23014 Babers Manor - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 14, 2023

PROPERTY IDENTIFICATION	
Application #	23014
Development	Babers Manor
City / County	Fort Worth / Tarrant
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$2,000,000	$2,000,000	$25,000/Unit	$0.88

KEY PRINCIPALS / SPONSOR

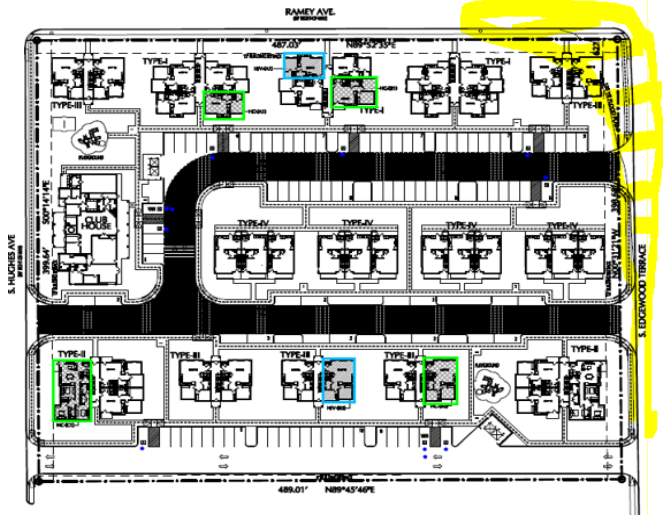
Mary-Margaret Lemons / Fort Worth Affordability, Inc. / General Partner

Carl C. Lang / MBA Holdings, LLC / Shareholder of MBA Properties

Related Parties	Contractor - TBD	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	18	23%	30%	11	14%
2	48	60%	40%	-	0%
3	14	18%	50%	15	19%
4	-	0%	60%	17	21%
			70%	-	0%
			80%	8	10%
			MR	29	36%
TOTAL	80	100%	TOTAL	80	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten			Applicant's Pro Forma	
Debt Coverage	1.23		Expense Ratio	39.8%
Breakeven Occ.	82.1%		Breakeven Rent	$1,353
Average Rent	$1,525		B/E Rent Margin	$173
Property Taxes	Exempt		Exemption/PILOT	100%
Total Expense	$6,752/unit		Controllable	$4,381/unit

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.3%
Highest Unit Capture Rate	1%	3 BR/60%	8
Dominant Unit Cap. Rate	0%	2 BR/30%	8
Premiums (↑60% Rents)	Yes		$323/Avg.
Rent Assisted Units	43	54% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	953 SF	Density	17.9/acre
Acquisition		$06K/unit	$440K
Building Cost	$151.78/SF	$145K/unit	$11,575K
Hard Cost		$217K/unit	$17,393K
Total Cost		$378K/unit	$30,265K
Developer Fee	$3,718K	(5% Deferred)	Paid Year: 2
Contractor Fee	$2,435K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Mason Joseph FHA 221(d)(4)	40/40	5.25%	$10,500,000	1.23
TOTAL DEBT (Must Pay)			$10,500,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Fort Worth	0/0	0.00%	$500	1.23
Fort Worth Affordability, Inc. - PSH Match	40/0	0.00%	$100,000	1.23
Fort Worth Housing Solutions	40/0	0.00%	$200,000	1.23
Fort Worth HFC - PSH	40/0	0.00%	$100,000	1.23
City of Fort Worth - HOME	40/0	0.00%	$1,000,000	1.23
City of Fort Worth - Urban Development Action Grant	40/0	0.00%	$150,000	1.23
Cavile Public Facility Corp.	40/0	3.86%	$440,000	1.23
CASH FLOW DEBT / GRANTS			$1,990,500	

EQUITY / DEFERRED FEES	
Source	Amount
Enterprise	$17,598,240
	$0
	$0
McCormack Baron Salazar, Inc.	$176,083
TOTAL EQUITY SOURCES	$17,774,323
TOTAL DEBT SOURCES	$12,490,500
TOTAL CAPITALIZATION	$30,264,823

CONDITIONS

1 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

2 Receipt and acceptance by Cost Certification:

a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

b: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

c: Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully 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.

RISK PROFILE

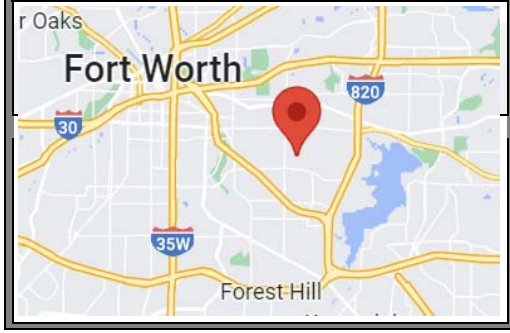
STRENGTHS/MITIGATING FACTORS

- Low Gross Capture Rate
- Developer Experience

WEAKNESSES/RISKS

- Feasibility dependent on property tax exemption

AREA MAP



AERIAL PHOTOGRAPH(s)

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **23014** Program(s): **9% HTC**

Babers Manor

Address/Location: 4400, 4408, 4416, and 4424 Ramey Ave.

City: Fort Worth County: Tarrant Zip: 76105

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

Activity: New Construction Building Type: Garden/Townhome Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$2,000,000				**$2,000,000**				

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SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	11
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	17
80% of AMI	80% of AMI	8

DEVELOPMENT SUMMARY

Babers Manor will be a new construction development located in Fort Worth and is sponsored by Fort Worth Affordability, Inc., an affiliate of Fort Worth Housing Solutions and McCormack Baron Salazar, Inc. The site will be secured via a long term ground lease. The Development has been awarded, from Fort Worth Housing Solutions, 39 Project-Based Vouchers [8 one-bedroom; 17 two-bedroom, and 14 three-bedroom units].

In addition, there will be four (4) Project-Based Voucher Subsidy [Supportive Housing] two-bedroom units for a grand total of 43 assisted units. The Development will offer 80 units in total [29 units are Market Rents - accounts for 36% of total units].

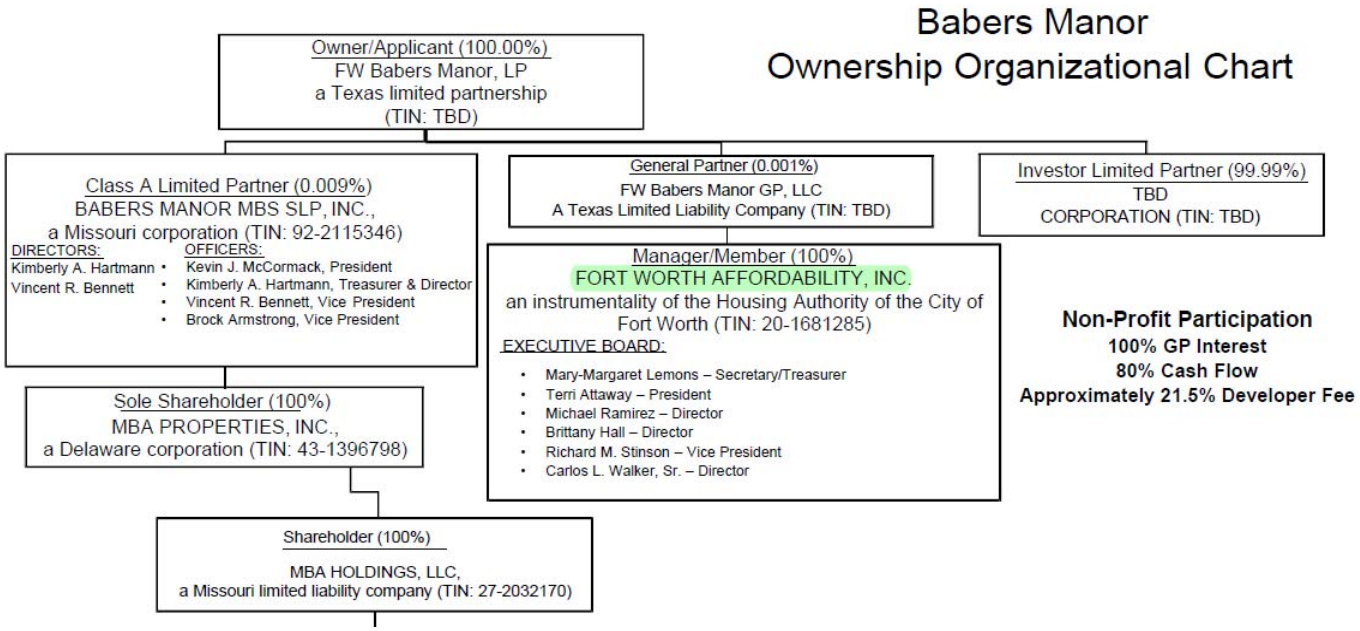
RISK PROFILE

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

WEAKNESSES/RISKS
▫ Feasibility dependent on property tax exemption
▫

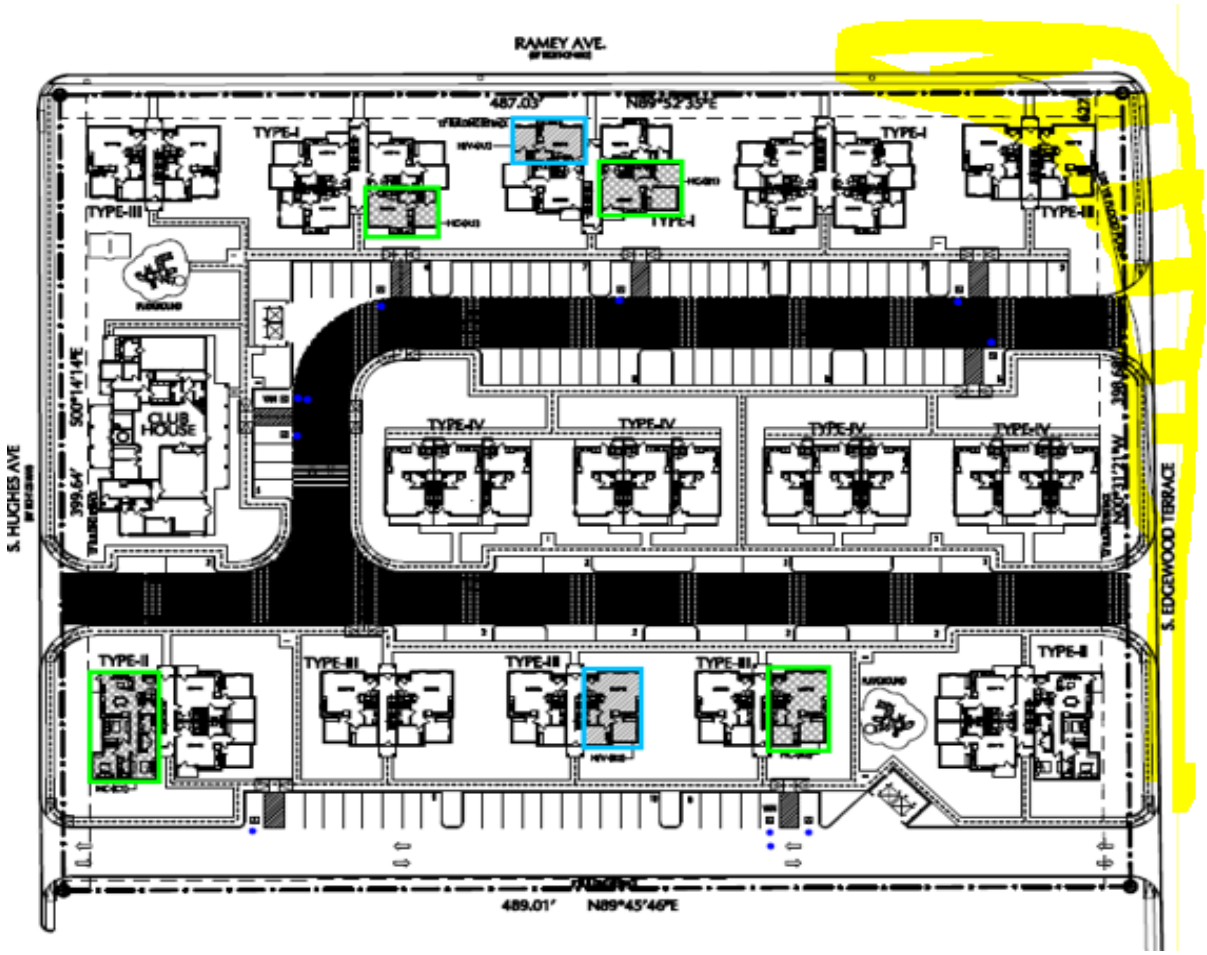
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

The parking requirement is 85 spaces. The Development will offer 100 parking spaces (91 standard, 7 accessible, and 2 van accessible spaces) meeting the requirement.

BUILDING ELEVATION

BUILDING CONFIGURATION

Building Type	I	II	III	IV									Total Buildings
Floors/Stories	3	2	2	2									
Number of Bldgs	3	2	5	4									14
Units per Bldg	12	6	4	3									
Total Units	36	12	20	12									80

Avg. Unit Size (SF)	**953 sf**	**Total NRA (SF)**	**76,258**	**Common Area (SF)***	**11,290**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.48 acres Density: 17.9 units/acre

Site Control: 4.48 **Site Plan:** 4.47 **Appraisal:** 4.472 **ESA:** 4.48

Feasibility Report Survey: 4.472 **Feasibility Report Engineer's Plan:** 4.472

Control Type: Contract for Ground Lease

Development Site: 4.48 acres Cost: $440,000 $5,500 per unit

Seller: Cavile Public Facility Corporation

Buyer: FW Babers Manor, LP, a Texas limited partnership

Related-Party Seller/Identity of Interest: Yes

Comments:

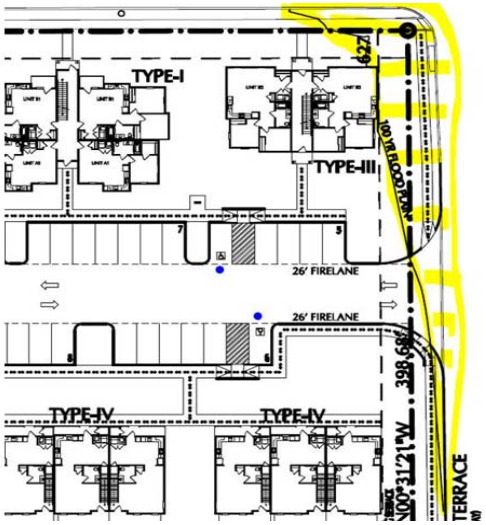
Cavile Public Facility Corporation, PFC, is entering into a 75 year Ground Lease with Babers Manor, LP. Part of the terms is an upfront payment of $440,000. An appraisal was provided with a valuation of $440,000. An affiliate of the PFC, Fort Worth Affordability, Inc., is the sole member of the General Partner of the Partnership. All rights will transfer to the Partnership including a property tax exemption.

APPRAISED VALUE

Appraiser:	Valbridge Property Advisors			Date:	1/23/2023
Land as Vacant:	4.467 acres	$440,000		Per Unit:	$5,500
Total Development: (as-is)		**$440,000**		Per Unit:	**$5,500**

SITE INFORMATION

Flood Zone:	Zone X and Zone A	Scattered Site?	No
Zoning:	PD1258, Base C - Med. Density MF	Within 100-yr floodplain?	Yes
Re-Zoning Required?	No	Utilities at Site?	No
Year Constructed:	N/A	Title Issues?	No



Other Observations:

Most of the subject is mapped within Zone X - an area defined by FEMA of minimal flood hazard (outside 100 and 500 year flood zone). The east and northeast corner of the subject is mapped in Zone A (inside 100-year flood zone).

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: ENSAFE Date: 1/18/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment has revealed evidence of a recognized environmental conditions in connection with the subject property:
  - Grass-covered mounds present on the subject property and their composition and sources are unknown. The mounds indicate potential unauthorized dumping of materials containing hazardous substances or petroleum products on the subject property.

  ENSAFE made the following recommendation:
  - The debris piles and soil mounds should be removed prior to closing followed by soil sampling in the locations of the debris piles and soil mounds. Soil sampling should also be performed in the area of the historic drainage ditch which was filled in.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 3/24/2023

Primary Market Area (PMA): 24.29 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY		
Stabilized Affordable Developments in PMA	Total Units	745
	Total Developments	6
	Average Occupancy	97%

Comments:

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	34,694			
Potential Demand from the Primary Market Area	2,875			
10% External Demand	288			
Potential Demand from Other Sources	0			
GROSS DEMAND	3,163			
Subject Affordable Units	8	43		
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	8			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.3%**			

Population:	**General**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND										
	Market Analyst									
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
80% AMGI	2,875	288	8	0	0%					

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
	Market Analyst									
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
2 BR/80%	591	59	8	0	1%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$818,510	Avg. Rent:	$1,525	Expense Ratio:	39.8%
Debt Service:	$665,327	B/E Rent:	$1,353	Controllable Expenses:	$4,381
Net Cash Flow:	$153,184	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.23	B/E Occupancy:	82.1%	Program Rent Year:	2022

The Development assumes a property tax exemption due to the land being owned by the PFC. Without the tax exemption, the DCR would drop below 1.15.

A Letter of Commitment was provided from Forth Worth Housing Solutions dated February 16, 2023 that there will be Project Based Vouchers attached to 43 units. The PBV rents per unit are: one-bedroom (8 units) $1,357; two-bedroom (21 units) $1,602; and three-bedroom (14 units) $2,120.

Underwriter utilized property insurance estimate provided.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$98,214/ac	$5,500/unit	**$440,000**	Contractor Fee	**$2,434,952**
Off-site + Site Work		$59,703/unit	**$4,776,200**	Soft Cost + Financing	**$5,793,159**
Building Cost	$151.78/sf	$144,684/unit	**$11,574,740**	Developer Fee	**$3,718,234**
Contingency	6.37%	$13,020/unit	**$1,041,583**	Reserves	**$485,956**
Total Development Cost	$378,310/unit	**$30,264,823**		**Rehabilitation Cost**	**N/A**

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

Off-site:

Off-Site costs are included in the Development Cost Schedule: $30k Off-Site Concrete; $60k Storm Drains & Devices; $200 Water & Fire Hydrants; $12k Sewer Laterals; $500k for Off-Site Paving and Electrical; $100k Street Trees and Irrigation; $20k SWPPP; $104,200 CFA Fees.

A letter from RubinBrown, Certified Public Accountants, was included and they determined based on PLR 2009-16007 that the estimated costs of $1,146,200 as reflected in the project budget are necessary to comply with requirements under the transformation plan adopted in Resolution 4333-07-2014 as approved by the City of Fort Worth in Ordinance No. 23885-10-2019, the off-site costs may be included as public infrastructure costs in eligible basis.

Site Work:

Site work costs exceed $20k per unit. Application included site work breakdown: $115k Demolition; $300k Detention; $385k Grading; $1.1M On-Site Concrete and Paving; $750k On-Site Electrical and Utilities; $85k Bumper stops & Signage; and $300k Storm Drains & Devices.

A letter from RubinBrown was included. They analyzed the development budget and computed the amount of costs that may be included in eligible basis is $2,920,000 (excluding Demolition).

Building Cost:

Underwriter utilized Marshall & Swift's "good" base cost adjusted for Covid cost increases and for the small number of units.

Applicant limited eligible building cost by $1,356,178 for scoring purposes.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$30,264,823	**$26,814,618**	**$2,000,035**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Mason Joseph FHA 221(d)(4)	FHA 221(d)(4) Loan	$10,500,000	5.25%	42%
Enterprise	Bridge Loan	$5,500,000	7.00%	22%
Enterprise	HTC	$6,159,384	$0.88	25%
City of Fort Worth	§11.9(d)(2)LPS Contribution	$500	0.00%	0%
Fort Worth Affordability, Inc. - PSH Match	PSH Match Loan	$100,000	0.00%	0%
Fort Worth Housing Solutions	CNI Loan	$200,000	0.00%	1%
Fort Worth HFC - PSH	CF Loan	$100,000	0.00%	0%
McCormack Baron Salazar, Inc.	Fee	$789,738	0.00%	3%
City of Fort Worth - HOME	HOME	$1,000,000	0.00%	4%
Action Grant	Action Grant	$150,000	0.00%	1%
Cavile Public Facility Corp.	Seller Note	$440,000	3.86%	2%
		$24,939,622	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Mason Joseph FHA 221(d)(4)	$10,500,000	5.25%	40	40.0	$10,500,000	5.25%	40	40.0	35%
City of Fort Worth	$500	0.00%	0	0.0	$500	0.00%	0	0.0	0%
Fort Worth Affordability, Inc. - F	$100,000	0.00%	0	40.0	$100,000	0.00%	0	40.0	0%
Fort Worth Housing Solutions	$200,000	0.00%	0	40.0	$200,000	0.00%	0	40.0	1%
Fort Worth HFC - PSH	$100,000	0.00%	0	40.0	$100,000	0.00%	0	40.0	0%
City of Fort Worth - HOME	$1,000,000	0.00%	0	40.0	$1,000,000	0.00%	0	40.0	3%
City of Fort Worth - Urban Development Action Grant	$150,000	0.00%	0	40.0	$150,000	0.00%	0	40.0	0%
Cavile Public Facility Corp.	$440,000	3.86%	0	40.0	$440,000	3.86%	0	40.0	1%
Total	**$12,490,500**				**$12,490,500**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Enterprise	$17,598,240	$0.88		$17,598,240	$0.88	58%	
McCormack Baron Salazar, Inc.	$176,083		5%	$176,083		1%	5%
Total	**$17,774,323**			**$17,774,323**			
				$30,264,823	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.889	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.710	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$30,264,823
Permanent Sources (debt + non-HTC equity)	$12,490,500
Gap in Permanent Financing	$17,774,323

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$17,598,551	$2,000,035
Needed to Balance Sources & Uses	$17,774,323	$2,020,011
Requested by Applicant	$17,598,240	$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$17,598,240**	**$2,000,000**

Deferred Developer Fee	**$176,083**	**(5% deferred)**
Repayable in	**2 years**	

Recommendation:

Underwriter recommends $2,000,000 in annual credits as requested by the Applicant.

Underwriter: *Robert Castillo*

Manager of Real Estate Analysis: *Diamond Unique Thompson*

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Babers Manor, Fort Worth, 9% HTC #23014

LOCATION DATA	
CITY:	Fort Worth
COUNTY:	Tarrant
Area Median Income	$92,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	18	22.5%	8	0	0
2	48	60.0%	21	0	0
3	14	17.5%	14	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	**80**	**100.0%**	**43**	**-**	**-**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	63.75%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	953 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	11	-	15	17	-	8	29	**80**
	% Total	0.0%	13.8%	0.0%	18.8%	21.3%	0.0%	10.0%	36.3%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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%	$508	PBV	$1,357	3	1	1	663	$1,357	$85	$1,272	$0	$1.92	$1,272	**$3,816**	**$3,816**	$1,272	**$2**	**$0**	$1,234	$1.86	$1,325
TC 50%	$848	PBV	$1,357	2	1	1	663	$1,357	$85	$1,272	$0	$1.92	$1,272	**$2,544**	**$2,544**	$1,272	**$2**	**$0**	$1,234	$1.86	$1,325
TC 60%	$1,017	PBV	$1,357	3	1	1	663	$1,357	$85	$1,272	$0	$1.92	$1,272	**$3,816**	**$3,816**	$1,272	**$2**	**$0**	$1,234	$1.86	$1,325
MR				10	1	1	663	$0	$85		NA	$1.86	$1,234	**$12,340**	**$12,340**	$1,234	**$2**	**NA**	$1,234	$1.86	$1,325
TC 30%	$610	PSH PBV	$1,602	2	2	1	852	$1,602	$99	$1,503	$0	$1.76	$1,503	**$3,006**	**$3,006**	$1,503	**$2**	**$0**	$1,456	$1.71	$1,533
TC 30%	$610	PBV	$1,602	2	2	1	852	$1,602	$99	$1,503	$0	$1.76	$1,503	**$3,006**	**$3,006**	$1,503	**$2**	**$0**	$1,456	$1.71	$1,533
TC 50%	$1,017	PBV	$1,602	4	2	1	852	$1,602	$99	$1,503	$0	$1.76	$1,503	**$6,012**	**$6,012**	$1,503	**$2**	**$0**	$1,456	$1.71	$1,533
TC 60%	$1,221	PBV	$1,602	3	2	1	852	$1,602	$99	$1,503	$0	$1.76	$1,503	**$4,509**	**$4,509**	$1,503	**$2**	**$0**	$1,456	$1.71	$1,533
TC 80%	$1,628			5	2	1	852	$1,628	$99	$1,529	$0	$1.79	$1,529	**$7,645**	**$7,280**	$1,456	**$2**	**($73)**	$1,456	$1.71	$1,533
MR				10	2	1	852	$0	$99		NA	$1.71	$1,456	**$14,560**	**$14,560**	$1,456	**$2**	**NA**	$1,456	$1.71	$1,533
TC 30%	$610	PSH PBV	$1,602	2	2	1	945	$1,602	$99	$1,503	$0	$1.59	$1,503	**$3,006**	**$3,006**	$1,503	**$2**	**$0**	$1,456	$1.54	$1,538
TC 30%	$610	PBV	$1,602	2	2	1	945	$1,602	$99	$1,503	$0	$1.59	$1,503	**$3,006**	**$3,006**	$1,503	**$2**	**$0**	$1,456	$1.54	$1,538
TC 50%	$1,017	PBV	$1,602	3	2	1	945	$1,602	$99	$1,503	$0	$1.59	$1,503	**$4,509**	**$4,509**	$1,503	**$2**	**$0**	$1,456	$1.54	$1,538
TC 60%	$1,221	PBV	$1,602	3	2	1	945	$1,602	$99	$1,503	$0	$1.59	$1,503	**$4,509**	**$4,509**	$1,503	**$2**	**$0**	$1,456	$1.54	$1,538
TC 80%	$1,628			3	2	1	945	$1,628	$99	$1,529	$0	$1.62	$1,529	**$4,587**	**$4,368**	$1,456	**$2**	**($73)**	$1,456	$1.54	$1,538
MR				9	2	1	945	$0	$99		NA	$1.54	$1,456	**$13,104**	**$13,104**	$1,456	**$2**	**NA**	$1,456	$1.54	$1,538
TC 60%	$1,410	PBV	$2,120	2	3	2.5	1,437	$2,120	$118	$2,002	$0	$1.39	$2,002	**$4,004**	**$4,004**	$2,002	**$1**	**$0**	$2,046	$1.42	$2,046
TC 50%	$1,175	PBV	$2,120	4	3	2.5	1,535	$2,120	$118	$2,002	$0	$1.30	$2,002	**$8,008**	**$8,008**	$2,002	**$1**	**$0**	$2,124	$1.38	$2,124
TC 60%	$1,410	PBC	$2,120	4	3	2.5	1,535	$2,120	$118	$2,002	$0	$1.30	$2,002	**$8,008**	**$8,008**	$2,002	**$1**	**$0**	$2,124	$1.38	$2,124
TC 50%	$1,175	PBV	$2,120	2	3	2.5	1,557	$2,120	$118	$2,002	$0	$1.29	$2,002	**$4,004**	**$4,004**	$2,002	**$1**	**$0**	$2,142	$1.38	$2,142
TC 60%	$1,410	PBV	$2,120	2	3	2.5	1,557	$2,120	$118	$2,002	$0	$1.29	$2,002	**$4,004**	**$4,004**	$2,002	**$1**	**$0**	$2,142	$1.38	$2,142
TOTALS/AVERAGES:				**80**			**76,258**				**$0**	**$1.60**	**$1,525**	**$122,003**	**$121,419**	**$1,518**	**$1.59**	**($7)**	**$1,522**	**$1.60**	**$1,590**

ANNUAL POTENTIAL GROSS RENT:	**$1,464,036**	**$1,457,028**	

STABILIZED PRO FORMA

Babers Manor, Fort Worth, 9% HTC #23014

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Tarrant County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.60	$1,525	$1,464,036	$1,457,028	$1,518	$1.59		0.5%	$7,008
Laundry, Vending, Deposit Forfeitures							$5.00	$4,800						
Total Secondary Income							$5.00		$4,800	$5.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,468,836	$1,461,828				0.5%	$7,008
Vacancy & Collection Loss							7.5% PGI	(110,163)	(109,637)	7.5% PGI			0.5%	(526)
EFFECTIVE GROSS INCOME								$1,358,673	$1,352,191				0.5%	$6,482
General & Administrative	$40,109	$501/Unit	$45,999	$575	3.20%	$0.57	$543	$43,429	$45,999	$575	$0.60	3.40%	-5.6%	(2,570)
Management	$39,520	3.5% EGI	$38,286	$479	3.50%	$0.62	$594	$47,554	$47,327	$592	$0.62	3.50%	0%	227
Payroll & Payroll Tax	$109,962	$1,375/Unit	$120,962	$1,512	13.48%	$2.40	$2,289	$183,100	$183,100	$2,289	$2.40	13.54%	0.0%	-
Repairs & Maintenance	$62,592	$782/Unit	$60,283	$754	3.40%	$0.61	$577	$46,180	$52,000	$650	$0.68	3.85%	-11.2%	(5,820)
Electric/Gas	$20,563	$257/Unit	$17,331	$217	1.82%	$0.32	$309	$24,720	$20,563	$257	$0.27	1.52%	20.2%	4,157
Water, Sewer, & Trash	$64,316	$804/Unit	$53,188	$665	3.90%	$0.70	$663	$53,040	$53,188	$665	$0.70	3.93%	-0.3%	(148)
Property Insurance	$45,850	$0.60 /sf	$51,229	$640	7.36%	$1.31	$1,250	$100,000	$121,534	$1,519	$1.59	8.99%	-17.7%	(21,534)
Property Tax (@ 0%) 2.5996	$92,203	$1,153/Unit	$87,386	$1,092	0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements					1.77%	$0.31	$300	$24,000	$24,000	$300	$0.31	1.77%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.15%	$0.03	$26	$2,040	$2,040	$26	$0.03	0.15%	0.0%	-
Security					1.18%	$0.21	$200	$16,000	$16,000	$200	$0.21	1.18%	0.0%	-
Annual Ground Lease Payment					0.01%	$0.00	$1	$100	$100	$1	$0.00	0.01%	0.0%	-
TOTAL EXPENSES					**39.76%**	**$7.08**	**$6,752**	**$540,163**	**$565,851**	**$7,073**	**$7.42**	**41.85%**	**-4.5%**	**$ (25,688)**
NET OPERATING INCOME ("NOI")					**60.24%**	**$10.73**	**$10,231**	**$818,510**	**$786,340**	**$9,829**	**$10.31**	**58.15%**	**4.1%**	**$ 32,170**
CONTROLLABLE EXPENSES							$4,381/Unit			$4,436/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Babers Manor, Fort Worth, 9% HTC #23014

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Mason Joseph FHA 221(d)(4)	0.35%	1.18	1.23	665,327	5.25%	40	40.0	$10,500,000	$10,500,000	40.0	40	5.25%	$665,327	1.23	34.7%
CASH FLOW DEBT / GRANTS															
City of Fort Worth		1.18	1.23		0.00%	0	0.0	$500	$500	0.0	0	0.00%		1.23	0.0%
Fort Worth Affordability, Inc. - PSH Match		1.18	1.23		0.00%	0	40.0	$100,000	$100,000	40.0	0	0.00%		1.23	0.3%
Fort Worth Housing Solutions		1.18	1.23		0.00%	0	40.0	$200,000	$200,000	40.0	0	0.00%		1.23	0.7%
Fort Worth HFC - PSH		1.18	1.23		0.00%	0	40.0	$100,000	$100,000	40.0	0	0.00%		1.23	0.3%
City of Fort Worth - HOME		1.18	1.23		0.00%	0	40.0	$1,000,000	$1,000,000	40.0	0	0.00%		1.23	3.3%
City of Fort Worth - Urban Development Action Grant		1.18	1.23		0.00%	0	40.0	$150,000	$150,000	40.0	0	0.00%		1.23	0.5%
Cavile Public Facility Corp.		1.18	1.23		3.86%	0	40.0	$440,000	$440,000	40.0	0	3.86%		1.23	1.5%
				$665,327	**TOTAL DEBT / GRANT SOURCES**			**$12,490,500**	**$12,490,500**			**TOTAL DEBT SERVICE**	**$665,327**	**1.23**	41.3%

NET CASH FLOW		$121,013	$153,184						**APPLICANT**	**NET OPERATING INCOME**		**$818,510**	**$153,184**	**NET CASH FLOW**	

EQUITY SOURCES

		APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**		**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**	
Enterprise	LIHTC Equity	58.1%	$2,000,000	$0.88	$17,598,240		$17,598,240	$0.8799	$2,000,000	58.1%	$25,000	Applicant Request	
McCormack Baron Salazar, Inc.	Deferred Developer Fees	0.6%	(5% Deferred)		$176,083		$176,083	(5% Deferred)		0.6%	**Total Developer Fee:**		**$3,718,234**
Additional (Excess) Funds Req'd		0.0%					$0			0.0%			
TOTAL EQUITY SOURCES		58.7%			$17,774,323		$17,774,323			58.7%			

TOTAL CAPITALIZATION						**$30,264,823**	**$30,264,823**						**15-Yr Cash Flow after Deferred Fee:**		**$3,392,890**

DEVELOPMENT COST / ITEMIZED BASIS

		APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
		Eligible Basis								Eligible Basis			
		Acquisition	**New Const. Rehab**	**Total Costs**			**Total Costs**			**New Const. Rehab**	**Acquisition**	%	$
Land Acquisition				$5,500 / Unit		$440,000	$440,000	$5,500 / Unit				0.0%	$0
Off-Sites			$1,146,200	$14,328 / Unit		$1,146,200	$1,146,200	$14,328 / Unit		$1,146,200		0.0%	$0
Site Work			$2,920,000	$37,938 / Unit		$3,035,000	$3,035,000	$37,938 / Unit		$2,920,000		0.0%	$0
Site Amenities			$595,000	$7,438 / Unit		$595,000	$595,000	$7,438 / Unit		$595,000		0.0%	$0
Building Cost			$10,218,562	$151.78 /sf	$144,684/Unit	$11,574,740	$10,544,835	$131,810/Unit	$138.28 /sf	$10,218,562		9.8%	$1,029,905
Contingency			$1,041,583	7.00%	6.37%	$1,041,583	$1,041,583	6.80%	7.00%	$1,041,583		0.0%	$0
Contractor Fees			$2,228,986	14.00%	14.00%	$2,434,952	$2,290,767	14.00%	14.00%	$2,228,986		6.3%	$144,185
Soft Costs		$0	$3,712,855		$46,786 / Unit	$3,742,855	$3,742,855	$46,786 / Unit		$3,712,855	$0	0.0%	$0
Financing		$0	$1,453,874		$25,629 / Unit	$2,050,304	$2,050,304	$25,629 / Unit		$1,453,874	$0	0.0%	$0
Developer Fee		$0	$3,497,558	15.00%	15.00%	$3,718,234	$3,563,750	15.00%	14.26%	$3,325,629	$0	4.3%	$154,484
Reserves					5 Months	$485,956	$485,956	5 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$0**	**$26,814,618**		$378,310 / Unit	**$30,264,823**	**$28,936,249**	$361,703 / Unit		**$26,642,689**	**$0**	**4.6%**	**$1,328,575**
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**	**$26,814,618**		$378,310/unit	**$30,264,823**	**$28,936,249**	$361,703/unit		**$26,642,689**	**$0**	**4.6%**	**$1,328,575**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$30,264,823**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Babers Manor, Fort Worth, 9% HTC #23014

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$26,814,618	$0	$26,642,689
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$26,814,618	$0	$26,642,689
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$34,859,003	$0	$34,635,495
Applicable Fraction	63.75%	63.75%	64%	64%
TOTAL QUALIFIED BASIS	$0	$22,222,614	$0	$22,080,128
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,000,035	$0	$1,987,212
CREDITS ON QUALIFIED BASIS	$2,000,035		$1,987,212	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8799	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$2,000,035	$17,598,551	----	----	----
Needed to Fill Gap	$2,020,011	$17,774,323	----	----	----
Applicant Request	$2,000,000	$17,598,240	**$2,000,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY		FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden/Townhome		76,258 SF	$109.95	8,384,413
Adjustments					
Exterior Wall Finish		8.00%		8.80	$670,753
Elderly		0.00%		0.00	0
9-Ft. Ceilings		4.00%		4.40	335,377
Roof Adjustment(s)				1.70	129,762
Subfloor				(0.65)	(49,924)
Floor Cover				2.82	215,048
Enclosed Corridors		$101.50	7,020	9.34	712,516
Balconies		$28.92	3,055	1.16	88,358
Plumbing Fixtures		$1,090	70	1.00	76,300
Rough-ins		$535	160	1.12	85,600
Built-In Appliances		$1,880	80	1.97	150,400
Exterior Stairs		$3,275	17	0.73	55,675
Heating/Cooling				2.37	180,731
Storage Space		$101.50	0	0.00	0
Carports		$13.00	0	0.00	0
Garages			0	0.00	0
Common/Support Area		$123.56	4,517	7.32	558,117
Elevators			0	0.00	0
Other:	Metal Railing & Roof	$462,990		6.07	462,990
Fire Sprinklers		$3.65	87,795	4.20	320,452
SUBTOTAL				**162.30**	**12,376,567**
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		1.00		0.00	0
Reserved					0
TOTAL BUILDING COSTS				**162.30**	**$12,376,567**
Plans, specs, survey, bldg permits		3.30%		(5.36)	($408,427)
Contractor's OH & Profit		11.50%		(18.66)	(1,423,305)
NET BUILDING COSTS			$131,810/unit	$138.28/sf	$10,544,835

Long-Term Pro Forma

Babers Manor, Fort Worth, 9% HTC #23014

	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%	$1,358,673	$1,385,847	$1,413,564	$1,441,835	$1,470,672	$1,623,740	$1,792,741	$1,979,330	$2,185,341	$2,412,793	$2,663,918	$2,941,181
TOTAL EXPENSES	3.00%	$540,163	$555,892	$572,084	$588,752	$605,910	$699,574	$807,862	$933,070	$1,077,860	$1,245,314	$1,438,999	$1,663,048
NET OPERATING INCOME ("NOI")		**$818,510**	**$829,954**	**$841,480**	**$853,083**	**$864,762**	**$924,166**	**$984,879**	**$1,046,260**	**$1,107,480**	**$1,167,479**	**$1,224,919**	**$1,278,133**
EXPENSE/INCOME RATIO		39.8%	40.1%	40.5%	40.8%	41.2%	43.1%	45.1%	47.1%	49.3%	51.6%	54.0%	56.5%
MUST -PAY DEBT SERVICE													
Mason Joseph FHA 221(d)(4)		$665,327	$665,049	$664,757	$664,449	$664,125	$662,221	$659,748	$656,534	$652,358	$646,931	$639,879	$630,715
Adjustment to Debt Per §11.302(c)(2)													
TOTAL DEBT SERVICE		$665,327	$665,049	$664,757	$664,449	$664,125	$662,221	$659,748	$656,534	$652,358	$646,931	$639,879	$630,715
DEBT COVERAGE RATIO		1.23	1.25	1.27	1.28	1.30	1.40	1.49	1.59	1.70	1.80	1.91	2.03
ANNUAL CASH FLOW		**$153,184**	**$164,905**	**$176,722**	**$188,634**	**$200,637**	**$261,944**	**$325,131**	**$389,726**	**$455,123**	**$520,548**	**$585,040**	**$647,417**
Deferred Developer Fee Balance		$22,900	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$142,005	$318,728	$507,362	$707,999	$1,894,276	$3,392,890	$5,211,877	$7,356,520	$9,828,575	$12,625,384	$15,738,830