



**Addendum to Underwriting Report**

TDHCA Application #: **26501\_2518** Program(s): **9% HTC/SHTC/MDL**

**Crossroads Redevelopment**

Address/Location: 8801 McCann Dr.

City: Austin County: Travis Zip: 78757

APPLICATION HISTORY	
Report Date	PURPOSE
6/1/2026	MDL 2026-1 NOFA NHTF Award Memo
11/10/25	SHTC amendment
06/26/25	Initial Underwriting

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
MF Direct Loan Const. to Perm. Deferred Payable	\$0	0.00%	0	.0 yrs	\$5,191,318	2.00%	0	35.0 yrs	1	30 Mo	2
State Housing Tax Credits	\$469,300				\$469,300						
FHTC (9% Credit)	\$2,000,000				\$2,000,000						

\* 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).

\*\* Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

## 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
 

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.

  - a: Updated term sheets with substantially final terms from all lenders
  - 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.
  - e: Substantially final ground lease.
  - f: Updated Guaranty Agreement to the Department that satisfies Department requirements to fund any operating deficits throughout the term of the affordability period and MFDL loan term.
- 3 Receipt and acceptance by Carryover:
 

Formal approval for \$11.7M loan from Austin Housing Finance Corporation (AHFC) clearly stating all

  - terms and conditions, and source of funds.

**Status:** Condition is clear. AHFC has provided formal approval of \$11.7M in funding.
- 4 Receipt and acceptance by Cost Certification:
  - a: **By the earlier of completion of the Development Period or 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.
  - b: **By the earlier of completion of the Development Period or Cost Certification** - Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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

## PREVIOUS SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	39
50% of AMI	50% of AMI	66
60% of AMI	60% of AMI	5

**CURRENT SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	83
60% of AMI	60% of AMI	5

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	23

TDHCA SET-ASIDES for STATE HOUSING TAX CREDITS		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMI	17

**ANALYSIS**

The development originally received an annual 9% HTC allocation of \$2,000,000 and annual SHTC allocation of \$469,000 in 2025.

In November 2025, the Applicant was awarded annual State Housing Tax Credits (SHTC) of \$469k. The Applicant designated 17 SHTC TC30% units.

In the previous memo, there was an error in the set-aside table that increased the number of Federal HTC TC30% units and reduced the number of Federal HTC TC50% units.

This memo will also serve to amend and clarify that the number of Federal HTC units from the original underwriting report remains unchanged and the SHTC restricted units display separately on the LURA table.

The applicant is now applying for a Multifamily Direct Loan 2026-1 NHTF deferred payable loan of \$5,191,318. The MDL will have an interest rate of 2% and 35 year term.

There will be 23-NHTF and 8-Match units.

The SHTC TC30% will be layered with NHTF units.

**Operating Pro Forma**

2026 rents are utilized.

Comparables have been updated to 2024 YE expenses.

Utility allowances are underwritten at the most current TDHCA Compliance approved amounts as of January 2026.

Utility Allowances increased by:

1BR: \$74 to \$76

2BR: \$96 to \$98

3BR: \$119 to \$121

The applicant is not anticipating collecting the maximum program rents for 50% and 60% units because of the current market conditions in Austin. The discounts are indicated in the tables below:

Bedroom TC 50%	Max Program Collectable Rent	Net Rent Collected by Applicant	Rent Discount	Delta to Max
1BR	\$1,184	\$1,089	-8.02%	(\$95)
2BR	\$1,414	\$1,250	-11.60%	(\$164)
3BR	\$1,626	\$1,300	-20.05%	(\$326)

Bedroom TC 60%	Max Program Collectable Rent	Net Rent Collected by Applicant	Rent Discount	Delta to Max
1BR	\$1,436	\$1,199	-16.50%	(\$237)
2BR	\$1,717	\$1,350	-21.37%	(\$367)
3BR	\$1,975	\$1,499	-24.10%	(\$476)

As a result, the Applicant is expected to collect \$146k less than maximum allowable potential gross rent.

Applicant submitted 2025 program rents resulting in a delta from the Underwriter's calculation.

TDHCA's ProForma is used for analysis due to the difference in assumed expenses. Underwriter used comparable supportive housing properties to estimate the expenses.

First year stabilized pro forma operating expense ratio is greater than 65%. However, because the development is Supportive Housing - Rule 11.302(i)(5)(B)(iv)...Developments not meeting the requirements of one or more paragraphs(3)(A) of this subsection will be re-characterized as feasible.

A property insurance invoice from a similar property (TDHCA #23438) has been provided as support for the anticipated \$856/unit anticipated insurance expense.

### **Development Cost**

Acquisition costs increased from \$2.7M to \$6.2M. The partnership has entered into a 99 year ground lease during which the Lessee shall pay to Lessor as rent the amount of \$6.2M for the entire term, payable in one lump sum at the commencement of the term.

The appraisal supports the amount.

Off-site costs increased by \$133K, and Site Work costs increased by \$338K.

Building costs increased by \$1.77M. Underwriter adjusted base building costs to account for inflation from previous underwriting.

A construction contract reflecting a final schedule of values has not yet been completed by the applicant.

Total Development Cost increased by \$7.1M and approximately 49% of the increase is due to the site acquisition.

### **Sources of Funds**

An MFDL loan has been introduced as a construction to perm loan in the amount of \$5,191,318 with 2% interest(during permanent period only) over a 35 year term. The MFDL is in 2nd lien during construction.

Applicant submitted the application with a 40 year MFDL term. Underwriter adjusted the term from 40 to 35 years to maintain positive cash flow through out the term of the MFDL per QAP 11.302(i)(4)(B)

*\*With NHTF subsidy layering, there is an expectation that the deal remain financially viable for a reasonable period. At minimum, the period of affordability (30 years).  
Per 24 CFR §93.300(b).*

Bank of America construction loan decreased from \$12,250,000 to \$4,000,000 while the interest rate increased from 6.75% to 6.95%. Bank of America will be in 1st lien position during construction.

Crossroads Mutual Housing Corporation, a nonprofit, is the current owner of the site and is conveying the property to the partnership, FC Boom Housing, LP, via a 99 year ground lease for a price of \$6.2M, the current as-is appraisal dated 01/16/26.

Crossroads Mutual Housing Corp is adding a seller note for the amount of the ground lease price - increased from \$2.7M to \$6.2M from previous underwriting. To meet Identity of Interest requirements in the QAP, the seller note is structured as a 40 year cash flow loan at 2% interest.

Additional sources introduced include:

Applicant added a construction bridge loan sourced from Michael and Susan Dell Foundation in the amount of \$10M, 36 month term with 1% interest.

Applicant added a Federal Home Loan Bank of Dallas has awarded the development an Affordable Housing Program subsidy for \$1,750,000, 40 year term payable from excess cash flow.

Bank of America increased the equity capital contribution from \$17,378,262 to \$17,698,230 and the credit price increased from \$0.87 to \$0.885

Monarch Private Capital is now acquiring the \$4,693,000 in State Housing Tax credits(Previously National Equity Fund) with total capital contributions of \$2,487,290 (Previously \$2,271,940) and the credit price has decreased from \$0.58 to \$0.53

Foundation Communities was awarded \$5M Capital Magnet Funds in 2024 for portfolio projects and is committing \$2M as a predevelopment loan to Crossroads to fund relocation costs, demolition and abatement. The loan is currently executed in the name of Crossroads Mutual Housing Corp and will be assigned to the partnership at closing and paid off at completion. The loan is structured as a 40 year cash flow loan at 3% interest.

The Applicant included in their documentation a loan from Austin Housing Finance Corporation (AHFC).

AHFC loaned \$900,000 to Crossroads Mutual Housing Corporation in 2009 via a deferred forgivable loan and required a 99 year LURA restricting 14 units at 30% AMI. The 14 units are floating amongst the 30% FHTC restricted units.

FC Crossroads Housing, LP is going to assume the deferred forgivable loan and will continue to provide the 14 units. If the 14 units are not provided, then the loan will be repayable. The Promissory note is secured by a deed of trust.

The deferred developer fee has increased by \$1.1M and pays off in 6 years.  
Developer fee increased by \$500k.

The MDL Funding is 2026-1 NHTF

The MDL match funding has been contributed as a below market interest rate and is therefore not included as a source of funds.

The application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) - "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

**Recommendation**

Underwriter recommends a Deferred Payable Multifamily Direct Loan of \$5,191,318 at 2.00% interest with a 35 year term; 30-month construction term. The MDL funding is NHTF funds.

Any portion of the loan not repaid will be due the earlier of the end of the Loan Term or upon sale, refinance, or transfer of the Property.

TDHCA will be second lien position during construction.

The 9% HTC allocation of \$2,000,000 and the SHTC allocation of \$469,300 is still recommended.

Underwriter:	<u>Travis Mason</u>
Manager of Real Estate Analysis:	<u>Robert Castillo</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

**UNIT MIX/RENT SCHEDULE**

*Crossroads Redevelopment, Austin, 9% HTC/MDL #26501\_25187*

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
Area Median Income	\$134,400
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2026

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	50	45.5%	0	11	8	3
2	42	38.2%	0	10	7	3
3	18	16.4%	0	2	2	2
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
<b>TOTAL</b>						
	<b>110</b>	<b>100.0%</b>	<b>-</b>	<b>23</b>	<b>17</b>	<b>8</b>

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	1,041 sf

46% Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
# Units	-	22	-	83	5	-	-	-	110
% Total	0.0%	20.0%	0.0%	75.5%	4.5%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																									
FEDERAL HTC		MFDL NHTF Units		State HTC		Austin Housing Finance Corp	Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	Type	Match Units	# 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%	\$756					AHFC		6	1	1	890	\$756	\$76	\$680	(\$3)	\$0.76	\$677	\$4,062	\$4,080	\$680	\$0.76	\$0	\$1,754	\$1.97	\$1,754
TC 30%	\$756	NHTF 30%	\$756					3	1	1	890	\$756	\$76	\$680	(\$3)	\$0.76	\$677	\$2,031	\$2,040	\$680	\$0.76	\$0	\$1,754	\$1.97	\$1,754
TC 50%	\$1,260	NHTF 30%	\$756	TC 30%	\$756			8	1	1	890	\$756	\$76	\$680	(\$3)	\$0.76	\$677	\$5,416	\$5,440	\$680	\$0.76	\$0	\$1,754	\$1.97	\$1,754
TC 50%	\$1,260						1	31	1	1	890	\$1,260	\$76	\$1,184	(\$95)	\$1.22	\$1,089	\$33,759	\$36,704	\$1,184	\$1.33	\$0	\$1,754	\$1.97	\$1,754
TC 60%	\$1,512						2	2	1	1	890	\$1,512	\$76	\$1,436	(\$237)	\$1.35	\$1,199	\$2,398	\$2,872	\$1,436	\$1.61	\$0	\$1,754	\$1.97	\$1,754
TC 30%	\$907					AHFC		5	2	2	1,109	\$907	\$98	\$809	(\$4)	\$0.73	\$805	\$4,025	\$4,045	\$809	\$0.73	\$0	\$2,135	\$1.93	\$2,135
TC 30%	\$907	NHTF 30%	\$907					3	2	2	1,109	\$907	\$98	\$809	(\$4)	\$0.73	\$805	\$2,415	\$2,427	\$809	\$0.73	\$0	\$2,135	\$1.93	\$2,135
TC 50%	\$1,512	NHTF 30%	\$907	TC 30%	\$907			7	2	2	1,109	\$907	\$98	\$809	(\$4)	\$0.73	\$805	\$5,635	\$5,663	\$809	\$0.73	\$0	\$2,135	\$1.93	\$2,135
TC 50%	\$1,512						1	25	2	2	1,109	\$1,512	\$98	\$1,414	(\$164)	\$1.13	\$1,250	\$31,250	\$35,350	\$1,414	\$1.28	\$0	\$2,135	\$1.93	\$2,135
TC 60%	\$1,815						2	2	2	2	1,109	\$1,815	\$98	\$1,717	(\$367)	\$1.22	\$1,350	\$2,700	\$3,434	\$1,717	\$1.55	\$0	\$2,135	\$1.93	\$2,135
TC 30%	\$1,048					AHFC		3	3	2	1,299	\$1,048	\$121	\$927	(\$4)	\$0.71	\$923	\$2,769	\$2,781	\$927	\$0.71	\$0	\$2,482	\$1.91	\$2,482
TC 30%	\$1,048							2	3	2	1,299	\$1,048	\$121	\$927	(\$4)	\$0.71	\$923	\$1,846	\$1,854	\$927	\$0.71	\$0	\$2,482	\$1.91	\$2,482
TC 50%	\$1,747	NHTF 30%	\$1,048	TC 30%	\$1,048			2	3	2	1,299	\$1,048	\$121	\$927	(\$4)	\$0.71	\$923	\$1,846	\$1,854	\$927	\$0.71	\$0	\$2,482	\$1.91	\$2,482
TC 50%	\$1,747						1	10	3	2	1,299	\$1,747	\$121	\$1,626	(\$326)	\$1.00	\$1,300	\$13,000	\$16,260	\$1,626	\$1.25	\$0	\$2,482	\$1.91	\$2,482
TC 60%	\$2,097						1	1	3	2	1,299	\$2,097	\$121	\$1,976	(\$477)	\$1.15	\$1,499	\$1,499	\$1,976	\$1,976	\$1.52	\$0	\$2,482	\$1.91	\$2,482
<b>TOTALS/AVERAGES:</b>								<b>110</b>			<b>114,460</b>				<b>(\$110)</b>	<b>\$1.00</b>	<b>\$1,042</b>	<b>\$114,651</b>	<b>\$126,780</b>	<b>\$1,153</b>	<b>\$1.11</b>	<b>\$0</b>	<b>\$2,019</b>	<b>\$1.94</b>	<b>\$2,019</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,375,812</b>	<b>\$1,521,360</b>
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\*MFDL units float among Unit Types

**STABILIZED PRO FORMA**

*Crossroads Redevelopment, Austin, 9% HTC/MDL #26501\_25187*

**STABILIZED FIRST YEAR PRO FORMA**

	COMPARABLES		APPLICANT				SHTC Memo	PRIOR REPORT		SHTC Memo	TDHCA				VARIANCE	
	Database	Travis County Foundation Community	% EGI	Per SF	Per Unit	Amount		Applicant	TDHCA		Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.00	\$1,042	\$1,375,812	\$1,518,600	\$1,531,812	\$1,531,812	\$1,518,600	\$1,375,812	\$1,042	\$1.00		0.0%	\$0
Late fees, NSF fees, laundry income					\$30.00	\$39,600	\$26,400	26,400								
Total Secondary Income					\$30.00				26,400	26,400	\$39,600	\$30.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$1,415,412	\$1,545,000	\$1,558,212	\$1,558,212	\$1,545,000	\$1,415,412				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(106,156)	(115,875)	(116,866)	(116,866)	(115,875)	(106,156)	7.5% PGI			0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$1,309,256	\$1,429,125	\$1,441,346	\$1,441,346	\$1,429,125	\$1,309,256				0.0%	\$0

General & Administrative	\$78,607	\$715/Unit	\$75,536	\$687	6.11%	\$0.70	\$728	\$80,037	\$80,037	\$80,037	\$78,607	\$78,607	\$75,536	\$687	\$0.66	5.77%	6.0%	4,501
Management	\$68,913	3.3% EGI	\$70,235	\$638	5.55%	\$0.63	\$661	\$72,664	\$71,416	\$72,067	\$72,067	\$71,456	\$72,664	\$661	\$0.63	5.55%	0.0%	-
Payroll & Payroll Tax	\$169,730	\$1,543/Unit	\$233,107	\$2,119	19.94%	\$2.28	\$2,373	\$261,060	\$261,060	\$261,060	\$281,557	\$281,557	\$261,060	\$2,373	\$2.28	19.94%	0.0%	-
Repairs & Maintenance	\$110,411	\$1,004/Unit	\$96,348	\$876	15.89%	\$1.82	\$1,892	\$208,077	\$208,077	\$208,077	\$71,500	\$71,500	\$154,000	\$1,400	\$1.35	11.76%	35.1%	54,077
Electric/Gas	\$36,549	\$332/Unit	\$73,634	\$669	2.34%	\$0.27	\$279	\$30,650	\$30,650	\$30,650	\$71,719	\$71,719	\$73,634	\$669	\$0.64	5.62%	-58.4%	(42,984)
Water, Sewer, & Trash	\$95,748	\$870/Unit	\$85,813	\$780	7.58%	\$0.87	\$903	\$99,276	\$99,276	\$99,276	\$95,748	\$95,748	\$85,813	\$780	\$0.75	6.55%	15.7%	13,463
Property Insurance	\$75,354	\$0.66 /sf	\$63,381	\$576	7.17%	\$0.82	\$853	\$93,857	\$66,973	\$66,973	\$75,354	\$75,354	\$93,857	\$853	\$0.82	7.17%	0.0%	-
Property Tax (@ 50%) 1.9818	\$105,103	\$955/Unit	\$51,155	\$465	3.82%	\$0.44	\$455	\$50,000	\$40,000	\$40,000	\$54,822	\$53,861	\$51,155	\$465	\$0.45	3.91%	-2.3%	(1,155)
Reserve for Replacements					2.10%	\$0.24	\$250	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$250	\$0.24	2.10%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.34%	\$0.04	\$40	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$40	\$0.04	0.34%	0.0%	-
Courtesy Patrol					0.69%	\$0.08	\$82	\$9,000	\$0	\$0	\$0	\$0	\$9,000	\$82	\$0.08	0.69%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>71.53%</b>	<b>\$8.18</b>	<b>\$8,514</b>	<b>\$936,521</b>	<b>\$889,389</b>	<b>\$890,040</b>	<b>\$833,274</b>	<b>\$831,703</b>	<b>\$909,401</b>	<b>\$8,267</b>	<b>\$7.95</b>	<b>69.46%</b>	<b>3.0%</b>	<b>\$ 27,120</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>28.47%</b>	<b>\$3.26</b>	<b>\$3,389</b>	<b>\$372,735</b>	<b>\$539,736</b>	<b>\$551,306</b>	<b>\$608,072</b>	<b>\$597,422</b>	<b>\$399,855</b>	<b>\$3,635</b>	<b>\$3.49</b>	<b>30.54%</b>	<b>-6.8%</b>	<b>\$ (27,120)</b>

<b>CONTROLLABLE EXPENSES</b>								\$6,174/Unit											\$5,909/Unit
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Crossroads Redevelopment, Austin, 9% HTC/MDL #26501\_25187*

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	SHTC Memo	Prior Underwriting		SHTC Memo	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App							Applicant	TDHCA							DCR	LTC	
TDHCA NHTF-1 Deferred Payable				-	2.00%	0	40.0	\$5,191,318	\$0			\$0	\$5,191,318	35.0	0.0	2.00%			11.0%	
Adjustment to Debt Per §11.302(c)(2)	0.00%													35.0	0.0	2.00%			0.0%	
<b>CASH FLOW DEBT / GRANTS</b>																				
City of Austin					0.00%	0	0.0	\$500	\$500	\$500	\$500	\$500	\$500	0.0	0.0	0.00%			0.0%	
City of Austin (AHFC CF Loan)					2.00%	0	40.0	\$11,700,000	\$11,700,000	\$13,000,000	\$13,000,000	\$11,700,000	\$11,700,000	40.0	0.0	2.00%			24.8%	
FHLB Dallas					0.00%	0	40.0	\$1,750,000	\$4,545,523	\$6,585,983	\$6,585,983	\$4,545,523	\$1,750,000	40.0	0.0	0.00%			3.7%	
Crossroads Mutual Housing Seller Note					2.00%	0	40.0	\$6,200,000	\$2,700,000	\$2,700,000	\$2,700,000	\$6,200,000	\$6,200,000	40.0	0.0	2.00%			13.1%	
								<b>\$0</b>	<b>TOTAL DEBT / GRANT SOURCES</b>	<b>\$24,841,818</b>	<b>\$18,946,023</b>	<b>\$22,286,483</b>	<b>\$22,286,483</b>	<b>\$18,946,023</b>	<b>\$24,841,818</b>	<b>TOTAL DEBT SERVICE</b>		<b>\$0</b>	<b>N/A</b>	<b>52.6%</b>

<b>NET CASH FLOW</b>	\$399,855	\$372,735													<b>TDHCA NET OPERATING INCOME</b>	\$399,855	\$399,855	<b>NET CASH FLOW</b>
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EQUITY SOURCES																
APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE									
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	SHTC Memo	Prior Underwriting		SHTC Memo	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
							Applicant	TDHCA								
Bank of America	LIHTC Equity	37.5%	\$2,000,000	\$0.885	\$17,698,230	\$17,378,262	\$17,378,262	\$17,378,262	\$17,378,262	\$17,698,230	\$0.885	\$2,000,000	37.5%	\$18,182	Applicant Request	
Monarch Private Capital	SHTC Equity	5.3%	\$469,300	\$0.53	\$2,487,290	\$2,721,940	\$0	\$0	\$2,721,940	\$2,487,290	\$0.53	\$469,300	5.3%			
Foundation Communities	Deferred Developer Fees	4.7%	(46% Deferred)		\$2,230,007	\$1,087,456	\$468,937	\$468,937	\$1,087,457	\$2,230,007	(46% Deferred)		4.7%	Total Developer Fee:	\$4,877,753	
<b>TOTAL EQUITY SOURCES</b>													47.4%			

<b>TOTAL CAPITALIZATION</b>			<b>\$47,257,345</b>	<b>\$40,133,681</b>	<b>\$40,133,682</b>	<b>\$40,133,682</b>	<b>\$40,133,682</b>	<b>\$47,257,345</b>						15-Yr Cash Flow after Deferred Fee:	<b>\$3,592,489</b>
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DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE		
Eligible Basis	New Const. Rehab	Total Costs	SHTC Memo	Prior Underwriting		SHTC Memo	Total Costs	Eligible Basis		%	\$			
				Applicant	TDHCA			New Const. Rehab	Acquisition					
Land Acquisition		\$56,364 / Unit	\$6,200,000	\$2,700,000	\$2,700,000	\$2,700,000	\$6,200,000	\$56,364 / Unit		0.0%	\$0			
Building Acquisition	\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$ / Unit	\$0	0.0%	\$0			
Closing costs & acq. legal fees			\$100,000	\$100,000	\$100,000	\$100,000	\$100,000			0.0%	\$0			
Off-Sites		\$3,906 / Unit	\$429,679	\$295,718	\$295,718	\$295,718	\$429,679	\$3,906 / Unit		0.0%	\$0			
Site Work	\$2,183,278	\$28,557 / Unit	\$3,141,278	\$2,803,515	\$2,803,515	\$2,803,515	\$3,141,278	\$28,557 / Unit	\$2,183,278	0.0%	\$0			
Site Amenities	\$574,556	\$5,223 / Unit	\$574,556	\$687,273	\$687,273	\$687,273	\$574,556	\$5,223 / Unit	\$574,556	0.0%	\$0			
Building Cost	\$20,780,556	\$181.55 /sf	\$188,914/Unit	\$20,780,556	\$19,013,494	\$18,261,713	\$19,015,851	\$172,871/Unit	\$166.14 /sf	\$19,015,851	9.3%	\$1,764,705		
Contingency	\$1,668,359	7.09%	6.69%	\$1,668,359	\$1,220,208	\$1,220,208	\$1,668,359	7.20%	7.66%	\$1,668,359	0.0%	\$0		
Contractor Fees	\$3,528,945	14.00%	14.00%	\$3,723,221	\$3,351,280	\$3,257,580	\$3,476,161	14.00%	14.00%	\$3,281,886	7.1%	\$247,060		
Voluntary Eligible "Hard Costs" (After 11.9(e)(2))					\$0	\$0	\$0		\$0	0.0%	\$0			
Soft Costs	\$0	\$3,396,332	\$37,239 / Unit	\$4,096,332	\$3,466,326	\$3,466,326	\$4,096,332	\$37,239 / Unit	\$3,396,332	\$0	0.0%	\$0		
Financing	\$0	\$386,328	\$8,403 / Unit	\$924,295	\$1,366,525	\$1,366,525	\$924,295	\$8,403 / Unit	\$386,328	\$0	0.0%	\$0		
Developer Fee	\$0	\$4,877,753	15.00%	14.39%	\$4,877,753	\$4,379,822	\$4,438,326	\$4,784,140	15.00%	15.00%	\$4,575,989	2.0%	\$93,613	
Reserves			9 Months	\$741,317	\$749,520	\$749,520	\$741,317	10 Months			0.0%	\$0		
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		<b>\$0</b>	<b>\$37,396,107</b>	<b>\$429,612 / Unit</b>	<b>\$47,257,346</b>	<b>\$40,133,682</b>	<b>\$39,346,704</b>	<b>\$39,288,201</b>	<b>\$45,151,969</b>	<b>\$410,472 / Unit</b>	<b>\$35,082,579</b>	<b>\$0</b>	<b>4.7%</b>	<b>\$2,105,377</b>
Acquisition Cost	\$0			\$0	\$0	\$0								
Contingency		\$0		\$0	\$0	\$0								
Contractor's Fee		(\$0)		(\$1)	\$0	\$0								
Financing Cost		\$0												
Developer Fee	\$0	\$0		\$0	\$0	\$0								
Reserves				\$0	\$0	\$0								
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$37,396,107</b>	<b>\$429,612/unit</b>	<b>\$47,257,345</b>	<b>\$40,133,682</b>	<b>\$39,346,704</b>	<b>\$39,288,201</b>	<b>\$45,151,969</b>	<b>\$410,472/unit</b>	<b>\$35,082,579</b>	<b>\$0</b>	<b>4.7%</b>	<b>\$2,105,376</b>
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>							<b>\$47,257,345</b>							

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

*Crossroads Redevelopment, Austin, 9% HTC/MDL #26501\_25187*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$37,396,107	\$0	\$35,082,579
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$37,396,107	\$0	\$35,082,579
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$48,614,939	\$0	\$45,607,353
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$48,614,939	\$0	\$45,607,353
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$4,375,345	\$0	\$4,104,662
<b>CREDITS ON QUALIFIED BASIS</b>	\$4,375,345		\$4,104,662	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8849	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$4,375,345	\$38,717,927	----	----	----
<b>Needed to Fill Gap</b>	\$2,252,003	\$19,928,237	----	----	----
<b>Applicant Request</b>	\$2,000,000	\$17,698,230	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	114,460 SF	\$121.62	13,921,101
Adjustments				
Exterior Wall Finish	0.80%		0.97	\$111,369
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.10%		3.77	431,554
Roof Adjustment(s)			1.44	165,000
Subfloor			0.28	32,335
Floor Cover			3.75	429,225
Enclosed Corridors	\$110.27	31,056	29.92	3,424,674
Balconies	\$47.40	951	0.39	45,077
Plumbing Fixtures	\$2,130	180	3.35	383,400
Rough-ins	\$790	220	1.52	173,800
Built-In Appliances	\$3,675	110	3.53	404,250
Exterior Stairs	\$4,250	4	0.15	17,000
Heating/Cooling			4.11	470,431
Storage Space	\$110.27	1,782	1.72	196,509
Carports	\$21.40	0	0.00	0
Garages	\$41.00	0	0.00	0
Common/Support Area	\$125.69	7,283	8.00	915,399
Elevators	\$165,400	2	2.89	330,800
<b>Other:</b>			0.00	0
Fire Sprinklers	\$4.60	154,581	6.21	711,073
<b>SUBTOTAL</b>			<b>193.63</b>	<b>\$22,162,997</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>193.63</b>	<b>\$22,162,997</b>
Plans, specs, survey, bldg permits	3.10%		(6.00)	(\$687,053)
Contractor's OH & Profit	11.10%		(21.49)	(2,460,093)
<b>NET BUILDING COSTS</b>		\$172,871/unit	\$166.14/sf	\$19,015,851

## Long-Term Pro Forma

*Crossroads Redevelopment, Austin, 9% HTC/MDL #26501\_25187*

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$1,309,256	\$1,335,441	\$1,362,150	\$1,389,393	\$1,417,181	\$1,564,682	\$1,727,536	\$1,907,339	\$2,325,035	\$2,567,027	\$2,834,205
TOTAL EXPENSES	3.00%	\$909,401	\$935,957	\$963,294	\$991,437	\$1,020,409	\$1,178,593	\$1,361,519	\$1,573,082	\$2,100,867	\$2,428,358	\$2,807,269
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$399,855</b>	<b>\$399,484</b>	<b>\$398,856</b>	<b>\$397,956</b>	<b>\$396,772</b>	<b>\$386,090</b>	<b>\$366,017</b>	<b>\$334,257</b>	<b>\$224,169</b>	<b>\$138,669</b>	<b>\$26,936</b>
EXPENSE/INCOME RATIO		69.5%	70.1%	70.7%	71.4%	72.0%	75.3%	78.8%	82.5%	90.4%	94.6%	99.0%
<b>MUST -PAY DEBT SERVICE</b>												
TDHCA NHTF-1 Deferred Payable			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment to Debt Per §11.302(c)(2)												
Bank of America												
Michael Susan Dell Foundation												
<b>TOTAL DEBT SERVICE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DEBT COVERAGE RATIO		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>ANNUAL CASH FLOW</b>												
		<b>\$399,855</b>	<b>\$399,484</b>	<b>\$398,856</b>	<b>\$397,956</b>	<b>\$396,772</b>	<b>\$386,090</b>	<b>\$366,017</b>	<b>\$334,257</b>	<b>\$224,169</b>	<b>\$138,669</b>	<b>\$26,936</b>
Deferred Developer Fee Balance		\$1,830,152	\$1,430,668	\$1,031,812	\$633,856	\$237,084	\$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>\$1,718,075</b>	<b>\$3,592,489</b>	<b>\$5,332,482</b>	<b>\$8,128,030</b>	<b>\$9,001,884</b>	<b>\$9,371,553</b>