Per Unit: \$10,964

Comments:

The appraisal conclusion is based on an "As Is, As If Vacant" Market Value.

SITE INFORMATION

Flood Zone: <u>X</u>	Scattered Site? <u>No</u>
Zoning: <u>Trad NBHD Corridor TN-C</u>	Within 100-yr floodplain? <u>No</u>
Re-Zoning Required? <u>No</u>	Utilities at Site? <u>Yes</u>
Year Constructed: <u>N/A</u>	Title Issues? <u>No</u>

Current Uses of Subject Site:

According to historical resources, the Victoria Gardens Housing Development has occupied the property since 1944. Prior to 1944, the property was undeveloped.

TENANT RELOCATION PLAN

This Relocation and Transition Plan sets forth the policies and procedures to be utilized by the Housing Authority of the City of Brownsville (HACB) and the Project Owner for relocation of residents as of result of the Buena Vida Choice Neighborhoods Implementation planning effort and the Rental Assistance Demonstrations Program (RAD). HACB and the City of Brownsville (COB) have partnered to lead efforts to transfer assistance from the Victoria Gardens public housing development to El Jardin Apartments. Both developments are located in Brownsville, Texas. The Victoria Gardens development built in 1949 has 44 units and features one-story duplex apartments. HACB will transfer the project-based assistance to El Jardin Apartments, an eight-story building that is in the final stage of renovation. Victoria Gardens Families received a Resident Information Notice (RIN) and a General Information Notice (GIN) on January 22, 2021 to advise the residents about the HACB's plans to convert the public housing assistance to the Rental Assistance Demonstration (RAD) program.

Since the HACB is undergoing a transfer of assistance to El Jardin, the families will be required to move to El Jardin permanently. A Relocation Specialist has been designated to meet with each family to assist with their relocation needs. Families will be offered new units based on their original move-in date. Residents who have chosen not to move into El Jardin have already begun to relocate to other HACB properties. The families that continued to reside at Victoria Gardens past Dec. 1, 2024, signed an Interim Tenancy Addendum to Tenant Lease. The applicant prepared memo dated 5/21/25 indicates that there are 21 families waiting to relocate to either El Jardin (18 families estimated) or another location of their choice. The families moving to El Jardin will be permanently relocated to El Jardin after July 31st, 2025. All families will be eligible for Uniform Relocation Act (URA) assistance in moving to the new site. All of the new units at El Jardin Apartments have been determined to be comparable replacement units for purposes of calculating replacement housing payments. Families will be eligible for: 1) Counseling in preparation for the relocation, 2) Relocation assistance and payments 3) and Reimbursement for reasonable out of pocket expenses, including moving expenses. All moving expenses will be paid for by the HACB and the family may receive a \$100 moving expense and dislocation allowance.

Since this is a one time transfer, no storage will be provided by the HACB except as otherwise provided in the Relocation Plan. The new property at El Jardin Apartments also has a small storage closet in each unit.

The HACB has budgeted the total relocation expenses in the amount of \$160,351 and the actual moving costs in the amount of \$142,931. These costs are not allocated to the Victoria Gardens project. These costs were previously captured and covered by a previous project, El Jardin, a 2021 9% LIHTC award. The cost are associated with the move of the residents out of Victoria Gardens to The El Jardin project.

Since Victoria Gardens was the anchor for the International/Southmost Choice Neighborhood Plan, the families have the first choice to return to Victoria Gardens once it has been rebuilt. The tenant relocation does not address moving from El Jardin to Victoria Gardens, but per the applicant, this point was communicated to the families at the meetings held with them during the planning of the International/Southmost Transformation Plan.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Ambiotec Environmental Consultants, Inc.

Date: 2/24/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- No recognized environmental conditions (RECs) were identified at the subject property.
- Lead Based Paint was found in exterior paint samples collected from brick door-top trims, and concrete fascias and soffits; however, the paint was intact and in good condition, and no O&M was recommended. Worker protection and monitoring may be required during planned demolition activities that would disturb LBP.

MARKET ANALYSIS

Provider: Gibson Consulting, LLC

Date: 3/27/2025

Primary Market Area (PMA): 29.5 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
21228	El Jardin	Yes	New Const	General	N/A	44
23015	Avanti Legacy del Sol	Yes	New Const	Elderly	N/A	84
23019	Avanti Legacy Lyon	Yes	New Const	Elderly	N/A	84
23035	Alton Gloor Lofts	Yes	New Const	General	76	78

Other Affordable Developments in PMA since 2020

21048	Price Lofts	New Const	General	N/A	88
22412	Rockwell Manor	rehab	General	N/A	126

Stabilized Affordable Developments in PMA

Total Units	2,396
Total Developments	19
Average Occupancy	95.9%

Comments:

The surveyed complexes consisting of 3,285 units had occupancy of 96.4%. Of this total, reported LIHTC units surveyed totaled 2,396 units and had occupancy of 95.9%. An onsite survey indicates 98 vacancies in the tax credit units. The market is considered to be tight, meaning that newly constructed units are expected to be occupied quickly. (p.35)

Overall market vacancy rate for competitive housing in the market area is 2.2%. The reported occupancy rate for the LIHTC complexes is 95.9%. The LIHTC complexes are Class B to D and the market rate units are Class A with some Class B. The occupancy rate is consistent with no discernible difference due to class for the market rate units. The LIHTC units also have similar occupancy with no difference in the complexes surveyed due to class. (p.49)

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	34,071			
Potential Demand from the Primary Market Area	7,778			
10% External Demand	778			
Potential Demand from Other Sources	0			
GROSS DEMAND	8,556			
Subject Affordable Units	70			
Unstabilized Competitive Units	76			
RELEVANT SUPPLY	146			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE				
	1.7%			

Population:	General	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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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	2,417	242	7	8	0.6%				
50% AMGI	10,000	1000	14	16	0.3%				
60% AMGI	4,361	436	49	52	2.1%				

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%	644	64	2	2	0.6%				
1 BR/50%	266	27	4	4	2.7%				
1 BR/60%	1,161	116	11	12	1.8%				
2 BR/30%	948	95	3	4	0.7%				
2 BR/50%	392	39	7	8	3.5%				
2 BR/60%	1,710	171	26	30	3.0%				
3 BR/30%	602	60	2	2	0.6%				
3 BR/50%	249	25	3	4	2.6%				
3 BR/60%	1,086	109	12	12	2.0%				

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$417,453	Avg. Rent:	\$853	Expense Ratio:	47.8%
Debt Service:	\$354,492	B/E Rent:	\$785	Controllable Expenses:	\$2,868
Net Cash Flow:	\$62,960	UW Occupancy:	92.5%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.18	B/E Occupancy:	85.2%	Program Rent Year:	2024

The number of unrestricted units just exceeds 15% of the mix, so concluded Market Analyst rents could have been budgeted. However, Applicant chose to budget those units closer to gross 60% program rents. If the higher Market Analyst rents were used, the DCR would only increase to 1.25, still within feasibility threshold. In any event, the analysis is based on Applicant's more conservative assumptions.

Underwriter utilized the Database average for G&A expenses and local comps for Payroll, Utility and WST expenses. Applicant's expenses were used in the analysis since there is only a 3.7 % variance with Underwriter's expense assumptions.

Site control is in the form of a ground lease with a term of 75 years on property owned by the Housing Authority of the City of Brownsville. This will allow the development to qualify for an ad valorem tax exemption.

As underwritten, residual 15-year cash flow is \$628K after deferred developer fee is paid off in year 10.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$155,822/ac	\$10,964/unit	\$910,000	Contractor Fee	\$1,956,661
Off-site + Site Work		\$33,328/unit	\$2,766,206	Soft Cost + Financing	\$2,621,069
Building Cost	\$142.22/sf	\$138,703/unit	\$11,512,332	Developer Fee	\$2,906,204
Contingency	5.00%	\$8,602/unit	\$713,926	Reserves	\$338,100
Total Development Cost	\$285,837/unit	\$23,724,498	Rehabilitation Cost	N/A	

Qualified for 30% Basis Boost?

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

Building Cost:

Underwriter estimated building cost using Marshall and Swift's "Good Quality" Base Cost. This resulted in an estimate of \$139K/unit (\$142/sf) as compared to Applicant's budget of \$141K/unit (\$144/sf). The difference only equates to a 1.5% variance so Applicant's budgeted costs are used in the underwriting analysis.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$23,724,498	\$21,112,148	\$2,083,122

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Legacy Bank and Trust	Conventional Loan	\$7,950,000	8.00%	34%
Housing Authority COB	Seller Take-Back Loan	\$910,000	0.50%	4%
HACB/BHFC - HUD CFP Funds	HUD CFP Funds	\$888,799	2.00%	4%
Hudson Housing Capital	FHTC	\$11,618,600	\$0.83	49%
VDC Victoria Gardens Development, LLC	Deferred Developer Fee	\$2,356,099	0.00%	10%
City of Brownsville	Reduced Building Permit Fee	\$1,000	0.00%	0%
		\$23,724,498	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Legacy Bank and Trust	\$4,500,000	7.25%	35	15.0	\$4,500,000	7.25%	35	15.0	19%
Housing Authority COB	\$910,000	0.50%	0	40.0	\$910,000	0.50%	0	40.0	4%
HACB/BHFC - HUD CFP Funds	\$888,799	2.00%	0	30.0	\$888,799	2.00%	0	30.0	4%
City of Brownsville	\$1,000	0.00%	0	0.0	\$1,000	0.00%	0	0.0	0%
Total	\$6,299,799				\$6,299,799				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hudson Housing Capital	\$16,598,000	\$0.83		\$16,598,000	\$0.83	70%	
VDC Victoria Gardens Development, LLC	\$826,699		28%	\$826,699		3%	28%
Total	\$17,424,699			\$17,424,699			
				\$23,724,498	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.871	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.799	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:

Total Development Cost	\$23,724,498
Permanent Sources (debt + non-HTC equity)	\$6,299,799
Gap in Permanent Financing	\$17,424,699

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$17,287,826	\$2,083,122
Needed to Balance Sources & Uses	\$17,424,699	\$2,099,614
Requested by Applicant	\$16,598,000	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$16,598,000	\$2,000,000

Deferred Developer Fee	\$826,699	(28% deferred)
Repayable in	10 years	

Recommendation:

Underwriter recommends Applicant's request of \$2,000,000 in annual 9% Housing Tax Credits.

Underwriter:	<i>Georgia Simmons</i>
Manager of Real Estate Analysis:	<i>Gregg Kazak</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>

UNIT MIX/RENT SCHEDULE		
Victoria Gardens, Brownsville, 9% HTC #25196		

LOCATION DATA	
CITY:	Brownsville
COUNTY:	Cameron
Area Median Income	\$0
PROGRAM REGION:	11
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	20	24.1%	0	0	0	0
2	43	51.8%	0	0	0	0
3	20	24.1%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	83	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	84.33%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	975 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	7	-	14	49	-	-	13	83
Income	% Total	0.0%	8.4%	0.0%	16.9%	59.0%	0.0%	0.0%	15.7%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
FEDERAL 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%	\$421	2	1	1	735	\$421	\$78	\$343	\$0	\$0.47	\$343	\$686	\$686	\$343	\$0.47	\$0	\$1,100	\$1.50	\$1,100
TC 50%	\$703	4	1	1	735	\$703	\$78	\$625	\$0	\$0.85	\$625	\$2,500	\$2,500	\$625	\$0.85	\$0	\$1,100	\$1.50	\$1,100
TC 60%	\$843	11	1	1	735	\$843	\$78	\$765	\$0	\$1.04	\$765	\$8,415	\$8,415	\$765	\$1.04	\$0	\$1,100	\$1.50	\$1,100
MR		3	1	1	735	\$0	\$78		NA	\$1.17	\$860	\$2,580	\$2,580	\$860	\$1.17	NA	\$860	\$1.17	\$1,100
TC 30%	\$506	3	2	2	982	\$506	\$103	\$403	\$0	\$0.41	\$403	\$1,209	\$1,209	\$403	\$0.41	\$0	\$1,350	\$1.37	\$1,350
TC 50%	\$843	7	2	2	982	\$843	\$103	\$740	\$0	\$0.75	\$740	\$5,180	\$5,180	\$740	\$0.75	\$0	\$1,350	\$1.37	\$1,350
TC 60%	\$1,012	26	2	2	982	\$1,012	\$103	\$909	\$0	\$0.93	\$909	\$23,634	\$23,634	\$909	\$0.93	\$0	\$1,350	\$1.37	\$1,350
MR		7	2	2	982	\$0	\$103		NA	\$1.04	\$1,020	\$7,140	\$7,140	\$1,020	\$1.04	NA	\$1,020	\$1.04	\$1,350
TC 30%	\$585	2	3	2	1,201	\$585	\$127	\$458	\$0	\$0.38	\$458	\$916	\$916	\$458	\$0.38	\$0	\$1,450	\$1.21	\$1,450
TC 50%	\$975	3	3	2	1,201	\$975	\$127	\$848	\$0	\$0.71	\$848	\$2,544	\$2,544	\$848	\$0.71	\$0	\$1,450	\$1.21	\$1,450
TC 60%	\$1,170	12	3	2	1,201	\$1,170	\$127	\$1,043	\$0	\$0.87	\$1,043	\$12,516	\$12,516	\$1,043	\$0.87	\$0	\$1,450	\$1.21	\$1,450
MR		3	3	2	1,201	\$0	\$127		NA	\$0.97	\$1,170	\$3,510	\$3,510	\$1,170	\$0.97	NA	\$1,170	\$0.97	\$1,450
TOTALS/AVERAGES:		83			80,946				\$0	\$0.88	\$853	\$70,830	\$70,830	\$853	\$0.88	\$0	\$1,267	\$1.30	\$1,314

ANNUAL POTENTIAL GROSS RENT:	\$849,960	\$849,960	
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*MFDL units float among Unit Types

STABILIZED PRO FORMA
<i>Victoria Gardens, Brownsville, 9% HTC #25196</i>

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					\$0.88	\$853	\$849,960	\$849,960	\$853	\$0.88		0.0%	\$0
late fees, phone, cable laundry						\$15.00	\$14,940						
Total Secondary Income						\$15.00		\$14,940	\$15.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$864,900	\$864,900				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(64,868)	(64,868)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$800,033	\$800,033				0.0%	\$0

General & Administrative	\$35,928	\$433/Unit	\$46,572	\$561	3.65%	\$0.36	\$352	\$29,220	\$35,928	\$433	\$0.44	4.49%	-18.7%	(6,708)
Management	\$34,963	4.0% EGI	\$30,760	\$371	5.00%	\$0.49	\$482	\$40,002	\$40,002	\$482	\$0.49	5.00%	0.0%	0
Payroll & Payroll Tax	\$110,086	\$1,326/Unit	\$110,176	\$1,327	12.70%	\$1.25	\$1,224	\$101,571	\$110,176	\$1,327	\$1.36	13.77%	-7.8%	(8,605)
Repairs & Maintenance	\$53,682	\$647/Unit	\$39,466	\$475	6.02%	\$0.60	\$580	\$48,179	\$53,950	\$650	\$0.67	6.74%	-10.7%	(5,771)
Electric/Gas	\$18,781	\$226/Unit	\$11,616	\$140	1.90%	\$0.19	\$183	\$15,228	\$11,616	\$140	\$0.14	1.45%	31.1%	3,612
Water, Sewer, & Trash	\$58,119	\$700/Unit	\$40,963	\$494	5.49%	\$0.54	\$529	\$43,884	\$40,963	\$494	\$0.51	5.12%	7.1%	2,921
Property Insurance	\$72,909	\$0.90 /sf	\$122,907	\$1,481	10.12%	\$1.00	\$975	\$80,946	\$80,946	\$975	\$1.00	10.12%	0.0%	-
Property Tax (@ 0%) 2.276383	\$60,951	\$734/Unit	\$29,044	\$350	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					2.59%	\$0.26	\$250	\$20,750	\$20,750	\$250	\$0.26	2.59%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.35%	\$0.03	\$34	\$2,800	\$2,800	\$34	\$0.03	0.35%	0.0%	-
TOTAL EXPENSES					47.82%	\$4.73	\$4,609	\$382,580	\$397,131	\$4,785	\$4.91	49.64%	-3.7%	\$ (14,551)
NET OPERATING INCOME ("NOI")					52.18%	\$5.16	\$5,030	\$417,453	\$402,902	\$4,854	\$4.98	50.36%	3.6%	\$ 14,551

CONTROLLABLE EXPENSES		\$2,868/Unit		\$3,044/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

		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
Legacy Bank and Trust		1.14	1.18	354,493	7.25%	35	15	\$4,500,000	\$4,500,000	15	35	7.25%	\$354,492	1.18	19.0%
CASH FLOW DEBT / GRANTS															
Housing Authority COB		1.14	1.18		0.50%	0	40	\$910,000	\$910,000	40	0	0.50%		1.18	3.8%
HACB/BHFC - HUD CFP Funds		1.14	1.18		2.00%	0	30	\$888,799	\$888,799	30	0	2.00%		1.18	3.7%
City of Brownsville		1.14	1.18		0.00%	0	0	\$1,000	\$1,000	0	0	0.00%		1.18	0.0%
				\$354,493	TOTAL DEBT / GRANT SOURCES			\$6,299,799	\$6,299,799	TOTAL DEBT SERVICE			\$354,492	1.18	26.6%

NET CASH FLOW	\$48,409	\$62,960	APPLICANT		NET OPERATING INCOME		\$417,453	\$62,960	NET CASH FLOW
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	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES											
Hudson Housing Capital	LIHTC Equity	70.0%	\$2,000,000	\$0.83	\$16,598,000	\$16,598,000	\$0.8299	\$2,000,000	70.0%	\$24,096	Applicant Request
VDC Victoria Gardens Development, LLC	Deferred Developer Fees	3.5%	(28% Deferred)		\$826,699	\$826,699	(28% Deferred)		3.5%	Total Developer Fee: \$2,906,204	
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%		
TOTAL EQUITY SOURCES		73.4%			\$17,424,699	\$17,424,699			73.4%		

TOTAL CAPITALIZATION	\$23,724,498	\$23,724,498		15-Yr Cash Flow after Deferred Fee:	\$627,862
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			DEVELOPMENT COST / ITEMIZED BASIS																							
			APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE													
			Eligible Basis								Eligible Basis															
			Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			%	\$										
Land Acquisition					\$10,964 / Unit		\$910,000		\$910,000		\$10,964 / Unit				0.0%		\$0									
Building Acquisition			\$0		\$ / Unit		\$0		\$0		\$ / Unit		\$0		0.0%		\$0									
Off-Sites					\$0		\$1,536 / Unit		\$127,505		\$127,505		\$1,536 / Unit		\$0				0.0%		\$0					
Site Work					\$1,513,652		\$28,945 / Unit		\$2,402,451		\$2,402,451		\$28,945 / Unit		\$1,513,652				0.0%		\$0					
Site Amenities					\$236,250		\$2,846 / Unit		\$236,250		\$236,250		\$2,846 / Unit		\$236,250				0.0%		\$0					
Building Cost					\$11,512,332		\$142.22 /sf		\$138,703/Unit		\$11,512,332		\$11,687,257		\$140,810/Unit				\$144.38 /sf		\$11,512,332		-1.5%		(\$174,925)	
Contingency					\$713,926		5.38%		5.00%		\$713,926		\$713,926		4.94%				5.38%		\$713,926		0.0%		\$0	
Contractor Fees			\$1,956,661		14.00%		13.05%		\$1,956,661		\$1,956,661		12.90%		14.00%		\$1,956,661		0.0%		\$0					
Soft Costs			\$0		\$1,401,952		\$16,891 / Unit		\$1,401,952		\$1,401,952		\$16,891 / Unit		\$1,401,952		\$0		0.0%		\$0					
Financing			\$0		\$1,023,617		\$14,688 / Unit		\$1,219,117		\$1,219,117		\$14,688 / Unit		\$1,023,617		\$0		0.0%		\$0					
Developer Fee			\$0		\$2,753,758		15.00%		15.00%		\$2,906,204		\$2,906,204		14.87%		15.00%		\$2,753,758		\$0		0.0%		\$0	
Reserves							6 Months		\$338,100		\$338,100		5 Months						0.0%		\$0					
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			\$0		\$21,112,148		\$285,837 / Unit		\$23,724,498		\$23,899,423		\$287,945 / Unit		\$21,112,148		\$0		-0.7%		(\$174,925)					
Acquisition Cost			\$0						\$0																	
Contingency					\$0				\$0																	
Contractor's Fee					\$0				\$0																	
Financing Cost					\$0																					
Developer Fee			\$0		\$0				\$0																	
Reserves									\$0																	

ADJUSTED BASIS / COST	\$0	\$21,112,148	\$285,837/unit	\$23,724,498	\$23,899,423	\$287,945/unit	\$21,112,148	\$0	-0.7%	(\$174,925)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):				\$23,724,498						

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$21,112,148	\$0	\$21,112,148
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,112,148	\$0	\$21,112,148
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$27,445,792	\$0	\$27,445,792
Applicable Fraction	84.33%	84.33%	84%	84%
TOTAL QUALIFIED BASIS	\$0	\$23,145,796	\$0	\$23,145,796
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,083,122	\$0	\$2,083,122
CREDITS ON QUALIFIED BASIS	\$2,083,122		\$2,083,122	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price	\$0.8299	Variance to Request
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,083,122	\$17,287,826	----	----	----
Needed to Fill Gap	\$2,099,614	\$17,424,699	----	----	----
Applicant Request	\$2,000,000	\$16,598,000	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Fourplex	80,946 SF	\$125.54	10,162,094
Adjustments				
Exterior Wall Finish	2.30%		2.89	\$234,229
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.29%		4.13	334,142
Roof Adjustment(s)			0.37	30,000
Subfloor			(1.12)	(90,334)
Floor Cover			3.75	303,548
Breezeways	\$52.39	2,220	1.44	116,306
Balconies	\$52.58	6,750	4.38	354,915
Plumbing Fixtures	\$1,460	272	4.91	397,120
Rough-ins	\$715	166	1.47	118,690
Built-In Appliances	\$2,200	83	2.26	182,600
Exterior Stairs	\$4,250	12	0.63	51,000
Heating/Cooling			4.11	332,688
Storage Space	\$52.39	0	0.00	0
Carports	\$21.40	0	0.00	0
Garages	\$41.00	0	0.00	0
Common/Support Area	\$125.77	5,461	8.49	686,830
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$4.60	88,627	5.04	407,684
SUBTOTAL			168.28	13,621,512
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			168.28	\$13,621,512
Plans, specs, survey, bldg permits	3.10%		(5.22)	(\$422,267)
Contractor's OH & Profit	11.10%		(18.68)	(1,511,988)
NET BUILDING COSTS		\$140,810/unit	\$144.38/sf	\$11,687,257

Long-Term Pro Forma

Victoria Gardens, Brownsville, 9% HTC #25196

	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%	\$800,033	\$816,033	\$832,354	\$849,001	\$865,981	\$956,113	\$1,055,626	\$1,165,496	\$1,286,802	\$1,420,733	\$1,568,605
TOTAL EXPENSES	3.00%	\$382,580	\$393,657	\$405,059	\$416,795	\$428,874	\$494,793	\$570,962	\$658,988	\$760,731	\$878,345	\$1,014,322
NET OPERATING INCOME ("NOI")		\$417,453	\$422,376	\$427,295	\$432,206	\$437,107	\$461,320	\$484,664	\$506,508	\$526,071	\$542,389	\$554,283
EXPENSE/INCOME RATIO		47.8%	48.2%	48.7%	49.1%	49.5%	51.8%	54.1%	56.5%	59.1%	61.8%	64.7%
MUST -PAY DEBT SERVICE												
Legacy Bank and Trust		\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492
TOTAL DEBT SERVICE		\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492	\$354,492
DEBT COVERAGE RATIO		1.18	1.19	1.21	1.22	1.23	1.30	1.37	1.43	1.48	1.53	1.56
ANNUAL CASH FLOW												
		\$62,960	\$67,883	\$72,802	\$77,714	\$82,615	\$106,828	\$130,172	\$152,016	\$171,579	\$187,896	\$199,791
Deferred Developer Fee Balance		\$763,739	\$695,855	\$623,053	\$545,339	\$462,724	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$23,227	\$627,862	\$1,344,998	\$2,164,856	\$3,073,218	\$4,050,419