

24606 Walnut Springs - Application Summary

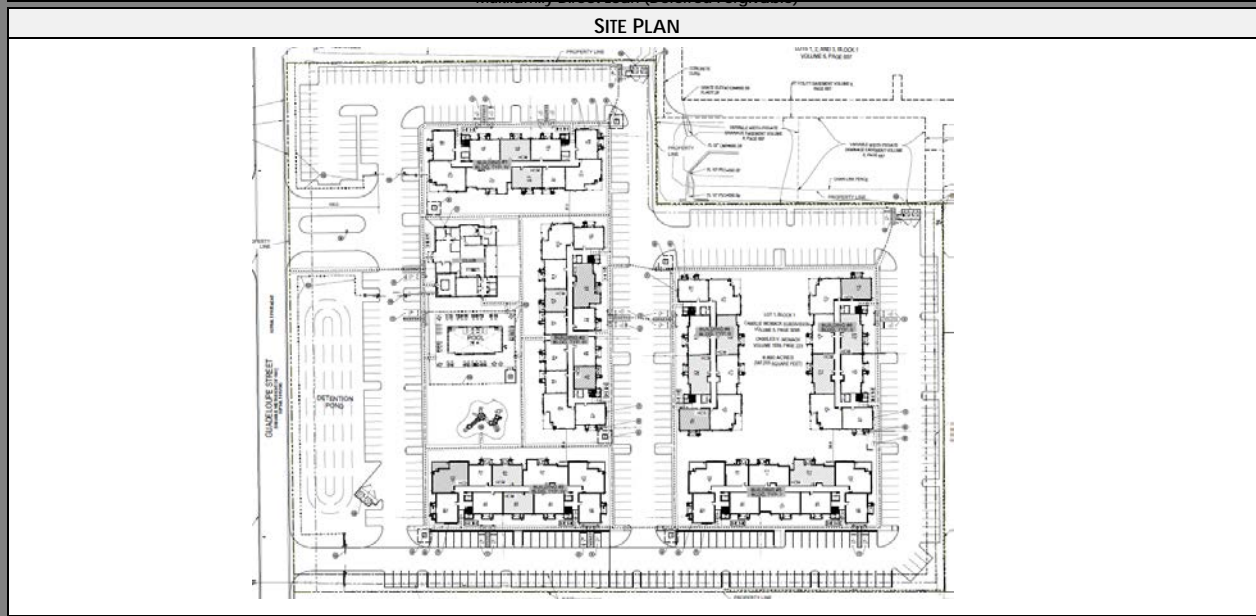
PROPERTY IDENTIFICATION		RECOMMENDATION					
Application #	24606	TDHCA Program	Request	Recommended			
Development	Walnut Springs	LIHTC (4% Credit)	\$2,436,232	\$2,436,232	\$13,764/Unit	\$0.83	
City / County	Seguin / Guadalupe		Amount	Rate	Amort	Term	Lien
Region/Area	9 / Urban	MFDL Fully Amortized	\$10,000,000	2.00%	40	17.0	2
Population	General	Private Activity Bonds (TDHCA Issuer Only)	\$27,000,000	5.83%	40	17.0	1
Set-Aside	General						
Activity	New Construction						

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> LDG (Developer, 50% Owner) Xpert Design (Guarantor) Chris Dischinger, Mark Lechner Alamo Area HFC, Non Profit (50% Owner) 		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	24	14%	30%	-	0%
2	75	42%	40%	-	0%
3	66	37%	50%	13	7%
4	12	7%	60%	151	85%
			70%	13	7%
			80%	-	0%
			MR	-	0%
TOTAL	177	100%	TOTAL	177	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.17	Expense Ratio	37.3%
Breakeven Occ.	84.0%	Breakeven Rent	\$1,075
Average Rent	\$1,187	B/E Rent Margin	\$112
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$5,035/unit	Controllable	\$3,458/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			3.4%
Highest Unit Capture Rate	19%	3 BR/60%	56
Dominant Unit Cap. Rate	11%	2 BR/60%	65
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	945 SF	Density	19.9/acre
Acquisition		\$11K/unit	\$1,986K
Building Cost	\$141.95/SF	\$134K/unit	\$23,731K
Hard Cost		\$167K/unit	\$29,500K
Total Cost		\$297K/unit	\$52,601K
Developer Fee	\$6,144K	(73% Deferred)	Paid Year: 13
Contractor Fee	\$3,818K	30% Boost	Yes

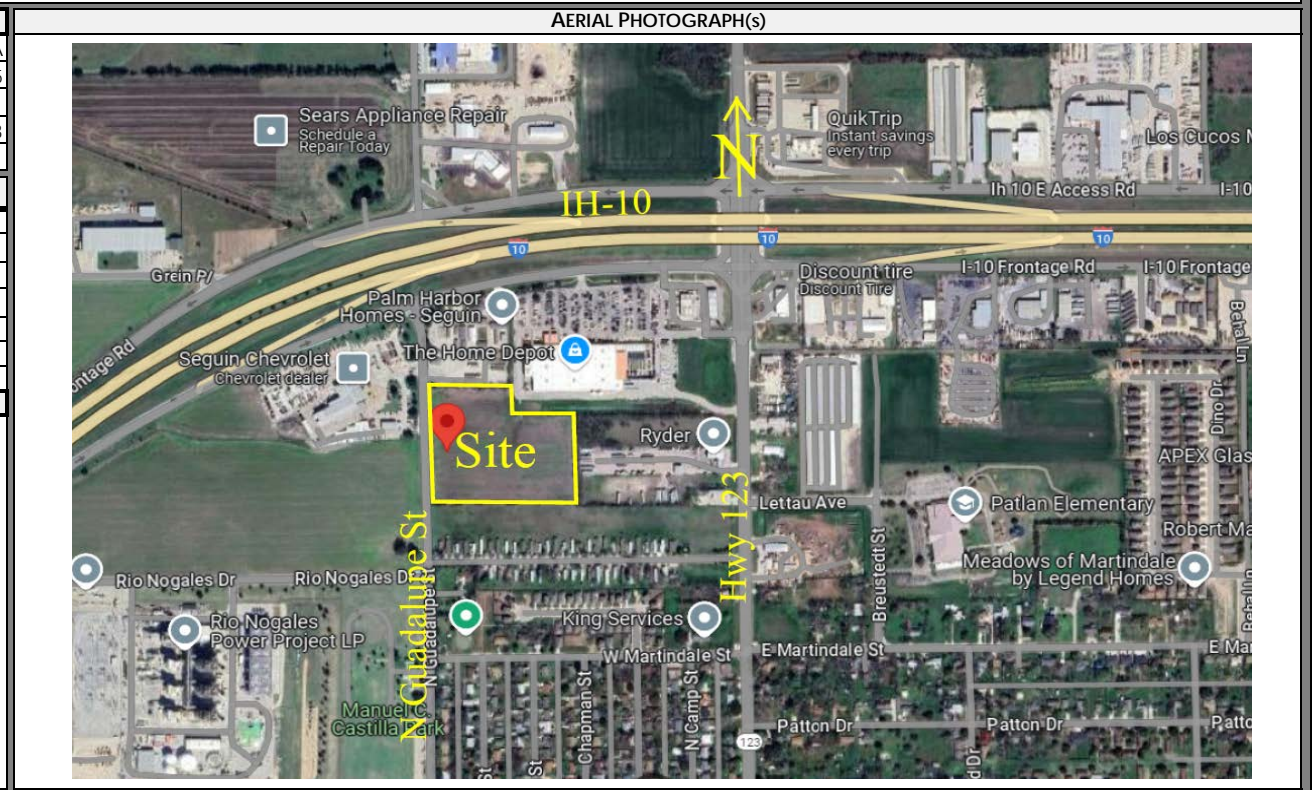
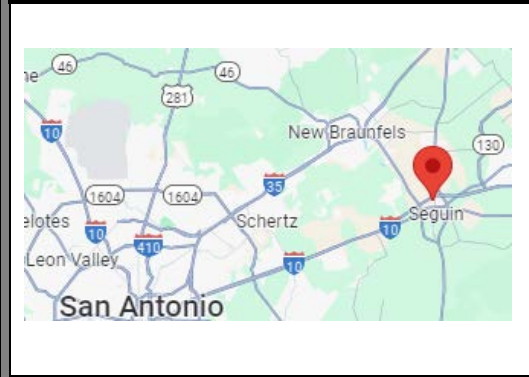
DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
NewPoint	17/40	5.83%	\$13,966,000	1.64	New Point-Below Market Int Rate-Direct Loa	0/0	0.00%	\$750,000	1.17	PNC	\$20,216,678
TDHCA MDL	17/40	2.00%	\$10,000,000	1.17	Rickhaus Design LLC - Forgivable Loan	40/0	6.00%	\$3,200,000	1.17	LDG Multifamily, LLC	\$4,468,281
TOTAL DEBT (Must Pay)			\$23,966,000		CASH FLOW DEBT / GRANTS			\$3,950,000		TOTAL EQUITY SOURCES	\$24,684,959
										TOTAL DEBT SOURCES	\$27,916,000
										TOTAL CAPITALIZATION	\$52,600,959

CONDITIONS

- Receipt and acceptance before Direct Loan Contract:
 - Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.
- Receipt and acceptance before Direct Loan Closing:
 - Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
 - Substantially final construction contract with Schedule of Values.
 - Updated term sheets with substantially final terms from all lenders.
 - Substantially final draft of limited partnership agreement.
 - Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

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.

BOND RESERVATION / ISSUER	
Issuer	TDHCA
Expiration Date	1/13/2025
Bond Amount	\$27,000,000
BRB Priority	Priority 3
% Financed with Tax-Exempt Bonds	54.8%
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	Located near shopping and community services.
▫	Low Gross Capture Rate
▫	Low Operating Expense Ratio
WEAKNESSES/RISKS	
▫	Interest rate risk
▫	Construction cost risk





DEVELOPMENT IDENTIFICATION

TDHCA Application #: 24606 Program(s): TDHCA Bonds/4% HTC/MDL

Walnut Springs

Address/Location: 2545 N. Guadalupe St.

City: Seguin County: Guadalupe Zip: 78155

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

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 9

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
MFDL Fully Amortized	\$10,000,000	2.00%	40	15.0 yrs	\$10,000,000	2.00%	40	17 yrs	2	36 mos	2
Private Activity Bonds (TDHCA Issuer Only)	\$35,000,000				\$27,000,000	5.83%	40	17 yrs	1	36 mos	1
LIHTC (4% Credit)	\$2,436,232				\$2,436,232						

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Final construction term will be noted in the loan documents.

CONDITIONS

- 1 Receipt and acceptance before Direct Loan Contract:
 - Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.
- 2 Receipt and acceptance before Direct Loan Closing:
 - a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
 - b: Substantially final construction contract with Schedule of Values.
 - c: Updated term sheets with substantially final terms from all lenders.
 - d: Substantially final draft of limited partnership agreement.
 - e: Senior loan documents and/or partnership documents must contain a provision that any stabilization rezoning on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.15 DCR.

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
50% of AMI	50% of AMI	13
60% of AMI	60% of AMI	151
70% of AMI	70% of AMI	13

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	13
60% of AMFI	High HOME	47

DEVELOPMENT SUMMARY

This new construction development will have a mix of 1, 2, 3 and 4 bedroom apartments serving 177 households at 50%, 60% and 70% AMI. Amenities will include a pool, playground, and meeting space.

RISK PROFILE

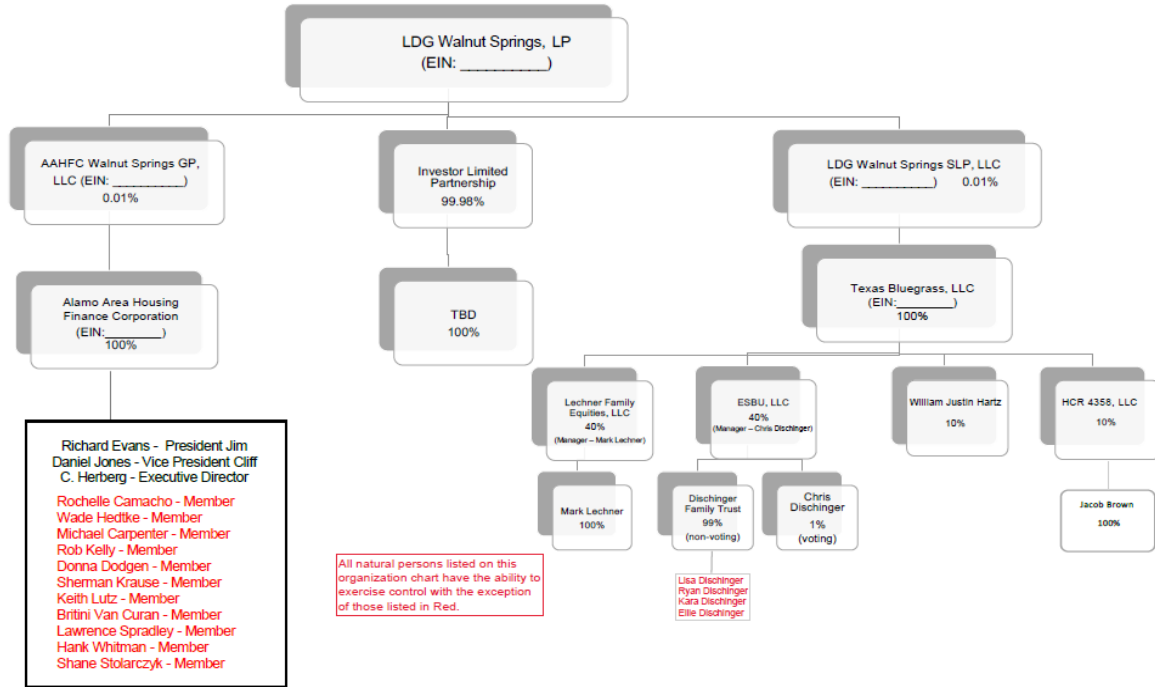
STRENGTHS/MITIGATING FACTORS	
▫	Located near shopping and community services.
▫	Low Gross Capture Rate
▫	Low Operating Expense Ratio

WEAKNESSES/RISKS	
▫	Interest rate risk
▫	Construction cost risk
▫	

DEVELOPMENT TEAM

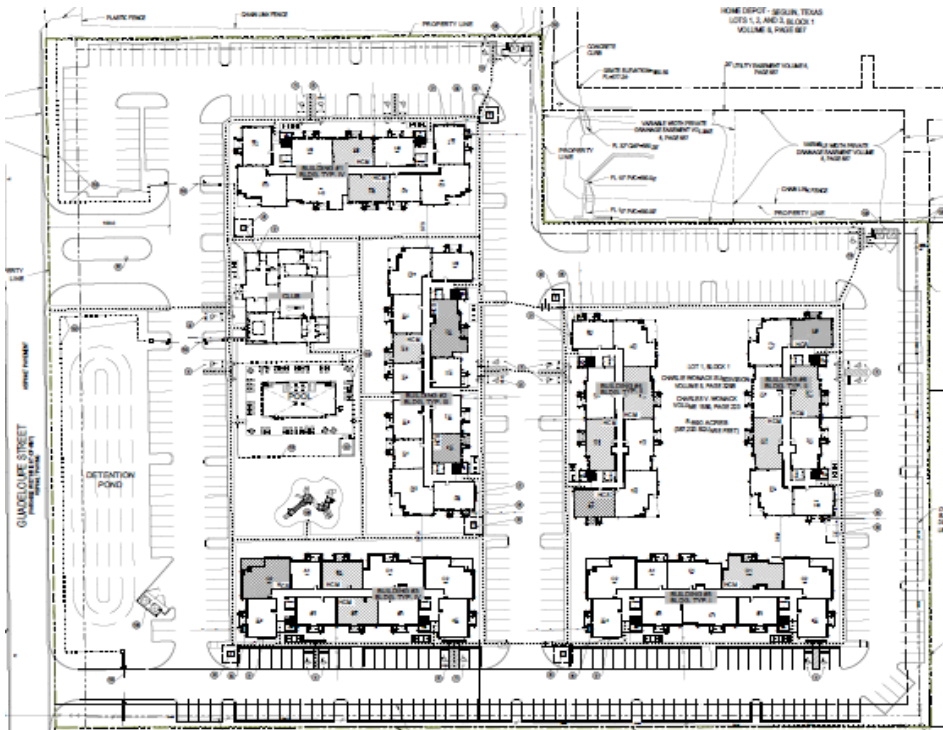
OWNERSHIP STRUCTURE

ORGANIZATIONAL CHART

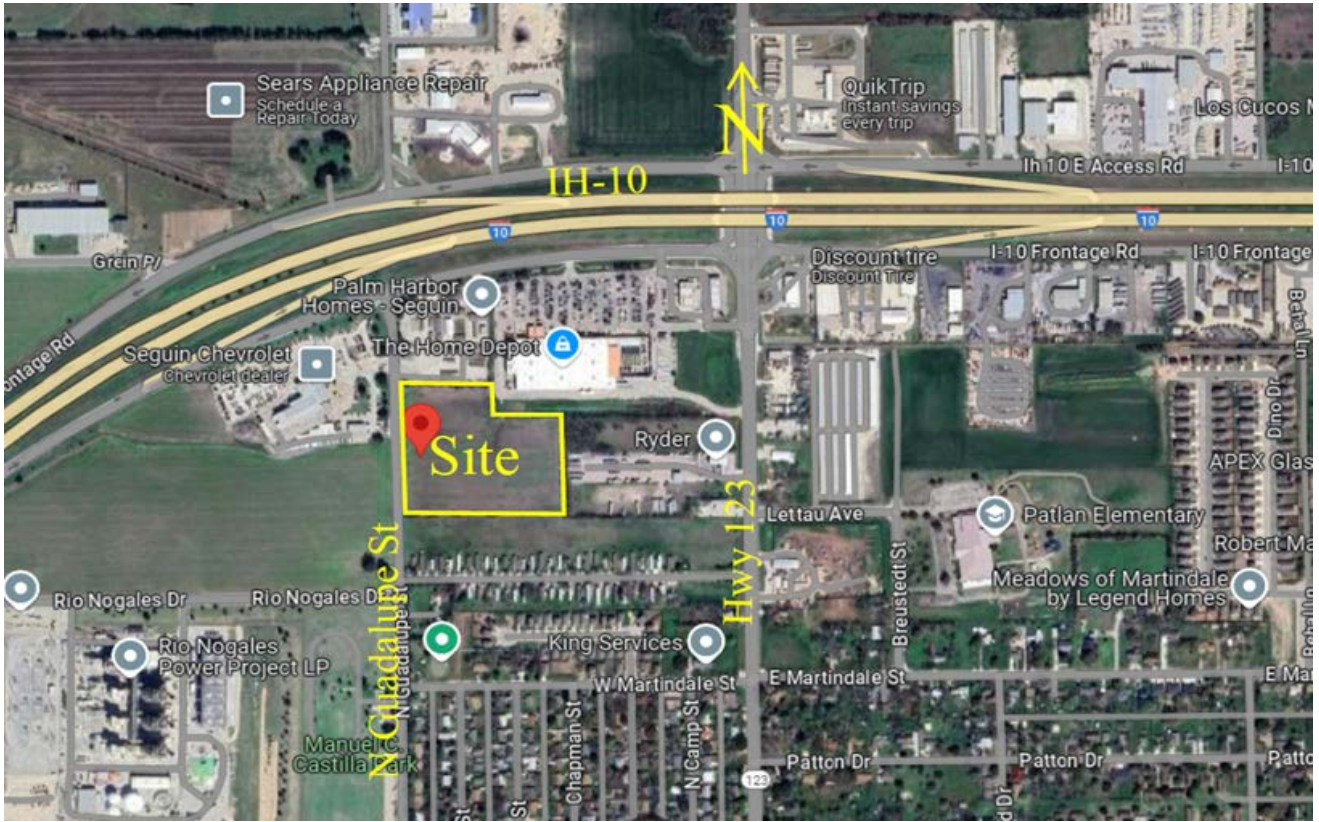


DEVELOPMENT SUMMARY

SITE PLAN



AERIAL



Comments:

Applicant will be providing 432 open surface parking spaces free of charge, which meets the City of Seguin's Code.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	I	II	III	IV													Total Buildings
Floors/Stories	3	3	3	3													6
Number of Bldgs	1	2	1	2													6
Units per Bldg	30	24	39	30													
Total Units	30	48	39	60													177
Avg. Unit Size (SF)		945 sf		Total NRA (SF)		167,181		Common Area (SF)*		33,503							

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 8.89 acres Density: 19.9 units/acre
Site Control: 9.12 **Site Plan:** 8.89 **Appraisal:** TBD **ESA:** 8.89
Feasibility Report Survey: 0 **Feasibility Report Engineer's Plan:** 8.89 **Existing LURA:** 0

Control Type: Commercial Contract-Unimproved Property

Development Site: 8.89 acres Cost: \$1,986,336 \$11,222 per unit

Seller: Charles Womack

Buyer: MBL Derbycity Development, LLC and/or Assigns

Related-Party Seller/Identity of Interest: No

Comments:
 Per Applicant, actual Site Control is 8.89 acres as reflected on the survey. Survey was completed after Site was under contract.

SITE INFORMATION

Flood Zone:	<u>X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>MF3</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>NA</u>	Title Issues?	<u>No</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 5/29/2024

- Recognized Environmental Conditions (RECs) and Other Concerns:
- Two major roads were identified within 1,000 feet from the subject property: Interstate Highway 10 and North Austin Street.
 - One major civil or military airport was identified within 15 miles from the subject property: Joint Base San Antonio - Seguin Auxiliary Field.

Comments:
 The calculated noise values fall within the range of 65-75 dB and are considered "Normally Unacceptable" based on the HUD guidelines. The results of the assessment found the greatest contributor of noise to the subject property is Interstate Highway 10, located just to the north. Noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development.

MARKET ANALYSIS

Provider: Apartment MarketData LLC

Date: 4/19/2024

Primary Market Area (PMA): 542 sq. miles 13 mile equivalent radius

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
Stabilized Affordable Developments in PMA					Total Units	512
					Total Developments	4
					Average Occupancy	97%

Comments:

20609 Pecan Grove, 198 units, is only comparable in PMA. It is completed and at 98% occupancy.

OVERALL DEMAND ANALYSIS				
		Market Analyst		
		HTC	Assisted	
Total Households in the Primary Market Area		36,314		
Potential Demand from the Primary Market Area		4,679		
10% External Demand		468		
GROSS DEMAND		5,147		
Subject Affordable Units		177		
Unstabilized Competitive Units		0		
RELEVANT SUPPLY		177		
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		3.4%		

Population:	General	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND					
AMGI Band	Market Analyst				
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
50% AMGI	988	99	13	0	1%
60% AMGI	2,564	256	151	0	5%
70% AMGI	1,126	113	13	0	1%

Demand Analysis:

Underwriter adjusted subject units by AMI and Unit Type for information provided in Applicant's last Rent Schedule.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

Unit Type	Market Analyst									
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
1 BR/50%	189	19	2	0	1%					
1 BR/60%	313	31	20	0	6%					
1 BR/70%	259	26	2	0	1%					
2 BR/50%	173	17	5	0	3%					
2 BR/60%	518	52	65	0	11%					
2 BR/70%	318	32	5	0	1%					
3 BR/50%	99	10	5	0	5%					
3 BR/60%	263	26	56	0	19%					
3 BR/70%	111	11	5	0	4%					
4 BR/50%	101	10	1	0	1%					
4 BR/60%	176	18	10	0	5%					
4 BR/70%	93	9	1	0	1%					

Market Analyst Comments:

The HISTA data suggests that the growth for new rental units will be 142 units per year. The calculated historical absorption for the PMA was 182 units annually since 2020. This site is located in an area in which the demand for "affordable" housing is strong. The site also has excellent linkages, and demand generators. The Market Analyst believes that there is a sufficient "income qualified" population, with significant demand, to support the proforma rents of the project. The level of tax credit rent being charged is 8% to 37% lower than the adjusted rents charged at market rate comparables within the PMA. The level of rent being charged is appropriate and achievable compared to other "affordable" projects within the PMA. (pp 15, 16)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$1,499,239	Avg. Rent:	\$1,187	Expense Ratio:	37.3%
Debt Service:	\$1,279,688	B/E Rent:	\$1,075	Controllable Expenses:	\$3,458
Net Cash Flow:	\$219,551	UW Occupancy:	92.5%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.17	B/E Occupancy:	84.0%	Program Rent Year:	2024

Underwriter and Applicant assumed 2024 LIHTC rents. Underwriter also assumed 2024 HOME rents whereas Applicant assumed that 2024 LIHTC rents were lower than 2024 low HOME rents which they are not. Therefore, the Underwriter adjusted rents lower \$7-10 for the lower of the 2024 50% AMI and Low HOME rents. Underwriter also used local comps for G&A and Utilities proforma operating expenses.

Applicant elected to use the Average Income for the Development which is 60%.

Alamo Area HFC (AAHFC) is the sole owner of the GP. They will own the land and Ground Lease it to the partnership with the expectation of a full property tax exemption. Without a full tax exemption, the Application would have a DCR of 0.99x and be considered infeasible.

The Lender signed a long-term pro forma that includes \$15k in annual expense for Supportive Services. Pursuant to §11.302(d)(2)(K), the estimated expenses underwritten at Application will be included in the DCR calculation at Cost Cert regardless if actually incurred.

As underwritten, 15 year residual cash flow is \$1.19M after deferred developer fee is paid in Year 13.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$223,435/ac	\$11,222/unit	\$1,986,336	Contractor Fee	\$3,817,940
Off-site + Site Work		\$22,966/unit	\$4,065,000	Soft Cost + Financing	\$10,952,701
Building Cost	\$141.95/sf	\$134,073/unit	\$23,731,000	Developer Fee	\$6,143,535
Contingency	6.13%	\$9,630/unit	\$1,704,447	Reserves	\$200,000
Total Development Cost	\$297,181/unit	\$52,600,959		Rehabilitation Cost	N/A

Qualified for 30% Basis Boost?	Located in OCT with < 20% HTC units/HH
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Building Cost:

Using Marshall & Swift's "Good Quality" base cost, building cost was underwritten at \$149/sf or \$141k/unit, which compares favorably to Applicant's budgeted cost of \$142/sf or \$134k/unit. The difference equates to a 5% variance.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$52,600,959	\$47,100,433	\$2,449,223

UNDERWRITTEN CAPITALIZATION

BOND RESERVATION			
Issuer	Amount	Reservation Date	Priority
TDHCA	\$27,000,000	7/17/2024	Priority 3
Closing Deadline			
1/13/2025			

Percent of Cost Financed by Tax-Exempt Bonds	54.8%
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INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
NewPoint	Tax Exempt Permanent	\$13,966,000	5.83%	28%
New Point	Tax Exempt LIHTC Bridge	\$13,034,000	6.28%	26%
TDHCA MDL	MFDL - TCAP	\$10,000,000	0.00%	20%
PNC	HTC	\$9,097,505	\$0.83	18%
Match	Direct Loan Match	\$0	0.00%	0%
Rickhaus Design LLC - Forgiveable Loan	Loan	\$3,200,000	6.00%	6%
		\$49,297,505	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
NewPoint	\$13,966,000	5.83%	40	17	\$13,966,000	5.83%	40	17	27%
TDHCA MDL	\$10,000,000	2.00%	40	17	\$10,000,000	2.00%	40	17	19%
New Point-Below Market Int Rate-Direct Loan Match	\$750,000	0.00%	0	0	\$750,000	0.00%	0	0	1%
Rickhaus Design LLC - Forgiveable Loan	\$3,200,000	6.00%	0	40	\$3,200,000	6.00%	0	40	6%
Total	\$27,916,000				\$27,916,000				

Comments:

Under the 2024-03 NOFA, the loan will be structured as a Construction to Permanent loan with a 2% interest rate and will be fully amortizing. No construction loan interest will be due on the MDL loan in the construction period. Rickhaus Design, an affiliate of the Applicant, will provide a forgivable loan to the Partnership of \$3.2M with no payments required during the term of the loan. The Match requirement is met by New Point loaning \$750k to the Partnership at a below market interest rate of 5.83% (market assumed at 7.46%) for a interest savings of \$16,230 monthly. Underwriter adjusted developer fee by \$750k to avoid "double counting" this \$750k source as this amount is also included in New Point's overall loan amount of \$13,966,000.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
PNC	\$20,324,481	\$0.83		\$20,216,678	\$0.83	38%	
LDG Multifamily, LLC	\$4,360,478		71%	\$4,468,281		8%	73%
Total	\$24,684,959			\$24,684,959			
				\$52,600,959	Total Sources		

Credit Price Sensitivity based on current capital structure	
\$1.013	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.781	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$52,600,959
Permanent Sources (debt + non-HTC equity)	\$27,916,000
Gap in Permanent Financing	\$24,684,959

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$20,324,478	\$2,449,223
Needed to Balance Sources & Uses	\$24,684,959	\$2,974,687
Requested by Applicant	\$20,216,678	\$2,436,232

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$20,216,678	\$2,436,232

Bonds	Amount
TDHCA	\$27,000,000

Deferred Developer Fee	\$4,468,281	(73% deferred)
Repayable in	13 years	

Recommendation:

Underwriter recommends Applicant's request for an annual allocation of \$2,436,232 in 4% Housing Tax Credits and \$35,000,000 in TDHCA issued Bonds.

Furthermore, Underwriter recommends a second lien Multifamily Direct Loan in the amount of \$10,000,000 at a 2.00% interest rate for a 17 year term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is \$363,391. The construction term is assumed at 36 months.

Underwriter: Eric Weiner

Manager of Real Estate Analysis: Gregg Kazak

Director of Real Estate Analysis: Jeanna Adams

STABILIZED PRO FORMA

Walnut Springs, Seguin, TDHCA Bonds/4% HTC/MDL #24606

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT				TDHCA				VARIANCE	
Database	Comp Properties		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.26	\$1,187	\$2,520,612	\$2,519,304	\$1,186	\$1.26		0.1%	\$1,308
Late, Pet, and Application Fees					\$30.00	\$63,720						
Total Secondary Income					\$30.00		\$63,720	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$2,584,332	\$2,583,024				0.1%	\$1,308
Vacancy & Collection Loss				7.5% PGI		(193,825)	(193,727)	7.5% PGI			0.1%	(98)
EFFECTIVE GROSS INCOME						\$2,390,507	\$2,389,297				0.1%	\$1,210

General & Administrative	\$102,748	\$580/Unit	\$84,588	\$478	3.59%	\$0.51	\$485	\$85,845	\$84,588	\$478	\$0.51	3.54%	1.5%	1,257
Management	\$81,764	3.6% EGI	\$84,005	\$475	2.50%	\$0.36	\$338	\$59,763	\$59,732	\$337	\$0.36	2.50%	0.1%	31
Payroll & Payroll Tax	\$243,988	\$1,378/Unit	\$287,779	\$1,626	10.37%	\$1.48	\$1,400	\$247,800	\$247,800	\$1,400	\$1.48	10.37%	0.0%	-
Repairs & Maintenance	\$141,309	\$798/Unit	\$126,352	\$714	5.55%	\$0.79	\$750	\$132,750	\$115,050	\$650	\$0.69	4.82%	15.4%	17,700
Electric/Gas	\$51,756	\$292/Unit	\$40,596	\$229	2.59%	\$0.37	\$350	\$62,000	\$40,596	\$229	\$0.24	1.70%	52.7%	21,404
Water, Sewer, & Trash	\$129,886	\$734/Unit	\$106,598	\$602	3.50%	\$0.50	\$472	\$83,600	\$106,598	\$602	\$0.64	4.46%	-21.6%	(22,998)
Property Insurance	\$115,945	\$0.69/sf	\$120,473	\$681	5.44%	\$0.78	\$735	\$130,095	\$130,095	\$735	\$0.78	5.44%	0.0%	-
Property Tax (@ 0%) 1.9521	\$146,992	\$830/Unit	\$87,314	\$493	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.85%	\$0.26	\$250	\$44,250	\$44,250	\$250	\$0.26	1.85%	0.0%	-
Supportive Services					0.63%	\$0.09	\$85	\$15,000	\$15,000	\$85	\$0.09	0.63%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.30%	\$0.04	\$40	\$7,080	\$7,080	\$40	\$0.04	0.30%	0.0%	-
TDHCA Bond Compliance Fee					0.19%	\$0.03	\$25	\$4,425	\$4,425	\$25	\$0.03	0.19%	0.0%	-
Bond Trustee Fees					0.19%	\$0.03	\$25	\$4,500	\$4,500	\$25	\$0.03	0.19%	0.0%	-
Security					0.59%	\$0.08	\$80	\$14,160	\$14,160	\$80	\$0.08	0.59%	0.0%	-
TOTAL EXPENSES					37.28%	\$5.33	\$5,035	\$891,268	\$873,874	\$4,937	\$5.23	36.57%	2.0%	\$ 17,394
NET OPERATING INCOME ("NOI")					62.72%	\$8.97	\$8,470	\$1,499,239	\$1,515,423	\$8,562	\$9.06	63.43%	-1.1%	\$ (16,184)

CONTROLLABLE EXPENSES		\$3,458/Unit		\$3,360/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Walnut Springs, Sequin, TDHCA Bonds/4% HTC/MDL #24606

DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
DEBT (Must Pay)	Fee	UW	App											DCR	LTC
NewPoint	0.10%	1.62	1.60	\$937,335	5.83%	40	17	\$13,966,000	\$13,966,000	17	40	5.83%	\$916,298	1.64	26.6%
TDHCA MDL		1.17	1.15	\$363,391	2.00%	40	17	\$10,000,000	\$10,000,000	17	40	2.00%	\$363,391	1.17	19.0%
CASH FLOW DEBT / GRANTS															
New Point-Below Market Int Rate-Direct Loan Match		1.17	1.15		0.00%	0	0	\$750,000	\$750,000	0	0	0.00%		1.17	1.4%
Rickhaus Design LLC - Forgiveable Loan		1.17	1.15		6.00%	0	40	\$3,200,000	\$3,200,000	40	0	6.00%		1.17	6.1%
				\$1,300,726	TOTAL DEBT / GRANT SOURCES			\$27,916,000	\$27,916,000	TOTAL DEBT SERVICE			\$1,279,688	1.17	53.1%
NET CASH FLOW		\$214,697	\$198,513			APPLICANT		NET OPERATING INCOME		\$1,499,239	\$219,551	NET CASH FLOW			

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													
PNC		LIHTC Equity	38.6%	\$2,436,232	\$0.83	\$20,324,481	\$20,216,678	\$0.83	\$2,436,232	38.4%	\$13,764	Applicant Request	
LDG Multifamily, LLC		Deferred Developer Fees	8.3%	(71% Deferred)		\$4,360,478	\$4,468,281	(73% Deferred)		8.5%		Total Developer Fee:	
Additional (Excess) Funds Req'd			0.0%			\$0	\$0			0.0%		\$6,143,535	
TOTAL EQUITY SOURCES			46.9%			\$24,684,959	\$24,684,959			46.9%			
TOTAL CAPITALIZATION						\$52,600,959	\$52,600,959					15-Yr Cash Flow after Deferred Fee:	\$1,190,311

DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
		Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$		
Acquisition	New Const. Rehab	New Const. Rehab	Acquisition										
Land Acquisition				\$11,222 / Unit	\$1,986,336	\$1,986,336	\$11,222 / Unit			0.0%	\$0		
Building Acquisition	\$0			\$ / Unit	\$0	\$0	\$ / Unit		\$0	0.0%	\$0		
Off-Sites		\$0		\$ / Unit	\$0	\$0	\$ / Unit	\$0		0.0%	\$0		
Site Work		\$3,540,000		\$20,000 / Unit	\$3,540,000	\$3,540,000	\$20,000 / Unit	\$3,540,000		0.0%	\$0		
Site Amenities		\$525,000		\$2,966 / Unit	\$525,000	\$525,000	\$2,966 / Unit	\$525,000		0.0%	\$0		
Building Cost		\$23,731,000	\$141.95 /sf	\$134,073/Unit	\$23,731,000	\$25,015,385	\$141,330/Unit	\$149.63 /sf	\$23,731,000	-5.1%	(\$1,284,385)		
Contingency		\$1,554,447	5.59%	6.13%	\$1,704,447	\$1,704,447	5.86%	5.59%	\$1,554,447	0.0%	\$0		
Contractor Fees		\$3,817,940	13.01%	12.94%	\$3,817,940	\$3,817,940	12.40%	13.01%	\$3,817,940	0.0%	\$0		
Soft Costs	\$0	\$3,745,772		\$21,163 / Unit	\$3,745,772	\$3,745,772	\$21,163 / Unit		\$3,745,772	\$0	\$0		
Financing	\$0	\$4,042,739		\$40,717 / Unit	\$7,206,929	\$7,206,929	\$40,717 / Unit		\$4,042,739	\$0	\$0		
Developer Fee	\$0	\$6,143,535	15.00%	14.95%	\$6,143,535	\$6,143,535	14.49%	15.00%	\$6,143,535	\$0	\$0		
Reserves				1 Months	\$200,000	\$200,000	1 Months			0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$47,100,433		\$297,181 / Unit	\$52,600,959	\$53,885,344	\$304,437 / Unit	\$47,100,433	\$0	-2.4%	(\$1,284,385)	
Acquisition Cost	\$0				\$0								
Contingency		\$0			\$0								
Contractor's Fee		\$0			\$0								
Financing Cost		\$0			\$0								
Developer Fee	\$0	(\$0)	15.00%		\$0								
Reserves					\$0								
ADJUSTED BASIS / COST		\$0	\$47,100,433		\$297,181/unit	\$52,600,959	\$53,885,344	\$304,437/unit	\$47,100,433	\$0	-2.4%	(\$1,284,385)	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$52,600,959							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Walnut Springs, Seguin, TDHCA Bonds/4% HTC/MDL #24606

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$47,100,433	\$0	\$47,100,433
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$47,100,433	\$0	\$47,100,433
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$61,230,563	\$0	\$61,230,563
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$61,230,563	\$0	\$61,230,563
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,449,223	\$0	\$2,449,223
CREDITS ON QUALIFIED BASIS	\$2,449,223		\$2,449,223	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.8298	Credits	Proceeds
Eligible Basis	\$2,449,223	\$20,324,478	----	----	----
Needed to Fill Gap	\$2,974,687	\$24,684,959	----	----	----
Applicant Request	\$2,436,232	\$20,216,678	\$2,436,232	\$0	\$0

50% Test for Bond Financing for 4% Tax Credits				
Tax-Exempt Bond Amount	\$		Applicant	TDHCA
		27,000,000		
Land Cost	\$	1,986,336	\$1,986,336	\$1,986,336
Depreciable Bldg Cost **	\$	47,250,433	\$47,250,433	\$48,534,818
Aggregate Basis for 50% Test	\$	49,236,769	\$49,236,769	\$50,521,154
Percent Financed by Tax-Exempt Bond		54.84%	54.84%	53.44%

**Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	167,181 SF	\$122.18	20,426,958
Adjustments				
Exterior Wall Finish	2.40%		2.93	\$490,247
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.30%		4.03	674,090
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(35,665)
Floor Cover			11.06	1,848,437
Breezeways	\$39.84	26,413	6.30	1,052,406
Balconies	\$39.95	13,497	3.23	539,205
Plumbing Fixtures	\$2,130	459	5.85	977,670
Rough-ins	\$790	354	1.67	279,660
Built-In Appliances	\$3,675	177	3.89	650,475
Exterior Stairs	\$3,550	24	0.51	85,200
Heating/Cooling			3.12	521,605
Storage Space	\$39.84	9,321	2.22	371,388
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$130.25	5,515	4.30	718,336
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	208,430	4.55	760,770
SUBTOTAL			175.62	29,360,781
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			175.62	\$29,360,781
Plans, specs, survey, bldg permits	3.30%		(5.80)	(\$968,906)
Contractor's OH & Profit	11.50%		(20.20)	(3,376,490)
NET BUILDING COSTS		\$141,330/unit	\$149.63/sf	\$25,015,385

Long-Term Pro Forma

Walnut Springs, Seguin, TDHCA Bonds/4% HTC/MDL #24606

Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 25	Year 30	Year 35	Year 40	
POTENTIAL GROSS INCOME	\$2,584,332	\$2,636,019	\$2,688,739	\$2,742,514	\$2,797,364	\$3,088,516	\$3,409,971	\$3,478,171	\$3,547,734	\$3,618,689	\$3,691,062	\$3,764,884	\$4,156,736	\$4,589,372	\$5,067,038	\$5,594,419	
Vacancy & Collection Loss	(\$193,825)	(\$197,701)	(\$201,655)	(\$205,689)	(\$209,802)	(\$231,639)	(\$255,748)	(\$260,863)	(\$266,080)	(\$271,402)	(\$276,830)	(\$282,366)	(\$311,755)	(\$344,203)	(\$380,028)	(\$419,581)	
EFFECTIVE GROSS INCOME	2.00%	\$2,390,507	\$2,438,317	\$2,487,084	\$2,536,825	\$2,587,562	\$2,856,877	\$3,154,223	\$3,217,308	\$3,281,654	\$3,347,287	\$3,414,233	\$3,482,517	\$3,844,981	\$4,245,169	\$4,687,010	\$5,174,838
TOTAL EXPENSES	3.00%	\$891,268	\$917,408	\$944,321	\$972,029	\$1,000,556	\$1,156,348	\$1,336,582	\$1,375,891	\$1,416,363	\$1,458,034	\$1,500,938	\$1,545,112	\$1,786,403	\$2,065,626	\$2,388,769	\$2,762,770
NET OPERATING INCOME ("NOI")		\$1,499,239	\$1,520,909	\$1,542,763	\$1,564,796	\$1,587,006	\$1,700,530	\$1,817,641	\$1,841,417	\$1,865,291	\$1,889,253	\$1,913,295	\$1,937,405	\$2,058,577	\$2,179,544	\$2,298,241	\$2,412,067
EXPENSE/INCOME RATIO		37.3%	37.6%	38.0%	38.3%	38.7%	40.5%	42.4%	42.8%	43.2%	43.6%	44.0%	44.4%	46.5%	48.7%	51.0%	53.4%
MUST -PAY DEBT SERVICE																	
NewPoint	\$916,298	\$916,207	\$916,111	\$916,009	\$915,902	\$915,258	\$914,397	\$914,193	\$913,976	\$913,747	\$913,503	\$913,246	\$911,706	\$909,646	\$906,891	\$903,206	
TDHCA MDL	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	\$363,391	
TOTAL DEBT SERVICE	\$1,279,688	\$1,279,598	\$1,279,502	\$1,279,400	\$1,279,292	\$1,278,649	\$1,277,788	\$1,277,584	\$1,277,367	\$1,277,137	\$1,276,894	\$1,276,636	\$1,275,096	\$1,273,037	\$1,270,282	\$1,266,597	
DEBT COVERAGE RATIO	1.17	1.19	1.21	1.22	1.24	1.33	1.42	1.44	1.46	1.48	1.50	1.52	1.61	1.71	1.81	1.90	
ANNUAL CASH FLOW																	
Deferred Developer Fee Balance	\$4,248,730	\$4,007,419	\$3,744,159	\$3,458,762	\$3,151,049	\$1,271,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUMULATIVE NET CASH FLOW	\$0	\$0	\$0	\$0	\$0	\$0	\$1,190,311	\$1,754,144	\$2,342,068	\$2,954,184	\$3,590,585	\$4,251,353	\$7,922,883	\$12,209,586	\$17,107,543	\$22,601,993	