

PRO FORMA ANALYSIS & DEVELOPMENT COSTS

POTENTIAL GROSS RENT

				TDHCA CC	TDHCA -Prior	% DIFF	APP - Prior	Owner CC	\$ DIFF		
Secondary Income	Per Unit/Month	\$20.00		\$442,860	\$325,920	0%	\$325,920	\$442,860	\$0		
Other Income:				\$10,320	\$10,320	-88%	\$10,320	\$1,200	(\$9,120)	\$2.33	Per Unit Per Month
Other Income:	Late Charges					#DIV/0!	\$0	\$1,800	\$1,800	\$3.49	Per Unit Per Month
POTENTIAL GROSS INCOME				\$453,180	\$336,240	0%	\$336,240	\$453,060	(\$120)		
Vacancy & Collection Loss	% of PGI	-7.5%		(\$33,989)	(25,218)	0%	(25,218)	(33,980)	\$9	-7.5%	% of PGI
EO/Non-Rental Units/Concessions				\$0		#DIV/0!	-	-	\$0		
EFFECTIVE GROSS INCOME				\$419,192	\$311,022	-0.03%	\$311,022	\$419,081	(\$111)		

EXPENSES

General & Administrative	% of EGI	Per Unit	Per SF	\$25,788	\$17,542	28%	\$18,705	\$32,985	\$7,197	Per SF	Per Unit	% of EGI
Management	6.15%	\$600	\$0.88	\$20,960	\$15,551	0%	\$15,551	\$20,954	(\$6)	\$0.72	\$487	5.00%
Payroll & Payroll Tax	13.35%	\$1,302	\$1.92	\$55,977	\$48,496	38%	\$48,375	\$77,122	\$21,145	\$2.65	\$1,794	18.40%
Repairs & Maintenance	9.11%	\$888	\$1.31	\$38,179	\$25,800	2%	\$25,800	\$39,023	\$844	\$1.34	\$908	9.31%
Electric/Gas	4.22%	\$411	\$0.61	\$17,683	\$10,314	0%	\$10,750	\$17,600	(\$83)	\$0.60	\$409	4.20%
Water, Sewer, & Trash	3.50%	\$341	\$0.50	\$14,657	\$17,014	16%	\$23,650	\$17,000	\$2,343	\$0.58	\$395	4.06%
Property Insurance	6.86%	\$669	\$0.99	\$28,776	\$13,204	0%	\$12,243	\$28,776	\$0	\$0.99	\$669	6.87%
Property Tax	100%	1.85	\$0.88	\$25,728	\$22,038	0%	\$15,179	\$25,771	\$43	\$0.88	\$599	6.17%
Reserve for Replacements	2.56%	\$250	\$0.37	\$10,750	\$10,750	0%	\$10,750	\$10,750	\$0	\$0.37	\$250	2.57%
Cable TV	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
Supportive service contract fees	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
TDHCA Compliance fees	0.41%	\$40	\$0.06	\$1,720	\$1,720	0%	\$1,720	\$1,720	\$0	\$0.06	\$40	0.41%
TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
Security	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0.00	\$0	0.00%
Other	0.35%	\$34	\$0.05	\$1,462	\$0	0%	\$136	\$1,462	\$0	\$0.05	\$34	0.35%
TOTAL EXPENSES	57.65%	\$5,620	\$8.29	\$241,679	\$182,429	13%	\$182,859	\$273,163	\$31,484	\$9.37	\$6,353	65.18%
NET OPERATING INCOME	42.35%	\$4,128	\$6.09	\$177,512	\$128,593	-18%	\$128,163	\$145,918	(\$31,595)	\$5.01	\$3,393	34.82%

DEBT

First Lien: Legacy Bank & Trust Company	\$119,657	\$102,745	1%	\$108,329	\$121,172	\$1,515
Other: U.S. Dept. of Housing & Urban Develop./Tx Dept. of Housing & Community Affairs		\$12,314	#VALUE!	\$5,584	#VALUE!	
TOTAL DEBT SERVICE	\$119,657	\$115,059	1%	\$113,913	\$121,172	\$1,515
NET CASH FLOW	\$57,855	\$13,534	-57%	\$14,250	\$24,746	(\$33,110)
AGGREGATE DEBT COVERAGE RATIO	1.48	1.12		1.13	1.20	
RECOMMENDED DEBT COVERAGE RATIO	1.48					

CONSTRUCTION COST

				TDHCA CC	TDHCA -Prior		Direct Loan Closing	Owner CC		Per SF	Per Unit	% of TOTAL
Land Acquisition	4.38%	\$12,056	\$17.78	\$518,400	\$518,400	0%	\$518,400	\$518,400	\$0	\$18	\$12,056	4.38%
Building Acquisition	0.00%	\$0	\$0.00	\$0	\$0	#DIV/0!	\$0	\$0	\$0	\$0	\$0	0.00%
Closing costs & acq. legal fees	0.51%	\$1,398	\$2.06	\$60,132	\$0	0%	\$18,823	\$60,132	\$0	\$2	\$1,398	0.51%
Off-Sites	4.16%	\$11,442	\$16.88	\$491,992	\$104,000	0%	\$491,992	\$491,992	\$0	\$17	\$11,442	4.16%
Sitework	16.65%	\$45,824	\$67.60	\$1,970,427	\$2,319,710	-55%	\$953,902	\$889,849	(\$1,080,578)	\$31	\$20,694	7.52%
Site Amenities					\$68,900		\$50,687					
Other Construction Cost					\$0	#DIV/0!	\$0		\$0			
Building Costs	40.93%	\$112,614	\$166.12	\$4,842,420	\$4,224,215	22%	\$5,335,998	\$5,922,999	\$1,080,579	\$203	\$137,744	50.06%
Contingency					\$360,175	#DIV/0!	\$397,981		\$0			
Contractor's Fees	7.83%	\$21,550	\$31.79	\$926,654	\$654,047	0%	\$861,436	\$926,654	\$0	\$32	\$21,550	7.83%
Indirect Construction	7.72%	\$21,234	\$31.32	\$913,080	\$714,380	0%	\$742,635	\$913,080	\$0	\$31	\$21,234	7.72%
Developer's Fees	10.73%	\$29,535	\$43.57	\$1,270,000	\$1,434,253	0%	\$1,434,253	\$1,270,000	\$0	\$44	\$29,535	10.73%
Financing	5.90%	\$16,234	\$23.95	\$698,061	\$651,270	0%	\$561,466	\$698,061	\$0	\$24	\$16,234	5.90%
Reserves	1.00%	\$3,256	\$4.80	\$140,000	\$0	0%	\$0	\$140,000	\$0	\$5	\$3,256	1.18%
TOTAL COST	100%	\$275,143	\$406	\$11,831,166	\$11,049,350	0%	\$11,367,573	\$11,831,167	\$1	\$406	\$275,143	100%
Construction Cost Recap	61.74%	\$169,880	\$250.59	\$7,304,839				\$7,304,840		\$250.59	\$169,880	61.74%

SOURCES OF FUNDS

										% TDC	RECOMMENDED	
First Lien: Legacy Bank & Trust Company	17%	\$45,832	\$68	\$1,970,770	\$1,625,000	-21%	\$1,770,770	\$1,970,770	17%		\$1,970,770	Developer Fee Available
Other: U.S. Dept. of Housing & Urban Develop./Tx Dept. of Housing & Community Affairs	4%	\$11,455	\$17	\$492,558	\$492,558	0%	\$492,558	\$492,558	4%		492,558	\$1,270,000
HTC Equity: MHEG Fund 54, LP	71%	\$195,346	\$288	\$8,399,877	\$8,351,878	-1%	\$8,399,878	\$8,399,877	71%		8,399,877	
- City of Kerrville	0%	\$0	\$0	\$0	\$250	100%	\$250	\$0	0%		0	
- Direct Loan Match	0%	\$0	\$0	\$0	\$63,375	100%	\$63,375	\$0	0%		0	% of Dev. Fee Deferred
Deferred Developer Fee: Overland Property Group Developers	8%	\$22,511	\$33	\$967,962	\$516,289	-87%	\$640,742	\$967,962	8%		967,962	76%
Additional (Excess) Funds Req'd	0%	(\$0)	(\$0)	(\$1)	\$0	#DIV/0!	\$0	\$0	0%		0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$11,831,166	\$11,049,350	-7%	\$11,367,573	\$11,831,167	100%		\$11,831,167	\$986,791

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Residence at Ridgehill, Kerrville, # 22977

PROPOSED PAYMENT COMPUTATION

First Lien: Legacy Bank & Trust Company	\$1,970,770	Amort	420
Int Rate	5.02%	DCR	1.48
Other: U.S. Dept. of Housing & Urban Develop./Tx Dept. of Housin	\$492,558	Amort	0
Int Rate	0.00%	DCR	1.48
Other:	\$0	Amort	0
Int Rate	0.00%	DCR	1.48

RECOMMENDED FINANCING STRUCTURE: TDHCA NOI

First Lien: Legacy Bank & Trust Company	\$119,657
Other: U.S. Dept. of Housing & Urban Develop./Tx Dept. of Housing & Community Affairs	0
Other:	0
TOTAL DEBT SERVICE	\$119,657

First Lien: Legacy Bank & Trust Company	\$1,970,770	Amort	420
Int Rate	5.02%	DCR	1.48
Other: U.S. Dept. of Housing & Urban Develop./Tx Dept. of Housin	\$492,558	Amort	0
Int Rate	0.00%	Aggregate DCR	1.48
Other:	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.48

LONG TERM OPERATING PRO FORMA

	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	\$419,192	\$427,575	\$436,127	\$444,849	\$453,746	\$500,973	\$553,114	\$610,683	\$674,243	\$744,419	\$821,899	\$907,443
LESS: TOTAL EXPENSES	241,679	248,720	255,968	263,429	\$271,110	313,038	\$361,514	417,568	482,390	557,362	644,081	744,398
NET OPERATING INCOME	\$177,512	\$178,855	\$180,159	\$181,420	\$182,637	\$187,935	\$191,600	\$193,115	\$191,853	\$187,057	\$177,818	\$163,045
LESS: DEBT SERVICE	119,657	119,657	119,657	119,657	119,657	119,657	119,657	119,657	119,657	119,657	119,657	119,657
NET CASH FLOW	\$57,855	\$59,198	\$60,502	\$61,764	\$62,980	\$68,278	\$71,943	\$73,458	\$72,196	\$67,400	\$58,161	\$43,388
CUMULATIVE NET CASH FLOW	\$57,855	\$117,054	\$177,556	\$239,320	\$302,300	\$633,656	\$986,791	\$1,352,029	\$1,716,787	\$2,064,964	\$2,376,230	\$2,625,174
DEFERRED DEVELOPER FEE BALANCE	\$910,107	\$850,908	\$790,406	\$728,642	\$665,662	\$334,306	\$0	\$0	\$0	\$0	\$0	\$0
DCR ON UNDERWRITTEN DEBT (Must-Pay)	1.48	1.49	1.51	1.52	1.53	1.57	1.60	1.61	1.60	1.56	1.49	1.36
EXPENSE/EGI RATIO	57.65%	58.17%	58.69%	59.22%	59.75%	62.49%	65.36%	68.38%	71.55%	74.87%	78.36%	82.03%