



Real Estate Analysis Division

October 22, 2024

Addendum to Underwriting Report

TDHCA Application #: 24197

Program(s): 9% HTC

Buena Vida Apartments

Address/Location: E Tyler St and E 16th

City: Brownsville

County: Cameron

Zip: 78520

APPLICATION HISTORY	
Report Date	PURPOSE
10/22/24	State Tax Credit Amendment
05/09/24	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
State Housing Tax Credits					\$350,000						
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

CONDITIONS STATUS

- Receipt and acceptance by 10% test:
  - HUD conditional approval of RAD conversion including the draft RAD Conversion Commitment "RCC" that clearly states HUD's anticipated monthly HAP Contract rents and operating budget.
- Receipt and acceptance by Cost Certification:
  - Certification of comprehensive testing for lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	80

## ANALYSIS

Buena Vida Apartments was awarded a 9% HTC allocation of \$2,000,000. The Applicant has applied for additional \$350,000 in annual State Housing Tax Credits.

### **Operating Pro Forma**

The deal is now completely 30% HTC units and is still 100% supported by Rental Assistance Contracts. The total income and expenses for the project have not changed.

### **Development Cost**

The Applicant hasn't made any changes to the development cost schedule from the original submission.

### **Sources of Funds**

Hunt Capital Partners is contributing an additional \$1.3M of equity to purchase the State Credits.

Deferred developer fee has been reduced by \$440K.

\$890K of permanent financing from the Housing Authority of the City of Brownsville has been removed as a funding source.

Underwriter recommends \$2,000,000 in annual 9% Housing Tax Credits per the Applicant's request and \$350,000 in annual State Housing Tax Credits as requested by Applicant.

Underwriter:	<u>Jeffrey Price</u>
Manager of Real Estate Analysis:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE	
Buena Vida Apartments, Brownsville, 9% HTC #24197	

UNIT MIX/RENT SCHEDULE	
Buena Vida Apartments, Brownsville, 9% HTC #24197	

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	993 sf

UNIT MIX / MONTHLY RENT SCHEDULE																						
HTC		RENT ASSISTED UNIT		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	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%	\$405	RAD	\$906	0	11	1	1	717	\$906	\$69	\$837	\$0	\$1.17	\$837	\$9,207	\$9,207	\$837	\$1.17	\$0	\$1,100	\$1.53	\$1,100
TC 30%	\$486	RAD	\$1,152	0	36	2	2	950	\$1,152	\$91	\$1,061	\$0	\$1.12	\$1,061	\$38,196	\$38,196	\$1,061	\$1.12	\$0	\$1,100	\$1.16	\$1,100
TC 30%	\$562	RAD	\$1,511	0	29	3	2	1,131	\$1,511	\$114	\$1,397	\$0	\$1.24	\$1,397	\$40,513	\$40,513	\$1,397	\$1.24	\$0	\$1,350	\$1.19	\$1,350
TC 30%	\$562	RAD	\$1,511	0	4	3	2	1,131	\$1,511	\$114	\$1,397	\$0	\$1.24	\$1,397	\$5,588	\$5,588	\$1,397	\$1.24	\$0	\$1,350	\$1.19	\$1,350
TOTALS/AVERAGES:					80	79,410						\$0	\$1.18	\$1,169	\$93,504	\$93,504	\$1,169	\$1.18	\$0	\$1,203	\$1.21	\$1,203

\*MFDL units float among Unit Types

# STABILIZED PRO FORMA

*Buena Vida Apartments, Brownsville, 9% HTC #24197*

STABILIZED FIRST YEAR PRO FORMA															
COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	County Comps			% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$1.18	\$1,169	\$1,122,048	\$1,122,048	\$1,122,048	\$1,122,048	\$1,169	\$1.18		0.0%	\$0
late fees, phone, cable, laundry						\$30.00	\$28,800	28,800							
Total Secondary Income						\$30.00			28,800	\$28,800	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$1,150,848	\$1,150,848	\$1,150,848	\$1,150,848				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(86,314)	(86,314)	(86,314)	(86,314)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$1,064,534	\$1,064,534	\$1,064,534	\$1,064,534				0.0%	\$0

General & Administrative	\$28,414	\$355/Unit	\$31,849	\$398	2.74%	\$0.37	\$365	\$29,220	\$29,220	\$31,849	\$31,849	\$398	\$0.40	2.99%	-8.3%	(2,629)
Management	\$29,409	4.1% EGI	\$27,934	\$349	5.00%	\$0.67	\$665	\$53,227	\$53,227	\$53,227	\$53,227	\$665	\$0.67	5.00%	0.0%	0
Payroll & Payroll Tax	\$98,267	\$1,228/Unit	\$97,808	\$1,223	9.54%	\$1.28	\$1,270	\$101,571	\$101,571	\$97,808	\$97,808	\$1,223	\$1.23	9.19%	3.8%	3,763
Repairs & Maintenance	\$50,047	\$626/Unit	\$56,057	\$701	4.50%	\$0.60	\$599	\$47,900	\$47,900	\$52,000	\$52,000	\$650	\$0.65	4.88%	-7.9%	(4,100)
Electric/Gas	\$16,044	\$201/Unit	\$16,770	\$210	1.42%	\$0.19	\$189	\$15,120	\$15,120	\$16,770	\$16,770	\$210	\$0.21	1.58%	-9.8%	(1,650)
Water, Sewer, & Trash	\$50,768	\$635/Unit	\$30,204	\$378	4.32%	\$0.58	\$575	\$45,984	\$45,984	\$30,204	\$30,204	\$378	\$0.38	2.84%	52.2%	15,780
Property Insurance	\$57,548	\$0.72 /sf	\$77,060	\$963	7.45%	\$1.00	\$992	\$79,352	\$79,352	\$77,060	\$77,060	\$963	\$0.97	7.24%	3.0%	2,292
Property Tax (@ 0%) 2.2600	\$62,756	\$784/Unit			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.88%	\$0.25	\$250	\$20,000	\$20,000	\$20,000	\$20,000	\$250	\$0.25	1.88%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.30%	\$0.04	\$40	\$3,200	\$3,200	\$3,200	\$3,200	\$40	\$0.04	0.30%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>37.16%</b>	<b>\$4.98</b>	<b>\$4,945</b>	<b>\$395,574</b>	<b>\$395,574</b>	<b>\$382,118</b>	<b>\$382,118</b>	<b>\$4,776</b>	<b>\$4.81</b>	<b>35.90%</b>	<b>3.5%</b>	<b>\$ 13,456</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>62.84%</b>	<b>\$8.42</b>	<b>\$8,362</b>	<b>\$668,960</b>	<b>\$668,960</b>	<b>\$682,416</b>	<b>\$682,416</b>	<b>\$8,530</b>	<b>\$8.59</b>	<b>64.10%</b>	<b>-2.0%</b>	<b>\$ (13,456)</b>

CONTROLLABLE EXPENSES		\$2,997/Unit		\$2,858/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Buena Vida Apartments, Brownsville, 9% HTC #24197

		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	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
Legacy Bank and Trust		1.20	1.18	567,305	7.00%	35	15.0	\$7,400,000	\$7,400,000	\$7,400,000	\$7,400,000	15.0	35.0	7.00%	\$567,304	1.18	28.3%
CASH FLOW DEBT / GRANTS																	
Housing Authority COB		1.20	1.18		1.00%	0	15.0	\$0	\$890,000	\$890,000	\$0	15.0	0.0	1.00%		1.18	0.0%
City of Brownsville		1.20	1.18		0.00%	0	0.0	\$1,000	\$1,000	\$1,000	\$1,000	0.0	0.0	0.00%		1.18	0.0%
				\$567,305	TOTAL DEBT / GRANT SOURCES			\$7,401,000	\$8,291,000	\$8,291,000	\$7,401,000	TOTAL DEBT SERVICE			\$567,304	1.18	28.3%
NET CASH FLOW		\$115,111	\$101,655								APPLICANT NET OPERATING INCOME			\$668,960	\$101,656	NET CASH FLOW	

	EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Applicant						TDHCA							
EQUITY / DEFERRED FEES													
Hunt Capital Partners	LIHTC Equity	65.8%	\$2,000,000	\$0.86	\$17,198,000	\$17,198,000	\$17,198,000	\$17,198,000	\$0.8599	\$2,000,000	65.8%	\$25,000	Applicant Request
Hunt Capital Partners	State Housing Tax Credit Equity	5.1%	\$35,000	\$0.38	\$1,330,000	\$0	\$0	\$1,330,000	\$0.3800	\$350,000	5.1%		
BHOC VDC Family, LLC	Deferred Developer Fees	0.7%	(6% Deferred)		\$191,526	\$631,526	\$631,526	\$191,526	(6% Deferred)		0.7%	Total Developer Fee: \$3,025,831	
Additional (Excess) Funds Req'd		0.0%				\$0	\$0				0.0%		
TOTAL EQUITY SOURCES		71.7%			\$18,719,526	\$17,829,526	\$17,829,526	\$18,719,526			71.7%		
TOTAL CAPITALIZATION					\$26,120,526			\$26,120,526			15-Yr Cash Flow after Deferred Fee: \$2,420,585		

		DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE		
		Eligible Basis		Total Costs		Prior Underwriting		Total Costs			Eligible Basis		%	\$	
		Acquisition	New Const. Rehab			Applicant	TDHCA				New Const. Rehab	Acquisition			
Land Acquisition				\$11,125 / Unit	\$890,000	\$890,000	\$890,000	\$890,000	\$11,125 / Unit			0.0%	\$0		
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit		\$0	0.0%	\$0		
Off-Sites			\$0	\$444 / Unit	\$35,500	\$35,500	\$35,500	\$35,500	\$444 / Unit		\$0	0.0%	\$0		
Site Work			\$1,575,368	\$27,442 / Unit	\$2,195,368	\$2,195,368	\$2,195,368	\$2,195,368	\$27,442 / Unit		\$1,575,368	0.0%	\$0		
Site Amenities			\$231,000	\$2,888 / Unit	\$231,000	\$231,000	\$231,000	\$231,000	\$2,888 / Unit		\$231,000	0.0%	\$0		
Building Cost			\$11,483,821	\$149.35 /sf	\$148,248/Unit	\$11,859,805	\$11,859,805	\$11,905,377	\$11,905,377	\$148,817/Unit	\$149.92 /sf	\$11,483,821	-0.4%	(\$45,572)	
Contingency			\$969,198	7.29%	6.77%	\$969,198	\$969,198	\$969,198	\$969,198	6.75%	7.00%	\$930,313	0.0%	\$0	
Contractor Fees			\$1,996,313	14.00%	13.06%	\$1,996,313	\$1,996,313	\$1,996,313	\$1,996,313	13.02%	14.00%	\$1,990,870	0.0%	\$0	
Soft Costs			\$0	\$1,758,637	\$21,983 / Unit	\$1,758,637	\$1,758,637	\$1,758,637	\$1,758,637	\$21,983 / Unit		\$1,758,637	\$0	0.0%	\$0
Financing			\$0	\$2,157,874	\$32,076 / Unit	\$2,566,074	\$2,566,074	\$2,566,074	\$2,566,074	\$32,076 / Unit		\$2,157,874	\$0	0.0%	\$0
Developer Fee		\$0	\$3,025,831	15.00%	14.27%	\$3,025,831	\$3,025,831	\$3,025,831	\$3,025,831	14.24%	15.00%	\$3,019,183	\$0	0.0%	\$0
Reserves					7 Months	\$592,800	\$592,800	\$962,878	\$962,878	12 Months				-38.4%	(\$370,078)
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$23,198,042		\$326,507 / Unit	\$26,120,526	\$26,120,526	\$26,536,177	\$26,536,177	\$331,702 / Unit		\$23,147,066	\$0	-1.6%	(\$415,651)
Acquisition Cost		\$0				\$0	\$0								
Contingency				(\$38,885)		\$0	\$0								
Contractor's Fee				(\$5,443)		\$0	\$0								
Financing Cost				\$0											
Developer Fee		\$0		(\$6,648)	15.00%	\$0	\$0								
Reserves						\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$23,147,066		\$326,507/unit	\$26,120,526	\$26,120,526	\$26,536,177	\$26,536,177	\$331,702/unit		\$23,147,066	\$0	-1.6%	(\$415,651)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$26,120,526									

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

**Buena Vida Apartments, Brownsville, 9% HTC #24197**

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$23,147,066	\$0	\$23,147,066
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$23,147,066	\$0	\$23,147,066
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$30,091,186	\$0	\$30,091,186
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$30,091,186	\$0	\$30,091,186
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,708,207	\$0	\$2,708,207
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,708,207		\$2,708,207	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8599	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$2,708,207	\$23,287,870	----	----	----
<b>Needed to Fill Gap</b>	\$2,022,273	\$17,389,526	----	----	----
<b>Applicant Request</b>	\$2,000,000	\$17,198,000	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	79,410 SF	\$121.64	9,659,257
Adjustments				
Exterior Wall Finish	2.80%		3.41	\$270,459
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.35%		4.07	323,585
Roof Adjustment(s)			0.36	28,577
Subfloor			(0.72)	(56,778)
Floor Cover			5.79	459,486
Breezeways	\$39.65	18,770	9.37	744,190
Balconies	\$38.99	5,818	2.86	226,868
Plumbing Fixtures	\$1,420	207	3.70	293,940
Rough-ins	\$700	160	1.41	112,000
Built-In Appliances	\$2,280	80	2.30	182,400
Exterior Stairs	\$3,550	18	0.80	63,900
Heating/Cooling			3.12	247,759
Storage Space	\$39.65	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$119.20	8,624	12.95	1,027,970
Elevators		0	0.00	0
<b>Other:</b>			0.00	0
Fire Sprinklers	\$3.65	106,804	4.91	389,835
<b>SUBTOTAL</b>			<b>175.97</b>	<b>13,973,448</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>175.97</b>	<b>\$13,973,448</b>
Plans, specs, survey, bldg permits	3.30%		(5.81)	(\$461,124)
Contractor's OH & Profit	11.50%		(20.24)	(1,606,946)
<b>NET BUILDING COSTS</b>		\$148,817/unit	\$149.92/sf	\$11,905,377

## Long-Term Pro Forma

***Buena Vida Apartments, Brownsville, 9% HTC #24197***

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$1,064,534	\$1,085,825	\$1,107,542	\$1,129,692	\$1,152,286	\$1,272,217	\$1,404,631	\$1,550,826	\$1,712,237	\$1,890,448	\$2,087,207
TOTAL EXPENSES	3.00%	\$395,574	\$406,909	\$418,573	\$430,577	\$442,929	\$510,296	\$588,062	\$677,849	\$781,533	\$901,286	\$1,039,620
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$668,960</b>	<b>\$678,916</b>	<b>\$688,968</b>	<b>\$699,116</b>	<b>\$709,357</b>	<b>\$761,921</b>	<b>\$816,568</b>	<b>\$872,976</b>	<b>\$930,704</b>	<b>\$989,162</b>	<b>\$1,047,587</b>
EXPENSE/INCOME RATIO		37.2%	37.5%	37.8%	38.1%	38.4%	40.1%	41.9%	43.7%	45.6%	47.7%	49.8%
<b>MUST -PAY DEBT SERVICE</b>												
Legacy Bank and Trust		\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304
TOTAL DEBT SERVICE		\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304
DEBT COVERAGE RATIO		1.18	1.20	1.21	1.23	1.25	1.34	1.44	1.54	1.64	1.74	1.85
<b>ANNUAL CASH FLOW</b>												
Deferred Developer Fee Balance		\$89,870	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$21,742</b>	<b>\$143,405</b>	<b>\$275,217</b>	<b>\$417,269</b>	<b>\$1,284,339</b>	<b>\$2,420,585</b>	<b>\$3,835,503</b>	<b>\$5,536,622</b>	<b>\$7,528,838</b>	<b>\$9,813,591</b>

# 24197 Buena Vida Apartments - Application Summary

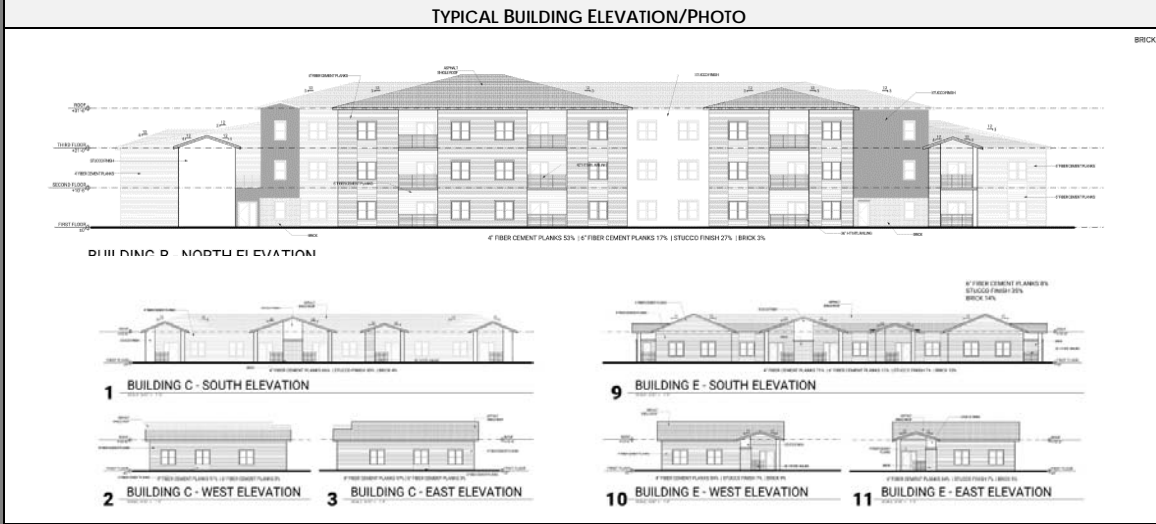
REAL ESTATE ANALYSIS DIVISION

May 9, 2024

PROPERTY IDENTIFICATION	
Application #	24197
Development	Buena Vida Apartments
City / County	Brownsville / Cameron
Region/Area	11 / Urban
Population	General
Set-Aside	At-Risk/Non-Profit
Activity	New Construction

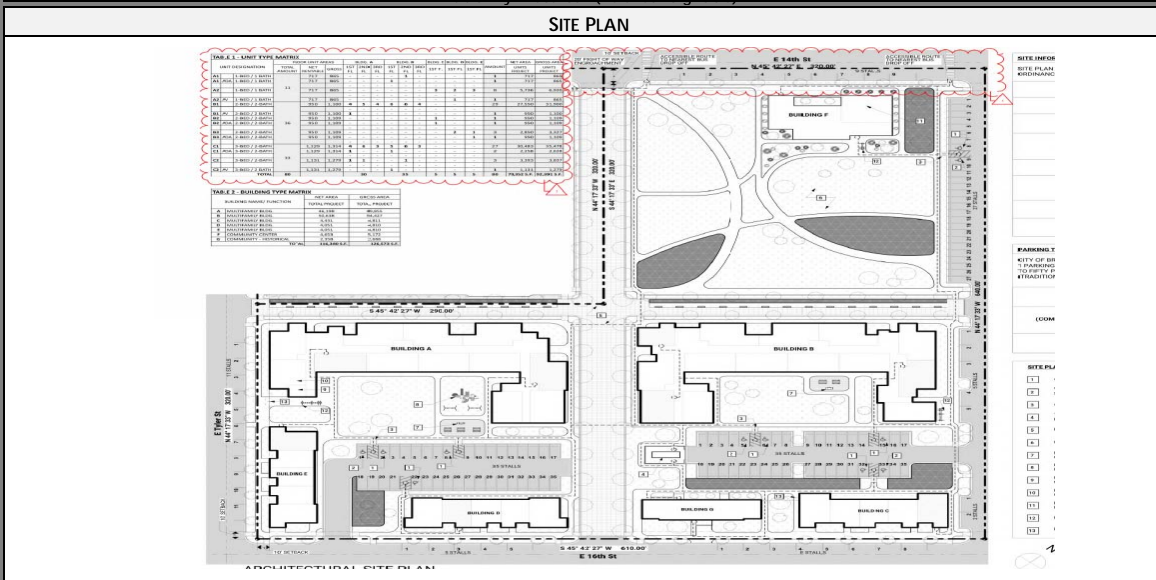
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$25,000/Unit	\$0.86

KEY PRINCIPALS / SPONSOR		
Buena Vida Apartments BHOC Dev, LLC/Carla Mancha Developer/Owner/Guarantor		
Related Parties	Contractor - TBD	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	11	14%	30%	8	10%
2	36	45%	40%	-	0%
3	33	41%	50%	16	20%
4	-	0%	60%	56	70%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	80	100%	TOTAL	80	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	Expense Ratio	37.2%
Breakeven Occ.	83.7%	Breakeven Rent	\$1,054
Average Rent	\$1,169	B/E Rent Margin	\$114
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,945/unit	Controllable	\$2,997/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	0.7%		
Highest Unit Capture Rate	2%	3 BR/30%	3
Dominant Unit Cap. Rate	1%	2 BR/60%	25
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	80	100% Total Units	
DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	993 SF	Density	11.7/acre
Acquisition		\$11K/unit	\$890K
Building Cost	\$149.35/SF	\$148K/unit	\$11,860K
Hard Cost		\$191K/unit	\$15,291K
Total Cost		\$327K/unit	\$26,121K
Developer Fee	\$3,026K	(21% Deferred)	Paid Year: 6
Contractor Fee	\$1,996K	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	
Legacy Bank and Trust	15/35	7.00%	\$7,400,000	1.18	Housing Authority COB	15/0	1.00%	\$890,000	1.18	Hunt Capital Partners	\$17,198,000	
					City of Brownsville	0/0	0.00%	\$1,000	1.18	0	\$0	
TOTAL DEBT (Must Pay)				\$7,400,000	CASH FLOW DEBT / GRANTS				\$891,000	TOTAL EQUITY SOURCES		\$17,829,526
										TOTAL DEBT SOURCES		\$8,291,000
										TOTAL CAPITALIZATION		\$26,120,526

CONDITIONS
1 Receipt and acceptance by 10% test: <ul style="list-style-type: none"><li>- HUD conditional approval of RAD conversion including the draft RAD Conversion Commitment "RCC" that clearly states HUD's anticipated monthly HAP Contract rents and operating budget.</li></ul>
2 Receipt and acceptance by Cost Certification: <ul style="list-style-type: none"><li>- Certification of comprehensive testing for lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&amp;M) program.</li></ul>
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 <ul style="list-style-type: none"><li>100% of units supported by RAD Rental Assistance</li></ul>
WEAKNESSES/RISKS <ul style="list-style-type: none"><li>Feasibility dependent on RAD Contract and 100% tax exemption</li></ul>

AREA MAP

AERIAL PHOTOGRAPH(S)



## Real Estate Analysis Division

## Underwriting Report

May 9, 2024

## DEVELOPMENT IDENTIFICATION

TDHCA Application #:	24197	Program(s):	9% HTC		
Buena Vida Apartments					
Address/Location:	E Tyler St and E 16th				
City:	Brownsville	County:	Cameron	Zip:	78520
Population:	General	Program Set-Aside:	At-Risk/Non-Profit	Area:	Urban
Activity:	New Construction	Building Type:	Garden (Up to 4-story)	Region:	11
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
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

## CONDITIONS

- Receipt and acceptance by 10% test:
  - HUD conditional approval of RAD conversion including the draft RAD Conversion Commitment "RCC" that clearly states HUD's anticipated monthly HAP Contract rents and operating budget.
- Receipt and acceptance by Cost Certification:
  - Certification of comprehensive testing for lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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

## SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	16
60% of AMI	60% of AMI	56

## DEVELOPMENT SUMMARY

The Buena Vida Apartments will provide 80 units of new construction affordable housing serving families in the Brownsville area. The unit mix consists of eleven (11) 1-bedroom units, thirty-six (36) 2-bedroom units, and thirty-three (33) 3-bedroom units. The property is part of the redevelopment and replacement of public housing owned by the Housing Authority of Brownsville (HACB). 100% of the units will have project-based vouchers that will subsidize the rents under the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration program (RAD).

All units will be allocated to residents earning at or below 60% AMI. The site is located on the original Buena Vida public housing site. The site has never had any LIHTCs associated with the property. There are currently several vacant multifamily buildings on the development site that are slated to be demolished. One (1) building on the existing site will remain and be repurposed into leasing/management office and other community space (no residential units within the building). Ongoing resident services will be provided by the Housing Authority of the City of Brownsville. Site control is in the form of a ground lease with a term of 75 years on property owned by the Housing Authority of the City of Brownsville.

## RISK PROFILE

### STRENGTHS/MITIGATING FACTORS

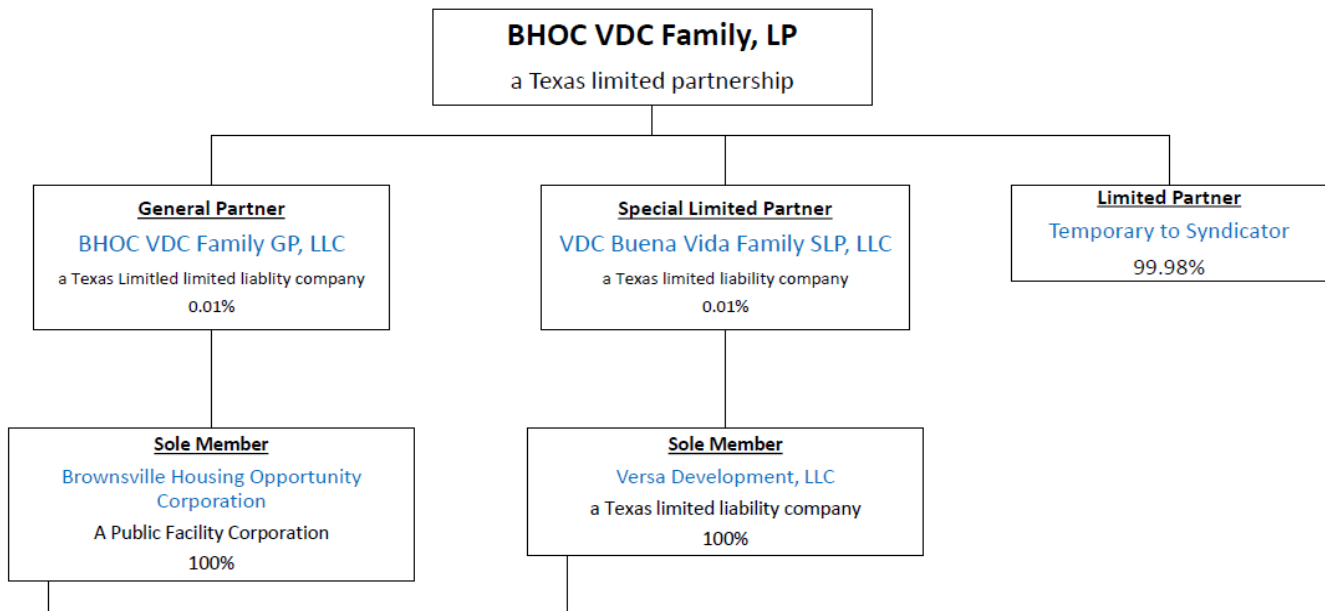
- 100% of units supported by RAD Rental Assistance

### WEAKNESSES/RISKS

- Feasibility dependent on RAD Contract and 100% tax exemption

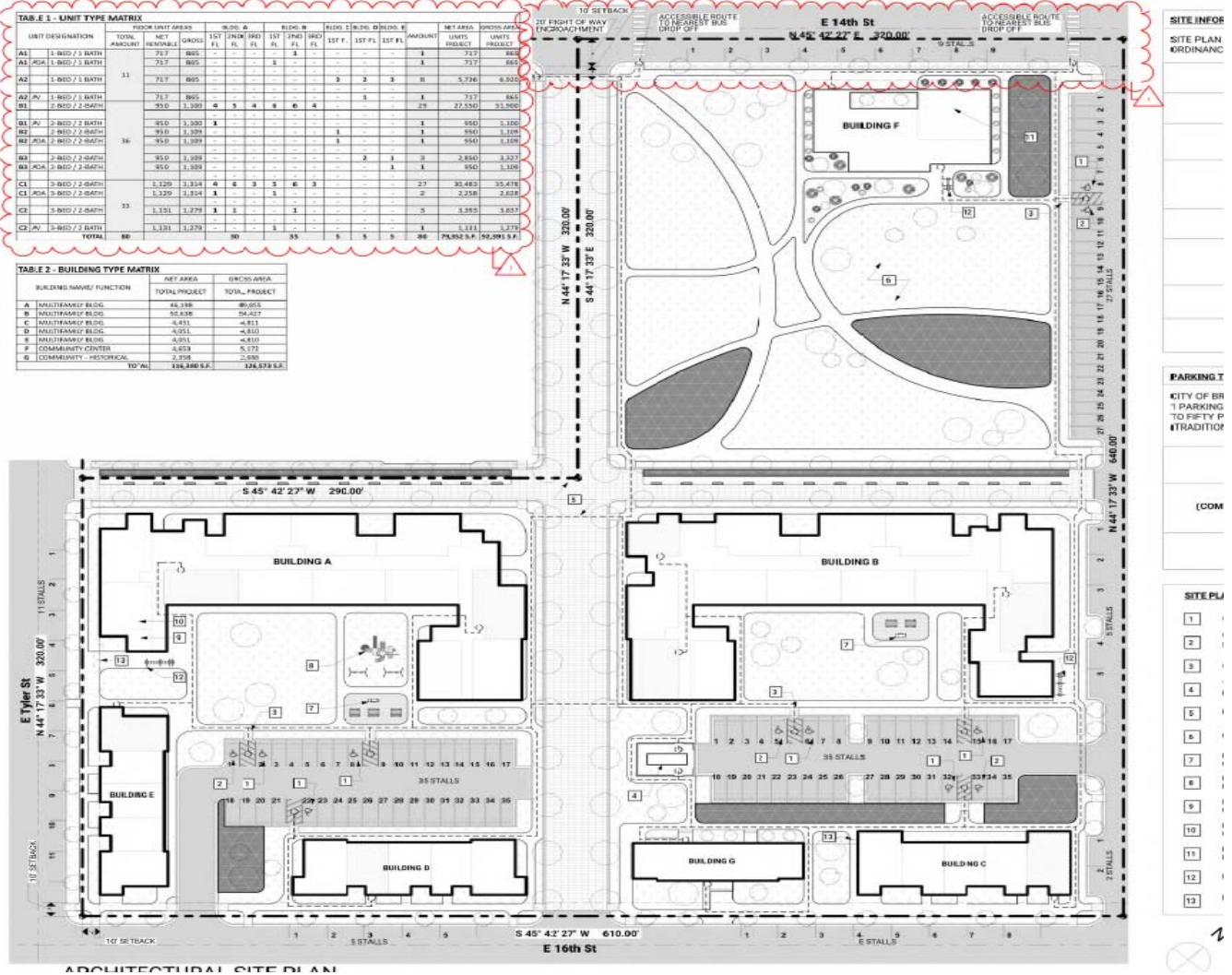
## DEVELOPMENT TEAM

### OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



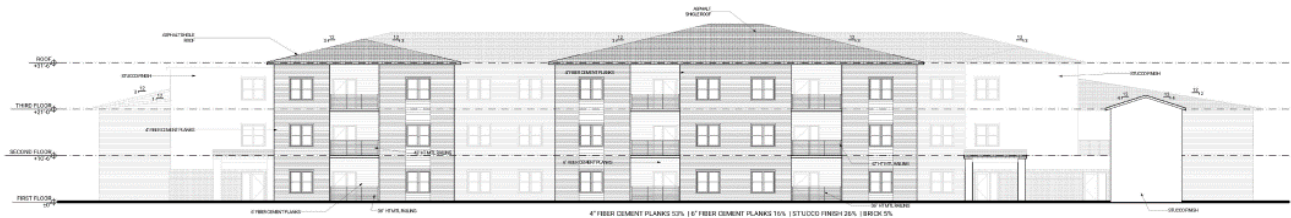




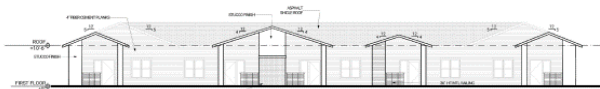
Comments:

Provided parking of 137 spaces is compliant with local requirements.

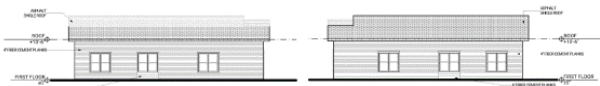
## BUILDING ELEVATION



1 BUILDING A - NORTH ELEVATION



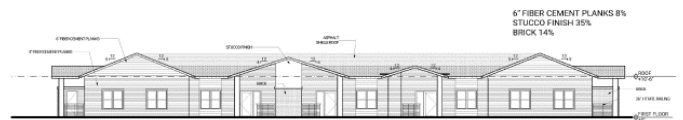
1 BUILDING C - SOUTH ELEVATION



2 BUILDING C - WEST ELEVATION



3 BUILDING C - EAST ELEVATION



9 BUILDING E - SOUTH ELEVATION



10 BUILDING E - WEST ELEVATION



11 BUILDING E - EAST ELEVATION

## BUILDING CONFIGURATION

Building Type	E	D	C	B	A								Total Buildings
Floors/Stories	1	1	1	3	3								
Number of Bldgs	1	1	1	1	1								5
Units per Bldg	5	5	5	35	30								
Total Units	5	5	5	35	30								80
Avg. Unit Size (SF)	993 sf			Total NRA (SF) 79,410				Common Area (SF)* 30,389					

\*Common Area Square Footage as specified on Architect Certification

## SITE CONTROL INFO

**Site Acreage:** Development Site: 6.83 acres Density: 11.7 units/acre  
**Site Control:** 6.83 **Site Plan:** 6.83 **Appraisal:** 6.83 **ESA:** 6.83  
**Feasibility Report Survey:** 6.83 **Feasibility Report Engineer's Plan:** 6.83 **Existing LURA:** N/A

Control Type: Contract for Ground Lease and Bill of Sale

Development Site: 6.83 acres Cost: \$890,000 \$11,125 per unit

Leaser: Housing Authority of the City of Brownsville (HACB)

Leasee: BHOC VDC Family, LP

Related-Party Seller/Identity of Interest: No

## Comments:

A ground lease is being contemplated for the tax exemption.

There is an easement on E 14th Street encroaching into the site by an estimated 20 feet. This area will be conveyed to the City of Brownsville at a later date and negligibly impacts the site acreage.

## APPRAISED VALUE

Appraiser: Araiza Appraisal & Consulting Date: 1/18/2024

Land as Vacant: 6.832 acres \$890,000 Per Unit: \$11,125

## SITE INFORMATION

Flood Zone: Zone X

Scattered Site? No

Zoning: TN-MU Trad  
Neighborhood Mixed Use

Within 100-yr floodplain? No

Re-Zoning Required? No

Utilities at Site? Yes

Year Constructed: NA

Title Issues? No

Current Uses of Subject Site:

Vacant multifamily buildings

## HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Ambiotec GroupDate: 2/1/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- Lead-based paint is present in the vacant buildings that are currently on site.

## MARKET ANALYSIS

Provider: Gibson Consulting, LLCDate: 3/27/2024

Primary Market Area (PMA): 30 sq. miles 3 mile equivalent radius

## AFFORDABLE HOUSING INVENTORY

## Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21228	El Jardin	Yes	Adaptive Reuse	General	44	44
23015	Avanti Legacy del Sol	Yes	New	Elderly	84	84
23019	Avanti Legacy Lyon	Yes	New	Elderly	84	84
23035	Alton Gloor Lofts	Yes	New	General	78	78

## Stabilized Affordable Developments in PMA

Total Units	2,396
Total Developments	19
Average Occupancy	96%

## OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	33,227			
Potential Demand from the Primary Market Area	10,573			
10% External Demand	1,057			
Potential Demand from Other Sources	0			
<b>GROSS DEMAND</b>	11,630			
Subject Affordable Units	80			
Unstabilized Competitive Units	0			
<b>RELEVANT SUPPLY</b>	80			
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>0.7%</b>			

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					
30% AMGI	688	69	8	0	1%					
50% AMGI	1,869	187	16	0	1%					
60% AMGI	6,344	634	56	0	1%					

### UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

Market Analyst										
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/30%	182	18	1	0	0%					
1 BR/50%	494	49	2	0	0%					
1 BR/60%	1,677	168	8	0	0%					
2 BR/30%	271	27	4	0	1%					
2 BR/50%	735	74	7	0	1%					
2 BR/60%	2,496	250	25	0	1%					
3 BR/30%	169	17	3	0	2%					
3 BR/50%	460	46	7	0	1%					
3 BR/60%	1,560	156	23	0	1%					

## OPERATING PRO FORMA

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

NOI:	\$668,960	Avg. Rent:	\$1,169	Expense Ratio:	37.2%
Debt Service:	\$567,304	B/E Rent:	\$1,054	Controllable Expenses:	\$2,997
Net Cash Flow:	\$101,656	UW Occupancy:	92.5%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.18	B/E Occupancy:	83.7%	Program Rent Year:	2023

All units will be supported by a RAD Contract.

100% property tax exemption achieved through the Ground Lease with the Housing Authority of the City of Brownsville (HACB).

## DEVELOPMENT COST EVALUATION

### SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$130,307/ac	\$11,125/unit	\$890,000	Contractor Fee	\$1,996,313
Off-site + Site Work		\$30,773/unit	\$2,461,868	Soft Cost + Financing	\$4,324,711
Building Cost	\$149.35/sf	\$148,248/unit	\$11,859,805	Developer Fee	\$3,025,831
Contingency	6.77%	\$12,115/unit	\$969,198	Reserves	\$592,800

<b>Total Development Cost</b>	<b>\$326,507/unit</b>	<b>\$26,120,526</b>	<b>Rehabilitation Cost</b>	<b>N/A</b>
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**Qualified for 30% Basis Boost?**

Located in QCT with < 20% HTC units/HH



Contingency:

Applicant overstated eligible contingency by \$38,885.

Contractor Fee:

Applicant overstated eligible contractor fees by \$5,443.

Developer Fee:

Applicant overstated eligible developer fees by \$6,648.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$26,120,526	\$23,147,066	\$2,708,207

## UNDERWRITTEN CAPITALIZATION

### INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Legacy Bank and Trust	Const. to Perm. Loan	\$19,500,000	8.00%	75%
Hunt Capital Partners	HTC	\$4,299,500	\$0.86	16%
BHOC VDC Family, LLC	Deferred Developer Fee	\$1,430,026	0.00%	5%
City of Brownsville	Local Government Funds	\$1,000	0.00%	0%
		<b>\$26,120,526</b>	<b>Total Sources</b>	

### PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Legacy Bank and Trust	\$7,400,000	7.00%	35	15.0	\$7,400,000	7.00%	35	15.0	28%
City of Brownsville	\$1,000	Fee Waiver			\$1,000	Fee Waiver			0%
<b>Total</b>	<b>\$8,291,000</b>				<b>\$8,291,000</b>				

		PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees		Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hunt Capital Partners		\$17,198,000	\$0.86		\$17,198,000	\$0.86	66%	
BHOC VDC Family, LLC		\$631,526		21%	\$631,526		2%	21%
Total		\$17,829,526			\$17,829,526			
					\$26,120,526	Total Sources		

### Credit Price Sensitivity based on current capital structure

<b>\$0.891</b>	Maximum Credit Price before the Development is oversourced and allocation is limited
<b>\$0.761</b>	Minimum Credit Price below which the Development would be characterized as infeasible

## CONCLUSIONS

### Gap Analysis:

Total Development Cost	\$26,120,526
Permanent Sources (debt + non-HTC equity)	\$8,291,000
<b>Gap in Permanent Financing</b>	<b>\$17,829,526</b>

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$23,287,870	\$2,708,207
Needed to Balance Sources & Uses	\$17,829,526	\$2,073,442
Requested by Applicant	\$17,198,000	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
<b>Tax Credit Allocation</b>	<b>\$17,198,000</b>	<b>\$2,000,000</b>

Deferred Developer Fee	\$631,526	( 21% deferred)
Repayable in	6 years	

### Recommendation:

Underwriter recommends an annual tax credit allocation of \$2,000,000 per the Applicant's request.

Underwriter:

Jeffrey Price

Manager of Real Estate Analysis:

Diamond Unique Thompson

Director of Real Estate Analysis:

Jeanna Adams

<b>UNIT MIX/RENT SCHEDULE</b>
<b><i>Buena Vida Apartments, Brownsville, 9% HTC #24197</i></b>

LOCATION DATA	
CITY:	Brownsville
COUNTY:	Cameron
Area Median Income	\$62,000
PROGRAM REGION:	11
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	11	13.8%	11	0	0	0
2	36	45.0%	36	0	0	0
3	33	41.3%	33	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
<b>TOTAL</b>	<b>80</b>	<b>100.0%</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</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	993 sf

<b>55%</b>	<b>Income</b>	20%	30%	40%	50%	60%	70%	80%	EO / MR	<b>TOTAL</b>
<b>Average</b>	<b># Units</b>	-	8	-	16	56	-	-	-	<b>80</b>
<b>Income</b>	<b>% Total</b>	0.0%	10.0%	0.0%	20.0%	70.0%	0.0%	0.0%	0.0%	<b>100.0%</b>

UNIT MIX / MONTHLY RENT SCHEDULE																					
HTC		RENT ASSISTED UNIT		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS	
Type	Gross Rent	Type	Gross Rent	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%	\$405	RAD	\$906	0	1	1	1	717	\$906	\$69	\$837	\$0	\$1.17	\$837	\$837	\$837	\$837	\$1.17	\$0	\$1,100	\$1,100
TC 50%	\$676	RAD	\$906	0	2	1	1	717	\$906	\$69	\$837	\$0	\$1.17	\$837	\$1,674	\$1,674	\$837	\$1.17	\$0	\$1,100	\$1,100
TC 60%	\$811	RAD	\$906	0	8	1	1	717	\$906	\$69	\$837	\$0	\$1.17	\$837	\$6,696	\$6,696	\$837	\$1.17	\$0	\$1,100	\$1,100
TC 30%	\$486	RAD	\$1,152	0	4	2	2	950	\$1,152	\$91	\$1,061	\$0	\$1.12	\$1,061	\$4,244	\$4,244	\$1,061	\$1.12	\$0	\$1,350	\$1,350
TC 50%	\$811	RAD	\$1,152	0	7	2	2	950	\$1,152	\$91	\$1,061	\$0	\$1.12	\$1,061	\$7,427	\$7,427	\$1,061	\$1.12	\$0	\$1,350	\$1,350
TC 60%	\$973	RAD	\$1,152	0	25	2	2	950	\$1,152	\$91	\$1,061	\$0	\$1.12	\$1,061	\$26,525	\$26,525	\$1,061	\$1.12	\$0	\$1,350	\$1,350
TC 30%	\$562	RAD	\$1,511	0	3	3	2	1,131	\$1,511	\$114	\$1,397	\$0	\$1.24	\$1,397	\$4,191	\$4,191	\$1,397	\$1.24	\$0	\$1,450	\$1,450
TC 50%	\$937	RAD	\$1,511	0	7	3	2	1,131	\$1,511	\$114	\$1,397	\$0	\$1.24	\$1,397	\$9,779	\$9,779	\$1,397	\$1.24	\$0	\$1,450	\$1,450
TC 60%	\$1,125	RAD	\$1,511	0	23	3	2	1,131	\$1,511	\$114	\$1,397	\$0	\$1.24	\$1,397	\$32,131	\$32,131	\$1,397	\$1.24	\$0	\$1,450	\$1,450
<b>TOTALS/AVERAGES:</b>					<b>80</b>			<b>79,410</b>				<b>\$0</b>	<b>\$1.18</b>	<b>\$1,169</b>	<b>\$93,504</b>	<b>\$93,504</b>	<b>\$1,169</b>	<b>\$1.18</b>	<b>\$0</b>	<b>\$1,357</b>	<b>\$1,357</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$1,122,048</b>	<b>\$1,122,048</b>
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\*MFDL units float among Unit Types

# STABILIZED PRO FORMA

*Buena Vida Apartments, Brownsville, 9% HTC #24197*

## STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	County Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.18	\$1,169	\$1,122,048	\$1,122,048	\$1,169	\$1.18		0.0%	\$0
late fees, phone, cable, laundry					\$30.00	\$28,800						
Total Secondary Income					\$30.00		\$28,800	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,150,848	\$1,150,848				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI		(86,314)	(86,314)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,064,534	\$1,064,534				0.0%	\$0

General & Administrative	\$28,414	\$355/Unit	\$31,849	\$398	2.74%	\$0.37	\$365	\$29,220	\$31,849	\$398	\$0.40	2.99%	-8.3%	(2,629)
Management	\$29,409	4.1% EGI	\$27,934	\$349	5.00%	\$0.67	\$665	\$53,227	\$53,227	\$665	\$0.67	5.00%	0.0%	0
Payroll & Payroll Tax	\$98,267	\$1,228/Unit	\$97,808	\$1,223	9.54%	\$1.28	\$1,270	\$101,571	\$97,808	\$1,223	\$1.23	9.19%	3.8%	3,763
Repairs & Maintenance	\$50,047	\$626/Unit	\$56,057	\$701	4.50%	\$0.60	\$599	\$47,900	\$52,000	\$650	\$0.65	4.88%	-7.9%	(4,100)
Electric/Gas	\$16,044	\$201/Unit	\$16,770	\$210	1.42%	\$0.19	\$189	\$15,120	\$16,770	\$210	\$0.21	1.58%	-9.8%	(1,650)
Water, Sewer, & Trash	\$50,768	\$635/Unit	\$30,204	\$378	4.32%	\$0.58	\$575	\$45,984	\$30,204	\$378	\$0.38	2.84%	52.2%	15,780
Property Insurance	\$57,548	\$0.72 /sf	\$77,060	\$963	7.45%	\$1.00	\$992	\$79,352	\$77,060	\$963	\$0.97	7.24%	3.0%	2,292
Property Tax (@ 0%) 2.2600	\$62,756	\$784/Unit			0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.88%	\$0.25	\$250	\$20,000	\$20,000	\$250	\$0.25	1.88%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.30%	\$0.04	\$40	\$3,200	\$3,200	\$40	\$0.04	0.30%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>37.16%</b>	<b>\$4.98</b>	<b>\$4,945</b>	<b>\$395,574</b>	<b>\$382,118</b>	<b>\$4,776</b>	<b>\$4.81</b>	<b>35.90%</b>	<b>3.5%</b>	<b>\$ 13,456</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>62.84%</b>	<b>\$8.42</b>	<b>\$8,362</b>	<b>\$668,960</b>	<b>\$682,416</b>	<b>\$8,530</b>	<b>\$8.59</b>	<b>64.10%</b>	<b>-2.0%</b>	<b>\$ (13,456)</b>

CONTROLLABLE EXPENSES							\$2,997/Unit			\$2,858/Unit				
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Buena Vida Apartments, Brownsville, 9% HTC #24197*

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
Legacy Bank and Trust		1.20	1.18	567,305	7.00%	35	15.0	\$7,400,000	\$7,400,000	15.0	35.0	7.00%	\$567,304	1.18	28.3%
<b>CASH FLOW DEBT / GRANTS</b>															
Housing Authority COB		1.20	1.18		1.00%	0	15.0	\$890,000	\$890,000	15.0	0.0	1.00%		1.18	3.4%
City of Brownsville		1.20	1.18		0.00%	0	0.0	\$1,000	\$1,000	0.0	0.0	0.00%		1.18	0.0%
				\$567,305	<b>TOTAL DEBT / GRANT SOURCES</b>			\$8,291,000	\$8,291,000	<b>TOTAL DEBT SERVICE</b>			\$567,304	1.18	31.7%

<b>NET CASH FLOW</b>	\$115,111	\$101,655	<b>APPLICANT</b>		<b>NET OPERATING INCOME</b>		\$668,960	\$101,656	<b>NET CASH FLOW</b>
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		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												
Hunt Capital Partners	LIHTC Equity	65.8%	\$2,000,000	\$0.86	\$17,198,000	\$17,198,000	\$0.8599	\$2,000,000	65.8%	\$25,000	Applicant Request	
BHOC VDC Family, LLC	Deferred Developer Fees	2.4%	(21% Deferred)		\$631,526	\$631,526	(21% Deferred)		2.4%	Total Developer Fee:		\$3,025,831
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%			
TOTAL EQUITY SOURCES		68.3%			\$17,829,526	\$17,829,526			68.3%			

<b>TOTAL CAPITALIZATION</b>	\$26,120,526	\$26,120,526			15-Yr Cash Flow after Deferred Fee:		\$1,980,585
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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			\$11,125 / Unit	\$890,000	\$890,000	\$11,125 / Unit					0.0%	\$0
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit				\$0	0.0%	\$0
Off-Sites		\$0	\$444 / Unit	\$35,500	\$35,500	\$444 / Unit		\$0			0.0%	\$0
Site Work		\$1,575,368	\$27,442 / Unit	\$2,195,368	\$2,195,368	\$27,442 / Unit		\$1,575,368			0.0%	\$0
Site Amenities		\$231,000	\$2,888 / Unit	\$231,000	\$231,000	\$2,888 / Unit		\$231,000			0.0%	\$0
Building Cost		\$11,483,821	\$149.35 /sf	\$148,248/Unit	\$11,859,805	\$11,905,377	\$148,817/Unit	\$149.92 /sf	\$11,483,821		-0.4%	(\$45,572)
Contingency		\$969,198	7.29%	6.77%	\$969,198	\$969,198	6.75%	7.00%	\$930,313		0.0%	\$0
Contractor Fees		\$1,996,313	14.00%	13.06%	\$1,996,313	\$1,996,313	13.02%	14.00%	\$1,990,870		0.0%	\$0
Soft Costs	\$0	\$1,758,637	\$21,983 / Unit	\$1,758,637	\$1,758,637	\$21,983 / Unit		\$1,758,637	\$0		0.0%	\$0
Financing	\$0	\$2,157,874	\$32,076 / Unit	\$2,566,074	\$2,566,074	\$32,076 / Unit		\$2,157,874	\$0		0.0%	\$0
Developer Fee	\$0	\$3,025,831	15.00%	14.27%	\$3,025,831	\$3,025,831	14.24%	15.00%	\$3,019,183	\$0	0.0%	\$0
Reserves			7 Months	\$592,800	\$962,878	12 Months					-38.4%	(\$370,078)
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		\$0	\$23,198,042	\$326,507 / Unit	\$26,120,526	\$26,536,177	\$331,702 / Unit	\$23,147,066	\$0		-1.6%	(\$415,651)
Acquisition Cost	\$0				\$0							
Contingency		(\$38,885)			\$0							
Contractor's Fee		(\$5,443)			\$0							
Financing Cost		\$0										
Developer Fee	\$0	(\$6,648)	15.00%		\$0							
Reserves					\$0							
<b>ADJUSTED BASIS / COST</b>		\$0	\$23,147,066	\$326,507/unit	\$26,120,526	\$26,536,177	\$331,702/unit	\$23,147,066	\$0		-1.6%	(\$415,651)
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					\$26,120,526							

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

*Buena Vida Apartments, Brownsville, 9% HTC #24197*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$23,147,066	\$0	\$23,147,066
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$23,147,066	\$0	\$23,147,066
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$30,091,186	\$0	\$30,091,186
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$30,091,186	\$0	\$30,091,186
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,708,207	\$0	\$2,708,207
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,708,207		\$2,708,207	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8599	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$2,708,207	\$23,287,870	----	----	----
<b>Needed to Fill Gap</b>	\$2,073,442	\$17,829,526	----	----	----
<b>Applicant Request</b>	\$2,000,000	\$17,198,000	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>

BUILDING COST ESTIMATE					
CATEGORY		FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)		79,410 SF	\$121.64	9,659,257
Adjustments					
Exterior Wall Finish		2.80%		3.41	\$270,459
Elderly		0.00%		0.00	0
9-Ft. Ceilings		3.35%		4.07	323,585
Roof Adjustment(s)				0.36	28,577
Subfloor				(0.72)	(56,778)
Floor Cover				5.79	459,486
Breezeways		\$39.65	18,770	9.37	744,190
Balconies		\$38.99	5,818	2.86	226,868
Plumbing Fixtures		\$1,420	207	3.70	293,940
Rough-ins		\$700	160	1.41	112,000
Built-In Appliances		\$2,280	80	2.30	182,400
Exterior Stairs		\$3,550	18	0.80	63,900
Heating/Cooling				3.12	247,759
Storage Space		\$39.65	0	0.00	0
Carports		\$16.05	0	0.00	0
Garages		\$30.00	0	0.00	0
Common/Support Area		\$119.20	8,624	12.95	1,027,970
Elevators			0	0.00	0
Other:				0.00	0
Fire Sprinklers		\$3.65	106,804	4.91	389,835
SUBTOTAL				175.97	13,973,448
Current Cost Multiplier		1.00		0.00	0
Local Multiplier		1.00		0.00	0
Reserved					0
TOTAL BUILDING COSTS				175.97	\$13,973,448
Plans, specs, survey, bldg permits		3.30%		(5.81)	(\$461,124)
Contractor's OH & Profit		11.50%		(20.24)	(1,606,946)
NET BUILDING COSTS			\$148,817/unit	\$149.92/sf	\$11,905,377

## Long-Term Pro Forma

*Buena Vida Apartments, Brownsville, 9% HTC #24197*

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$1,064,534	\$1,085,825	\$1,107,542	\$1,129,692	\$1,152,286	\$1,272,217	\$1,404,631	\$1,550,826	\$1,712,237	\$1,890,448	\$2,087,207
TOTAL EXPENSES	3.00%	\$395,574	\$406,909	\$418,573	\$430,577	\$442,929	\$510,296	\$588,062	\$677,849	\$781,533	\$901,286	\$1,039,620
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$668,960</b>	<b>\$678,916</b>	<b>\$688,968</b>	<b>\$699,116</b>	<b>\$709,357</b>	<b>\$761,921</b>	<b>\$816,568</b>	<b>\$872,976</b>	<b>\$930,704</b>	<b>\$989,162</b>	<b>\$1,047,587</b>
EXPENSE/INCOME RATIO		37.2%	37.5%	37.8%	38.1%	38.4%	40.1%	41.9%	43.7%	45.6%	47.7%	49.8%
<b>MUST -PAY DEBT SERVICE</b>												
Legacy Bank and Trust		\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304
TOTAL DEBT SERVICE		\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304	\$567,304
DEBT COVERAGE RATIO		1.18	1.20	1.21	1.23	1.25	1.34	1.44	1.54	1.64	1.74	1.85
<b>ANNUAL CASH FLOW</b>												
Deferred Developer Fee Balance		\$529,870	\$418,258	\$296,595	\$164,783	\$22,731	\$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>\$844,339</b>	<b>\$1,980,585</b>	<b>\$3,395,503</b>	<b>\$5,096,622</b>	<b>\$7,088,838</b>	<b>\$9,373,591</b>