24262 Meadow View Estates - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 15, 2024

PROPERTY IDENTIFICATION

Application #	**24262**
Development	**Meadow View Estates**
City / County	**Homestead Meadows South / El Paso**
Region/Area	**13 / Rural**
Population	**General**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$900,000	**$900,000**	**$30,000/Unit**	**$0.85**

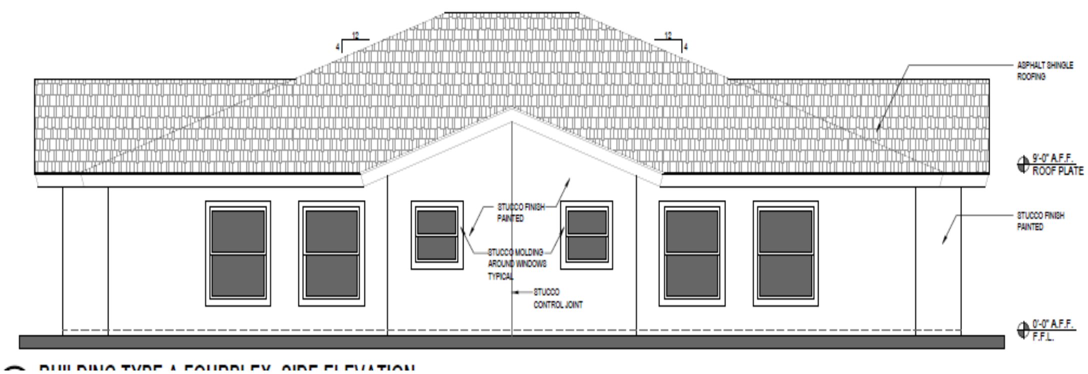
KEY PRINCIPALS / SPONSOR

Investment Builders, Inc./Ike Monty
Developer/Contractor/Guarantor/Owner

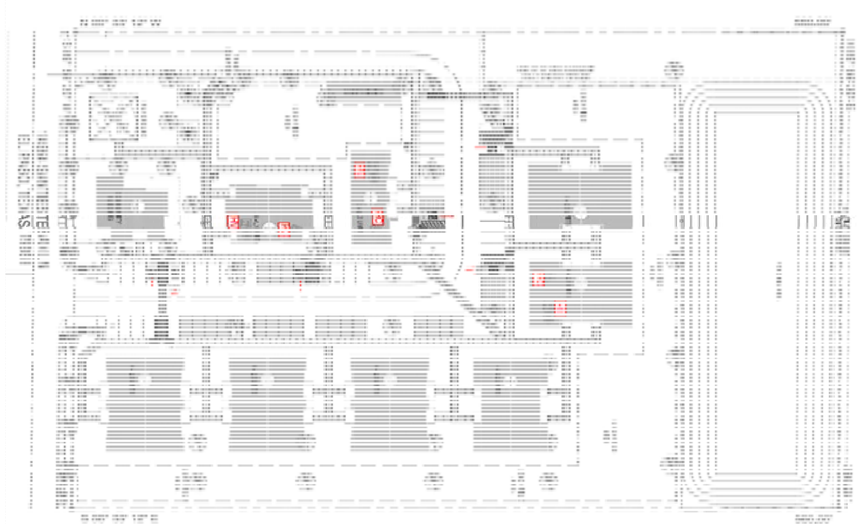
Consultant/Robbye Meyer

Related Parties	Contractor -	Yes	Seller -	No

TYPICAL BUILDING ELEVATION/PHOTO



SITE PLAN



UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	4	13%
2	12	40%
3	14	47%
4	-	0%
TOTAL	30	100%

INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	3	10%
40%	-	0%
50%	6	20%
60%	21	70%
70%	-	0%
80%	-	0%
MR	-	0%
TOTAL	30	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.20	Expense Ratio	49.9%
Breakeven Occ.	84.8%	Breakeven Rent	$803
Average Rent	$878	B/E Rent Margin	$75
Property Taxes	$570/unit	Exemption/PILOT	0%
Total Expense	$4,976/unit	Controllable	$3,066/unit

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (30% Maximum)			4.2%
Highest Unit Capture Rate	20%	2 BR/50%	4
Dominant Unit Cap. Rate	13%	3 BR/60%	13
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	960 SF	Density	6.0/acre
Acquisition		$16K/unit	$482K
Building Cost	$133.74/SF	$128K/unit	$3,852K
Hard Cost		$178K/unit	$5,342K
Total Cost		$313K/unit	$9,398K
Developer Fee	$1,414K	(5% Deferred)	Paid Year: 3
Contractor Fee	$748K	30% Boost	Yes

Debt (Must Pay)

Source	Term	Rate	Amount	DCR
Sterling Bank	15/40	7.00%	$1,672,000	1.20
Total Debt (Must Pay)			**$1,672,000**	

Cash Flow Debt / Grant Funds

Source	Term	Rate	Amount	DCR
Cash Flow Debt / Grants			**$0**	

Equity / Deferred Fees

Source	Amount
Affordable Equity Partners, Inc	$7,649,235
Investment Builders, Inc	$76,532
Total Equity Sources	**$7,725,767**
Total Debt Sources	**$1,672,000**
Total Capitalization	**$9,397,767**

Conditions

- Receipt and acceptance by 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.

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

- Developer experience with LIHTC properties
- Low gross capture rate

Weaknesses/Risks

Area Map

Aerial Photograph(s)

Real Estate Analysis Division
Underwriting Report
July 15, 2024

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24262** Program(s): **9% HTC**

Meadow View Estates

Address/Location: NS of Santiesteban Lane at Vashon Lane

City: Homestead Meadows South County: El Paso Zip: 79938

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

Activity: New Construction Building Type: Fourplex Region: 13

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION						
TDHCA Program	**Amount**	**Int. Rate**	**Amort**	**Term**	**Amount**	**Int. Rate**	**Amort**	**Perm. Term**	**Perm Lien**	**Const. Term**	**Const Lien**
LIHTC (9% Credit)	$900,000				**$900,000**						

CONDITIONS

- Receipt and acceptance by 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.

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	3
50% of AMI	50% of AMI	6
60% of AMI	60% of AMI	21

DEVELOPMENT SUMMARY

Meadow View Estates is a proposed thirty (30) unit multifamily affordable housing community consisting of eight (8) residential buildings situated on 5.01 acres. It is located at the Northwest corner of Santiesteban Lane and Buntline Drive, Homestead Meadows South, El Paso County, Texas.

Meadow View Estates will be comprised of 1, 2, and 3 bedroom units ranging from 670 square feet to 1060 square feet. Each individual unit will be equipped with microwave ovens, energy star appliances, and ceiling fixtures.

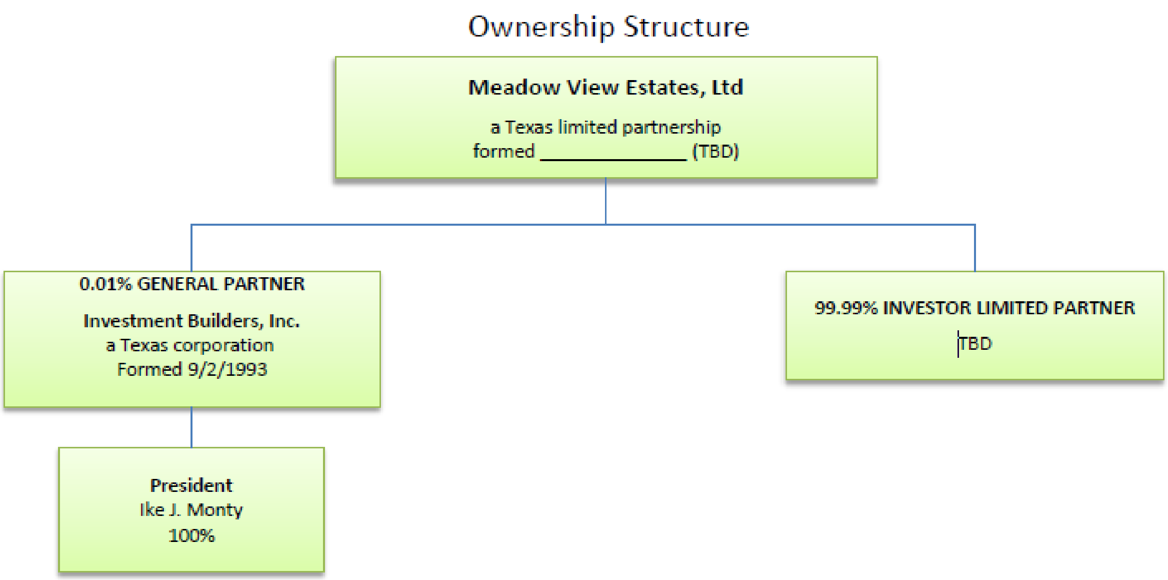
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Developer experience with LIHTC properties
▫	Low gross capture rate

WEAKNESSES/RISKS	
▫	
▫	

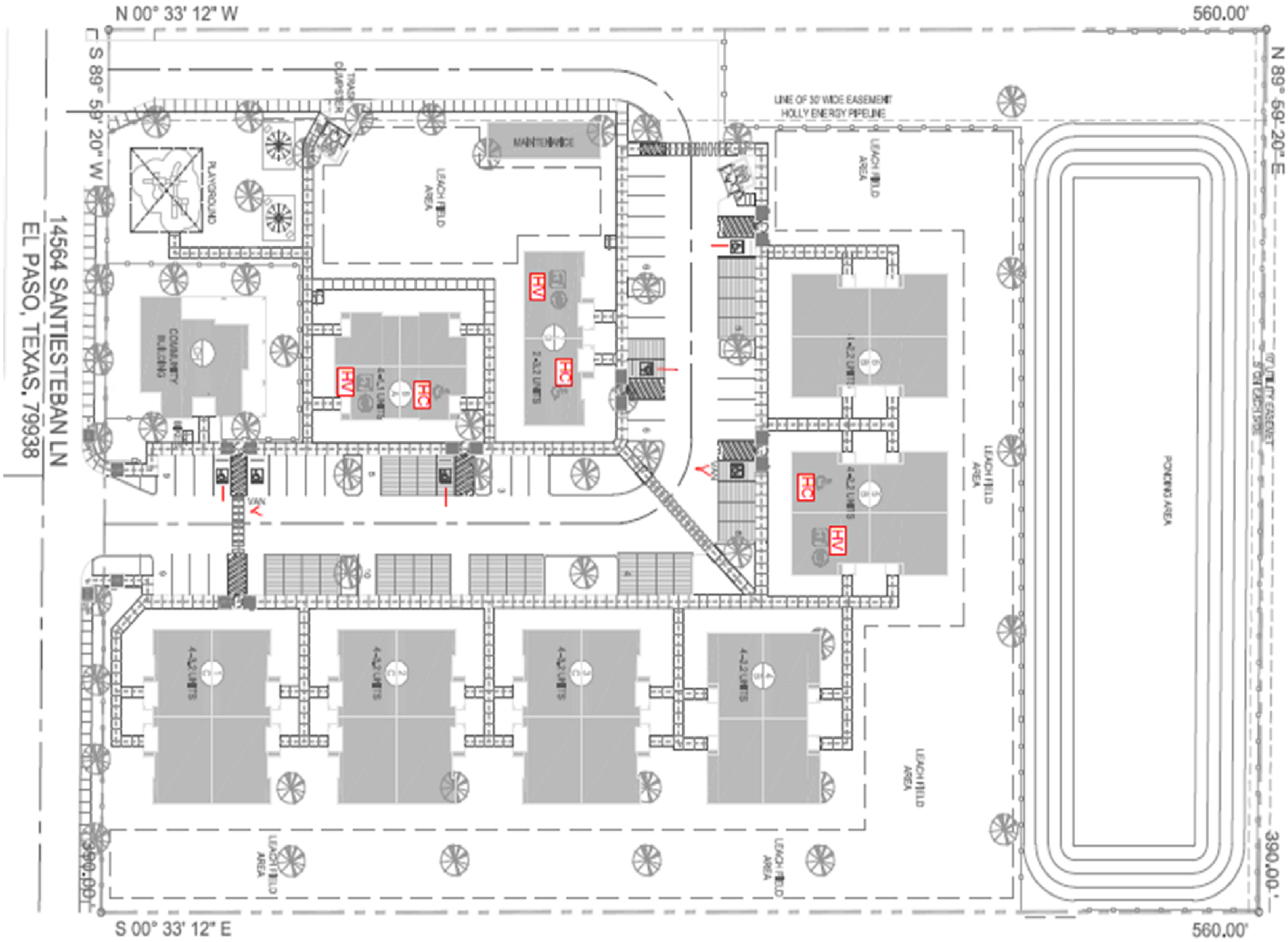
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN

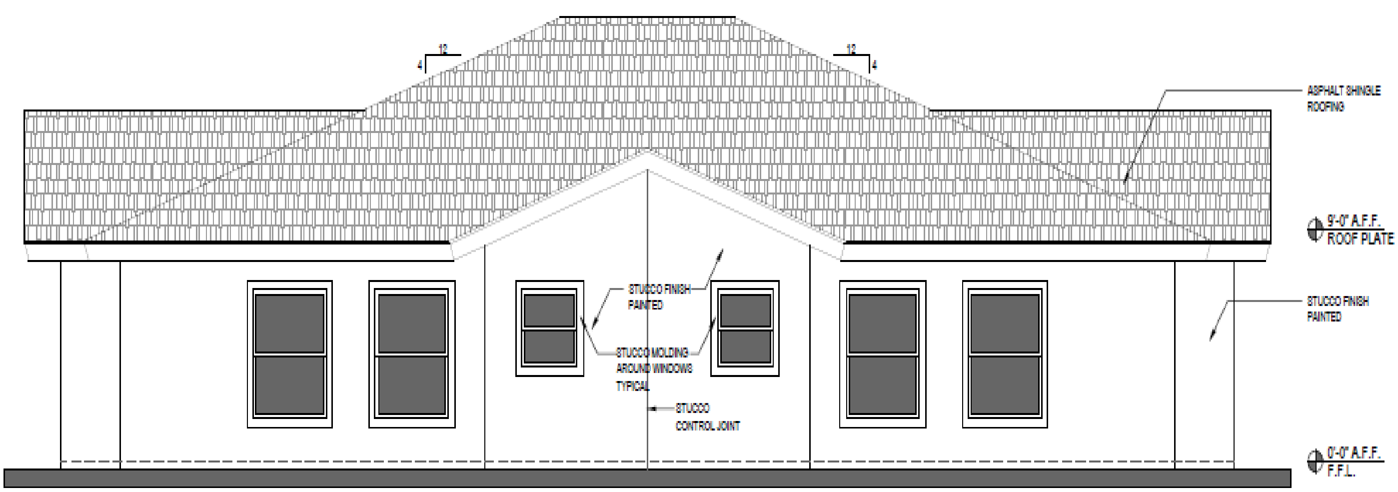


Parking	No Fee		Tenant-Paid		Total	
Open Surface	35	*1.2/unit*	0	--	35	*1.2/unit*
Carport	30	*1.0/unit*	0	--	30	*1.0/unit*
Garage	0	--	0	--	0	--
Total Parking	**65**	*2.2/unit*	**0**	--	**65**	*2.2/unit*

Comments:

Provided parking of 65 spaces is compliant with local requirements.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1	2	3	4	5	6	7	8					Total Buildings
Floors/Stories	1	1	1	1	1	1	1	1					
Number of Bldgs	1	1	1	1	1	1	1	1					**8**
Units per Bldg	4	4	4	4	4	4	2	4					
Total Units	4	4	4	4	4	4	2	4					**30**

Avg. Unit Size (SF)	**960 sf**	**Total NRA (SF)**	**28,800**	**Common Area (SF)***	**3,121**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.01 acres Density: 5.98 units/acre

Site Control: 5.014 **Site Plan:** 5.01 **Appraisal:** n/a **ESA:** 5.01

Feasibility Report Survey: 5.014 **Feasibility Report Engineer's Plan:** 5.014 **Existing LURA:** n/a

Control Type: Commercial Contract

Development Site: 5.01 acres Cost: $446,290 $14,876 per unit

Seller: Sebastian Alcazar

Buyer: Davis Street Corporation

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	No Zoning	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	NA	Title Issues?	No

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: CECI, Inc. Date: 2/27/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- Holly Energy Partner” pipeline represents an environmental concern however due to the research performed. No accidents/leaks have been reported within the search radius (0.5 miles) and no further assessmen is required at this time.
- Noise Study is recommended due to the proximity of the subject site to El Paso International Airport and major highways and roads.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC — Date: 3/20/2024

Primary Market Area (PMA): 151 sq. miles — 7 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21166	Mountain View Estates	Yes	New	General	76	80

Stabilized Affordable Developments in PMA

Total Units	879
Total Developments	7
Average Occupancy	95%

OVERALL DEMAND ANALYSIS

	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	29,421			
Potential Demand from the Primary Market Area	2,294			
10% External Demand	229			
Potential Demand from Other Sources	0			
GROSS DEMAND	2,523			
Subject Affordable Units	30			
Unstabilized Competitive Units	76			
RELEVANT SUPPLY	106			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**4.2%**			

Population: **General** — **Market Area:** **Rural** — **Maximum Gross Capture Rate:** **30%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

AMGI Band	Market Analyst: Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate					
30% AMGI	376	38	3	8	3%					
50% AMGI	481	48	6	16	4%					
60% AMGI	1,437	144	21	52	5%					

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%	49	5	1	2	6%	
1 BR/50%	28	3	1	1	6%	
1 BR/60%	70	7	2	1	4%	
2 BR/30%	83	8	2	6	9%	
2 BR/50%	77	8	4	13	20%	
2 BR/60%	342	34	6	17	6%	
3 BR/50%	139	14	1	2	2%	
3 BR/60%	327	33	13	34	13%	

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$149,700	Avg. Rent:	$878	Expense Ratio:	49.9%
Debt Service:	$124,684	B/E Rent:	$803	Controllable Expenses:	$3,066
Net Cash Flow:	$25,016	UW Occupancy:	92.5%	Property Taxes/Unit:	$570
Aggregate DCR:	1.20	B/E Occupancy:	84.8%	Program Rent Year:	2023

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$89,018/ac	$16,070/unit	**$482,090**	Contractor Fee	**$747,877**
Off-site + Site Work		$38,027/unit	**$1,140,800**	Soft Cost + Financing	**$1,351,550**
Building Cost	$133.74/sf	$128,390/unit	**$3,851,700**	Developer Fee	**$1,414,276**
Contingency	7.00%	$11,649/unit	**$349,475**	Reserves	**$60,000**
Total Development Cost	$313,259/unit	**$9,397,767**		**Rehabilitation Cost**	**N/A**
Qualified for 30% Basis Boost?	Rural [9% only]				

Contractor Fee:

Applicant overstated total contractor fees by $1.

Developer Fee:

Applicant overstated total developer fees by $224 and eligible fees by $211.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$9,397,767	**$8,299,733**	**$971,069**

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Sterling Bank	Conventional Loan	$6,550,000	7.50%	71%
Affordable Equity Partners, Inc	HTC	$1,529,847	$0.85	17%
Investment Builders, Inc	Deferred Developer Fee	$1,130,000	0.00%	12%
		$9,209,847	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Sterling Bank	$1,672,000	7.00%	40	15.0	$1,672,000	7.00%	40	15.0	18%
Total	**$1,672,000**				**$1,672,000**				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Affordable Equity Partners, Inc	$7,649,235	$0.85		$7,649,235	$0.85	81%	
Investment Builders, Inc	$76,758		5%	$76,532		1%	5%
Total	**$7,725,993**			**$7,725,767**			
				$9,397,767	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.858	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.798	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$9,397,767
Permanent Sources (debt + non-HTC equity)	$1,672,000
Gap in Permanent Financing	$7,725,767

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$8,253,259	$971,069
Needed to Balance Sources & Uses	$7,725,767	$909,005
Requested by Applicant	$7,649,235	$900,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	$7,649,235	$900,000

Deferred Developer Fee	$76,532	(5% deferred)
Repayable in	3 years	

Recommendation:

Underwriter recommends an annual tax credit allocation of $900,000 per the Applicant's request.

Underwriter:	*Jeffrey Price*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Meadow View Estates, Homestead Meadows South, 9% HTC #24262

LOCATION DATA

CITY:	mestead Meadows So
COUNTY:	El Paso
Area Median Income	$63,000
PROGRAM REGION:	13
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	4	13.3%	0	0	0	0
2	12	40.0%	0	0	0	0
3	14	46.7%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	**30**	**100.0%**	**-**	**-**	**-**	**-**

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	960 sf

55% Average Income	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
	# Units	-	3	-	6	21	-	-	-	**30**
	% Total	0.0%	10.0%	0.0%	20.0%	70.0%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$424	1	1	1	670	$424	$87	$337	$0	$0.50	$337	**$337**	**$337**	$337	$0.50	$0	$1,089	$1.63	$1,089
TC 50%	$708	1	1	1	670	$708	$87	$621	$0	$0.93	$621	**$621**	**$621**	$621	$0.93	$0	$1,089	$1.63	$1,089
TC 60%	$849	2	1	1	670	$849	$87	$762	$0	$1.14	$762	**$1,524**	**$1,524**	$762	$1.14	$0	$1,089	$1.63	$1,089
TC 30%	$510	2	2	2	940	$510	$105	$405	$0	$0.43	$405	**$810**	**$810**	$405	$0.43	$0	$1,242	$1.32	$1,242
TC 50%	$850	4	2	2	940	$850	$105	$745	$0	$0.79	$745	**$2,980**	**$2,980**	$745	$0.79	$0	$1,242	$1.32	$1,242
TC 60%	$1,020	6	2	2	940	$1,020	$105	$915	$0	$0.97	$915	**$5,490**	**$5,490**	$915	$0.97	$0	$1,242	$1.32	$1,242
TC 50%	$981	1	3	2	1,060	$981	$123	$858	$0	$0.81	$858	**$858**	**$858**	$858	$0.81	$0	$1,436	$1.35	$1,436
TC 60%	$1,178	13	3	2	1,060	$1,178	$123	$1,055	$0	$1.00	$1,055	**$13,715**	**$13,715**	$1,055	$1.00	$0	$1,436	$1.35	$1,436
TOTALS/AVERAGES:		**30**			**28,800**				**$0**	**$0.91**	**$878**	**$26,335**	**$26,335**	**$878**	**$0.91**	**$0**	**$1,312**	**$1.37**	**$1,312**

ANNUAL POTENTIAL GROSS RENT:	**$316,020**	**$316,020**

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Meadow View Estates, Homestead Meadows South, 9% HTC #24262

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						$0.91	$878	$316,020	$316,020	$878	$0.91		0.0%	$0
Late-NSF-Cleaning-Damages fees							$18.00	$6,480						
Application fees, Vending							$2.00	$720						
Total Secondary Income							$20.00		$7,200	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$323,220	$323,220				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(24,242)	(24,242)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME								$298,979	$298,979				0.0%	$0
General & Administrative	$14,577	$486/Unit	$9,857	$329	5.22%	$0.54	$521	$15,620	$9,857	$329	$0.34	3.30%	58.5%	5,763
Management	$14,371	5.1% EGI	$15,740	$525	5.00%	$0.52	$498	$14,949	$14,949	$498	$0.52	5.00%	0.0%	0
Payroll & Payroll Tax	$36,107	$1,204/Unit	$24,930	$831	12.04%	$1.25	$1,200	$36,000	$24,930	$831	$0.87	8.34%	44.4%	11,070
Repairs & Maintenance	$20,101	$670/Unit	$16,889	$563	5.22%	$0.54	$520	$15,600	$19,500	$650	$0.68	6.52%	-20.0%	(3,900)
Electric/Gas	$7,822	$261/Unit	$5,471	$182	2.01%	$0.21	$200	$6,000	$5,471	$182	$0.19	1.83%	9.7%	529
Water, Sewer, & Trash	$18,747	$625/Unit	$26,878	$896	6.27%	$0.65	$625	$18,750	$26,878	$896	$0.93	8.99%	-30.2%	(8,128)
Property Insurance	$16,567	$0.58 /sf	$17,105	$570	5.04%	$0.52	$502	$15,060	$23,475	$783	$0.82	7.85%	-35.8%	(8,415)
Property Tax (@ 100%) 2.0342	$17,141	$571/Unit	$10,480	$349	5.72%	$0.59	$570	$17,100	$17,141	$571	$0.60	5.73%	-0.2%	(41)
Reserve for Replacements					3.01%	$0.31	$300	$9,000	$7,500	$250	$0.26	2.51%	20.0%	1,500
TDHCA Compliance fees ($40/HTC unit)					0.40%	$0.04	$40	$1,200	$1,200	$40	$0.04	0.40%	0.0%	-
TOTAL EXPENSES					**49.93%**	**$5.18**	**$4,976**	**$149,279**	**$150,901**	**$5,030**	**$5.24**	**50.47%**	**-1.1%**	**$ (1,622)**
NET OPERATING INCOME ("NOI")					**50.07%**	**$5.20**	**$4,990**	**$149,700**	**$148,078**	**$4,936**	**$5.14**	**49.53%**	**1.1%**	**$ 1,622**
CONTROLLABLE EXPENSES							$3,066/Unit			$2,888/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Meadow View Estates, Homestead Meadows South, 9% HTC #24262

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
Sterling Bank		1.19	1.20	124,684	7.00%	40	15.0	$1,672,000	$1,672,000	15.0	40.0	7.00%	$124,684	1.20	17.8%
CASH FLOW DEBT / GRANTS															
				$124,684	**TOTAL DEBT / GRANT SOURCES**			**$1,672,000**	**$1,672,000**			**TOTAL DEBT SERVICE**	**$124,684**	**1.20**	17.8%
NET CASH FLOW		$23,394	$25,016						**APPLICANT**	**NET OPERATING INCOME**		**$149,700**	**$25,016**	**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	
Affordable Equity Partners, Inc	LIHTC Equity	81.4%	$900,000	$0.85	$7,649,235	$7,649,235	$0.8499	$900,000	81.4%	$30,000	Applicant Request	
Investment Builders, Inc	Deferred Developer Fees	0.8%	(5% Deferred)		$76,758	$76,532	(5% Deferred)		0.8%	**Total Developer Fee:**		**$1,414,276**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%			
TOTAL EQUITY SOURCES		82.2%			$7,725,993	$7,725,767			82.2%			
TOTAL CAPITALIZATION					**$9,397,993**	**$9,397,767**			**15-Yr Cash Flow after Deferred Fee:**			**$466,657**

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				$14,876 / Unit	$446,290	$446,290	$14,876 / Unit				0.0%	$0
Closing costs & acq. legal fees, RE Commision					$35,800	$35,800					0.0%	$0
Off-Sites		$0		$4,827 / Unit	$144,800	$144,800	$4,827 / Unit		$0		0.0%	$0
Site Work		$598,500		$19,950 / Unit	$598,500	$598,500	$19,950 / Unit		$598,500		0.0%	$0
Site Amenities		$397,500		$13,250 / Unit	$397,500	$397,500	$13,250 / Unit		$397,500		0.0%	$0
Building Cost		$3,851,700	$133.74 /sf	$128,390/Unit	$3,851,700	$3,968,277	$132,276/Unit	$137.79 /sf	$3,851,700		-2.9%	($116,577)
Contingency		$339,339	7.00%	7.00%	$349,475	$349,475	6.84%	7.00%	$339,339		0.0%	$0
Contractor Fees		$726,185	14.00%	14.00%	$747,878	$747,878	13.70%	14.00%	$726,185		0.0%	$0
Soft Costs	$0	$351,900		$12,230 / Unit	$366,900	$366,900	$12,230 / Unit		$351,900	$0	0.0%	$0
Financing	$0	$651,320		$32,822 / Unit	$984,650	$984,650	$32,822 / Unit		$651,320	$0	0.0%	$0
Developer Fee	$0	$1,383,500	20.00%	20.00%	$1,414,500	$1,414,276	19.68%	20.00%	$1,383,289	$0	0.0%	$224
Reserves				3 Months	$60,000	$60,000	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$8,299,944**		$313,266 / Unit	**$9,397,993**	**$9,514,346**	$317,145 / Unit		**$8,299,733**	**$0**	**-1.2%**	**($116,353)**
Acquisition Cost	$0				$0							
Contingency		$0			$0							
Contractor's Fee		$0			($1)							
Financing Cost		$0										
Developer Fee	$0	($211)	20.00%	20.00%	($224)							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$8,299,733**		$313,259/unit	**$9,397,767**	**$9,514,346**	$317,145/unit		**$8,299,733**	**$0**	**-1.2%**	**($116,579)**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$9,397,767**

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Meadow View Estates, Homestead Meadows South, 9% HTC #24262

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$0	$8,299,733	$0	$8,299,733
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$8,299,733	$0	$8,299,733
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$10,789,653	$0	$10,789,653
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$0	$10,789,653	$0	$10,789,653
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	$0	$971,069	$0	$971,069
CREDITS ON QUALIFIED BASIS	$971,069		$971,069	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8499	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$971,069	$8,253,259	----	----	----
Needed to Fill Gap	$909,005	$7,725,767	----	----	----
Applicant Request	$900,000	$7,649,235	**$900,000**	**$0**	**$0**

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Fourplex	28,800 SF	$114.73	3,304,344
Adjustments				
Exterior Wall Finish	6.00%		6.88	$198,261
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.75%		4.30	123,913
Roof Adjustment(s)			3.49	100,368
Subfloor			(4.28)	(123,264)
Floor Cover			3.68	105,984
Breezeways	$0.00	0	0.00	0
Balconies	$36.23	4,004	5.04	145,065
Plumbing Fixtures	$1,590	18	0.99	28,620
Rough-ins	$700	30	0.73	21,000
Built-In Appliances	$3,150	30	3.28	94,500
Exterior Stairs	$3,550	0	0.00	0
Heating/Cooling			3.12	89,856
Storage Space	$0.00	0	0.00	0
Carports	$16.05	9,600	5.35	154,080
Garages	$30.00	0	0.00	0
Common/Support Area	$140.22	2,153	10.48	301,897
Elevators	$0	0	0.00	0
Other:			0.00	0
Fire Sprinklers	$3.65	30,953	3.92	112,978
SUBTOTAL			**161.72**	**4,657,603**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			**161.72**	**$4,657,603**
Plans, specs, survey, bldg permits	3.30%		(5.34)	($153,701)
Contractor's OH & Profit	11.50%		(18.60)	($535,624)
NET BUILDING COSTS		$132,276/unit	$137.79/sf	$3,968,277

Long-Term Pro Forma

Meadow View Estates, Homestead Meadows South, 9% HTC #24262

	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%	$298,979	$304,958	$311,057	$317,278	$323,624	$357,307	$394,496	$435,555	$480,888	$530,939	$586,200	$647,212
TOTAL EXPENSES	3.00%	$149,279	$153,608	$158,064	$162,650	$167,371	$193,136	$222,911	$257,326	$297,110	$343,105	$396,287	$457,788
NET OPERATING INCOME ("NOI")		**$149,700**	**$151,350**	**$152,994**	**$154,628**	**$156,253**	**$164,171**	**$171,585**	**$178,229**	**$183,778**	**$187,835**	**$189,913**	**$189,425**
EXPENSE/INCOME RATIO		49.9%	50.4%	50.8%	51.3%	51.7%	54.1%	56.5%	59.1%	61.8%	64.6%	67.6%	70.7%
MUST -PAY DEBT SERVICE													
Sterling Bank		$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684
TOTAL DEBT SERVICE		$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684	$124,684
DEBT COVERAGE RATIO		1.20	1.21	1.23	1.24	1.25	1.32	1.38	1.43	1.47	1.51	1.52	1.52
ANNUAL CASH FLOW		**$25,016**	**$26,666**	**$28,310**	**$29,944**	**$31,569**	**$39,487**	**$46,901**	**$53,545**	**$59,094**	**$63,151**	**$65,229**	**$64,741**
Deferred Developer Fee Balance		$51,517	$24,850	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$3,459	$33,404	$64,973	$246,729	$466,657	$721,461	$1,006,346	$1,314,674	$1,637,564	$1,963,403