Real Estate Analysis Division
January 29, 2025

Addendum to Underwriting Report

TDHCA Application #: **24506_22208** Program(s): **9% HTC/ MDL**

FishPond at Walker

Address/Location: 935 Hwy 190 East

City: Huntsville County: Walker Zip: 77340

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/29/25	**MDL 2024-2 NOFA HOME Award Memo**
06/21/22	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
MF Direct Loan Const. to Perm. (Repayable)					**$3,500,000**	**2.00%**	**40**	**30**	**1**
LIHTC (9% Credit)	$900,000				**$900,000**				

* Multifamily Direct Loan Terms:

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

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

CONDITIONS STATUS

1 **Receipt and acceptance before Direct Loan Contract:**
- Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

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.

3 **Receipt and acceptance by Cost Certification:**
- 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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	8
60% of AMI	60% of AMI	36

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	6
60% of AMFI	High HOME	19
80% of AMFI	High HOME	2

ANALYSIS

FishPond at Walker is a 48-unit new construction elderly development in Huntsville comprised of one and two bedroom units. The development originally received an annual 9% HTC allocation of $900,000 in 2022. Applicant has now applied for a $3,500,000 MDL to replace the originally proposed permanent loan in the amount of $2,000,000. The proposed MDL will have a lower interest rate of 2%. Applicant is requesting a 40 year term with a 40 year amortization. However, as presented by the Applicant, the Long-Term Pro Forma reflected a deficit cash flow beginning in year 30. In order to address that issue, Underwriter adjusted the recommended term to 30 years as allowed in the QAP.

Operating Pro Forma

Rents were updated to the most current 2024 limits.

Since original underwriting, projected operating expenses have increased by $37K (from $235K to $272K).

As presented by Applicant, the Long-Term Pro Forma reflected a deficit cash flow beginning in year 30, while all other parameters meet feasibility thresholds. In order to address that issue, Underwriter adjusted Applicant's secondary income from $20/unit to $30/unit as allowed in the QAP. By doing so, Pro Forma long-term cash flow is now positive through year 30.

Underwriter's Pro Forma is within 2% of Applicant's expenses and within 4% of Applicant's projected NOI. Therefore, Applicant's Pro Forma is utilized in the underwriting.

Development Cost

Since original underwriting:

- Applicant's offsite costs increased by $470K from ($73K to $543K). The increased costs were primarily due to $466K for TXDot roadway improvements that were not budgeted in the original 2022 application.
- Building Costs increased by $845K (from $3.97M to $4.81M).
- Total Housing Development Costs increased by $1.33M (from $10.43M to $11.76M).

Sources of Funds

Proposed capitalization has increased by $1.33M to cover additional development costs.

Originally, Applicant anticipated having a $2,000,000 permanent loan from Community Bank of Texas (4.25% rate / 15 yr. term / 30 yr. amort), but is now requesting a $3,500,000 MDL loan with a lower interest rate of 2%. While Applicant requested a 40 yr. term / 40 yr. amort., underwriting now reflects deficit Pro Forma cash flow beginning in year 31. Therefore, pursuant to the QAP, the term of the loan is being recommended at 30 years.

The general contractor has committed to a donation of site preparation costs in the amount of $263K as a Direct Loan Match.

Since original underwriting, the equity contribution from PNC has been reduced by $180K, with a credit price reduction from $0.88 to $0.86.

Additionally, deferred developer fee has decreased by $256K.

Recommendation

Underwriter recommends a $3,500,000 MDL at a 2% interest rate with a 30 year term and monthly payments based on a 40 year amortization period. Under these terms, the annualized monthly debt service payment is $127,187. The construction term is assumed at 24 Months. The MDL source is from HOME proceeds.

In addition, Underwriter recommends that the annual 9% LIHTC allocation of $900,000 remains the same as previously awarded.

Underwriter:	*Georgia Simmons*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fishpond at Walker, Huntsville, 9% HTC #24506_22208

LOCATION DATA

CITY:	Huntsville
COUNTY:	Walker
Area Median Income	$76,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION

# Beds	# Units	% Total	MDL Match	MDL
Eff	-	0.0%	0	0
1	24	50.0%	1	13
2	24	50.0%	1	14
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**48**	**100.0%**	**2**	**27**

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	813 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	4	-	8	36	-	-	-	**48**
	% Total	0.0%	8.3%	0.0%	16.7%	75.0%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA DIRECT LOAN PROGRAM		MDL MATCH	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Type	# 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%	$428				2	1	1	656	$428	$91	$337	$0	$0.51	$337	**$674**	**$674**	$337	**$1**	**$0**	$1,049	$1.60	$1,049
TC 50%	$713	LH/50%	$713		3	1	1	656	$713	$91	$622	$0	$0.95	$622	**$1,866**	**$1,866**	$622	**$1**	**$0**	$1,049	$1.60	$1,049
TC 50%	$713			1	2	1	1	656	$713	$91	$622	$0	$0.95	$622	**$1,244**	**$1,244**	$622	**$1**	**$0**	$1,049	$1.60	$1,049
TC 60%	$856	HH/60%	$908		9	1	1	656	$856	$91	$765	$0	$1.17	$765	**$6,885**	**$6,885**	$765	**$1**	**$0**	$1,049	$1.60	$1,049
TC 60%	$856	HH/80%	$908		1	1	1	656	$856	$91	$765	$0	$1.17	$765	**$765**	**$765**	$765	**$1**	**$0**	$1,049	$1.60	$1,049
TC 60%	$856				7	1	1	656	$856	$91	$765	$0	$1.17	$765	**$5,355**	**$5,355**	$765	**$1**	**$0**	$1,049	$1.60	$1,049
TC 30%	$513	LH/50%	$856		2	2	2	970	$513	$118	$395	$0	$0.41	$395	**$790**	**$790**	$395	**$0**	**$0**	$1,387	$1.43	$1,387
TC 50%	$856	LH/50%	$856		1	2	2	970	$856	$118	$738	$0	$0.76	$738	**$738**	**$738**	$738	**$1**	**$0**	$1,387	$1.43	$1,387
TC 50%	$856			1	2	2	2	970	$856	$118	$738	$0	$0.76	$738	**$1,476**	**$1,476**	$738	**$1**	**$0**	$1,387	$1.43	$1,387
TC 60%	$1,027	HH/60%	$1,092		10	2	2	970	$1,027	$118	$909	$0	$0.94	$909	**$9,090**	**$9,090**	$909	**$1**	**$0**	$1,387	$1.43	$1,387
TC 60%	$1,027	HH/80%	$1,092		1	2	2	970	$1,027	$118	$909	$0	$0.94	$909	**$909**	**$909**	$909	**$1**	**$0**	$1,387	$1.43	$1,387
TC 60%	$1,027				8	2	2	970	$1,027	$118	$909	$0	$0.94	$909	**$7,272**	**$7,272**	$909	**$1**	**$0**	$1,387	$1.43	$1,387
TOTALS/AVERAGES:					**48**			**39,024**				**$0**	**$0.95**	**$772**	**$37,064**	**$37,064**	**$772**	**$0.95**	**$0**	**$1,218**	**$1.50**	**$1,218**

ANNUAL POTENTIAL GROSS RENT:	**$444,768**	**$444,768**	

STABILIZED PRO FORMA

Fishpond at Walker, Huntsville, 9% HTC #24506_22208

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.95	$772	$444,768	**$396,192**	$444,768	$444,768	$772	$0.95		0.0%	$0
NSF Fees, Application Fees							$30.00	$17,280	11,520							
Total Secondary Income							$30.00			11,520	$17,280	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$462,048	$407,712	$456,288	$462,048				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(34,654)	(30,578)	(30,578)	(34,654)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$427,394	$377,134	$425,710	$427,394				0.0%	$0

General & Administrative	$23,756	$495/Unit	$24,184	$504	4.84%	$0.53	$431	$20,700	$18,000	$18,356	$23,756	$495	$0.61	5.56%	-12.9%	(3,056)
Management	$27,259	6.4% EGI	$19,382	$404	4.94%	$0.54	$440	$21,103	$18,857	$18,857	$21,370	$445	$0.55	5.00%	-1.2%	(267)
Payroll & Payroll Tax	$59,170	$1,233/Unit	$83,546	$1,741	17.84%	$1.95	$1,589	$76,250	$54,000	$49,784	$76,250	$1,589	$1.95	17.84%	0.0%	-
Repairs & Maintenance	$34,512	$719/Unit	$36,171	$754	6.86%	$0.75	$610	$29,300	$33,000	$31,200	$31,200	$650	$0.80	7.30%	-6.1%	(1,900)
Electric/Gas	$9,596	$200/Unit	$10,262	$214	2.57%	$0.28	$229	$11,000	$10,000	$9,596	$9,596	$200	$0.25	2.25%	14.6%	1,404
Water, Sewer, & Trash	$29,778	$620/Unit	$26,729	$557	4.45%	$0.49	$396	$19,000	$30,500	$29,778	$26,729	$557	$0.68	6.25%	-28.9%	(7,729)
Property Insurance	$25,520	$0.65 /sf	$32,203	$671	10.53%	$1.15	$938	$45,000	$23,414	$27,601	$45,000	$938	$1.15	10.53%	0.0%	-
Property Tax (@ 100%) 1.674922	$26,436	$551/Unit	$38,019	$792	8.19%	$0.90	$729	$35,000	$30,000	$31,137	$27,914	$582	$0.72	6.53%	25.4%	7,086
Reserve for Replacements					2.81%	$0.31	$250	$12,000	$12,000	$12,000	$12,000	$250	$0.31	2.81%	0.0%	-
Supportive Services					0.18%	$0.02	$16	$750	$3,000	$3,000	$750	$16	$0.02	0.18%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.45%	$0.05	$40	$1,920	$1,920	$1,920	$1,920	$40	$0.05	0.45%	0.0%	-
TOTAL EXPENSES					**63.65%**	**$6.97**	**$5,667**	**$272,023**	$234,691	$233,227	**$277,402**	**$5,779**	**$7.11**	**64.91%**	**-1.9%**	**$ (5,379)**
NET OPERATING INCOME ("NOI")					**36.35%**	**$3.98**	**$3,237**	**$155,371**	$142,443	$143,907	**$149,992**	**$3,125**	**$3.84**	**35.09%**	**3.6%**	**$ 5,379**

CONTROLLABLE EXPENSES							$3,255/Unit					$3,490/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fishpond at Walker, Huntsville, 9% HTC #24506_22208

DEBT / GRANT SOURCES

DEBT (Must Pay)	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE: Cumulative DCR UW	Cumulative DCR App	Pmt	Rate	Amort	Term	Principal	Prior Underwriting Applicant	Prior Underwriting TDHCA	AS UNDERWRITTEN DEBT/GRANT STRUCTURE: Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
MDL 2024-2 HOME		1.18	1.22	127,187	2.00%	40	30	$3,500,000	**$2,000,000**	**$2,000,000**	$3,500,000	30	40	2.00%	$127,187	1.22	29.8%
CASH FLOW DEBT / GRANTS																	
City of Huntsville		1.18	1.22		0.00%	0	0	$250	**$250**	**$250**	$250	0	0	0.00%		1.22	0.0%
Watermark (General Contractor)		1.18	1.22		0.00%	0	0	$262,500			$262,500	0	0	0.00%		1.22	2.2%
				$127,187	**TOTAL DEBT / GRANT SOURCES**			**$3,762,750**	**$2,000,250**	**$2,000,250**	**$3,762,750**	**TOTAL DEBT SERVICE**			**$127,187**	**1.22**	32.0%
NET CASH FLOW		$22,805	$28,184								**APPLICANT**	**NET OPERATING INCOME**		**$155,371**	**$28,185**	**NET CASH FLOW**	

EQUITY SOURCES

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE: DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting Applicant	Prior Underwriting TDHCA	AS UNDERWRITTEN EQUITY STRUCTURE: Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
PNC	LIHTC Equity	65.8%	$900,000	$0.86	$7,739,226	$7,919,208	$7,919,208	$7,739,226	$0.86	$900,000	65.8%	$18,750	Applicant Request
Fish Pond Development, LLC	Deferred Developer Fees	2.2%	(17% Deferred)		$256,574	$512,399	$512,399	$256,574	(17% Deferred)		2.2%	**Total Developer Fee:**	**$1,546,802**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		68.0%			$7,995,800	$8,431,607	$8,431,607	$7,995,800			68.0%		
TOTAL CAPITALIZATION					**$11,758,550**	$10,431,857	$10,431,857	**$11,758,550**			**15-Yr Cash Flow after Deferred Fee:**		**$194,952**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS: Eligible Basis Acquisition	Eligible Basis New Const. Rehab	Total Costs			Prior Underwriting Applicant	Prior Underwriting TDHCA	TDHCA COST / BASIS ITEMS: Total Costs			Eligible Basis New Const. Rehab	Eligible Basis Acquisition	COST VARIANCE %	COST VARIANCE $
Land Acquisition				$10,391 / Unit	$498,750	$498,750	$498,750	$498,750	$10,391 / Unit				0.0%	$0
Off-Sites				$11,304 / Unit	$542,600	$73,000	$73,000	$542,600	$11,304 / Unit				0.0%	$0
Site Work		$1,080,431		$22,509 / Unit	$1,080,431	$1,080,000	$1,080,000	$1,080,431	$22,509 / Unit		$1,080,431		0.0%	$0
Site Amenities		$161,400		$3,363 / Unit	$161,400	$175,000	$175,000	$161,400	$3,363 / Unit		$161,400		0.0%	$0
Building Cost		$4,812,474	$123.32 /sf	$100,260/Unit	$4,812,474	$3,967,500	$4,498,600	$4,498,600	$93,721/Unit	$115.28 /sf	$4,498,600		7.0%	$313,874
Contingency		$423,801	7.00%	7.00%	$461,783	$370,685	$370,685	$439,812	7.00%	7.00%	$401,830		5.0%	$21,971
Contractor Fees		$906,935	14.00%	14.00%	$988,216	$793,266	$793,266	$941,198	14.00%	14.00%	$859,916		5.0%	$47,018
Soft Costs	$0	$555,618		$11,888 / Unit	$570,618	$860,192	$860,192	$570,618	$11,888 / Unit		$555,618	$0	0.0%	$0
Financing	$0	$771,070		$19,781 / Unit	$949,470	$894,399	$894,399	$949,470	$19,781 / Unit		$771,070	$0	0.0%	$0
Developer Fee	$0	$1,546,802	17.76%	16.65%	$1,546,802	$1,546,802	$1,546,802	$1,546,802	17.36%	18.57%	$1,546,802	$0	0.0%	$0
Reserves				4 Months	$136,006	$172,263	$172,263	$136,006	4 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$10,258,531**		$244,970 / Unit	**$11,758,550**	$10,431,857	$10,962,957	**$11,375,687**	$236,993 / Unit		**$9,875,667**	**$0**	**3.4%**	**$382,863**
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**	**$10,258,531**		$244,970/unit	**$11,758,550**	$10,431,857	$10,962,957	**$11,375,687**	$236,993/unit		**$9,875,667**	**$0**	**3.4%**	**$382,863**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): **$11,758,550**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fishpond at Walker, Huntsville, 9% HTC #24506_22208

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$10,258,531	$0	$9,875,667
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$10,258,531	$0	$9,875,667
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$13,336,090	$0	$12,838,367
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$13,336,090	$0	$12,838,367
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,200,248	$0	$1,155,453
CREDITS ON QUALIFIED BASIS	$1,200,248		$1,155,453	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8599	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,200,248	$10,321,102	----	----	----
Needed to Fill Gap	$929,837	$7,995,800	----	----	----
Applicant Request	$900,000	$7,739,226	**$900,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		39,024 SF	$97.87	3,819,123
Adjustments				
Exterior Wall Finish	5.60%		5.48	$213,871
Elderly	3.00%		2.94	114,574
9-Ft. Ceilings	3.70%		3.62	141,308
Roof Adjustment(s)			3.74	145,755
Subfloor			(3.22)	(125,657)
Floor Cover			2.82	110,048
Breezeways	$27.47	2,448	1.72	67,247
Balconies	$27.47	2,616	1.84	71,862
Plumbing Fixtures	$1,610	72	2.97	115,920
Rough-ins	$600	96	1.48	57,600
Built-In Appliances	$2,950	48	3.63	141,600
Exterior Stairs	$2,460	0	0.00	0
Heating/Cooling			2.37	92,487
Storage Space	$27.47	0	0.00	0
Carports	$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$149.01	1,283	4.90	191,177
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$2.88	42,755	3.16	123,134
SUBTOTAL			**135.30**	**5,280,046**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**135.30**	**$5,280,046**
Plans, specs, survey, bldg permits	3.30%		(4.46)	($174,242)
Contractor's OH & Profit	11.50%		(15.56)	(607,205)
NET BUILDING COSTS		$93,721/unit	$115.28/sf	$4,498,600

Long-Term Pro Forma

Fishpond at Walker, Huntsville, 9% HTC #24506_22208

	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%	$427,394	$435,942	$444,661	$453,554	$462,625	$510,776	$563,938	$622,633	$687,437	$758,986	$837,982	$925,200
TOTAL EXPENSES	3.00%	$272,023	$279,973	$288,157	$296,582	$305,255	$352,614	$407,384	$470,733	$544,012	$628,785	$726,866	$840,353
NET OPERATING INCOME ("NOI")		**$155,371**	**$155,970**	**$156,505**	**$156,973**	**$157,370**	**$158,162**	**$156,554**	**$151,900**	**$143,426**	**$130,201**	**$111,116**	**$84,847**
EXPENSE/INCOME RATIO		63.6%	64.2%	64.8%	65.4%	66.0%	69.0%	72.2%	75.6%	79.1%	82.8%	86.7%	90.8%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187	$127,187
DEBT COVERAGE RATIO		1.22	1.23	1.23	1.23	1.24	1.24	1.23	1.19	1.13	1.02	0.87	0.67
ANNUAL CASH FLOW		**$28,185**	**$28,783**	**$29,318**	**$29,786**	**$30,183**	**$30,975**	**$29,367**	**$24,713**	**$16,239**	**$3,014**	**($16,071)**	**($42,340)**
Deferred Developer Fee Balance		$228,389	$199,607	$170,289	$140,503	$110,319	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$43,819	$194,952	$329,189	$429,034	$472,661	$433,070	$277,077

22208 Fishpond at Walker - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 21, 2022

PROPERTY IDENTIFICATION

Application #	22208
Development	Fishpond at Walker
City / County	Huntsville / Walker
Region/Area	6 / Rural
Population	Elderly Limitation
Set-Aside	Rural
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$900,000	$900,000	$18,750/Unit	$0.88

KEY PRINCIPALS / SPONSOR

Fish Pond Development LLC
(60% Owner, 100% Developer, 100% Guarantor)
David Fournier 100%
BETCO Consulting LLC (40% Owner)
Lora Myrick 46%, Bruce Spitzengel 25%, Eric Hartzell 10%

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	24	50%
2	24	50%
3	-	0%
4	-	0%
TOTAL	48	100%

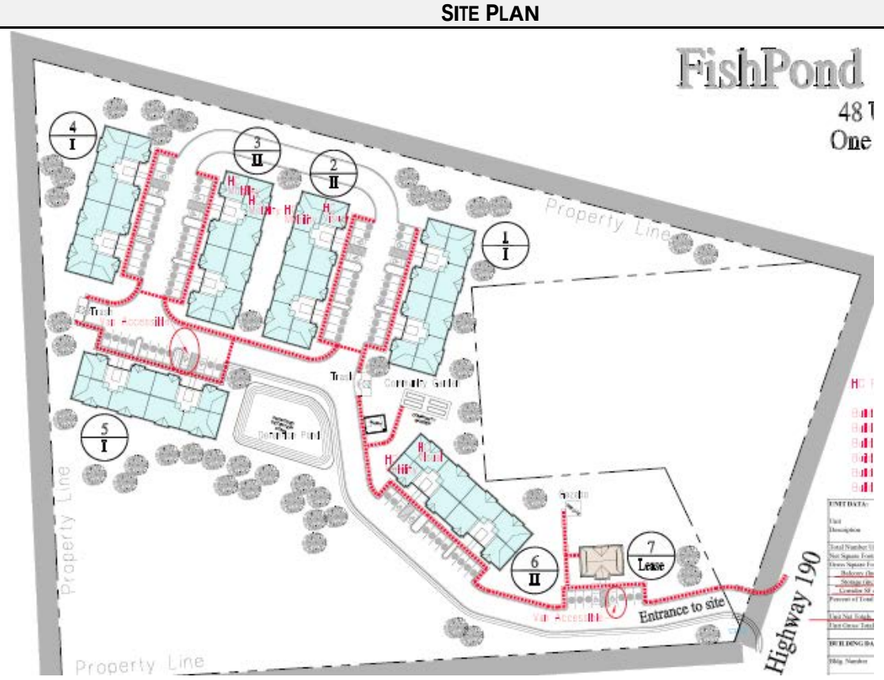
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	4	8%
40%	-	0%
50%	8	17%
60%	36	75%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	48	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.30	Expense Ratio	62.2%
Breakeven Occ.	84.5%	Breakeven Rent	$627
Average Rent	$688	B/E Rent Margin	$61
Property Taxes	$625/unit	Exemption/PILOT	0%
Total Expense	$4,889/unit	Controllable	$3,031/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			3.1%
Highest Unit Capture Rate	12%	2 BR/60%	18
Dominant Unit Cap. Rate	7%	1 BR/60%	18

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	813 SF	Density	6.1/acre
Acquisition		$10K/unit	$499K
Building Cost	$101.67/SF	$83K/unit	$3,968K
Hard Cost		$118K/unit	$5,666K
Total Cost		$217K/unit	$10,432K
Developer Fee	$1,547K	(33% Deferred)	Paid Year: 15
Contractor Fee	$793K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Community Bank of Texas	15/35	4.25%	$2,000,000	1.30
TOTAL DEBT (Must Pay)			$2,000,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Huntsville	0/0	0.00%	$250	1.30
CASH FLOW DEBT / GRANTS			$250	

EQUITY / DEFERRED FEES	
Source	Amount
PNC Real Estate	$7,919,208
Fish Pond Development, LLC	$512,399
TOTAL EQUITY SOURCES	$8,431,607
TOTAL DEBT SOURCES	$2,000,250
TOTAL CAPITALIZATION	$10,431,857

CONDITIONS

— Receipt and acceptance by Cost Certification:

- 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 capture rates
- Developer experienced in market and product
- Attractive single story product should enhance leasing for seniors.

WEAKNESSES/RISKS

- Low 15 year cash flow
- Interest rate risk

AREA MAP

AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 21, 2022

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22208** Program(s): **9% HTC**

Fishpond at Walker

Address/Location: 935 Hwy 190E

City: Huntsville County: Walker Zip: 77340

Population: Elderly Limitation Program Set-Aside: Rural Area: Rural

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$900,000				**$900,000**				

CONDITIONS

- Receipt and acceptance by Cost Certification:
  - 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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	8
60% of AMI	60% of AMI	36

DEVELOPMENT SUMMARY

Fishpond at Walker is a 48 unit new construction elderly development in Huntsville and will consist of six 1-story buildings with 8 units per building evenly split between one and two bedroom apartments. The amenities will include a community room, laundry room, business center, package lockers, and a community garden. There is an existing single family structure on an adjacent tract also being purchased that encroaches onto the development site and is needed for an access easement. This purchase is not included in the acquisition price and will not be encumbered by the LURA.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Low capture rates
▫	Developer experienced in market and product
▫	Attractive single story product should enhance leasing for seniors.

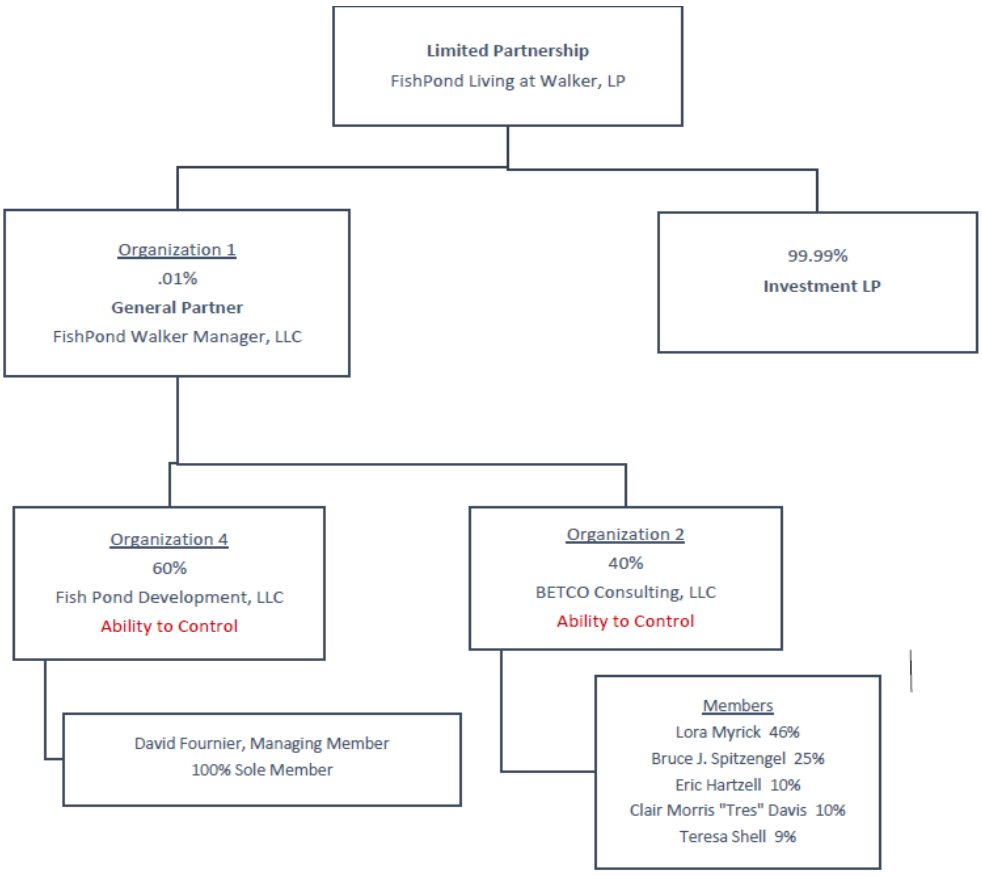
WEAKNESSES/RISKS	
▫	Low 15 year cash flow
▫	Interest rate risk
▫	

DEVELOPMENT TEAM

PRIMARY CONTACTS

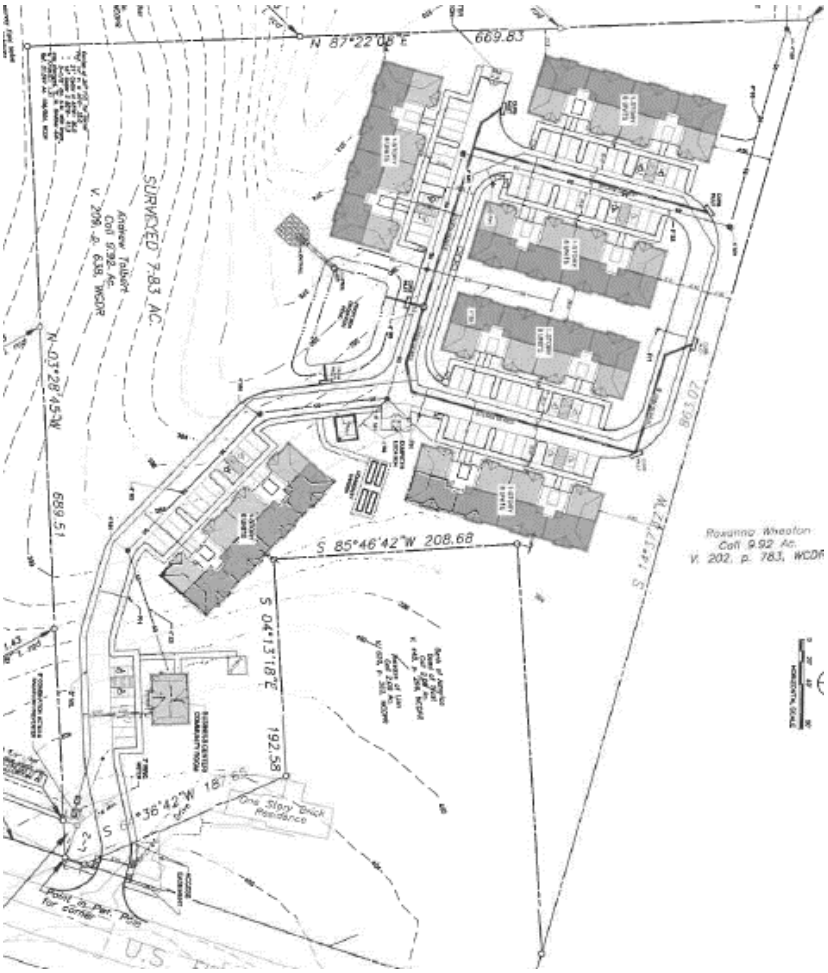
Name:	David Fournier	Name:	Lisa Vecchietti
Phone:	(512) 970-3889	Phone:	(512) 627-8062
Relationship:	Applicant/Developer	Relationship:	Applicant/Developer

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

There are 80 open surface parking spaces (1.7/unit) that will be provided at no charge to the residents. This exceeds the 60 spaces (1.3/unit) required by Code.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	1	2											Total Buildings
Floors/Stories	1	1											
Number of Bldgs	3	3											6
Units per Bldg	8	8											
Total Units	24	24											**48**

Avg. Unit Size (SF)	**813 sf**	**Total NRA (SF)**	**39,024**	**Common Area (SF)***	**1,283**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 7.83 acres Density: 6.1 units/acre

Site Control: 7.83 **Site Plan:** 7.83 **Appraisal:** NA **ESA:** 8.33

Feasibility Report Survey: 7.83 **Feasibility Report Engineer's Plan:** 7.83

Control Type: Commercial Contract Improved Property

Development Site: 7.83 acres Cost: $498,750 $10,391 per unit

Seller: Andrew Tolbert & Lexie Tolbert

Buyer: Fish Pond Development LLC

Related-Party Seller/Identity of Interest: No

Comments:

Applicant will own the adjacent 2.09 acre tract, including the access easement. The 2.09 acres will not be encumbered by the LURA and the sales price of the 2.09 acres is not included in the acquisition price.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	M	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering LLC Date: 2/22/2022

Recognized Environmental Conditions (RECs) and Other Concerns:

- US Highway 190 and State Highway 19 within 1000 feet of subject property. Union Pacific Railroad within 3000 ft.
- Due to proximity to several major roadways, a noise study is recommended for the proposed development. It is likely noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development.

MARKET ANALYSIS

Provider: Apartment MarketData LLC Date: 3/3/2022

Contact: Darrell Jack Phone: (210) 530-0040

Primary Market Area (PMA): 802 sq. miles 16 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Walker County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$9,120	$9,120	$10,944	$10,944	---	---	---
	Max	$14,220	$16,230	$18,270	$20,280	---	---	---
50% AMGI	Min	$15,216	$15,216	$18,264	$18,264	---	---	---
	Max	$23,700	$27,050	$30,450	$33,800	---	---	---
60% AMGI	Min	$18,264	$18,264	$21,912	$21,912	---	---	---
	Max	$28,440	$32,460	$36,540	$40,560	---	---	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
20329	Fish Pond at Huntsville	Y	New	Elderly	48	48
Other Affordable Developments in PMA since 2017						
17208	Waverly Village		New	General	n/a	50
19365	Heritage Estates at Huntsville		New	Elderly	n/a	48
Stabilized Affordable Developments in PMA				Total Units		576
				Total Developments		7
				Average Occupancy		98%

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	73,133			
Senior Households in the Primary Market Area	18,465			
Potential Demand from the Primary Market Area	2,818			
10% External Demand	282			
GROSS DEMAND	3,100			
Subject Affordable Units	48			
Unstabilized Competitive Units	48			
RELEVANT SUPPLY	96			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**3.1%**			

Population:	**Elderly Limitation**	**Market Area:**	**Rural**	**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	950	95	4	4	1%
50% AMGI	614	61	8	10	3%
60% AMGI	1,254	125	36	34	5%

Demand Analysis:

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE					
	Market Analyst				
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	371	37	2	2	1%
1 BR/50%	414	41	4	5	2%
1 BR/60%	437	44	18	17	7%
2 BR/30%	198	20	2	2	2%
2 BR/50%	212	21	4	5	4%
2 BR/60%	275	28	18	17	12%

Market Analyst Comments:

The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable projects are 98% occupied. Heritage Estates (#19365) finished construction in 2021 and is 100% occupied. (p 13)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$142,443	Avg. Rent:	$688	Expense Ratio:	62.2%
Debt Service:	$109,895	B/E Rent:	$627	Controllable Expenses:	$3,031
Net Cash Flow:	$32,548	UW Occupancy:	92.5%	Property Taxes/Unit:	$625
Aggregate DCR:	1.30	B/E Occupancy:	84.5%	Program Rent Year:	2021

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$63,697/ac	$10,391/unit	**$498,750**	Contractor Fee	**$793,266**
Off-site + Site Work		$27,667/unit	**$1,328,000**	Soft Cost + Financing	**$1,754,591**
Building Cost	$101.67/sf	$82,656/unit	**$3,967,500**	Developer Fee	**$1,546,802**
Contingency	7.00%	$7,723/unit	**$370,685**	Reserves	**$172,263**
Total Development Cost	$217,330/unit	**$10,431,857**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Rural [9% only]

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$10,431,857	**$7,765,991**	**$908,621**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Community Bank of Texas	Conventional Loan	$8,500,000	3.75%	81%
PNC Real Estate	HTC	$791,921	$0.88	8%
City of Huntsville	§11.9(d)(2)LPS Contribution	$250	0.00%	0%
Fish Pond Development, LLC	Deferred Developer Fee	$1,139,686	0.00%	11%
		$10,431,857	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Community Bank of Texas	$2,000,000	4.25%	35	15	$2,000,000	4.25%	35	15	19%
City of Huntsville	$250	0.00%	0	0	$250	0.00%	0	0	0%
Total	**$2,000,250**				**$2,000,250**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
PNC Real Estate	$7,919,208	$0.88		$7,919,208	$0.88	76%	
Fish Pond Development, LLC	$512,399		33%	$512,399		5%	33%
Total	**$8,431,607**			**$8,431,607**			
				$10,431,857	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.937	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.878	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$10,431,857
Permanent Sources (debt + non-HTC equity)	$2,000,250
Gap in Permanent Financing	$8,431,607

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$7,995,064	$908,621
Needed to Balance Sources & Uses	$8,431,607	$958,233
Requested by Applicant	$7,919,208	$900,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$7,919,208**	**$900,000**

Deferred Developer Fee	**$512,399**	**(33% deferred)**
Repayable in	**15 years**	

Comments:

Underwriter recommends Applicant's request of $900,000 in 9% annual HTC.

Underwriter: *Eric Weiner*

Manager of Real Estate Analysis: *Gregg Kazak*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Fishpond at Walker, Huntsville, 9% HTC #22208

LOCATION DATA	
CITY:	Huntsville
COUNTY:	Walker
Area Median Income	$67,600
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	24	50.0%	0	0
2	24	50.0%	0	0
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**48**	**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	813 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	4	-	8	36	-	-	-	**48**
	% Total	0.0%	8.3%	0.0%	16.7%	75.0%	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%	$380	2	1	1	656	$380	$79	$301	$0	$0.46	$301	**$602**	**$602**	$301	**$0**	**$0**	$1,001	$1.53	$1,001
TC 50%	$634	4	1	1	656	$634	$79	$555	$0	$0.85	$555	**$2,220**	**$2,220**	$555	**$1**	**$0**	$1,001	$1.53	$1,001
TC 60%	$761	18	1	1	656	$761	$79	$682	$0	$1.04	$682	**$12,276**	**$12,276**	$682	**$1**	**$0**	$1,001	$1.53	$1,001
TC 30%	$456	2	2	2	970	$456	$103	$353	$0	$0.36	$353	**$706**	**$706**	$353	**$0**	**$0**	$1,232	$1.27	$1,232
TC 50%	$761	4	2	2	970	$761	$103	$658	$0	$0.68	$658	**$2,632**	**$2,632**	$658	**$1**	**$0**	$1,232	$1.27	$1,232
TC 60%	$913	18	2	2	970	$913	$103	$810	$0	$0.84	$810	**$14,580**	**$14,580**	$810	**$1**	**$0**	$1,232	$1.27	$1,232
TOTALS/AVERAGES:		**48**			**39,024**				**$0**	**$0.85**	**$688**	**$33,016**	**$33,016**	**$688**	**$0.85**	**$0**	**$1,117**	**$1.37**	**$1,117**

ANNUAL POTENTIAL GROSS RENT:	**$396,192**	**$396,192**	

STABILIZED PRO FORMA

Fishpond at Walker, Huntsville, 9% HTC #22208

	STABILIZED FIRST YEAR PRO FORMA														
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.85	$688	$396,192	$396,192	$688	$0.85		0.0%	$0
NSF Fees, Application Fees							$20.00	$11,520						
Total Secondary Income							$20.00		$11,520	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$407,712	$407,712				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(30,578)	(30,578)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$377,134	$377,134				0.0%	$0
General & Administrative	$23,756	$495/Unit	$18,356	$382	4.77%	$0.46	$375	$18,000	$18,356	$382	$0.47	4.87%	-1.9%	(356)
Management	$27,259	6.4% EGI	$19,231	$401	5.00%	$0.48	$393	$18,857	$18,857	$393	$0.48	5.00%	0.0%	0
Payroll & Payroll Tax	$59,170	$1,233/Unit	$81,861	$1,705	14.32%	$1.38	$1,125	$54,000	$49,784	$1,037	$1.28	13.20%	8.5%	4,216
Repairs & Maintenance	$34,512	$719/Unit	$29,898	$623	8.75%	$0.85	$688	$33,000	$31,200	$650	$0.80	8.27%	5.8%	1,800
Electric/Gas	$9,596	$200/Unit	$10,940	$228	2.65%	$0.26	$208	$10,000	$9,596	$200	$0.25	2.54%	4.2%	404
Water, Sewer, & Trash	$29,778	$620/Unit	$26,481	$552	8.09%	$0.78	$635	$30,500	$29,778	$620	$0.76	7.90%	2.4%	722
Property Insurance	$25,520	$0.65 /sf	$26,710	$556	6.21%	$0.60	$488	$23,414	$27,601	$575	$0.71	7.32%	-15.2%	(4,187)
Property Tax (@ 100%) 1.9473	$26,436	$551/Unit	$28,819	$600	7.95%	$0.77	$625	$30,000	$31,137	$649	$0.80	8.26%	-3.7%	(1,137)
Reserve for Replacements					3.18%	$0.31	$250	$12,000	$12,000	$250	$0.31	3.18%	0.0%	-
Supportive Services					0.80%	$0.08	$63	$3,000	$3,000	$63	$0.08	0.80%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.51%	$0.05	$40	$1,920	$1,920	$40	$0.05	0.51%	0.0%	-
TOTAL EXPENSES					**62.23%**	**$6.01**	**$4,889**	**$234,691**	**$233,227**	**$4,859**	**$5.98**	**61.84%**	**0.6%**	**$ 1,464**
NET OPERATING INCOME ("NOI")					**37.77%**	**$3.65**	**$2,968**	**$142,443**	**$143,907**	**$2,998**	**$3.69**	**38.16%**	**-1.0%**	**$ (1,464)**
CONTROLLABLE EXPENSES							$3,031/Unit			$2,890/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fishpond at Walker, Huntsville, 9% HTC #22208

DEBT / GRANT SOURCES

DEBT (Must Pay)	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE: Cumulative DCR UW	App	Pmt	Rate	Amort	Term	Principal	AS UNDERWRITTEN DEBT/GRANT STRUCTURE: Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
Community Bank of Texas		1.31	1.30	109,895	4.25%	35	15	$2,000,000	$2,000,000	15	35	4.25%	$109,895	1.30	19.2%
CASH FLOW DEBT / GRANTS															
City of Huntsville		1.31	1.30		0.00%	0	0	$250	$250	0	0	0.00%		1.30	0.0%
				$109,895	**TOTAL DEBT / GRANT SOURCES**			**$2,000,250**	**$2,000,250**	**TOTAL DEBT SERVICE**			**$109,895**	**1.30**	19.2%
NET CASH FLOW		$34,012	$32,548						**APPLICANT**	**NET OPERATING INCOME**		**$142,443**	**$32,548**	**NET CASH FLOW**	

EQUITY SOURCES

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE: DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	AS UNDERWRITTEN EQUITY STRUCTURE: Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
PNC Real Estate	LIHTC Equity	75.9%	$900,000	$0.88	$7,919,208	$7,919,208	$0.88	$900,000	75.9%	$18,750	Applicant Request
Fish Pond Development, LLC	Deferred Developer Fees	4.9%	(33% Deferred)		$512,399	$512,399	(33% Deferred)		4.9%	**Total Developer Fee:**	**$1,546,802**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		80.8%			$8,431,607	$8,431,607			80.8%		
TOTAL CAPITALIZATION					**$10,431,857**	**$10,431,857**			**15-Yr Cash Flow after Deferred Fee:**		**$20,731**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS: Eligible Basis Acquisition	New Const. Rehab	Total Costs			TDHCA COST / BASIS ITEMS: Total Costs			Eligible Basis New Const. Rehab	Acquisition	COST VARIANCE %	$
Land Acquisition				$10,391 / Unit	$498,750	$498,750	$10,391 / Unit				0.0%	$0
Off-Sites				$1,521 / Unit	$73,000	$73,000	$1,521 / Unit				0.0%	$0
Site Work		$715,000		$22,500 / Unit	$1,080,000	$1,080,000	$22,500 / Unit		$715,000		0.0%	$0
Site Amenities		$175,000		$3,646 / Unit	$175,000	$175,000	$3,646 / Unit		$175,000		0.0%	$0
Building Cost		$3,225,607	$101.67 /sf	$82,656/Unit	$3,967,500	$4,498,600	$93,721/Unit	$115.28 /sf	$3,225,607		-11.8%	($531,100)
Contingency		$288,120	7.00%	7.00%	$370,685	$370,685	6.36%	7.00%	$288,092		0.0%	$0
Contractor Fees		$616,576	14.00%	14.00%	$793,266	$793,266	12.80%	14.00%	$616,518		0.0%	$0
Soft Costs	$0	$810,192		$17,921 / Unit	$860,192	$860,192	$17,921 / Unit		$810,192	$0	0.0%	$0
Financing	$0	$641,250		$18,633 / Unit	$894,399	$894,399	$18,633 / Unit		$641,250	$0	0.0%	$0
Developer Fee	$0	$1,294,389	20.00%	20.00%	$1,546,802	$1,546,802	18.71%	20.00%	$1,294,332	$0	0.0%	$0
Reserves				6 Months	$172,263	$172,263	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$7,766,134**		$217,330 / Unit	**$10,431,857**	**$10,962,957**	$228,395 / Unit		**$7,765,991**	**$0**	**-4.8%**	**($531,100)**
Acquisition Cost	$0				$0							
Contingency		($28)			$0							
Contractor's Fee		($58)			($0)							
Financing Cost		$0										
Developer Fee	$0	($57)	20.00%		$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$7,765,991**		$217,330/unit	**$10,431,857**	**$10,962,957**	$228,395/unit		**$7,765,991**	**$0**	**-4.8%**	**($531,100)**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$10,431,857**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Fishpond at Walker, Huntsville, 9% HTC #22208

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$7,765,991	$0	$7,765,991
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$7,765,991	$0	$7,765,991
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$10,095,788	$0	$10,095,788
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$10,095,788	$0	$10,095,788
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$908,621	$0	$908,621
CREDITS ON QUALIFIED BASIS	$908,621		$908,621	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$908,621	$7,995,064	**----**	**----**	**----**
Needed to Fill Gap	$958,233	$8,431,607	**----**	**----**	**----**
Applicant Request	$900,000	$7,919,208	**$900,000**	**$0**	**$0**

BUILDING COST ESTIMATE

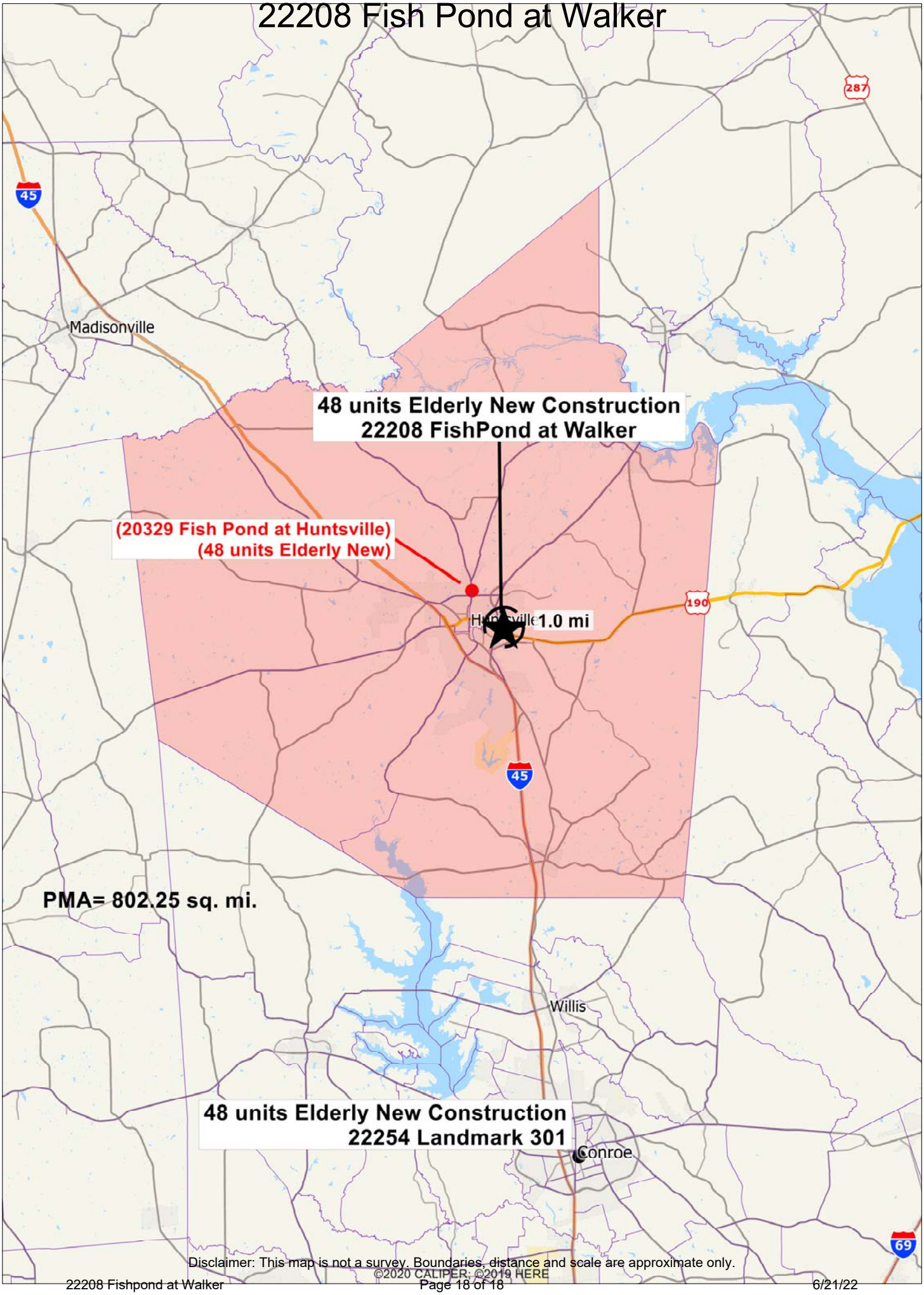
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		39,024 SF	$97.87	3,819,123
Adjustments				
Exterior Wall Finish	5.60%		5.48	$213,871
Elderly	3.00%		2.94	114,574
9-Ft. Ceilings	3.70%		3.62	141,308
Roof Adjustment(s)			3.74	145,755
Subfloor			(3.22)	(125,657)
Floor Cover			2.82	110,048
Breezeways	$27.47	2,448	1.72	67,247
Balconies	$27.47	2,616	1.84	71,862
Plumbing Fixtures	$1,610	72	2.97	115,920
Rough-ins	$600	96	1.48	57,600
Built-In Appliances	$2,950	48	3.63	141,600
Exterior Stairs	$2,460	0	0.00	0
Heating/Cooling			2.37	92,487
Storage Space	$27.47	0	0.00	0
Carports	$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	$149.01	1,283	4.90	191,177
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	$2.88	42,755	3.16	123,134
SUBTOTAL			**135.30**	**5,280,046**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**135.30**	**$5,280,046**
Plans, specs, survey, bldg permits	3.30%		(4.46)	($174,242)
Contractor's OH & Profit	11.50%		(15.56)	(607,205)
NET BUILDING COSTS		$93,721/unit	$115.28/sf	$4,498,600

Long-Term Pro Forma

Fishpond at Walker, Huntsville, 9% HTC #22208

	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%	$377,134	$384,676	$392,370	$400,217	$408,222	$450,710	$497,620	$549,412	$606,596	$669,731	$739,437
TOTAL EXPENSES	3.00%	$234,691	$241,543	$248,597	$255,859	$263,334	$304,150	$351,350	$405,937	$469,076	$542,114	$626,611
NET OPERATING INCOME ("NOI")		**$142,443**	**$143,133**	**$143,773**	**$144,358**	**$144,887**	**$146,559**	**$146,270**	**$143,475**	**$137,519**	**$127,617**	**$112,826**
EXPENSE/INCOME RATIO		62.2%	62.8%	63.4%	63.9%	64.5%	67.5%	70.6%	73.9%	77.3%	80.9%	84.7%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		$109,895	$109,895	$109,895	$109,895	$109,895	$109,895	$109,895	$109,895	$109,895	$109,895	$109,895
DEBT COVERAGE RATIO		1.30	1.30	1.31	1.31	1.32	1.33	1.33	1.31	1.25	1.16	1.03
ANNUAL CASH FLOW		**$32,548**	**$33,239**	**$33,878**	**$34,464**	**$34,992**	**$36,665**	**$36,376**	**$33,581**	**$27,625**	**$17,722**	**$2,932**
Deferred Developer Fee Balance		$479,851	$446,612	$412,734	$378,270	$343,278	$162,611	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$20,731	$195,349	$346,795	$456,966	$503,370

22208 Fish Pond at Walker



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

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