24119 Retreat at Esther - Application Summary

PROPERTY IDENTIFICATION	
Application #	24119
Development	Retreat at Esther
City / County	Houston / Harris
Region/Area	6 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$19,417/Unit	$0.87

KEY PRINCIPALS / SPONSOR

Miranda Sprague / Houston RE Developer, LLC
Kevin Hardy / ICON Builders, LLC
Jeffrey McAdory / ITEX Design, LLC
Christopher A. Akbari / ITEX Property Management, LLC

Related Parties	Contractor -	Yes	Seller -	No

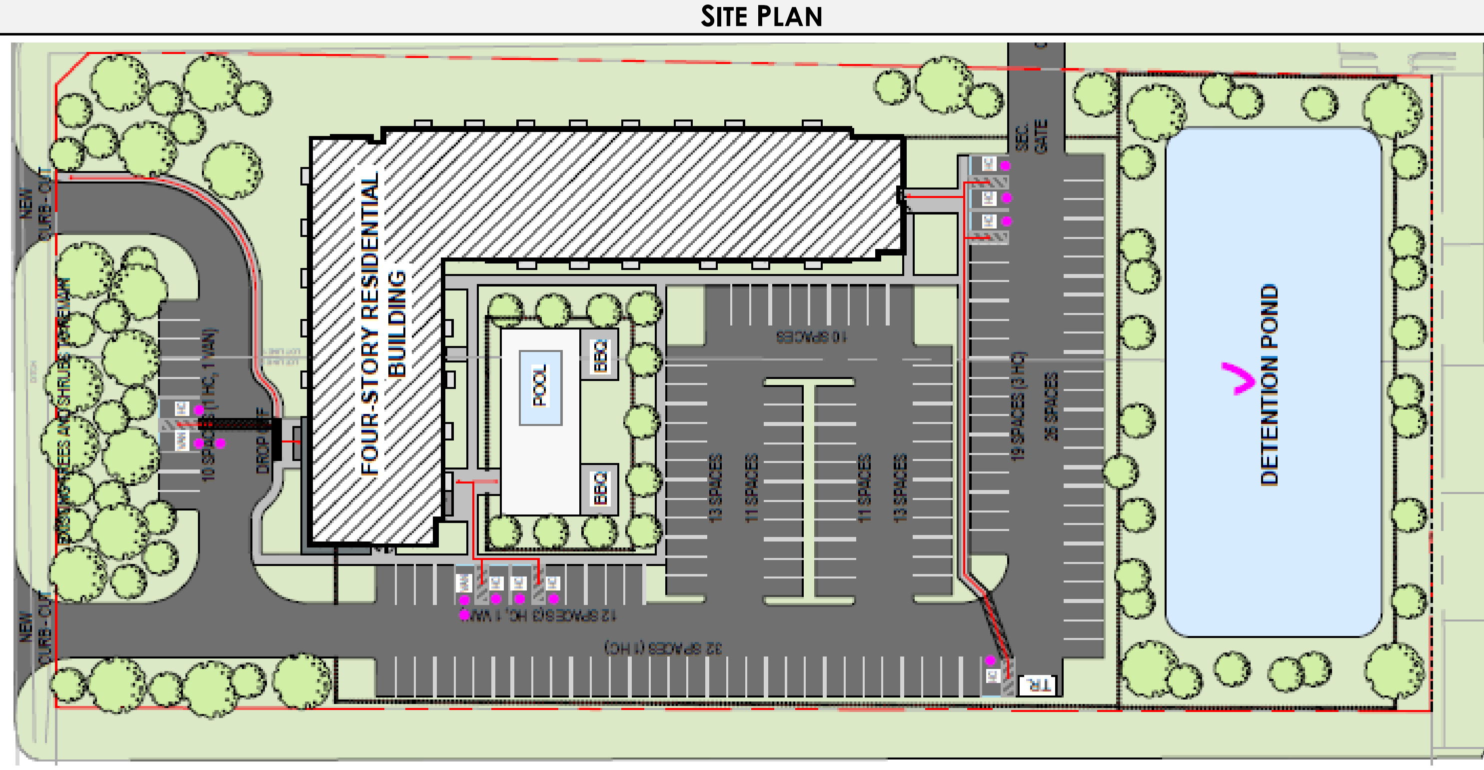
TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff	-	0%
1	77	75%
2	26	25%
3	-	0%
4	-	0%
TOTAL	103	100%

INCOME DISTRIBUTION		
Income	# Units	% Total
20%	-	0%
30%	11	11%
40%	-	0%
50%	29	28%
60%	63	61%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	103	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten	Applicant's Pro Forma		
Debt Coverage	1.15	Expense Ratio	55.1%
Breakeven Occ.	87.0%	Breakeven Rent	$860
Average Rent	$916	B/E Rent Margin	$57
Property Taxes	$832/unit	Exemption/PILOT	0%
Total Expense	$5,786/unit	Controllable	$2,996/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			2.3%
Highest Unit Capture Rate	10%	1 BR/60%	44
Dominant Unit Cap. Rate	10%	1 BR/60%	44
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten	Applicant's Costs		
Avg. Unit Size	758 SF	Density	23.2/acre
Acquisition		$22K/unit	$2,254K
Building Cost	$133.08/SF	$101K/unit	$10,385K
Hard Cost		$129K/unit	$13,323K
Total Cost		$238K/unit	$24,469K
Developer Fee	$2,739K	(31% Deferred)	Paid Year: 11
Contractor Fee	$1,778K	30% Boost	Yes

DEBT (Must Pay)				
Source	**Term**	**Rate**	**Amount**	**DCR**
Churchill Stateside Group	40/40	6.20%	$6,000,000	1.15
TOTAL DEBT (Must Pay)			**$6,000,000**	

CASH FLOW DEBT / GRANT FUNDS				
Source	**Term**	**Rate**	**Amount**	**DCR**
City of Houston	0/0	0.00%	$500	1.15
CASH FLOW DEBT / GRANTS			**$500**	

EQUITY / DEFERRED FEES	
Source	**Amount**
RBC Capital Markets	$17,398,260
RBC Capital Markets (45L Credits)	$224,025
Houston RE Developer, LLC	$845,793
TOTAL EQUITY SOURCES	**$18,468,078**
TOTAL DEBT SOURCES	**$6,000,500**
TOTAL CAPITALIZATION	**$24,468,578**

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.
  - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

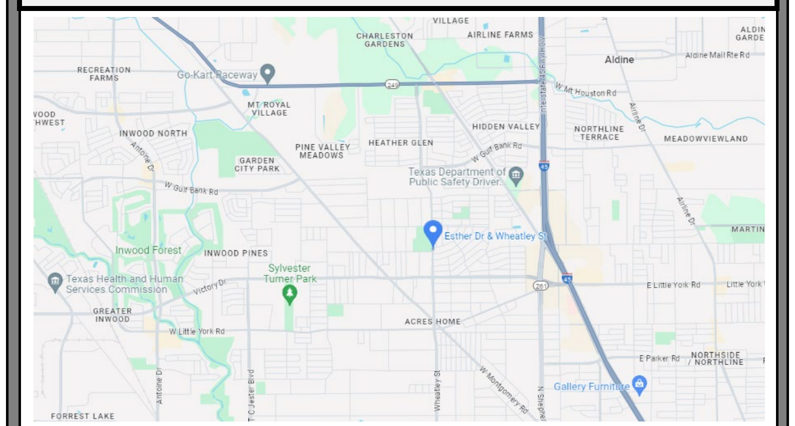
STRENGTHS/MITIGATING FACTORS

- Low Gross Capture Rate
- Developer Experience

WEAKNESSES/RISKS

- DCR 1.20
- Limited 15 year cashflow

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 26, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24119** Program(s): **9% HTC**

Retreat at Esther

Address/Location: Southwest Quadrant of Wheatley St and Esther Dr

City: Houston County: Harris Zip: 77088

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

Activity: New Construction Building Type: Elevator Served Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	**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

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SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	11
50% of AMI	50% of AMI	29
60% of AMI	60% of AMI	63

DEVELOPMENT SUMMARY

Retreat at Esther is a proposed new construction development serving elderly households using 9% housing tax credits. The development includes one- and two-bedroom units. The acquisition is an arms-length transaction. Sources of funds include a contribution from the local jurisdiction of at least $500.

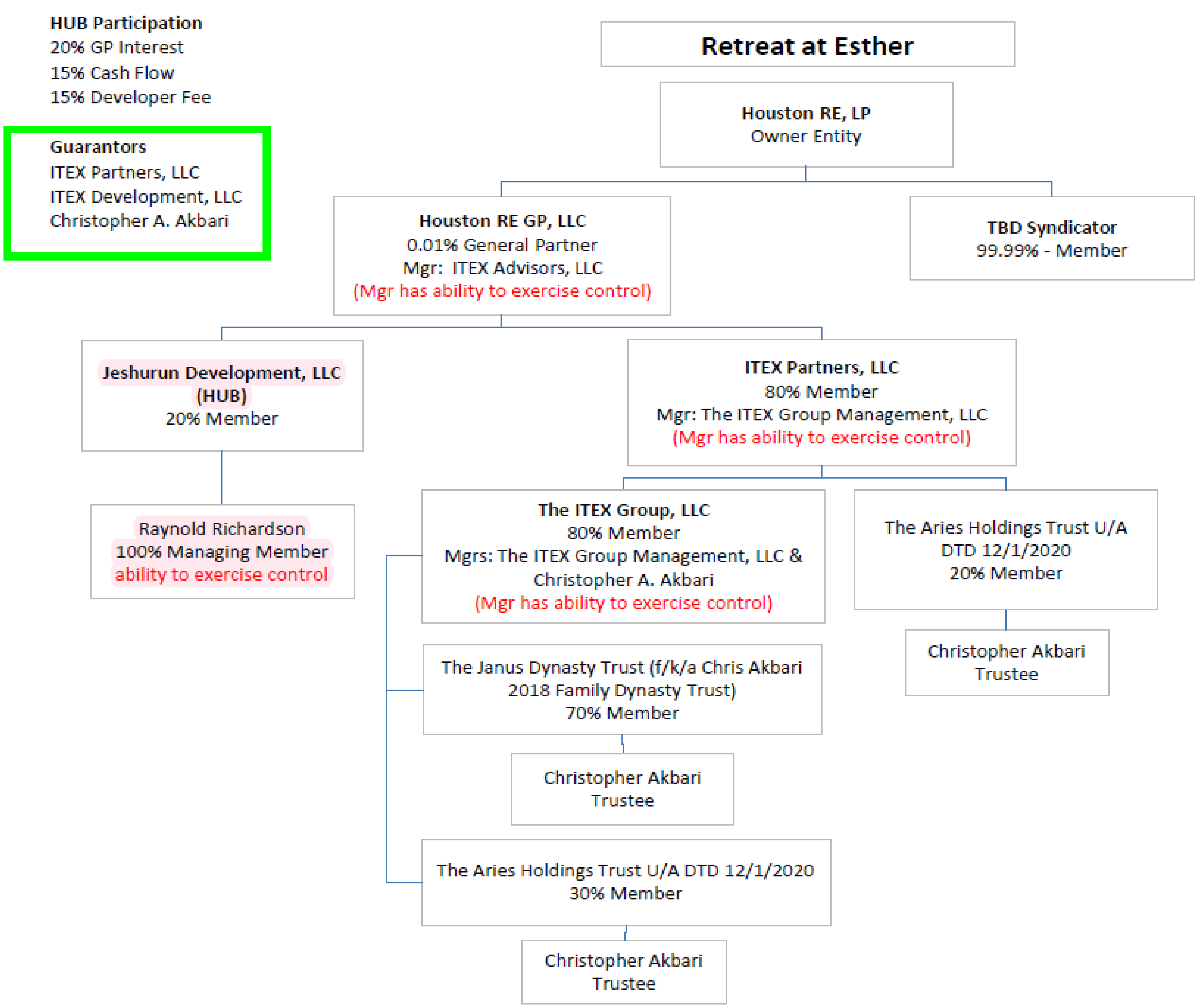
RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Low Gross Capture Rate
▫ Developer Experience

WEAKNESSES/RISKS
▫ DCR 1.20
▫ Limited 15 year cashflow

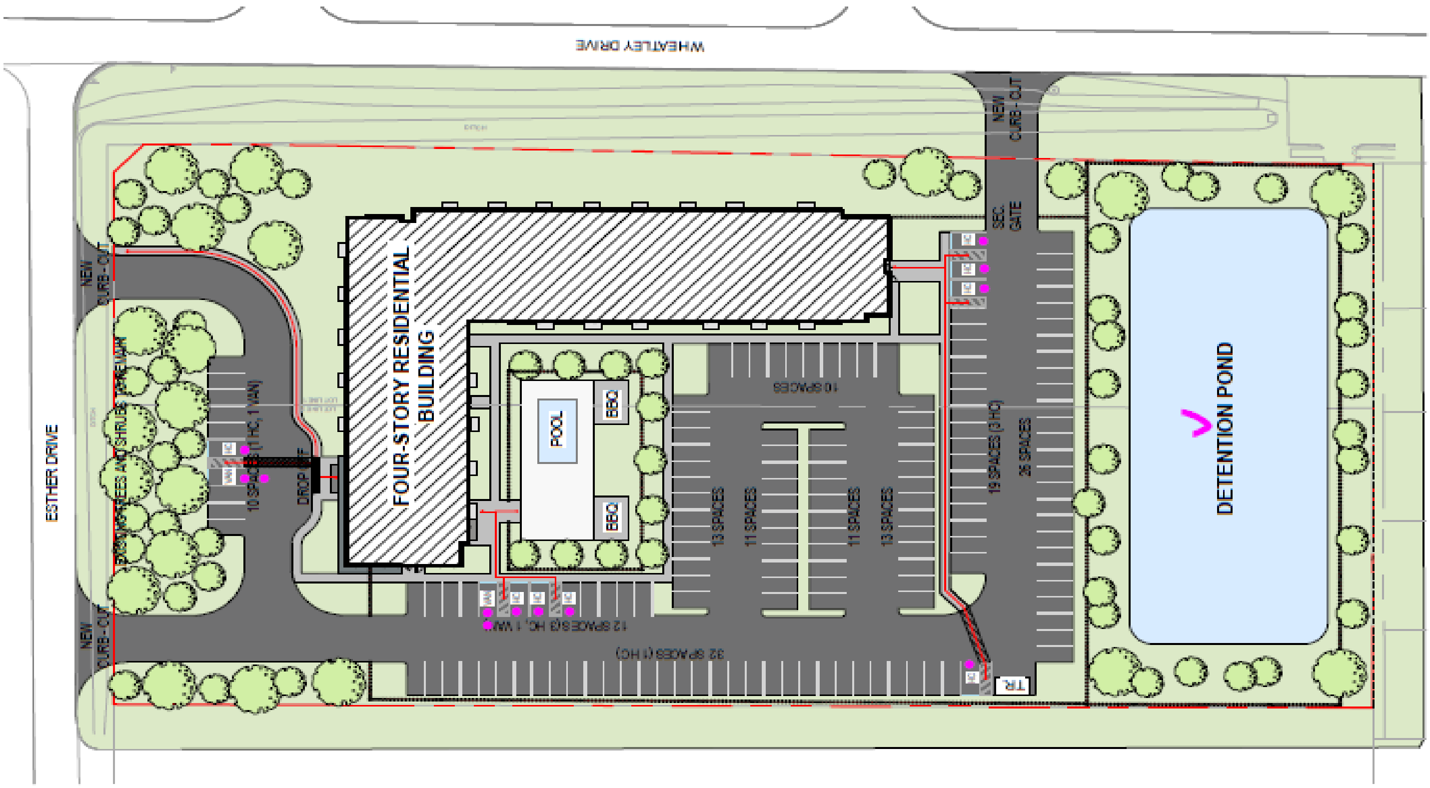
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
Open Surface	157	*1.5/unit*	0	--	157	*1.5/unit*
Carport	0	--	0	--	0	--
Garage	0	--	0	--	0	--
Total Parking	**157**	*1.5/unit*	**0**	--	**157**	*1.5/unit*

Comments:

Houston required parking is 1.333 spaces for 1BR 1.666 for 2BR and 2 for 3BR or more. Total required for Retreat at Esther is 147, the requirement is met.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	4												
Number of Bldgs	1												**1**
Units per Bldg	103												
Total Units	103												**103**

Avg. Unit Size (SF)	**758 sf**	**Total NRA (SF)**	**78,032**	**Common Area (SF)***	**13,618**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.43 acres Density: 23.2 units/acre

Site Control: 4.511 **Site Plan:** 4.43 **Appraisal:** N/A **ESA:** 4.432

Feasibility Report Survey: 4.432 **Feasibility Report Engineer's Plan:** 4.432 **Existing LURA:** N/A

Control Type: Contract for Sale

Development Site: 4.43 acres Cost: $2,254,230 $21,886 per unit

Seller: Blue Magpie Property V LLC

Buyer: ITEX Acquisitions, LLC

Related-Party Seller/Identity of Interest: No

Comments:

Site control relied on acreage from the seller's survey, which did not deduct the approx. 0.09 "save and except" acres of the land dedicated to the City of Houston. All other due diligence items rely on the current survey, which does not include the land dedicated to the City of Houston. The site control will be updated to reflect the acreage in the current survey prior to closing.

SITE INFORMATION

Flood Zone:	Unshaded X	Scattered Site?	No
Zoning:	No Zoning	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:

Undeveloped.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: AEI Consultants Date: 2/15/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- AEI recommends completion of STC calculations as required by Section 51.104(a) to demonstrate that interior levels do not exceed the established 45 dB level.

MARKET ANALYSIS

Provider: Valbridge Property Advisors   Date: 3/26/2024

Primary Market Area (PMA): 19 sq. miles   2 mile equivalent radius

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
23407	Summerdale Apartments	Yes	New Constructi	General	0	272

Stabilized Affordable Developments in PMA		
	Total Units	1,382
	Total Developments	14
	Average Occupancy	94%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	**Assisted**		
Total Households in the Primary Market Area	26,858			
Senior Households in the Primary Market Area	7,515			
Potential Demand from the Primary Market Area	4,132			
10% External Demand	413			
Potential Demand from Other Sources				
GROSS DEMAND	4,545			
Subject Affordable Units	103			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	103			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**2.3%**			

Population: **Elderly Limitation**   **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	1,146	115	11	0	1%						
50% AMGI	1,349	135	29	0	2%						
60% AMGI	1,637	164	63	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%	580	58	8	0	1%						
1 BR/50%	590	59	25	0	4%						
1 BR/60%	413	41	44	0	10%						
2 BR/30%	459	46	3	0	1%						
2 BR/50%	210	21	4	0	2%						
2 BR/60%	533	53	19	0	3%						

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$486,101	Avg. Rent:	$916	Expense Ratio:	55.1%
Debt Service:	$421,238	B/E Rent:	$860	Controllable Expenses:	$2,996
Net Cash Flow:	$64,863	UW Occupancy:	92.5%	Property Taxes/Unit:	$832
Aggregate DCR:	1.15	B/E Occupancy:	87.0%	Program Rent Year:	2023

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$508,626/ac	$21,886/unit	**$2,254,230**	Contractor Fee	**$1,778,186**
Off-site + Site Work		$21,727/unit	**$2,237,888**	Soft Cost + Financing	**$3,745,866**
Building Cost	$133.08/sf	$100,821/unit	**$10,384,555**	Developer Fee	**$2,738,806**
Contingency	5.55%	$6,800/unit	**$700,426**	Reserves	**$628,621**
Total Development Cost	$237,559/unit	**$24,468,578**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

Contingency:

Contingency understated at 5.55%. (including $69K reallocated soft cost contingency). $532,784 of additional repayable developer fee is available for deferral as additional contingency for any cost overruns.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$24,468,578	**$20,997,516**	**$2,456,709**

UNDERWRITTEN CAPITALIZATION

Percent of Cost Financed by Tax-Exempt Bonds	**0.0%**

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Churchill Stateside Group	FHA 221(d)(4) Loan	$6,000,000	6.20%	25%
Churchill Stateside Group	Equity Bridge Loan	$11,700,000	7.20%	49%
RBC Capital Markets	HTC	$4,349,565	$0.87	18%
City of Houston	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
Houston RE Developer, LLC	Deferred Developer Fee	$1,780,224	0.00%	7%
		$23,830,289	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Churchill Stateside Group	$6,000,000	6.20%	40	40.0	$6,000,000	6.20%	40	40.0	25%
City of Houston	$500	Fee Waiver			$500	Fee Waiver			0%
Total	**$6,000,500**				**$6,000,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
RBC Capital Markets	$17,398,260	$0.87		$17,398,260	$0.87	71%	
RBC Capital Markets (45L Credits)	$224,025			$224,025		1%	
Houston RE Developer, LLC	$845,793		31%	$845,793		3%	31%
Total	**$18,468,078**			**$18,468,078**			
				$24,468,578	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.912	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.843	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$24,468,578
Permanent Sources (debt + non-HTC equity)	$6,224,525
Gap in Permanent Financing	$18,244,053

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$21,371,234	$2,456,709
Needed to Balance Sources & Uses	$18,244,053	$2,097,227
Requested by Applicant	$17,398,260	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$17,398,260**	**$2,000,000**

Deferred Developer Fee	**$845,793**	**(31% deferred)**
Repayable in	**11 years**	

Recommendation:

The underwriter recommends an annual credit of 2,000,000 as determined by applicant request.

Underwriter:	*Jack Scholz*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Retreat at Esther, Houston, 9% HTC #24119

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$93,200
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	77	74.8%	0	0	0	0
2	26	25.2%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	103	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	758 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	11	-	29	63	-	-	-	103
	% Total	0.0%	10.7%	0.0%	28.2%	61.2%	0.0%	0.0%	0.0%	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%	$524	8	1	1	672	$524	$70	$454	$0	$0.68	$454	**$3,632**	**$3,632**	$454	$0.68	$0	$1,275	$1.90	$1,275
TC 50%	$874	25	1	1	672	$874	$70	$804	$0	$1.20	$804	**$20,100**	**$20,100**	$804	$1.20	$0	$1,275	$1.90	$1,275
TC 60%	$1,049	44	1	1	672	$1,049	$70	$979	$0	$1.46	$979	**$43,076**	**$43,076**	$979	$1.46	$0	$1,275	$1.90	$1,275
TC 30%	$629	3	2	2	1,008	$629	$92	$537	$0	$0.53	$537	**$1,611**	**$1,611**	$537	$0.53	$0	$1,700	$1.69	$1,700
TC 50%	$1,048	2	2	2	1,008	$1,048	$92	$956	$0	$0.95	$956	**$1,912**	**$1,912**	$956	$0.95	$0	$1,700	$1.69	$1,700
TC 60%	$1,258	17	2	2	1,008	$1,258	$92	$1,166	$0	$1.16	$1,166	**$19,822**	**$19,822**	$1,166	$1.16	$0	$1,700	$1.69	$1,700
TC 50%	$1,048	2	2	2	1,028	$1,048	$92	$956	$0	$0.93	$956	**$1,912**	**$1,912**	$956	$0.93	$0	$1,725	$1.68	$1,725
TC 60%	$1,258	2	2	2	1,028	$1,258	$92	$1,166	$0	$1.13	$1,166	**$2,332**	**$2,332**	$1,166	$1.13	$0	$1,725	$1.68	$1,725
TOTALS/AVERAGES:		**103**			**78,032**				**$0**	**$1.21**	**$916**	**$94,397**	**$94,397**	**$916**	**$1.21**	**$0**	**$1,383**	**$1.83**	**$1,383**

ANNUAL POTENTIAL GROSS RENT:	**$1,132,764**	**$1,132,764**	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Retreat at Esther, Houston, 9% HTC #24119

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Harris County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.21	$916	$1,132,764	$1,132,764	$916	$1.21		0.0%	$0
Laundry, Vending, Deposit Forfeitures							$30.00	$37,080						
Total Secondary Income							$30.00		$37,080	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,169,844	$1,169,844				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(87,738)	(87,738)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$1,082,106	$1,082,106				0.0%	$0

General & Administrative	$51,127	$496/Unit	$42,770	$415	3.70%	$0.51	$388	$40,000	$42,770	$415	$0.55	3.95%	-6.5%	(2,770)
Management	$47,329	3.5% EGI	$40,141	$390	4.00%	$0.55	$420	$43,284	$43,284	$420	$0.55	4.00%	0.0%	(0)
Payroll & Payroll Tax	$152,473	$1,480/Unit	$134,740	$1,308	12.76%	$1.77	$1,341	$138,128	$134,740	$1,308	$1.73	12.45%	2.5%	3,387
Repairs & Maintenance	$81,426	$791/Unit	$85,329	$828	5.10%	$0.71	$536	$55,200	$66,950	$650	$0.86	6.19%	-17.6%	(11,750)
Electric/Gas	$29,223	$284/Unit	$57,519	$558	1.72%	$0.24	$181	$18,600	$29,223	$284	$0.37	2.70%	-36.4%	(10,623)
Water, Sewer, & Trash	$79,247	$769/Unit	$51,953	$504	5.24%	$0.73	$550	$56,700	$51,953	$504	$0.67	4.80%	9.1%	4,747
Property Insurance	$84,026	$1.08 /sf	$102,471	$995	11.74%	$1.63	$1,233	$127,000	$102,471	$995	$1.31	9.47%	23.9%	24,529
Property Tax (@ 100%) 2.19818	$91,285	$886/Unit	$69,975	$679	7.92%	$1.10	$832	$85,723	$104,401	$1,014	$1.34	9.65%	-17.9%	(18,678)
Reserve for Replacements					2.38%	$0.33	$250	$25,750	$25,750	$250	$0.33	2.38%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.38%	$0.05	$40	$4,120	$4,120	$40	$0.05	0.38%	0.0%	-
Internet					0.14%	$0.02	$15	$1,500	$1,500	$15	$0.02	0.14%	0.0%	-
TOTAL EXPENSES					**55.08%**	**$7.64**	**$5,786**	**$596,005**	**$607,162**	**$5,895**	**$7.78**	**56.11%**	**-1.8%**	**$ (11,158)**
NET OPERATING INCOME ("NOI")					**44.92%**	**$6.23**	**$4,719**	**$486,101**	**$474,943**	**$4,611**	**$6.09**	**43.89%**	**2.3%**	**$ 11,158**

CONTROLLABLE EXPENSES							$2,996/Unit			$3,162/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Retreat at Esther, Houston, 9% HTC #24119

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Churchill Stateside Group	0.25%	1.13	1.15	421,238	6.20%	40	40.0	$6,000,000	$6,000,000	40.0	40.0	6.20%	$421,238	1.15	24.5%
Adjustment to Debt Per §11.302(c)(2)	0.25%									40.0	40.0	6.20%		1.15	0.0%
Churchill Stateside Group		1.13	1.15		0.00%	0	0.0	$0	$0	0.0	0.0	0.00%		1.15	0.0%
CASH FLOW DEBT / GRANTS															
City of Houston		1.13	1.15		0.00%	0	0.0	$500	$500	0.0	0.0	0.00%		1.15	0.0%
				$421,238	**TOTAL DEBT / GRANT SOURCES**			**$6,000,500**	**$6,000,500**		**TOTAL DEBT SERVICE**		**$421,238**	**1.15**	24.5%
NET CASH FLOW		$53,706	$64,863						**APPLICANT**	**NET OPERATING INCOME**		**$486,101**	**$64,863**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
RBC Capital Markets	LIHTC Equity	71.1%	$2,000,000	$0.87	$17,398,260	$17,398,260	$0.8699	$2,000,000	71.1%	$19,417	Applicant Request
RBC Capital Markets (45L Credits)	45L Credits	0.9%			$224,025	$224,025			0.9%		
Houston RE Developer, LLC	Deferred Developer Fees	3.5%	(31% Deferred)		$845,793	$845,793	(31% Deferred)		3.5%	**Total Developer Fee:**	**$2,738,806**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		75.5%			$18,468,078	$18,468,078			75.5%		
TOTAL CAPITALIZATION					**$24,468,578**	**$24,468,578**				**15-Yr Cash Flow after Deferred Fee:**	**$532,784**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$21,886 / Unit	$2,254,230	$2,254,230	$21,886 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$ / Unit			$0	0.0%	$0
Off-Sites				$ / Unit	$0	$0	$ / Unit		$0		0.0%	$0
Site Work		$1,809,897		$17,572 / Unit	$1,809,897	$1,809,897	$17,572 / Unit		$1,809,897		0.0%	$0
Site Amenities		$427,991		$4,155 / Unit	$427,991	$427,991	$4,155 / Unit		$427,991		0.0%	$0
Building Cost		$10,384,555	$133.08 /sf	$100,821/Unit	$10,384,555	$10,523,934	$102,174/Unit	$134.87 /sf	$10,384,555		-1.3%	($139,379)
Contingency		$700,426	5.55%	5.55%	$700,426	$700,426	5.49%	5.55%	$700,426		0.0%	$0
Contractor Fees		$1,778,186	13.35%	13.35%	$1,778,186	$1,778,186	13.21%	13.35%	$1,778,186		0.0%	$0
Voluntary Eligible "Hard Costs" (After 11.9(e)(2))											0.0%	$0
Soft Costs	$0	$1,333,537		$13,044 / Unit	$1,343,537	$1,343,537	$13,044 / Unit		$1,333,537	$0	0.0%	$0
Financing	$0	$1,824,117		$23,324 / Unit	$2,402,328	$2,402,328	$23,324 / Unit		$1,824,117	$0	0.0%	$0
Developer Fee	$0	$2,738,806	15.00%	15.00%	$2,738,806	$2,738,806	14.89%	15.00%	$2,738,806	$0	0.0%	$0
Reserves				7 Months	$628,621	$628,621	7 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$20,997,516**		$237,559 / Unit	**$24,468,578**	**$24,607,957**	$238,912 / Unit		**$20,997,516**	**$0**	**-0.6%**	**($139,379)**
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**	**$20,997,516**		$237,559/unit	**$24,468,578**	**$24,607,957**	$238,912/unit		**$20,997,516**	**$0**	**-0.6%**	**($139,379)**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$24,468,578**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Retreat at Esther, Houston, 9% HTC #24119

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$20,997,516	$0	$20,997,516
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$20,997,516	$0	$20,997,516
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$27,296,771	$0	$27,296,771
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$27,296,771	$0	$27,296,771
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,456,709	$0	$2,456,709
CREDITS ON QUALIFIED BASIS	$2,456,709		$2,456,709	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8699	Variance to Request	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,456,709	$21,371,234	----	----	----
Needed to Fill Gap	$2,097,227	$18,244,053	----	----	----
Applicant Request	$2,000,000	$17,398,260	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY		FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served		78,032 SF	$98.90	7,717,524
Adjustments					
Exterior Wall Finish		2.00%		1.98	$154,350
Elderly		9.00%		8.90	694,577
9-Ft. Ceilings		3.25%		3.21	250,820
Roof Adjustment(s)				1.98	154,500
Subfloor				0.30	23,019
Floor Cover				3.97	309,444
Enclosed Corridors		$87.55	9,979	11.20	873,682
Balconies		$39.95	2,358	1.21	94,202
Plumbing Fixtures		$2,130	78	2.13	166,140
Rough-ins		$790	206	2.09	162,740
Built-In Appliances		$3,675	103	4.85	378,525
Exterior Stairs		$3,550	6	0.27	21,300
Heating/Cooling				3.12	243,460
Storage Space		$87.55	0	0.00	0
Carports		$16.05	0	0.00	0
Garages		$30.00	0	0.00	0
Common/Support Area		$136.85	3,457	6.06	473,094
Elevators		$150,400	2	3.85	300,800
Other:				0.00	0
Fire Sprinklers		$3.65	91,468	4.28	333,858
SUBTOTAL				**158.29**	**12,352,035**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		1.00		0.00	0
Reserved					0
TOTAL BUILDING COSTS				**158.29**	**$12,352,035**
Plans, specs, survey, bldg permits		3.30%		(5.22)	($407,617)
Contractor's OH & Profit		11.50%		(18.20)	(1,420,484)
NET BUILDING COSTS			$102,174/unit	$134.9/sf	$10,523,934

Long-Term Pro Forma

Retreat at Esther, Houston, 9% HTC #24119

	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
POTENTIAL GROSS RENT		$1,132,764	$1,155,419	$1,178,528	$1,202,098	$1,226,140	$1,353,758	$1,494,658	$1,650,223	$1,821,980	$2,011,613	$2,220,983	$2,452,145
Laundry, Vending, Deposit Forfeitures		$37,080	$37,822	$38,578	$39,350	$40,137	$44,314	$48,926	$54,019	$59,641	$65,848	$72,702	$80,269
Total Secondary Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
POTENTIAL GROSS INCOME		$1,169,844	$1,193,241	$1,217,106	$1,241,448	$1,266,277	$1,398,072	$1,543,584	$1,704,242	$1,881,621	$2,077,461	$2,293,685	$2,532,414
Vacancy & Collection Loss		($87,738)	($89,493)	($91,283)	($93,109)	($94,971)	($104,855)	($115,769)	($127,818)	($141,122)	($155,810)	($172,026)	($189,931)
EFFECTIVE GROSS INCOME	2.00%	$1,082,106	$1,103,748	$1,125,823	$1,148,339	$1,171,306	$1,293,216	$1,427,815	$1,576,424	$1,740,499	$1,921,652	$2,121,659	$2,342,483
TOTAL EXPENSES	3.00%	$596,005	$613,452	$631,414	$649,906	$668,944	$772,904	$893,152	$1,032,256	$1,193,187	$1,379,388	$1,594,847	$1,844,180
NET OPERATING INCOME ("NOI")		**$486,101**	**$490,296**	**$494,409**	**$498,433**	**$502,362**	**$520,313**	**$534,663**	**$544,168**	**$547,312**	**$542,263**	**$526,812**	**$498,302**
EXPENSE/INCOME RATIO		55.1%	55.6%	56.1%	56.6%	57.1%	59.8%	62.6%	65.5%	68.6%	71.8%	75.2%	78.7%
MUST -PAY DEBT SERVICE													
Churchill Stateside Group		$421,238	$421,149	$421,056	$420,956	$420,850	$420,209	$419,337	$418,148	$416,528	$414,321	$411,315	$407,220
TOTAL DEBT SERVICE		$421,238	$421,149	$421,056	$420,956	$420,850	$420,209	$419,337	$418,148	$416,528	$414,321	$411,315	$407,220
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.18	1.19	1.24	1.28	1.30	1.31	1.31	1.28	1.22
ANNUAL CASH FLOW		**$64,863**	**$69,146**	**$73,353**	**$77,477**	**$81,512**	**$100,103**	**$115,327**	**$126,020**	**$130,784**	**$127,942**	**$115,497**	**$91,082**
Deferred Developer Fee Balance		$780,930	$711,784	$638,431	$560,954	$479,442	$14,966	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$532,784	$1,143,570	$1,790,647	$2,439,457	$3,046,117	$3,555,670