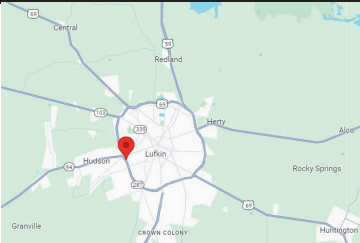


24178 Reserve at Woodland Heights - Application Summary

REAL ESTATE ANALYSIS DIVISION

July 15, 2024

PROPERTY IDENTIFICATION		RECOMMENDATION				KEY PRINCIPALS / SPONSOR																																																																			
Application #	24178	TDHCA Program	Request	Recommended		PHP Development, LLC (85% of fee) Auxano Development, LLC (15% of fee)																																																																			
Development	Reserve at Woodland Heights	LIHTC (9% Credit)	\$1,558,860	\$0	\$/Unit			\$0.87																																																																	
City / County	Lufkin / Angelina																																																																								
Region/Area	5 / Rural																																																																								
Population	General																																																																								
Set-Aside	General																																																																								
Activity	New Construction					Related Parties	Contractor - Yes	Seller - No																																																																	
TYPICAL BUILDING ELEVATION/PHOTO																																																																									
<table border="1"> <thead> <tr> <th colspan="3">UNIT DISTRIBUTION</th> <th colspan="3">INCOME DISTRIBUTION</th> </tr> <tr> <th># Beds</th> <th># Units</th> <th>% Total</th> <th>Income</th> <th># Units</th> <th>% Total</th> </tr> </thead> <tbody> <tr> <td>Eff</td> <td>-</td> <td>0%</td> <td>20%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>1</td> <td>12</td> <td>20%</td> <td>30%</td> <td>5</td> <td>8%</td> </tr> <tr> <td>2</td> <td>36</td> <td>60%</td> <td>40%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>3</td> <td>12</td> <td>20%</td> <td>50%</td> <td>12</td> <td>20%</td> </tr> <tr> <td>4</td> <td>-</td> <td>0%</td> <td>60%</td> <td>43</td> <td>72%</td> </tr> <tr> <td colspan="3"></td> <td>70%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>80%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>MR</td> <td>-</td> <td>0%</td> </tr> <tr> <td>TOTAL</td> <td>60</td> <td>100%</td> <td>TOTAL</td> <td>60</td> <td>100%</td> </tr> </tbody> </table>								UNIT DISTRIBUTION			INCOME DISTRIBUTION			# Beds	# Units	% Total	Income	# Units	% Total	Eff	-	0%	20%	-	0%	1	12	20%	30%	5	8%	2	36	60%	40%	-	0%	3	12	20%	50%	12	20%	4	-	0%	60%	43	72%				70%	-	0%				80%	-	0%				MR	-	0%	TOTAL	60	100%	TOTAL	60	100%
UNIT DISTRIBUTION			INCOME DISTRIBUTION																																																																						
# Beds	# Units	% Total	Income	# Units	% Total																																																																				
Eff	-	0%	20%	-	0%																																																																				
1	12	20%	30%	5	8%																																																																				
2	36	60%	40%	-	0%																																																																				
3	12	20%	50%	12	20%																																																																				
4	-	0%	60%	43	72%																																																																				
			70%	-	0%																																																																				
			80%	-	0%																																																																				
			MR	-	0%																																																																				
TOTAL	60	100%	TOTAL	60	100%																																																																				
PRO FORMA FEASIBILITY INDICATORS																																																																									
Pro Forma Underwritten				Applicant's Pro Forma																																																																					
Debt Coverage	1.15	Expense Ratio	54.8%																																																																						
Breakeven Occ.	87.0%	Breakeven Rent	\$749																																																																						
Average Rent	\$798	B/E Rent Margin	\$49																																																																						
Property Taxes	\$500/unit	Exemption/PILOT	0%																																																																						
Total Expense	\$5,037/unit	Controllable	\$3,167/unit																																																																						
MARKET FEASIBILITY INDICATORS																																																																									
Gross Capture Rate (30% Maximum)				3.4%																																																																					
Highest Unit Capture Rate	14%	2 BR/60%	26																																																																						
Dominant Unit Cap. Rate	14%	2 BR/60%	26																																																																						
Premiums (↑80% Rents)	N/A	N/A																																																																							
Rent Assisted Units	N/A																																																																								
DEVELOPMENT COST SUMMARY																																																																									
Costs Underwritten		Applicant's Costs																																																																							
Avg. Unit Size	989 SF	Density	13.8/acre																																																																						
Acquisition	\$29K/unit																																																																								
Building Cost	\$105.41/SF	\$104K/unit	\$6,255K																																																																						
Hard Cost	\$150K/unit	\$8,987K																																																																							
Total Cost	\$289K/unit	\$17,364K																																																																							
Developer Fee	\$1,945K	(46% Deferred)	Paid Year: 19																																																																						
Contractor Fee	\$1,188K	30% Boost	Yes																																																																						
SITE PLAN																																																																									

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
PNC Bank, N.A.	40/40	7.00%	\$3,000,000	1.11	City of Lufkin	0/0	0.00%	\$250	1.15	PNC Bank, N.A.	\$13,560,726	
Adjustment to Debt Per §11.302(c)	40/40	7.00%	(\$95,342)	1.15						Deferred Developer Fee	\$898,459	
											TOTAL EQUITY SOURCES	\$14,459,185
											TOTAL DEBT SOURCES	\$2,904,908
											TOTAL CAPITALIZATION	\$17,364,093
TOTAL DEBT (Must Pay)			\$2,904,658		CASH FLOW DEBT / GRANTS				\$250			
					NOT RECOMMENDED DUE TO THE FOLLOWING							
					The Application was submitted assuming three bedroom rents for twelve of the two bedroom units. When underwritten with the appropriate two bedroom rents, the Effective Gross Income decreases by \$18,826 and generates a 1.11 DCR and negative 15-year cash flow of \$214,547 (while assuming the Applicant's expense and development costs).							
					In order to meet the minimum 1.15 DCR, a \$95,432 decrease to debt is assumed, thereby increasing the deferred developer fee by the same amount. The deferred fee cannot repay within 15 years as required by §11.302(i)(2), generating a \$203,242 15-year negative cash flow.							
					Therefore, the Application is deemed infeasible and not recommended for a tax credit allocation.							
AREA MAP												
												



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24178**Program(s): **9% HTC**

Reserve at Woodland Heights

Address/Location: 203 S Redditt Dr

City: LufkinCounty: AngelinaZip: 75904

Population: GeneralProgram Set-Aside: GeneralArea: Rural

Activity: New ConstructionBuilding Type: Garden (Up to 4-story)Region: 5

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

REQUEST					RECOMMENDATION						
		Int. Rate	Amort	Term		Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
TDHCA Program	Amount				Amount						
LIHTC (9% Credit)	\$1,558,860				\$0						

NOT RECOMMENDED DUE TO THE FOLLOWING

The Application was submitted assuming three bedroom rents for twelve of the two bedroom units. When underwritten with the appropriate two bedroom rents, the Effective Gross Income decreases by \$18,826 and generates a 1.11 DCR and negative 15-year cash flow of \$214,547 (while assuming the Applicant's expense and development costs).

In order to meet the minimum 1.15 DCR, a \$95,432 decrease to debt is assumed, thereby increasing the deferred developer fee by the same amount. The deferred fee cannot repay within 15 years as required by §11.302(i)(2), generating a \$203,242 15-year negative cash flow.

Therefore, the Application is deemed infeasible and not recommended for a tax credit allocation.

Underwriter: Deborah Willson

Manager of Real Estate Analysis: Gregg Kazak

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE
<i>Reserve at Woodland Heights, Lufkin, 9% HTC #24178</i>

LOCATION DATA	
CITY:	Lufkin
COUNTY:	Angelina
Area Median Income	\$72,400
PROGRAM REGION:	5
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	12	20.0%	0	0	0	0
2	36	60.0%	0	0	0	0
3	12	20.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	60	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	989 sf

56%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	5	-	12	43	-	-	-	60
Income	% Total	0.0%	8.3%	0.0%	20.0%	71.7%	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%	\$405	1	1	1	781	\$405	\$76	\$329	\$0	\$0.42	\$329	\$329	\$329	\$329	\$0.42	\$0	\$1,100	\$1,100
TC 50%	\$676	2	1	1	781	\$676	\$76	\$600	\$0	\$0.77	\$600	\$1,200	\$1,200	\$600	\$0.77	\$0	\$1,100	\$1,100
TC 60%	\$811	9	1	1	781	\$811	\$76	\$735	\$0	\$0.94	\$735	\$6,615	\$6,615	\$735	\$0.94	\$0	\$1,100	\$1,100
TC 30%	\$486	2	2	2	985	\$486	\$100	\$386	\$0	\$0.39	\$386	\$772	\$772	\$386	\$0.39	\$0	\$1,290	\$1,290
TC 50%	\$811	5	2	2	985	\$811	\$100	\$711	\$0	\$0.72	\$711	\$3,555	\$3,555	\$711	\$0.72	\$0	\$1,290	\$1,290
TC 60%	\$973	17	2	2	985	\$973	\$100	\$873	\$0	\$0.89	\$873	\$14,841	\$14,841	\$873	\$0.89	\$0	\$1,290	\$1,290
TC 30%	\$486	1	2	2	995	\$486	\$100	\$386	\$0	\$0.39	\$386	\$386	\$386	\$386	\$0.39	\$0	\$1,300	\$1,300
TC 50%	\$811	2	2	2	995	\$811	\$100	\$711	\$0	\$0.71	\$711	\$1,422	\$1,422	\$711	\$0.71	\$0	\$1,300	\$1,300
TC 60%	\$973	9	2	2	995	\$973	\$100	\$873	\$0	\$0.88	\$873	\$7,857	\$7,857	\$873	\$0.88	\$0	\$1,300	\$1,300
TC 30%	\$562	1	3	2	1,199	\$562	\$123	\$439	\$0	\$0.37	\$439	\$439	\$439	\$439	\$0.37	\$0	\$1,540	\$1,540
TC 50%	\$937	3	3	2	1,199	\$937	\$123	\$814	\$0	\$0.68	\$814	\$2,442	\$2,442	\$814	\$0.68	\$0	\$1,540	\$1,540
TC 60%	\$1,125	8	3	2	1,199	\$1,125	\$123	\$1,002	\$0	\$0.84	\$1,002	\$8,016	\$8,016	\$1,002	\$0.84	\$0	\$1,540	\$1,540
TOTALS/AVERAGES:		60			59,340				\$0	\$0.81	\$798	\$47,874	\$47,874	\$798	\$0.81	\$0	\$1,304	\$1,304

ANNUAL POTENTIAL GROSS RENT:	\$574,488	\$574,488	
-------------------------------------	-----------	-----------	--

STABILIZED PRO FORMA
<i>Reserve at Woodland Heights, Lufkin, 9% HTC #24178</i>

STABILIZED FIRST YEAR PRO FORMA													
COMPARABLES				APPLICANT				TDHCA				VARIANCE	
Database	Local Comps			% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$0.81	\$798	\$574,488	\$574,488	\$798	\$0.81		0.0%	\$0
Late fees, pet deposits							\$30.00	\$21,600					
Total Secondary Income							\$30.00	\$21,600	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$596,088	\$596,088				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI		(44,707)	(44,707)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$551,381	\$551,381				0.0%	\$0

General & Administrative	\$34,409	\$573/Unit	\$34,259	\$571	4.35%	\$0.40	\$400	\$24,000	\$24,000	\$400	\$0.40	4.35%	0.0%	-
Management	\$33,268	5.2% EGI	\$20,923	\$349	4.14%	\$0.38	\$380	\$22,808	\$22,055	\$368	\$0.37	4.00%	3.4%	753
Payroll & Payroll Tax	\$72,278	\$1,205/Unit	\$83,913	\$1,399	13.60%	\$1.26	\$1,250	\$75,000	\$75,000	\$1,250	\$1.26	13.60%	0.0%	-
Repairs & Maintenance	\$50,768	\$846/Unit	\$39,326	\$655	7.98%	\$0.74	\$733	\$44,000	\$39,000	\$650	\$0.66	7.07%	12.8%	5,000
Electric/Gas	\$13,747	\$229/Unit	\$6,172	\$103	2.72%	\$0.25	\$250	\$15,000	\$13,747	\$229	\$0.23	2.49%	9.1%	1,253
Water, Sewer, & Trash	\$44,397	\$740/Unit	\$22,768	\$379	5.80%	\$0.54	\$533	\$32,000	\$44,397	\$740	\$0.75	8.05%	-27.9%	(12,397)
Property Insurance	\$55,594	\$0.94 /sf	\$33,270	\$554	7.62%	\$0.71	\$700	\$42,000	\$42,000	\$700	\$0.71	7.62%	0.0%	-
Property Tax (@ 100%) 1.9872	\$32,423	\$540/Unit	\$27,663	\$461	5.44%	\$0.51	\$500	\$30,000	\$30,000	\$500	\$0.51	5.44%	0.0%	-
Reserve for Replacements					2.72%	\$0.25	\$250	\$15,000	\$15,000	\$250	\$0.25	2.72%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.44%	\$0.04	\$40	\$2,400	\$2,400	\$40	\$0.04	0.44%	0.0%	-
TOTAL EXPENSES					54.81%	\$5.09	\$5,037	\$302,208	\$307,599	\$5,127	\$5.18	55.79%	-1.8%	\$ (5,391)
NET OPERATING INCOME ("NOI")					45.19%	\$4.20	\$4,153	\$249,173	\$243,782	\$4,063	\$4.11	44.21%	2.2%	\$ 5,391

CONTROLLABLE EXPENSES		\$3,167/Unit		\$3,269/Unit	
-----------------------	--	--------------	--	--------------	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>Reserve at Woodland Heights, Lufkin, 9% HTC #24178</i>

		DEBT / GRANT SOURCES													
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
UW	App	DCR	LTC												
DEBT (Must Pay)	Fee														
PNC Bank, N.A.		1.09	1.11	223,715	7.00%	40	40.0	\$3,000,000	\$3,000,000	40.0	40.0	7.00%	\$223,715	1.11	17.3%
Adjustment to Debt Per §11.302(c)(2)	0.00%								(\$95,342)	40.0	40.0	7.00%	(\$7,110)	1.15	-0.5%
CASH FLOW DEBT / GRANTS															
City of Lufkin		1.09	1.11		0.00%	0	0.0	\$250	\$250	0.0	0.0	0.00%		1.15	0.0%
				\$223,715	TOTAL DEBT / GRANT SOURCES			\$3,000,250	\$2,904,908	TOTAL DEBT SERVICE			\$216,605	1.15	16.7%
NET CASH FLOW		\$20,067	\$25,458	APPLICANT NET OPERATING INCOME \$249,173 \$32,568 NET CASH FLOW											

	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES											
PNC Bank, N.A.	LIHTC Equity	78.1%	\$1,558,860	\$0.87	\$13,560,726	\$13,560,726	\$0.8699	\$1,558,860	78.1%	\$25,981	Applicant Request
Deferred Developer Fee	Deferred Developer Fees	4.6%	(41% Deferred)		\$803,117	\$898,459	(46% Deferred)		5.2%	Total Developer Fee: \$1,945,000	
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%		
TOTAL EQUITY SOURCES		82.7%			\$14,363,843	\$14,459,185			83.3%		
TOTAL CAPITALIZATION						\$17,364,093	\$17,364,093			15-Yr Cash Flow after Deferred Fee:	(\$203,242)

		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				\$29,167 / Unit	\$1,750,000	\$1,750,000	\$29,167 / Unit				0.0%	\$0		
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0	0.0%	\$0		
Off-Sites				\$1,238 / Unit	\$74,250	\$74,250	\$1,238 / Unit		\$0		0.0%	\$0		
Site Work			\$1,222,210	\$20,557 / Unit	\$1,233,410	\$1,233,410	\$20,557 / Unit		\$1,222,210		0.0%	\$0		
Site Amenities			\$1,000,000	\$16,667 / Unit	\$1,000,000	\$1,000,000	\$16,667 / Unit		\$1,000,000		0.0%	\$0		
Building Cost			\$6,255,000	\$105.41 /sf	\$104,250/Unit	\$6,255,000	\$6,503,693	\$108,395/Unit	\$109.60 /sf	\$6,255,000	-3.8%	(\$248,693)		
Contingency			\$423,921	5.00%	4.96%	\$424,421	\$424,421	4.82%	5.00%	\$423,921	0.0%	\$0		
Contractor Fees			\$1,188,377	13.35%	13.22%	\$1,188,377	\$1,188,377	12.87%	13.35%	\$1,188,377	0.0%	\$0		
Soft Costs		\$0	\$1,354,000	\$23,817 / Unit		\$1,429,000	\$1,429,000	\$23,817 / Unit		\$1,354,000	\$0	0.0%	\$0	
Financing		\$0	\$1,534,518	\$28,397 / Unit		\$1,703,792	\$1,703,792	\$28,397 / Unit		\$1,534,518	\$0	0.0%	\$0	
Developer Fee			\$0	\$1,925,000	14.83%	14.89%	\$1,945,000	\$1,945,000	14.61%	14.83%	\$1,925,000	\$0	0.0%	\$0
Reserves				8 Months		\$360,843	\$360,843	8 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$14,903,025	\$289,402 / Unit		\$17,364,093	\$17,612,786	\$293,546 / Unit		\$14,903,025	\$0	-1.4%	(\$248,693)	
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	\$14,903,025	\$289,402/unit		\$17,364,093	\$17,612,786	\$293,546/unit		\$14,903,025	\$0	-1.4%	(\$248,693)	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$17,364,093									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Reserve at Woodland Heights, Lufkin, 9% HTC #24178

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$14,903,025	\$0	\$14,903,025
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$14,903,025	\$0	\$14,903,025
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$19,373,933	\$0	\$19,373,933
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$19,373,933	\$0	\$19,373,933
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,743,654	\$0	\$1,743,654
CREDITS ON QUALIFIED BASIS	\$1,743,654		\$1,743,654	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8699	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,743,654	\$15,168,273	----	----	----
Needed to Fill Gap	\$1,662,141	\$14,459,185	----	----	----
Applicant Request	\$1,558,860	\$13,560,726	\$1,558,860	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	59,340 SF	\$92.38	5,482,007
Adjustments				
Exterior Wall Finish	2.40%		2.22	\$131,568
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.30%		3.05	180,906
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(12,659)
Floor Cover			4.39	260,710
Breezeways	\$38.95	6,641	4.36	258,683
Balconies	\$39.58	4,229	2.82	167,368
Plumbing Fixtures	\$1,420	144	3.45	204,480
Rough-ins	\$700	120	1.42	84,000
Built-In Appliances	\$2,280	60	2.31	136,800
Exterior Stairs	\$3,550	3	0.18	10,650
Heating/Cooling			3.12	185,141
Storage Space	\$38.95	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$140.62	2,100	4.98	295,294
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	68,081	4.19	248,496
SUBTOTAL			128.64	7,633,443
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			128.64	\$7,633,443
Plans, specs, survey, bldg permits	3.30%		(4.25)	(\$251,904)
Contractor's OH & Profit	11.50%		(14.79)	(877,846)
NET BUILDING COSTS		\$108,395/unit	\$109.60/sf	\$6,503,693

Long-Term Pro Forma

Reserve at Woodland Heights, Lufkin, 9% HTC #24178

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$551,381	\$562,409	\$573,657	\$585,130	\$596,833	\$658,952	\$727,536	\$742,087	\$756,929	\$772,067	\$787,508	\$803,259	\$886,862	\$979,168	\$1,081,080	\$1,193,600
TOTAL EXPENSES	3.00%	\$302,208	\$311,046	\$320,145	\$329,512	\$339,156	\$391,812	\$452,713	\$465,993	\$479,666	\$493,743	\$508,236	\$523,157	\$604,648	\$698,928	\$808,014	\$934,241
NET OPERATING INCOME ("NOI")		\$249,173	\$251,363	\$253,512	\$255,618	\$257,677	\$267,140	\$274,823	\$276,094	\$277,263	\$278,324	\$279,273	\$280,102	\$282,214	\$280,239	\$273,066	\$259,359
EXPENSE/INCOME RATIO		54.8%	55.3%	55.8%	56.3%	56.8%	59.5%	62.2%	62.8%	63.4%	64.0%	64.5%	65.1%	68.2%	71.4%	74.7%	78.3%
MUST -PAY DEBT SERVICE																	
PNC Bank, N.A.		\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715	\$223,715
Adjustment to Debt Per §11.302(c)(2)		(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)	(\$7,110)
TOTAL DEBT SERVICE		\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605	\$216,605
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.18	1.19	1.23	1.27	1.27	1.28	1.28	1.29	1.29	1.30	1.29	1.26	1.20
ANNUAL CASH FLOW																	
Deferred Developer Fee Balance		\$865,891	\$831,134	\$794,227	\$755,215	\$714,143	\$479,793	\$203,242	\$143,753	\$83,096	\$21,377	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,290	\$104,786	\$430,042	\$754,003	\$1,052,982	\$1,297,076