

# 26423 Timbers Edge Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

April 2, 2026

PROPERTY IDENTIFICATION	
Application #	26423
Development	Timbers Edge Apartments
City / County	Beaumont / Jefferson
Region/Area	5 / Urban
Population	General
Set-Aside	General
Activity	Acquisition/Rehab (Built in 1976)

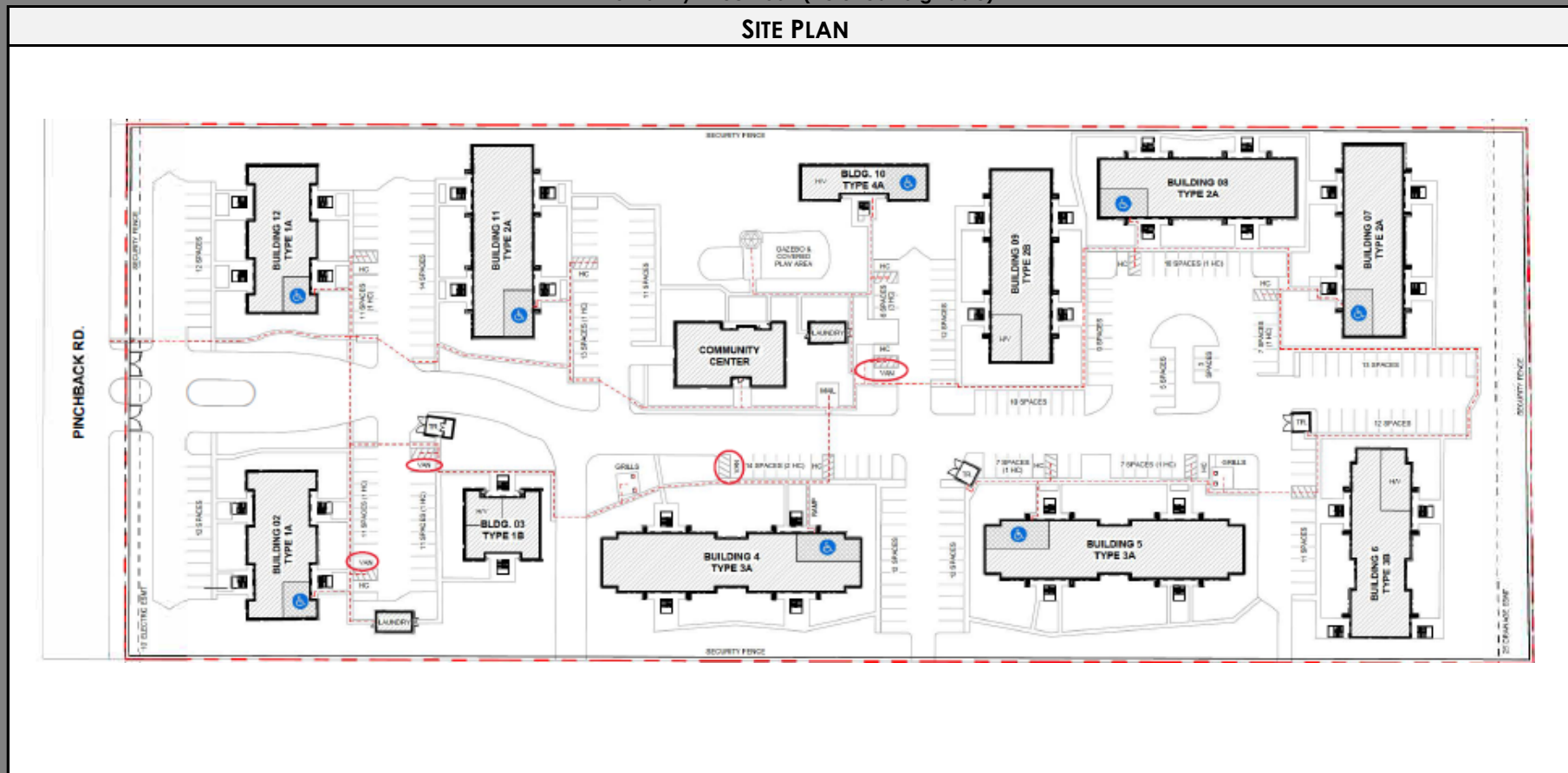
RECOMMENDATION						
TDHCA Program	Request	Recommended				
FHTC (4% Credit)	\$1,377,659	\$1,340,858	\$8,939/Unit	\$0.81		
	Amount	Rate	Amort	Term	Lien	
TCAP	\$3,690,698		25	25	2	

KEY PRINCIPALS / SPONSOR		
• Itex Development, LLC / Christopher Akbari		
Related Parties	Contractor - Yes	Seller - Yes



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	40	27%	30%	-	0%
2	62	41%	40%	-	0%
3	44	29%	50%	-	0%
4	4	3%	60%	150	100%
			70%	-	0%
			80%	-	0%
			MR	-	0%
<b>TOTAL</b>	<b>150</b>	<b>100%</b>	<b>TOTAL</b>	<b>150</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	✘ 1.01	Expense Ratio	✔ 48.8%
Breakeven Occ.	✘ 93.1%	Breakeven Rent	\$1,305
Average Rent	\$1,333	B/E Rent Margin	⚠ \$28
Property Taxes	\$424/unit	Exemption/PILOT	50%
Total Expense	\$7,499/unit	Controllable	\$4,662/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)		✔	2.7%
Highest Unit Capture Rate	⚠ 21%	3 BR/60%	44
Dominant Unit Cap. Rate	⚠ 14%	2 BR/60%	62
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	150	100% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on SCR	
Avg. Unit Size	824 SF	Density	16.0/acre
Acquisition	\$80K/unit		\$12,000K
Building Cost	\$64.86/SF	\$53K/unit	\$8,020K
Hard Cost		\$63K/unit	\$9,425K
Total Cost		\$217K/unit	\$32,496K
Developer Fee	\$3,788K	(44% Deferred)	Paid Year: 14
Contractor Fee	\$1,318K	30% Boost	Yes

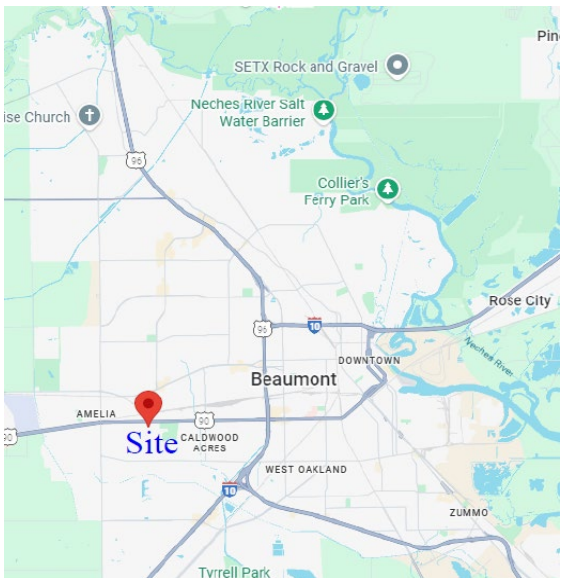
DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
PNC - FHA 221 (d)(4)	40/40	5.64%	\$16,000,000	1.12	Beaumont Timbers Edge LP	50/0	4.82%	\$510,807	1.01	Hunt Capital	\$10,860,477	
Adjustment to Debt Per §11.302(c)(2)	40/40	5.64%	(\$1,000,000)	1.20	Beaumont Timbers Edge I LP	0/0	0.00%	\$750,000	1.01	Beaumont Timbers Edge I LP	\$1,684,431	
TDHCA	25/25	0.00%	\$3,690,698	1.20								
<b>TOTAL DEBT (Must Pay)</b>			<b>\$18,690,698</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$1,260,807</b>		<b>TOTAL EQUITY SOURCES</b>		<b>\$12,544,908</b>
										<b>TOTAL DEBT SOURCES</b>		<b>\$19,951,505</b>
										<b>TOTAL CAPITALIZATION</b>		<b>\$32,496,413</b>

**CONDITIONS**

- 1 Receipt and acceptance before Determination Notice:
  - a: Documentation of approval of proposed HAP Rent increase.
  - b: Department approval of TDHCA TCAP loan assumption.
  - c: First lien holder approval of proposed terms of the extension of the TCAP loan.

**Status:** 3/27/2026 Cleared. Per Legal, HUD has approved TDHCA LURA surviving foreclosure and TDHCA lien maturing before HUD lien.
- 2 Receipt and acceptance by Cost Certification:
  - a: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
  - b: Certification of implementation of all recommended abatement measures for mold, and/or implementation of a Mold and Moisture Minimization Plan if required by ESA.
  - c: Certification of comprehensive testing for lead in water; that any appropriate abatement procedures were implemented; and that elevated results are not the result of plumbing that was not thoroughly flushed prior to sampling.

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.

BOND RESERVATION / ISSUER	
Issuer	Jefferson County HFC
Expiration Date	8/24/2026
Bond Amount	\$18,000,000
BRB Priority	Priority 2
<b>% Financed with Tax-Exempt Bonds</b>	
	<b>51.5%</b>
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫ 100% Project Based Vouchers	
▫ Low controllable expenses	
▫ Experienced regional Developer and Operator	
WEAKNESSES/RISKS	
▫ Deal contingent on PHA 20-35% rent increase	
▫ Rehabilitation construction cost risk	
▫ Interest rate risk	
AREA MAP	
	





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: **26423** Program(s): **TDHCA Bonds/4% HTC/MDL**

**Timbers Edge Apartments**

Address/Location: 1075 Pinchback Road

City: Beaumont County: Jefferson Zip: 77707

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

Activity: Acquisition/Rehab Building Type: Garden (Up to 4-story) Region: 5

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
TCAP	\$3,690,698	0%	25	25 yrs	\$3,690,698	0%	25	25 yrs	2	36 mos	3
FHTC (4% Credit)	\$1,377,659				\$1,340,858						

\* Multifamily Direct Loan and HOME ARP Terms:

\* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months). In this case, HUD will be making an exception

\*\* Final construction term will be noted in the loan documents.

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**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	150

**DEVELOPMENT SUMMARY**

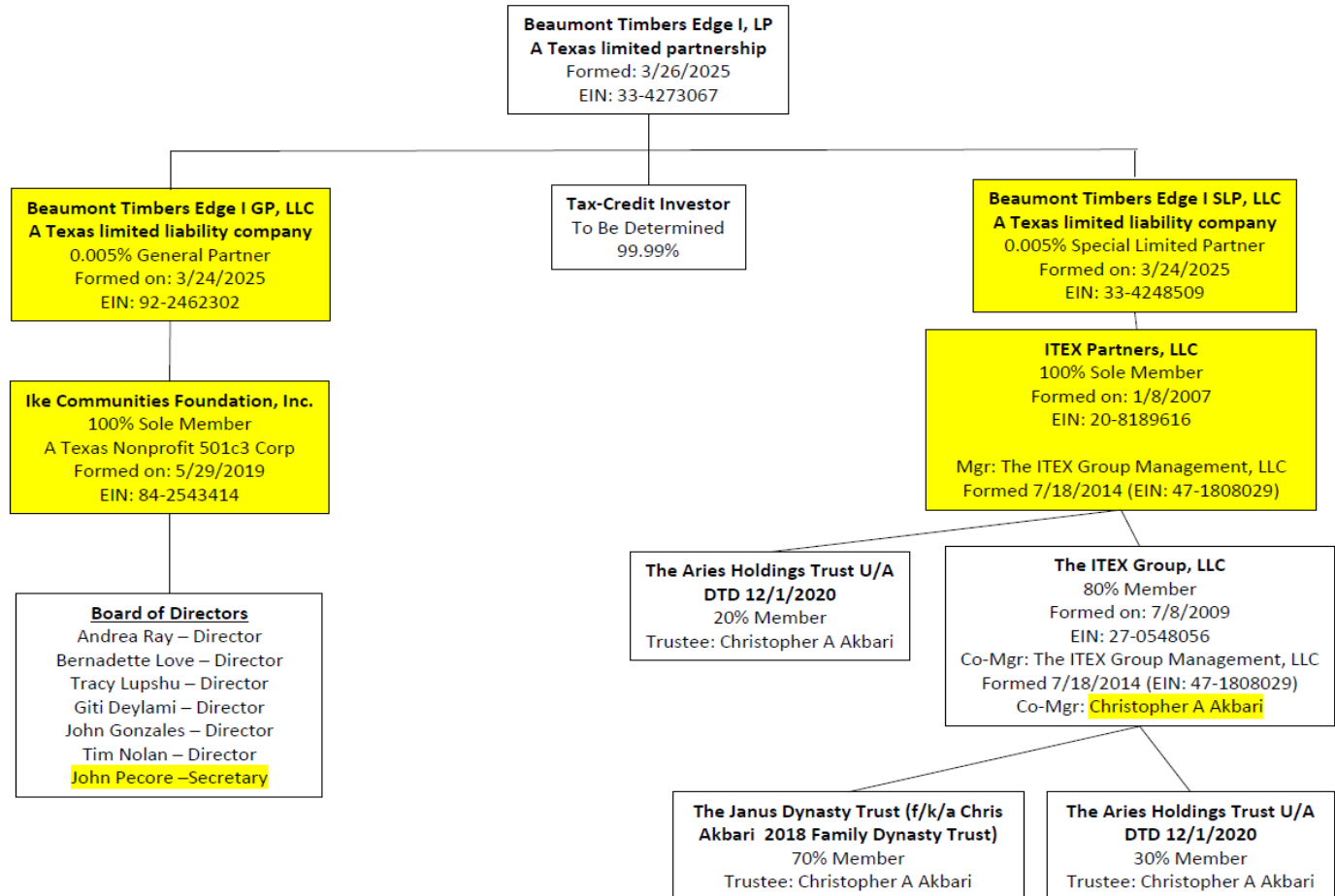
Timbers Edge Apartments, located at 1075 Pinchback Road in Beaumont, Jefferson County, Texas, is an acquisition/rehab development consisting of 150 one, two, three, and four-bedroom units in 11 two-story walkup buildings. Amenities include a gazebo, play area, laundry buildings, a community room with a kitchen, a computer station, and leasing areas. The development was originally built in 1976 and was rehabilitated with 4% HTC and TCAP funds in 2008. There are existing LURA's for both the HTC and TCAP funds as well as a HAP contract on the property. The developer is seeking a 50% property tax abatement as the GP will be 100% owned by a CHDO.

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ 100% Project Based Vouchers</li> <li>▫ Low controllable expenses</li> <li>▫ Experienced regional Developer and Operator</li> </ul>	<ul style="list-style-type: none"> <li>▫ Deal contingent on PHA 20-35% rent increase</li> <li>▫ Rehabilitation construction cost risk</li> <li>▫ Interest rate risk</li> </ul>

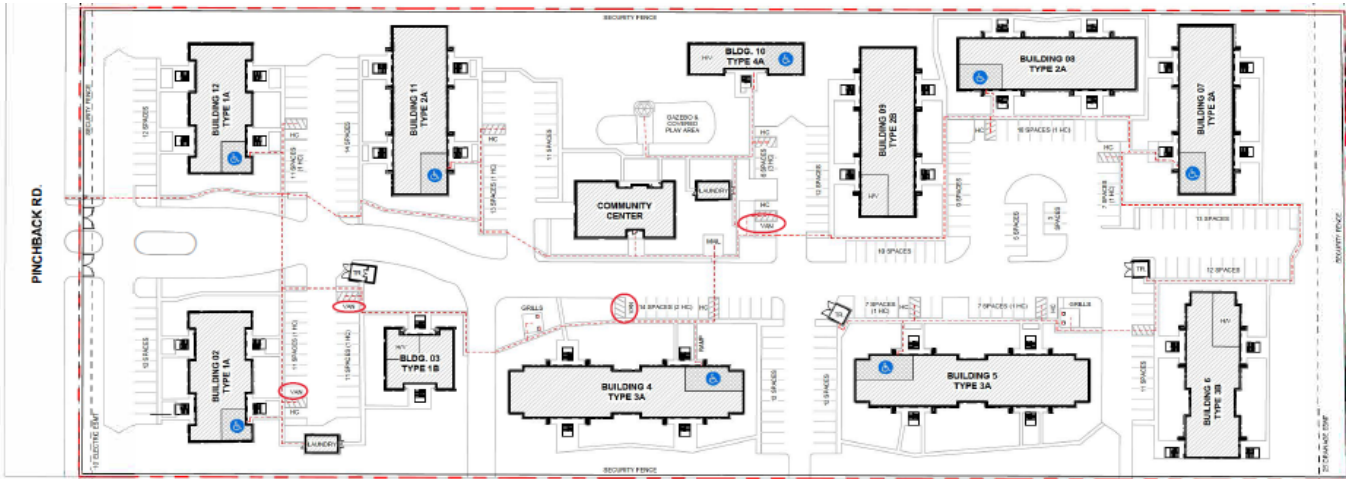
**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



# DEVELOPMENT SUMMARY

## SITE PLAN



## AERIAL PHOTO



### Comments:

Code requires 1.5 spaces per unit or 225 spaces. Site plan provides for 237 open surface spaces (1.6/unit), which will all be provided at no charge to the residents.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1A	1B	2A	2B	3A	3B	4A								<b>Total Buildings</b>
Floors/Stories	2	2	2	2	2	2	2								<b>11</b>
Number of Bldgs	2	1	3	1	2	1	1								<b>11</b>
Units per Bldg	16	8	16	14	16	12	4								
<b>Total Units</b>	<b>32</b>	<b>8</b>	<b>48</b>	<b>14</b>	<b>32</b>	<b>12</b>	<b>4</b>								<b>150</b>
<b>Avg. Unit Size (SF)</b>		<b>824 sf</b>		<b>Total NRA (SF)</b>			<b>123,662</b>			<b>Common Area (SF)*</b>			<b>2,742</b>		

\*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

**Site Acreage:** Development Site: 9.36 acres Density: 16.0 units/acre  
**Site Control:** 9.345 **Site Plan:** 9.36 **Appraisal:** 9.345 **ESA:** 9.36  
**Feasibility Report Survey:** 9.36 **Feasibility Report Engineer's Plan:** na **Existing LURA:** 9.345

Control Type: Purchase and Sale Agreement  
 Development Site: 9.36 acres Cost: \$12,000,000 \$80,000 per unit

Seller: Beaumont Timbers Edge LP  
 Buyer: Beaumont Timbers Edge I, LP

Related-Party Seller/Identity of Interest: Yes

Date of Most Recent Arms Length Settlement Statement: 6/23/2023  
 Sales Price in Most Recent Arms Length Settlement Statement: \$11,500,000

Comments:

The current Owner / Seller is controlled by a principal of the Applicant and Developer. They purchased the property in June of 2023 prior to the submission of this Application. A copy of the HUD-1 Settlement Statement was provided for that transaction. The property was previously owned for 15 years by Beaumont Leased Housing Associates I, LP , a non-related party that bought the property in November of 2008.

The project qualifies for an exemption of the 10-year hold requirement due to the HAP contract - it is "federally assisted" under Section 42. The applicant also provided a letter from Borrower's Counsel explaining how the project qualifies for acquisition credits under Section 42 despite this being an Identity of Interest transaction.

APPRAISED VALUE

Appraiser: Valbridge Property Advisors Date: 2/26/2025

Land as Vacant: 9.36 acres	<u>\$1,120,000</u>	Per Unit:	<u>\$7,467</u>
Existing Buildings: (as-is)	<u>\$11,680,000</u>	Per Unit:	<u>\$77,867</u>
Land + Buildings: (as-is)	<u>\$12,800,000</u>	Per Unit:	<u>\$85,333</u>
Favorable Financing:	<u>\$0</u>	Per Unit:	<u>\$0</u>
<b>Total Development: (as-is)</b>	<b><u>\$12,800,000</u></b>	Per Unit:	<b><u>\$85,333</u></b>

Comments:

Pursuant to the QAP, TDHCA is utilizing the lesser contract price and settlement costs of \$12,000,000 to determine eligible basis.

**SITE INFORMATION**

Flood Zone: <u>Zone X</u>	Scattered Site? <u>No</u>
Zoning: <u>RM-H</u>	Within 100-yr floodplain? <u>No</u>
Re-Zoning Required? <u>No</u>	Utilities at Site? <u>Yes</u>
Year Constructed: <u>1976</u>	Title Issues? <u>No</u>

Current Uses of Subject Site:

The improvements are a 150 unit apartment project fully subsidized under a HUD Section 8 contract. The property is a typical 2-story pitched roof, garden type design.

**TENANT RELOCATION PLAN**

Applicant will make an effort to carry out the rehabilitation work in ways that will limit the amount of disruption to the residents. Temporary moves are necessary in order to vacate enough buildings in each phase to carry out the rehabilitation work on time. All households not requiring temporary relocation will be permanently moved within the project to newly rehabbed units as they are completed. The Project will provide moving services to move each household as necessary to temporary units as well as to newly rehabilitated permanent units. All utility reconnection fees and other reasonable out-of-pocket expenses will be paid for by the Project in connection with the temporary and/or permanent moves.

Total anticipated relocation costs are estimated at \$413,500 (\$2,757/unit).

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: AEI Date: 2/20/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- A 2007 ACM sampling revealed the presence of asbestos in sink undercoating and various floor tiles. An O&M Plan was reportedly created for the subject property.
- Visible signs of mold growth and conditions conducive for suspect mold growth were observed in several apartment units.
- Based on the laboratory analysis report for lead in drinking water, six samples out of 20 exceeded the USEPA action level of 15 µg/L. AEI recommends conducting further sampling.

## MARKET ANALYSIS

Provider: Valbridge Property Advisors

Date: 2/28/2025

Primary Market Area (PMA): 41 sq. miles      4 mile equivalent radius

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
24502	Beaumont Pioneer Crossing	Y	New Const	General	82	82
24089	Prado Place	Y	New Const	General	56	56
23112	Abiding Grace	Y	New Const	Elderly	54	61
<b>Stabilized Affordable Developments in PMA</b>					Total Units	738
					Total Developments	6
					Average Occupancy	95.4%

**Comments:**

Rehab or reconstruction projects where: (i) 100% of units are covered by existing project based rental assistance that will continue for at least the Compliance Period, an existing Department LURA, or the subject rents are at or below 50% AMGI rents, (ii) is 80% occupied, and (iii) gives existing tenants leasing preference or the right to return, do not require a full market study. The subject property was 89.3% occupied as of June 30, 2025.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	29,802			
Potential Demand from the Primary Market Area	2,602			
10% External Demand	260			
<b>GROSS DEMAND</b>	<b>2,862</b>			
Subject Affordable Units	0	150		
Unstabilized Competitive Units	77			
<b>RELEVANT SUPPLY</b>	<b>77</b>			
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.7%</b>			

<b>Population:</b>	<b>General</b>	<b>Market Area:</b>	<b>Urban</b>	<b>Maximum Gross Capture Rate:</b>	<b>10%</b>
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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
60% AMGI	2,602	260	150	77	7.9%

**UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE**

Market Analyst					
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
1 BR/60%	809	81	40	27	7.5%
2 BR/60%	535	54	62	23	14.4%
3 BR/60%	220	22	44	8	21.5%
4 BR/60%	73	7	4	0	5.0%

**OPERATING PRO FORMA**

**SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)**

NOI:	\$1,178,166	Avg. Rent:	\$1,333	Expense Ratio:	48.8%
Debt Service:	\$1,130,722	B/E Rent:	\$1,305	Controllable Expenses:	\$4,662
Net Cash Flow:	\$47,444	UW Occupancy:	95.0%	Property Taxes/Unit:	\$424
Aggregate DCR:	1.01	B/E Occupancy:	93.1%	Program Rent Year:	2025

The TCAP loan restricts 100% of the units to 60% AMI. However, there is currently a HAP multiyear contract through 1/31/2032. Applicant's proposed rents are from a February 2025 Rent Comparability Study by Davis Affordable Housing Advisors. Actual rents will have to be approved by HUD.

Unit Type	Current Net HAP Rent	Proposed Net HAP Rent	Increase	Variance
1BR	\$915	\$1,140	\$225	25%
2BR	\$1,054	\$1,285	\$231	22%
2BR	\$1,054	\$1,280	\$226	21%
3BR	\$1,213	\$1,550	\$337	28%
4BR	\$1,341	\$1,680	\$339	25%

Applicant utilized a 5% vacancy loss as allowed in a project with 100% project based vouchers.

Applicant's Pro Forma operating expenses are 1.34% higher than 12 month actual expenses from July 2024 thru June 2025. Projected Payroll expenses increased \$15k or 8% and Insurance expenses decreased \$16k or -9.8% from actual expenses. After adjusting R&M to \$700/unit per Rule, expenses were within 5% of Underwriter's adjustments and Applicant's Expense Pro Forma was utilized for purposes of underwriting.

Applicant assumes a 50% property tax abatement through the participation of a Non Profit CHDO, Ike Communities Foundation. If the 50% abatement is not granted, the deal is infeasible at a DCR of 1.02x.

Capitalization includes an assumed TCAP loan, which will have a subordination agreement. The DCR is being calculated using 75% of cash flow after debt service on the primary FHA 221(d)(4) loan. Under these parameters, the DCR is considered feasible at a minimum of 1.0x.

As underwritten, 15-year residual cash flow is \$437k after deferred developer fee is paid off in year 14.

## DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	\$119,658/ac	\$80,000/unit	\$12,000,000	Contractor Fee	\$1,318,063
Off-site + Site Work		\$3,662/unit	\$549,228	Soft Cost + Financing	\$5,107,798
Building Cost	\$64.86/sf	\$53,470/unit	\$8,020,462	Developer Fee	\$3,788,005
Contingency	9.98%	\$5,703/unit	\$855,519	Reserves	\$857,339
<b>Total Development Cost</b>	\$216,643/unit		<b>\$32,496,414</b>	<b>Rehabilitation Cost</b>	<b>\$57,131/unit</b>
<b>Qualified for 30% Basis Boost?</b>		Rehabilitation Development located in QCT			

**Acquisition:**

Applicant provided the 1/24/2025 Purchase and Sale Agreement that states a sale price of \$12,000,000. A 2/26/2025 appraisal provided from Valbridge Property Advisors states a value of \$1,120,000 for the land as if vacant and a total value for the existing development of \$12,800,000. Applicant's development cost schedule reflects a site acquisition cost of \$1,120,000 and an existing building acquisition cost of \$11,680,000, for a total acquisition cost of \$12,800,000 consistent with the appraisal. However, pursuant to the QAP for Eligible Basis on Acquisition of Buildings, Underwriter utilized the lower \$12,000,000 sale price with \$1,120,000 allocated to the land and the remaining \$10,880,000 allocated to the buildings. This reduced Eligible building acquisition cost by \$800,000.

**Scope of Work:**

**Site Work and Exterior Improvements**

**1. ADA Ramps, Sidewalks, Paving and Striping**

- a. Demo, remove and replace approximately 6,000 SF (Approximately 25% of existing 24,000 SF) of drives and paving.
- b. Demo, remove and install ADA ramps at designated ADA units.
- c. Replace curbing and sidewalks as necessary.
- d. Restripe of parking lot for 251 spaces including spaces with ADA markings and handicap parking signs.

**2. Playground**

- a. Raise play area around equipment with additional clean bark mulch to prevent ponding of water.

**3. Landscaping - Minimal Work**

- a. Fill and fine grading of low areas.
- b. Provide hydro mulch seeding in disturbed areas.
- c. Trim all overhanging and any dead tree branches.

**4. Perimeter and Front Entry Fence**

- a. Repair perimeter chain link fence and front metal fence as necessary.

**5. Lighting and Security**

- a. Re-lamp existing pole light and wall pack fixtures.

**6. Monument Sign**

- a. Repair and refinish existing monument sign.

**7. Gazebo and Barbecue Grills**

- a. Install new gazebo and barbecue grills.

### **Site Utilities**

1. As noted by maintenance personnel, ICON observance at last site visit, and by conversation with Mid County Plumbing, there appears to be blockage in some sanitary sewer lines. Repair and/or replace.

### **Concrete**

1. Repair and level foundation on 5 Buildings.
2. Gypcrete underlayment and plywood subfloor figured at 10% repair/replacement.
3. Lightweight concrete and decking figured at 20% replacement.

### **Exterior Building Envelope Scope of Work**

#### **1. Exterior Brick Repair**

- a. Repair or replace brick visually damaged on the buildings.
- b. Power wash brick. Repoint brick as needed.

#### **2. Stairs, Landings, and Railings**

- a. Replace 100% of railings at balconies and stairs.
- b. Replace 50% of stair treads and 25% of stair stringers.
- c. Repair and adjust front entrance access gate as necessary.
- d. Paint metal railings and stringers.

#### **3. Rough Carpentry**

- a. Provide labor and materials to reframe ADA units as necessary.
- b. Provide labor and materials to rebuild 25% of balconies (replaced rotted joists and beams).

#### **4. Roof and Gutter Repair**

- a. Remove and replace existing roofing with 30 year asphalt shingles, underlayment, and drip edge.
- b. Replace existing gutters, down spouts and splash blocks as necessary.

### **5. Siding, Fascia, Soffit and Exterior Trim**

- a. Remove and replace all lap siding, wood trim, fascia, soffit, and beam wrap with cement fiberboard 7 1/4" lap siding, trim boards, and soffit panels.
- b. Prep, caulk, and paint all exterior building paintable materials.

### **6. Windows and Doors**

- a. Remove and replace existing unit and outside closet doors and hardware.
- b. Repair laundry and mechanical room doors and hardware.
- c. Replace broken window glass as necessary with insulated clear glass. Repair and replace broken window hardware and damaged screens as necessary.

### **Interiors Scope of Work**

**1. Community Building:** Existing is in relatively good condition. Refurbish as necessary. Work to specifically include but not necessarily be limited to:

- a. Existing flooring, cabinets, countertops, window glass, hardware and screens to be repaired and replaced of as necessary.
- b. Repair, tape, float, retexure and paint all drywall as needed on walls and ceilings.
- c. Repair/replace doors/frames/hardware as necessary.
- d. Repair/replace trim and base as necessary.
- e. Paint walls, ceilings, and doors.
- f. Update to code by replacing or adding electrical outlets, switches, LED light fixtures (Energy Star rated), smoke detectors, and fire alarm devices. Update existing telephone, data, cable, surveillance and security equipment and wiring as necessary.
- g. Replace existing kitchen appliances with Energy Star rated equipment.

### **2. Living Units – Living, Bedroom, Closets and Hallway Areas**

- a. Demolition of walls and ceilings down to texture on sheetrock. Dispose of demolished material (trim and flooring; interior doors, window sills, hardware; closet rods and shelves; blinds on windows; electrical outlets, switches, fans, light fixtures, smoke detectors/fire alarm devices, thermostats).
- b. Repair drywall as needed on walls and ceilings: tape, float, and texture.
- c. Install new entry solid core doors/jambs/hardware.
- d. Install interior paint grade hollow core flush doors, 2 1/8" colonial F/J casing and 3 1/8" colonial F/J baseboard.
- e. Install wood closet rods and shelves.
- g. Install 100% recycled wood plank vinyl flooring (LVT).
- h. Paint interior walls, ceilings, doors, closet shelves, window sills, and trim.
- i. Install 1" PVC blinds on windows.
- j. Install electrical outlets, plugs, switches, fans, LED light fixtures, smoke detectors, telephone, data, cable TV. All fixtures upgraded to Energy Star rated.
- k. Install a deadbolt lock on any access door or panel into mechanical closet.

### **3. Living Units – Kitchens**

- a. Demolition of walls and ceilings down texture on sheetrock, haul off material (cabinets, countertops, appliances, sink, faucet, garbage disposal, electrical outlets, switches, fans, and light fixtures).
- b. New ADA compliant units to have additional walls framed and finished to comply with accessibility needs and dimensions
- c. Repair drywall as needed on walls and ceilings. Provide and install green board in all wet areas: tape, float, and texture.
- d. Install stained plywood kitchen cabinets with picture framed raised panel doors.
- e. Install preformed plastic laminate countertops and 4" backsplashes.
- f. Install pantry/general storage wood shelving.
- g. Install drop in style 2 compartment stainless steel sinks.
- h. Install 1/2 hp garbage disposals.
- i. Install new plumbing fixtures including shut off valves
- j. Install all new paint grade base and door trim.
- k. Paint interior walls, ceilings, and trim.
- l. Install electrical GFCI outlets, switches, LED light fixtures, smoke detectors/fire alarm devices. All fixtures upgraded to Energy Star rated.
- m. Install 6 mill vinyl plank flooring (LVT).
- n. Install new stoves, vent a hoods, refrigerators/freezers, microwaves.
- o. Install an outlet for each vent a hoods.
- p. Frame and finish utility laundry closet for ADA units only.

### **4. Living Units – Bathrooms**

- a. Demo all units down to sheetrock, haul off material (toilets, vanities, mirrors, accessories, trim and flooring; doors and hardware; electrical outlets, switches, fans, light fixtures, smoke detectors/fire alarm devices).
- b. Install green board in vanity area.
- c. Repair drywall as needed on walls and ceilings: tape, float, and texture.
- d. Existing bathtub/shower units to remain and to be resurfaced.
- e. Install stained plywood vanities.
- f. Install new doors/jambbs/hardware.
- g. Install wood paint grade base and door trim.
- h. Install linen/general storage shelving (if applicable to plan)
- i. Install preformed plastic laminate countertops and 4" backsplashes.
- j. Install vanity sinks.
- k. Install toilets.
- l. Install faucets for tubs and vanities. New shut off valves for vanity faucet.
- m. Install medicine cabinet/mirrors.
- n. Install accessories (curtain rods, towel bars, toilet paper dispensers).
- o. Install electrical GFCI outlets, switches, exhaust vents, LED light fixtures, smoke detectors/fire alarm devices. All fixtures upgraded to Energy Star rated.
- p. Install 6mil vinyl plank flooring (LVT).

**Plumbing General Scope of Work Allowance**

- 1. Existing water, sewer and gas lines to remain. Repair/replacement of sanitary sewer line.
- 2. Replace existing 80 gallon gas hot water heaters in maintenance/laundry building.

**HVAC General Scope of Work**

- 1. Remove and replace exhaust fans
- 2. Clean existing plenum and ducts.
- 3. Remove and replace supply and return air grilles.
- 4. Replace existing gas fired forced air furnaces and condensing units with energy efficient units.

**Electrical General Scope of Work**

- 1. Provide and install electrical GFCI outlets, switches, exhaust vents, LED light fixtures, smoke detectors/fire alarm devices (Community Building only). All fixtures upgraded to Energy Star rated.
- 1. Existing water, sewer and gas lines to remain. Repair/replacement of sanitary sewer line.
- 2. Replace existing 80 gallon gas hot water heaters in maintenance/laundry building.

**General and Miscellaneous Scope of Work**

- 1. Provide and install 2.5 lb. fire extinguishers in each unit and 5 lb. fire extinguishers in cabinets in laundry rooms and on each first floor and second floor exterior landing or balcony.
- 2. Repair and replace if necessary access gate controls.
- 3. Remove and replace existing unit and common area signage.
- 4. Check and update as necessary surveillance and alarm systems.

Developer Fee:

Developer Fee was adjusted \$120k as there was \$800k less in acquisition costs for fee to be earned after Underwriter's adjustment.

Comments:

Adjustments in eligible basis resulted in a recommended decrease of \$37k in annual credits and \$298k in total proceeds at Applicant's assumed credit price. The cost used at cost certification will be limited to the acquisition cost underwritten in the initial Underwriting of the Application.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$32,496,413	\$28,673,115	\$1,340,858

**UNDERWRITTEN CAPITALIZATION**

<b>BOND RESERVATION</b>			
<b>Issuer</b>	<b>Amount</b>	<b>Reservation Date</b>	<b>Priority</b>
Jefferson County HFC	\$18,000,000	2/25/2026	Priority 2
<b>Closing Deadline</b>			
8/24/2026			

<b>Percent of Cost Financed by Tax-Exempt Bonds</b>	<b>51.5%</b>
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<b>INTERIM SOURCES</b>				
<b>Funding Source</b>	<b>Description</b>	<b>Amount</b>	<b>Rate</b>	<b>LTC</b>
PNC - FHA 221 (d)(4)	HUD 221 (d) (4)	\$16,000,000	5.89%	48%
PNC	Bridge Loan	\$7,000,000	7.17%	21%
TDHCA	TCAP Loan (Assumed)	\$3,690,698	0.00%	11%
Hunt Capital	FHTC	\$1,108,507	\$0.81	3%
Beaumont Timbers Edge I LP	Deferred Developer Fee	\$4,308,397	0.00%	13%
Beaumont Timbers Edge LP	Seller Note	\$510,807	4.82%	2%
Beaumont Timbers Edge I LP	NOI during construction	\$750,000	0.00%	2%
		<b>\$33,368,409</b>	<b>Total Sources</b>	

**PERMANENT SOURCES**

<b>Debt Source</b>	<b>PROPOSED</b>				<b>UNDERWRITTEN</b>				
	<b>Amount</b>	<b>Interest Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Amort</b>	<b>Term</b>	<b>LTC</b>
PNC - FHA 221 (d)(4)	\$16,000,000	5.89%	40	40.0	\$16,000,000	5.64%	40	40.0	49%
Adjustment to Debt Per §11.302(c)(2)	\$0	0.00%	0	0.0	(\$1,000,000)	5.64%	40	40.0	-3%
TDHCA	\$3,690,698	0.00%	25	25.0	\$3,690,698	0.00%	25	25.0	11%
Beaumont Timbers Edge LP	\$510,807	4.82%	0	50	\$510,807	4.82%	0	50	2%
Beaumont Timbers Edge I LP	\$750,000	0.00%	0	0	\$750,000	0.00%	0	0	2%
<b>Total</b>	<b>\$20,951,505</b>				<b>\$19,951,505</b>				

Comments:

If the \$3.7M TDHCA TCAP loan assumption is not granted, the deal would be infeasible. Assuming a sufficient increase in the permanent debt would cause the DCR to fall below 1.15. Alternatively, increasing deferred developer fee would create a 15-year repayment problem. Essentially, there is no combination of the two sources that meets feasibility thresholds.

Legal is recommending a modification of the TCAP loan to reflect a 25 year amortization and 25 year term, presuming a May 2026 closing date. In no event can the term of the modified TCAP loan exceed forty (40) years from the date of permanent loan commencement, or February 16, 2052. The repayment terms will continue to require that annual payments are to be paid from cash flow and that at the end of the term there is a balloon payment to pay of the loan balance. The first lien holder, a HUD loan originator, approved this assumption, although the TCAP loan will mature before the HUD loan.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hunt Capital	\$11,157,926	\$0.81		\$10,860,477	\$0.81	33%	
Beaumont Timbers Edge I LP	\$1,258,978		33%	\$1,684,431		5%	44%
<b>Total</b>	<b>\$12,416,904</b>			<b>\$12,544,908</b>			
				<b>\$32,496,413</b>	<b>Total Sources</b>		

Credit Price Sensitivity based on current capital structure	
<b>\$0.911</b>	Maximum Credit Price before the Development is oversourced and allocation is limited
<b>\$0.757</b>	Minimum Credit Price below which the Development would be characterized as infeasible

## CONCLUSIONS

### Recommended Financing Structure:

Per §11.302(d) (4)(D) (iv) in order to comply with TDHCA's agreement with HUD, Developments financed with a Direct Loan subordinate to FHA financing will have to meet a combined DCR of 1.0 using 75% of surplus cash after the senior debt service is deducted to achieve the minimum 1.0x debt coverage ratio of 75% cash flow as required on a HUD loan. In order to meet both the Senior Debt DCR of 1.15x and the combined DCR is 1.0x, the underwriting analysis assumes a \$1M Adjustment to Debt Per §11.302(c)(2) to meet the minimum debt coverage ratios.

Gap Analysis:	
Total Development Cost	\$32,496,413
Permanent Sources (debt + non-HTC equity)	\$19,951,505
<b>Gap in Permanent Financing</b>	<b>\$12,544,908</b>

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$10,860,477	\$1,340,858
Needed to Balance Sources & Uses	\$12,544,908	\$1,548,821
Requested by Applicant	\$11,158,552	\$1,377,659

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
<b>Tax Credit Allocation</b>	<b>\$10,860,477</b>	<b>\$1,340,858</b>

<b>Deferred Developer Fee</b>	<b>\$1,684,431</b>	( 44% deferred)
<b>Repayable in</b>	<b>14 years</b>	

### Recommendation:

Underwriter recommends \$1,340,858 in annual 4% Housing Tax Credits as determined by eligible basis.  
Underwriter further recommends approval for the assumption of the existing TCAP loan.

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



## STABILIZED PRO FORMA

**Timbers Edge Apartments, Beaumont, TDHCA Bonds/4% HTC/MDL #26423**

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT				TDHCA				VARIANCE	
Database	Historical 7/24-6/25		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.62	\$1,333	\$2,399,460	\$2,399,460	\$1,333	\$1.62		0.0%	\$0
Late fees, pet deposits					\$20.83	\$37,500						
Total Secondary Income					\$20.83		\$37,500	\$20.83			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$2,436,960	\$2,436,960				0.0%	\$0
Vacancy & Collection Loss					5.0% PGI	(121,848)	(121,848)	5.0% PGI			0.0%	-
Rental Concessions						(12,084)	(12,084)				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$2,303,028	\$2,303,028				0.0%	\$0

General & Administrative	\$91,116	\$607/Unit	\$54,799	\$365	2.42%	\$0.45	\$371	\$55,650	\$55,650	\$371	\$0.45	2.42%	0.0%	-
Management	\$66,516	4.3% EGI	\$73,100	\$487	5.11%	\$0.95	\$785	\$117,762	\$117,762	\$785	\$0.95	5.11%	0.0%	-
Payroll & Payroll Tax	\$197,398	\$1,316/Unit	\$182,777	\$1,219	8.60%	\$1.60	\$1,320	\$198,000	\$198,000	\$1,320	\$1.60	8.60%	0.0%	-
Repairs & Maintenance	\$129,868	\$866/Unit	\$184,015	\$1,227	5.44%	\$1.01	\$836	\$125,350	\$105,000	\$700	\$0.85	4.56%	19.4%	20,350
Electric/Gas	\$35,057	\$234/Unit	\$46,455	\$310	2.12%	\$0.39	\$325	\$48,750	\$48,750	\$325	\$0.39	2.12%	0.0%	-
Water, Sewer, & Trash <span style="float: right;">Tenant Pays: WS</span>	\$110,232	\$735/Unit	\$264,148	\$1,761	11.79%	\$2.20	\$1,810	\$271,500	\$271,500	\$1,810	\$2.20	11.79%	0.0%	-
Property Insurance	\$172,818	\$1.40 /sf	\$166,240	\$1,108	6.51%	\$1.21	\$1,000	\$150,000	\$172,818	\$1,152	\$1.40	7.50%	-13.2%	(22,818)
Property Tax (@ 50%) <span style="float: right;">2.6134</span>	\$90,775	\$605/Unit	\$59,460	\$396	2.76%	\$0.51	\$424	\$63,600	\$63,600	\$424	\$0.51	2.76%	0.0%	-
Reserve for Replacements					1.95%	\$0.36	\$300	\$45,000	\$45,000	\$300	\$0.36	1.95%	0.0%	-
Security					0.75%	\$0.14	\$115	\$17,250	\$17,250	\$115	\$0.14	0.75%	0.0%	-
Supportive Services					0.22%	\$0.04	\$33	\$5,000	\$5,000	\$33	\$0.04	0.22%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.26%	\$0.05	\$40	\$6,000	\$6,000	\$40	\$0.05	0.26%	0.0%	-
Bond Trustee Fees					0.22%	\$0.04	\$33	\$5,000	\$5,000	\$33	\$0.04	0.22%	0.0%	-
Issuer Ongoing Compliance Fees					0.69%	\$0.13	\$107	\$16,000	\$16,000	\$107	\$0.13	0.69%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>48.84%</b>	<b>\$9.10</b>	<b>\$7,499</b>	<b>\$1,124,862</b>	<b>\$1,127,330</b>	<b>\$7,516</b>	<b>\$9.12</b>	<b>48.95%</b>	<b>-0.2%</b>	<b>\$ (2,468)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>51.16%</b>	<b>\$9.53</b>	<b>\$7,854</b>	<b>\$1,178,166</b>	<b>\$1,175,698</b>	<b>\$7,838</b>	<b>\$9.51</b>	<b>51.05%</b>	<b>0.2%</b>	<b>\$ 2,468</b>

<b>CONTROLLABLE EXPENSES</b>	\$4,662/Unit		\$4,526/Unit
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Timbers Edge Apartments, Beaumont, TDHCA Bonds/4% HTC/MDL #26423*

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	
PNC - FHA 221(d)(4)	0.25%	1.13	1.13	1,041,725	5.89%	40	40	\$16,000,000	\$16,000,000	40	40	5.64%	\$1,048,633	1.12	49.2%	
Adjustment to Debt Per §11.302(c)(2)	0.25%								(\$1,000,000)	40	40	5.64%	(\$65,540)	1.20	-3.1%	
TDHCA		1.13	1.13		0.00%	25	25.0	\$3,690,698	\$3,690,698	25	25	0.00%	\$147,628	1.01	11.4%	
<b>CASH FLOW DEBT / GRANTS</b>																
Beaumont Timbers Edge LP		1.13	1.13		4.82%	0	50	\$510,807	\$510,807	50	0	4.82%		1.01	1.6%	
Beaumont Timbers Edge I LP		1.13	1.13		0.00%	0	0	\$750,000	\$750,000	0	0	0.00%		1.01	2.3%	
				\$1,041,725				<b>TOTAL DEBT / GRANT SOURCES</b>	<b>\$20,951,505</b>	<b>\$19,951,505</b>			<b>TOTAL DEBT SERVICE</b>	<b>\$1,130,722</b>	<b>1.01</b>	<b>61.4%</b>
<b>NET CASH FLOW</b>		\$133,973	\$136,441							<b>APPLICANT</b>	<b>NET OPERATING INCOME</b>	\$1,178,166	\$47,444	<b>NET CASH FLOW</b>		

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	
Hunt Capital	LIHTC Equity	34.3%	\$1,377,659	\$0.81	\$11,157,926	\$10,860,477	\$0.81	\$1,340,858	33.4%	\$8,939	Eligible Basis	
Beaumont Timbers Edge I LP	Deferred Developer Fees	3.9%	(33% Deferred)		\$1,258,978	\$1,684,431	(44% Deferred)		5.2%		<b>Total Developer Fee:</b>	<b>\$3,788,005</b>
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%			
<b>TOTAL EQUITY SOURCES</b>		<b>38.2%</b>			<b>\$12,416,904</b>	<b>\$12,544,908</b>			<b>38.6%</b>			
<b>TOTAL CAPITALIZATION</b>					<b>\$33,368,409</b>	<b>\$32,496,413</b>					<b>15-Yr Cash Flow after Deferred Fee:</b>	<b>\$436,745</b>

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$				
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition						
Land Acquisition			\$7,467 / Unit	\$1,120,000	\$1,120,000	\$7,467 / Unit	0.0%	\$0				
Building Acquisition	\$11,680,000		\$77,867 / Unit	\$11,680,000	\$10,880,000	\$72,533 / Unit	7.4%	\$800,000				
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	0.0%	\$0				
Site Work		\$233,473	\$3,506 / Unit	\$525,904	\$525,904	\$3,506 / Unit	0.0%	\$0				
Site Amenities		\$23,324	\$155 / Unit	\$23,324	\$23,324	\$155 / Unit	0.0%	\$0				
Building Cost		\$8,020,462	\$64.86 /sf	\$53,470/Unit	\$8,020,462	\$53,470/Unit	0.0%	\$0				
Contingency		\$827,726	10.00%	9.98%	\$855,519	\$855,519	9.98%	10.00%	\$827,726			
Contractor Fees		\$1,274,698	14.00%	13.98%	\$1,318,063	\$1,318,063	13.98%	14.00%	\$1,274,698			
Soft Costs	\$0	\$1,547,583	\$13,141 / Unit	\$1,971,083	\$1,971,083	\$13,141 / Unit	0.0%	\$0				
Financing	\$0	\$2,125,878	\$20,911 / Unit	\$3,136,715	\$3,136,715	\$20,911 / Unit	0.0%	\$0				
Developer Fee	16.10%	\$1,752,000	15.00%	15.29%	\$3,860,000	\$3,788,005	15.00%	15.00%	\$2,107,971			
Reserves			5 Months	\$857,339	\$857,339	5 Months	0.0%	\$0				
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>	<b>\$13,432,000</b>	<b>\$16,161,143</b>	<b>\$222,456 / Unit</b>	<b>\$33,368,409</b>	<b>\$32,496,413</b>	<b>\$216,643 / Unit</b>	<b>2.7%</b>	<b>\$871,995</b>				
<b>Acquisition Cost</b>	<b>(\$800,000)</b>			<b>(\$800,000)</b>								
<b>Developer Fee</b>	15.00%	<b>(\$120,000)</b>	<b>(\$29)</b>	15.00%	<b>(\$71,995)</b>							
<b>ADJUSTED BASIS / COST</b>	<b>\$12,512,000</b>	<b>\$16,161,115</b>	<b>\$216,643/unit</b>	<b>\$32,496,414</b>	<b>\$32,496,413</b>	<b>\$216,643/unit</b>	<b>0.0%</b>	<b>\$1</b>				
<b>TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA</b>					<b>\$32,496,413</b>							

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Timbers Edge Apartments, Beaumont, TDHCA Bonds/4% HTC/MDL #26423*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$12,512,000	\$16,161,115	\$12,512,000	\$16,161,115
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$12,512,000	\$16,161,115	\$12,512,000	\$16,161,115
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$12,512,000	\$21,009,449	\$12,512,000	\$21,009,450
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$12,512,000	\$21,009,449	\$12,512,000	\$21,009,450
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$500,480	\$840,378	\$500,480	\$840,378
<b>CREDITS ON QUALIFIED BASIS</b>	\$1,340,858		\$1,340,858	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8100	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$1,340,858	\$10,860,477	<b>\$1,340,858</b>	<b>(\$36,801)</b>	<b>(\$298,075)</b>
<b>Needed to Fill Gap</b>	\$1,548,821	\$12,544,908	----	----	----
<b>Applicant Request</b>	\$1,377,659	\$11,158,552	----	----	----

25% Test for Bond Financing for 4% Tax Credits			
Tax-Exempt Bond Amount	\$	Applicant	TDHCA
	16,000,000		
Land Cost	\$ 1,120,000	\$1,120,000	\$1,120,000
Depreciable Bldg Cost **	\$ 29,956,733	\$29,956,733	\$29,084,738
<b>Aggregate Basis for 25% Test</b>	<b>\$ 31,076,733</b>	<b>\$31,076,733</b>	<b>\$30,204,738</b>
<b>Percent Financed by Tax-Exempt Bonds</b>	<b>51.49%</b>	<b>51.49%</b>	<b>52.97%</b>

\*\*Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

## Long-Term Pro Forma

### Timbers Edge Apartments, Beaumont, TDHCA Bonds/4% HTC/MDL #26423

	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%	\$2,303,028	\$2,348,968	\$2,395,823	\$2,443,611	\$2,492,351	\$2,751,006	\$3,036,463	\$3,372,681	\$3,723,712	\$4,111,279	\$4,539,185	\$5,011,627
TOTAL EXPENSES	3.00%	\$1,124,862	\$1,157,424	\$1,190,939	\$1,225,436	\$1,260,943	\$1,454,706	\$1,678,594	\$1,938,413	\$2,237,634	\$2,583,521	\$2,983,406	\$3,445,775
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$1,178,166</b>	<b>\$1,191,544</b>	<b>\$1,204,883</b>	<b>\$1,218,175</b>	<b>\$1,231,408</b>	<b>\$1,296,300</b>	<b>\$1,357,869</b>	<b>\$1,434,268</b>	<b>\$1,486,079</b>	<b>\$1,527,758</b>	<b>\$1,555,778</b>	<b>\$1,565,851</b>
EXPENSE/INCOME RATIO		48.8%	49.3%	49.7%	50.1%	50.6%	52.9%	55.3%	57.5%	60.1%	62.8%	65.7%	68.8%
<b>MUST -PAY DEBT SERVICE</b>													
PNC - FHA 221(d)(4)		\$1,048,633	\$1,048,361	\$1,048,072	\$1,047,767	\$1,047,445	\$1,045,528	\$1,042,990	\$1,039,626	\$1,035,170	\$1,029,266	\$1,021,443	\$1,011,079
Adjustment to Debt Per §11.302(c)(2)		(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)	(\$65,540)
TDHCA		\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628	\$147,628
<b>TOTAL DEBT SERVICE</b>		<b>\$1,130,722</b>	<b>\$1,130,449</b>	<b>\$1,130,161</b>	<b>\$1,129,856</b>	<b>\$1,129,533</b>	<b>\$1,127,617</b>	<b>\$1,125,078</b>	<b>\$1,121,715</b>	<b>\$1,117,258</b>	<b>\$1,111,354</b>	<b>\$1,103,532</b>	<b>\$1,093,168</b>
DEBT COVERAGE RATIO		1.01	1.02	1.03	1.04	1.05	1.09	1.14	1.19	1.23	1.26	1.29	1.31
<b>ANNUAL CASH FLOW</b>													
		<b>\$47,444</b>	<b>\$61,095</b>	<b>\$74,723</b>	<b>\$88,319</b>	<b>\$101,875</b>	<b>\$168,684</b>	<b>\$232,791</b>	<b>\$312,553</b>	<b>\$368,820</b>	<b>\$416,404</b>	<b>\$452,246</b>	<b>\$472,684</b>
Deferred Developer Fee Balance		\$1,636,987	\$1,575,892	\$1,501,169	\$1,412,850	\$1,310,974	\$600,398	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$436,745</b>	<b>\$1,876,687</b>	<b>\$3,611,186</b>	<b>\$5,602,082</b>	<b>\$7,797,010</b>	<b>\$10,126,534</b>