

24084 Andover Village Apartments (f/k/a Nunn Village Apartments) -

REAL ESTATE ANALYSIS DIVISION
July 17, 2024

PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPALS / SPONSOR				
Application #	24084	TDHCA Program	Request	Recommended			Donna Rickenbacker / DWR Development Group, LLC Alyssa Carpenter / Consultant				
Development	Andover Village Apartments (f/k/a Nunn Village Apartments)	LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$16,667/Unit	\$0.90					
City / County	Houston / Harris										
Region/Area	6 / Urban										
Population	General										
Set-Aside	General										
Activity	New Construction						Related Parties	Contractor -	TBD	Seller -	No

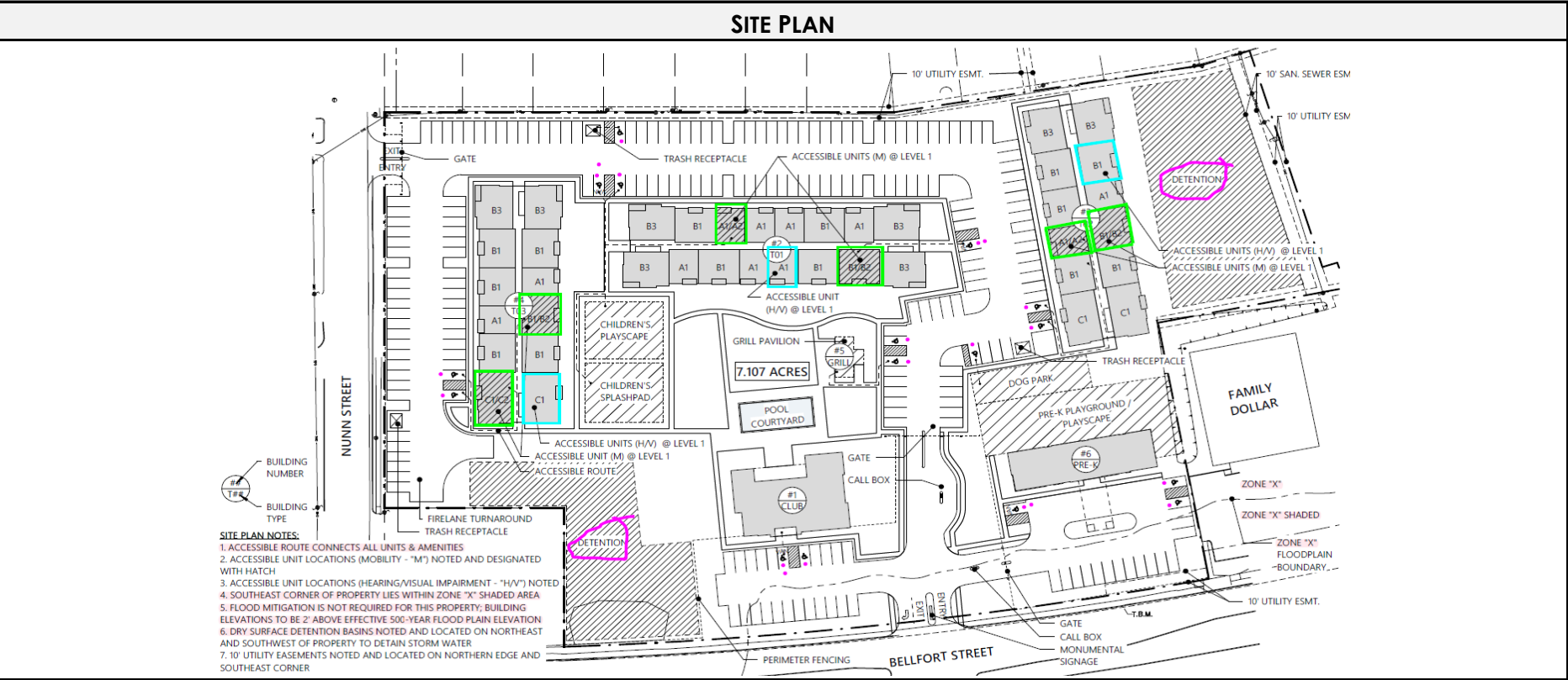


UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	33	28%	30%	10	8%
2	75	63%	40%	-	0%
3	12	10%	50%	40	33%
4	-	0%	60%	48	40%
			70%	-	0%
			80%	-	0%
			MR	22	18%
TOTAL	120	100%	TOTAL	120	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	45.1%
Breakeven Occ.	85.9%	Breakeven Rent	\$1,015
Average Rent	\$1,095	B/E Rent Margin	\$81
Property Taxes	\$906/unit	Exemption/PILOT	0%
Total Expense	\$5,635/unit	Controllable	\$3,063/unit

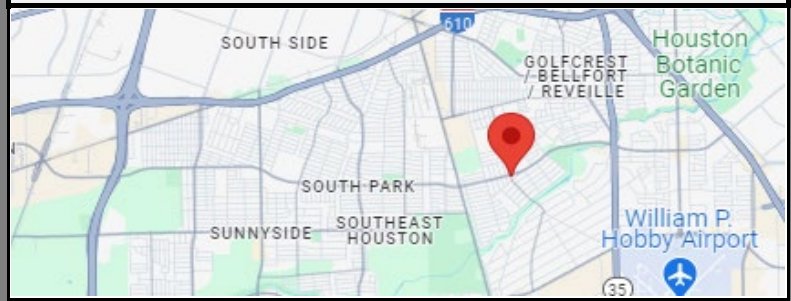
MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			1.1%
Highest Unit Capture Rate	6%	2 BR/60%	30
Dominant Unit Cap. Rate	6%	2 BR/60%	30
Premiums (↑80% Rents)	Yes		\$4/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	948 SF	Density	16.9/acre
Acquisition		\$25K/unit	\$3,000K
Building Cost	\$150.82/SF	\$143K/unit	\$17,164K
Hard Cost		\$167K/unit	\$20,057K
Total Cost		\$274K/unit	\$32,891K
Developer Fee	\$3,781K	(49% Deferred)	Paid Year: 12
Contractor Fee	\$2,363K	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									
Amegy	18/40	6.61%	\$10,048,014	1.15	City of Houston	0/0	0.00%	\$500	1.15	NEF	\$17,998,200									
										DWR Development Group, LLC	\$1,844,504									
										TOTAL EQUITY SOURCES										\$19,842,704
										TOTAL DEBT SOURCES										\$13,048,514
										TOTAL CAPITALIZATION										\$32,891,218
TOTAL DEBT (Must Pay)			\$10,048,014		CASH FLOW DEBT / GRANTS			\$3,000,500												

CONDITIONS	
1 Receipt and acceptance by Carryover: <ul style="list-style-type: none">- Formal approval for \$3,000,000 loan from Amegy clearly stating all terms, conditions and source of funding.	
2 Receipt and acceptance by Cost Certification: <ul style="list-style-type: none">- Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.- Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.	
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
▫	Low Gross Capture Rate
WEAKNESSES/RISKS	
▫	1.15 DCR and low insurance estimate
AREA MAP	
	

AERIAL PHOTOGRAPH(s)	
	



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24084** Program(s): **9% HTC**

Andover Village Apartments (f/k/a Nunn Village Apartments)

Address/Location: 6901 Bellfort Avenue

City: Houston County: Harris Zip: 77087

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

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 6

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

- 1 Receipt and acceptance by Carryover:
 - Formal approval for \$3,000,000 loan from Amegy clearly stating all terms, conditions and source of funding.
- 2 Receipt and acceptance by Cost Certification:
 - Certification that subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
 - Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.
 - 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	10
50% of AMI	50% of AMI	40
60% of AMI	60% of AMI	48

DEVELOPMENT SUMMARY

Andover Village Apartments (f/k/a Nunn Village Apartments) is a proposed apartment community that will consist of 120-total units and is intended to serve individuals and families earning between 30%-60% of the area median income with some units at Market Rate. Andover Village Apartments will be located in Houston, TX (Region 6-Urban). There are no affordable housing units serving individuals and families in the census tract or any of the adjacent census tracts.

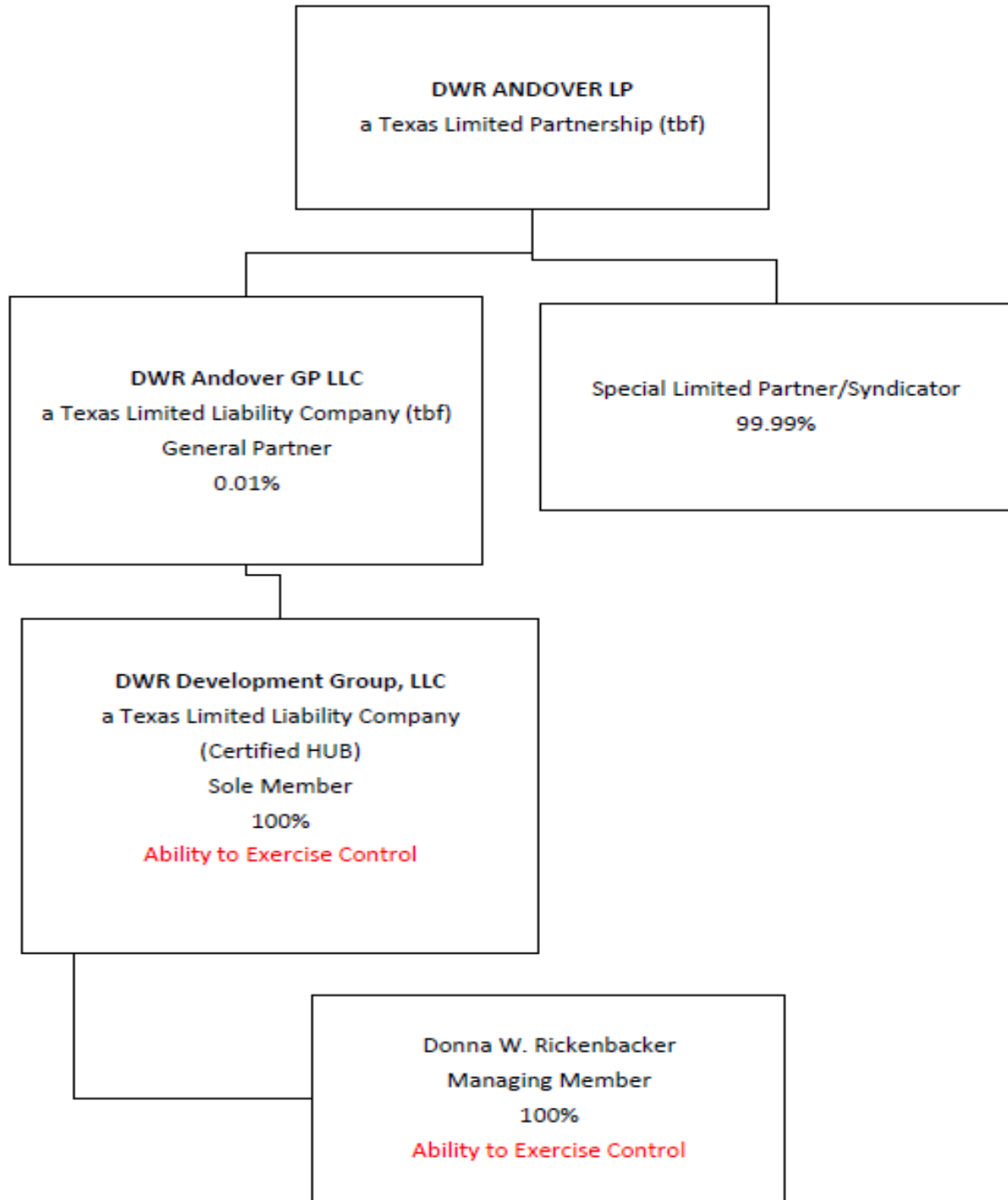
RISK PROFILE

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

WEAKNESSES/RISKS	
▫	1.15 DCR and low insurance estimate
▫	

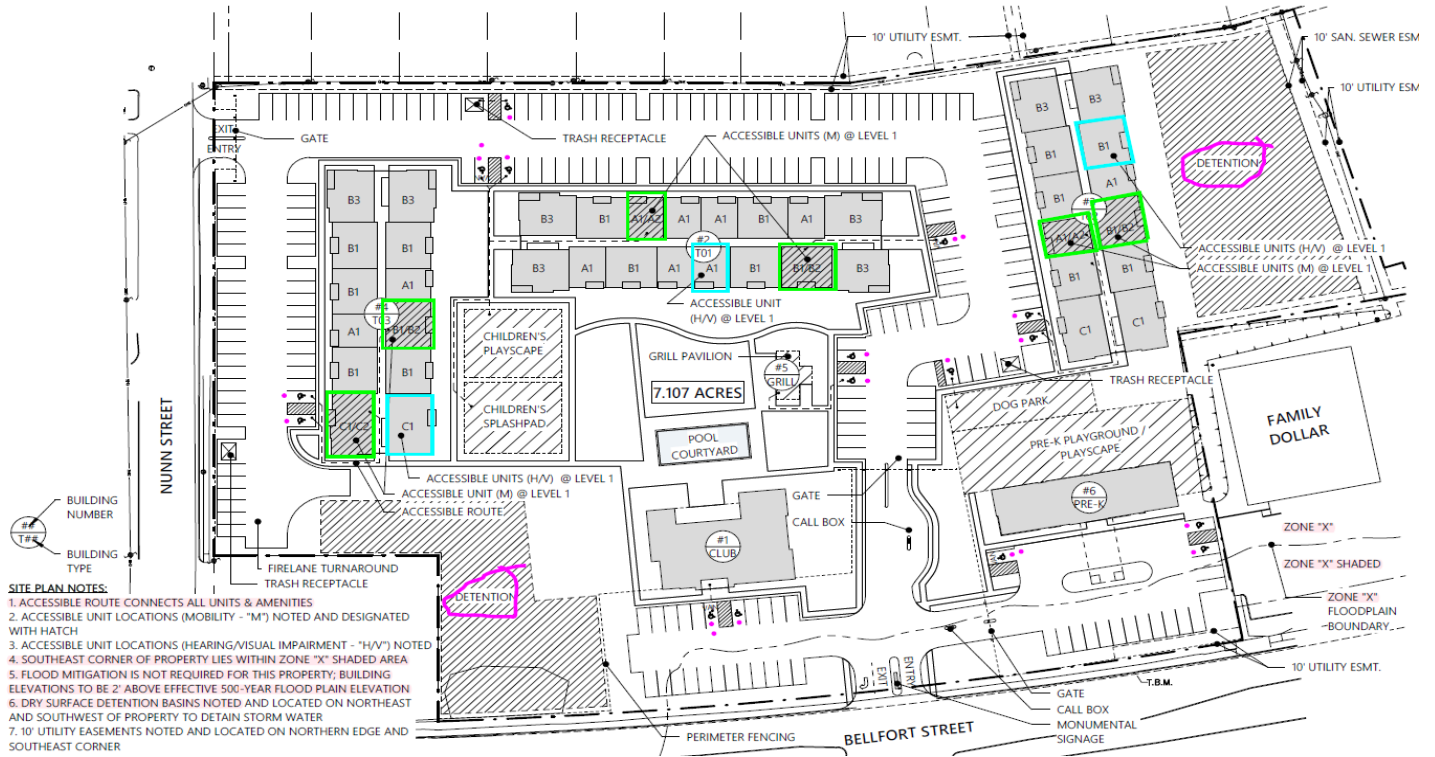
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

193 parking spaces are required and 193 parking spaces are provided.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	T01	T02	T03										Total Buildings
Floors/Stories	3	3	3										
Number of Bldgs	1	1	1										
Units per Bldg	48	36	36										
Total Units	48	36	36										120
Avg. Unit Size (SF)	948 sf			Total NRA (SF)				113,802	Common Area (SF)*				19,712

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO	
-------------------	--

Site Acreage:	Development Site:	7.11	acres	Density:	16.9	units/acre
	Site Control:	7.107	Site Plan:	7.107	Appraisal:	N/A
				ESA:	7.107	
	Feasibility Report Survey:	7.107	Feasibility Report Engineer's Plan:	7.107	Existing LURA:	N/A

Control Type: Commercial Contract - Unimproved Property

Development Site: 7.11 acres Cost: \$3,000,000 \$25,000 per unit

Seller: Bellfort Plaza Corporation

Buyer: DWR Development Group, LLC

Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	Zone X (Shaded & Unshaded)	Scattered Site?	No
Zoning:	Houston-No Zoning	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:
Vacant Land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 1/9/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- Indication of likely impact to the subject property from documented petroleum product release and/or undocumented hazardous substance and/or petroleum product releases from gasoline filling/service stations, gasoline filling station and/or tire and automotive repair shop operations conducted at a south adjoining property.
- Indication of likely impact to the subject property from undocumented hazardous substance and/or petroleum product releases from gasoline filling/service station and gasoline filling station operations conducted at a south adjoining property.
- Indication of likely impact to the subject property from undocumented hazardous substance and/or petroleum product releases from dry cleaner operations conducted at a south adjoining property.

Comments:

A Phase II Environmental Site Assessment with a Tier II Vapor Encroachment Screening is recommended to investigate the potential environmental impact due to the identified recognized environmental conditions.

Additional analysis revealed that sound mitigation will not be required for noise sensitive land uses that are beyond a threshold distance from Belfort Ave and Nunn Street that can be found delineated on the NAL map, as this area has "Acceptable" noise levels at-or-below 65 dB. Noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations closest to the roadway.

MARKET ANALYSIS

Provider: ARAIZA APPRAISAL & CONSULTING

Date: 3/8/2024

Primary Market Area (PMA): 20 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
22445	Sunset Gardens	yes	Acquisition/Rehab, No Federal	General	n/a	330
22951	Telephone Road Elderly	yes	Acquisition/Rehab	Elderly	N/A	0
Stabilized Affordable Developments in PMA				Total Units	2,337	
				Total Developments	13	
				Average Occupancy	96%	

Comments:

TDHCA#23481 is south of the subject PMA. Drawing an EMA was not possible since no market study has been imaged for the development. However, including the entire project in the subject PMA results in a capture of 4.54%.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	31,380			
Potential Demand from the Primary Market Area	8,338			
10% External Demand	834			
GROSS DEMAND	9,172			
Subject Affordable Units	98			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	98			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.1%			
Population:	General	Market Area:	Urban	Maximum Gross Capture Rate: 10%

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	2,480	248	10	0	0%				
50% AMGI	2,687	269	40	0	1%				
60% AMGI	3,171	317	48	0	1%				

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE									
Unit Type	Market Analyst								
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate				
1 BR/30%	646	65	3	0	0%				
1 BR/50%	622	62	12	0	2%				
1 BR/60%	473	47	13	0	2%				
2 BR/30%	524	52	6	0	1%				
2 BR/50%	649	65	24	0	3%				
2 BR/60%	433	43	30	0	6%				
3 BR/30%	831	83	1	0	0%				
3 BR/50%	888	89	4	0	0%				
3 BR/60%	555	56	5	0	1%				

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$822,700	Avg. Rent:	\$1,095	Expense Ratio:	45.1%
Debt Service:	\$715,391	B/E Rent:	\$1,015	Controllable Expenses:	\$3,063
Net Cash Flow:	\$107,309	UW Occupancy:	92.5%	Property Taxes/Unit:	\$906
Aggregate DCR:	1.150000012	B/E Occupancy:	85.9%	Program Rent Year:	2023

17 market units are underwritten at Applicant's assumption of \$10-\$117 less than market analyst determined market rents, with a \$281-\$389 premium over gross 60% HTC rents.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$422,119/ac	\$25,000/unit	\$3,000,000	Contractor Fee	\$2,363,490
Off-site + Site Work		\$15,954/unit	\$1,914,500	Soft Cost + Financing	\$2,499,177
Building Cost	\$150.82/sf	\$143,032/unit	\$17,163,845	Developer Fee	\$3,780,642
Contingency	5.00%	\$8,156/unit	\$978,671	Reserves	\$695,818
Total Development Cost		\$274,093/unit	\$32,891,218	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		Located in QCT with < 20% HTC units/HH			

Building Cost:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$32,891,218	\$27,433,316	\$2,611,881

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Amegy	Construction Loan	\$19,000,000	7.80%	63%
NEF	HTC	\$6,299,370	\$0.90	21%
DWR Development Group, LLC	Deferred Fee	\$1,902,141	0.00%	6%
		\$30,201,511	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Amegy	\$10,048,014	6.61%	40	18.0	\$10,048,014	6.61%	40	18.0	31%
City of Houston	\$500	Fee Waiver			\$500	Fee Waiver			0%
Total	\$13,048,514				\$13,048,514				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
NEF	\$17,998,200	\$0.90		\$17,998,200	\$0.90	55%	
DWR Development Group, LLC	\$1,844,504		49%	\$1,844,504		6%	49%
	Total	\$19,842,704		\$19,842,704			
				\$32,891,218	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.992	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.858	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$32,891,218
Permanent Sources (debt + non-HTC equity)	\$13,048,514
Gap in Permanent Financing	\$19,842,704

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$23,504,579	\$2,611,881
Needed to Balance Sources & Uses	\$19,842,704	\$2,204,965
Requested by Applicant	\$17,998,200	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$17,998,200	\$2,000,000

Deferred Developer Fee	\$1,844,504	(49% deferred)
Repayable in	12 years	

Recommendation:

Underwriter recommends an annual 9% HTC allocation of \$2,000,000 as requested by the Applicant

Underwriter:	Beau Fannon
Manager of Real Estate Analysis:	Diamond Unique Thompson
Director of Real Estate Analysis:	Jeanna Adams

UNIT MIX/RENT SCHEDULE	
Andover Village Apartments (f/k/a Nunn Village Apartments), Houston, 9% HTC #24084	

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	\$93,200
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	33	27.5%	0	0	0	0
2	75	62.5%	0	0	0	0
3	12	10.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	120	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	81.37%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	948 sf

53%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	10	-	40	48	-	-	22	120
Income	% Total	0.0%	8.3%	0.0%	33.3%	40.0%	0.0%	0.0%	18.3%	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%	\$524	3	1	1	680	\$524	\$65	\$459	\$0	\$0.68	\$459	\$1,377	\$1,377	\$459	\$0.68	\$0	\$1,330	\$1.96
TC 50%	\$874	12	1	1	680	\$874	\$65	\$809	\$0	\$1.19	\$809	\$9,708	\$9,708	\$809	\$1.19	\$0	\$1,330	\$1.96
TC 60%	\$1,049	13	1	1	680	\$1,049	\$65	\$984	\$0	\$1.45	\$984	\$12,792	\$12,792	\$984	\$1.45	\$0	\$1,330	\$1.96
MR		5	1	1	680	\$0	\$65		NA	\$1.96	\$1,330	\$6,650	\$6,650	\$1,330	\$1.96	NA	\$1,330	\$1.96
TC 30%	\$629	4	2	2	970	\$629	\$86	\$543	\$0	\$0.56	\$543	\$2,172	\$2,172	\$543	\$0.56	\$0	\$1,596	\$1.65
TC 50%	\$1,048	16	2	2	970	\$1,048	\$86	\$962	\$0	\$0.99	\$962	\$15,392	\$15,392	\$962	\$0.99	\$0	\$1,596	\$1.65
TC 60%	\$1,258	21	2	2	970	\$1,258	\$86	\$1,172	\$0	\$1.21	\$1,172	\$24,612	\$24,612	\$1,172	\$1.21	\$0	\$1,596	\$1.65
MR		10	2	2	970	\$0	\$86		NA	\$1.65	\$1,596	\$15,960	\$15,960	\$1,596	\$1.65	NA	\$1,596	\$1.65
TC 30%	\$629	2	2	2	1,114	\$629	\$86	\$543	\$0	\$0.49	\$543	\$1,086	\$1,086	\$543	\$0.49	\$0	\$1,596	\$1.43
TC 50%	\$1,048	8	2	2	1,114	\$1,048	\$86	\$962	\$0	\$0.86	\$962	\$7,696	\$7,696	\$962	\$0.86	\$0	\$1,596	\$1.43
TC 60%	\$1,258	9	2	2	1,114	\$1,258	\$86	\$1,172	\$0	\$1.05	\$1,172	\$10,548	\$10,548	\$1,172	\$1.05	\$0	\$1,596	\$1.43
MR		5	2	2	1,114	\$0	\$86		NA	\$1.43	\$1,596	\$7,980	\$7,980	\$1,596	\$1.43	NA	\$1,596	\$1.43
TC 30%	\$727	1	3	2	1,263	\$727	\$106	\$621	\$0	\$0.49	\$621	\$621	\$621	\$621	\$0.49	\$0	\$1,843	\$1.46
TC 50%	\$1,211	4	3	2	1,263	\$1,211	\$106	\$1,105	\$0	\$0.87	\$1,105	\$4,420	\$4,420	\$1,105	\$0.87	\$0	\$1,843	\$1.46
TC 60%	\$1,454	5	3	2	1,263	\$1,454	\$106	\$1,348	\$0	\$1.07	\$1,348	\$6,740	\$6,740	\$1,348	\$1.07	\$0	\$1,843	\$1.46
MR		2	3	2	1,263	\$0	\$106		NA	\$1.46	\$1,843	\$3,686	\$3,686	\$1,843	\$1.46	NA	\$1,843	\$1.46
TOTALS/AVERAGES:		120			113,802				\$0	\$1.15	\$1,095	\$131,440	\$131,440	\$1,095	\$1.15	\$0	\$1,548	\$1.63

ANNUAL POTENTIAL GROSS RENT:	\$1,577,280	\$1,577,280
------------------------------	-------------	-------------

*MFDL units float among Unit Types

STABILIZED PRO FORMA
<i>Andover Village Apartments (f/k/a Nunn Village Apartments), Houston, 9% HTC #24084</i>

	STABILIZED FIRST YEAR PRO FORMA												
	COMPARABLES			APPLICANT				TDHCA				VARIANCE	
	Database	Harris County Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$1.15	\$1,095	\$1,577,280	\$1,577,280	\$1,095	\$1.15		0.0%	\$0
late fees, app fees & retained deposits						\$30.00	\$43,200						
Total Secondary Income					\$30.00		\$43,200	\$30.00			0.0%	\$0	
POTENTIAL GROSS INCOME						\$1,620,480	\$1,620,480			0.0%	\$0		
Vacancy & Collection Loss					7.5% PGI	(121,536)	(121,536)	7.5% PGI			0.0%	-	
TDHCA HOME ARP COCA						-	-			0.0%	-		
EFFECTIVE GROSS INCOME						\$1,498,944	\$1,498,944			0.0%	\$0		

General & Administrative	\$66,851	\$557/Unit	\$49,419	\$412	2.82%	\$0.37	\$352	\$42,240	\$49,419	\$412	\$0.43	3.30%	-14.5%	(7,179)
Management	\$61,953	3.5% EGI	\$59,415	\$495	4.00%	\$0.53	\$500	\$59,958	\$59,958	\$500	\$0.53	4.00%	0.0%	-
Payroll & Payroll Tax	\$177,638	\$1,480/Unit	\$212,916	\$1,774	10.21%	\$1.34	\$1,275	\$153,012	\$152,718	\$1,273	\$1.34	10.19%	0.2%	294
Repairs & Maintenance	\$94,865	\$791/Unit	\$142,876	\$1,191	5.01%	\$0.66	\$625	\$75,033	\$78,000	\$650	\$0.69	5.20%	-3.8%	(2,967)
Electric/Gas	\$38,514	\$321/Unit	\$17,130	\$143	1.48%	\$0.20	\$185	\$22,200	\$17,130	\$143	\$0.15	1.14%	29.6%	5,070
Water, Sewer, & Trash	\$92,326	\$769/Unit	\$121,960	\$1,016	5.00%	\$0.66	\$625	\$75,015	\$92,326	\$769	\$0.81	6.16%	-18.8%	(17,311)
Property Insurance	\$97,894	\$0.86 /sf	\$136,249	\$1,135	6.68%	\$0.88	\$835	\$100,146	\$100,146	\$835	\$0.88	6.68%	0.0%	-
Property Tax (@ 100%) 2.1403	\$119,099	\$992/Unit	\$125,789	\$1,048	7.25%	\$0.96	\$906	\$108,720	\$108,720	\$906	\$0.96	7.25%	0.0%	-
Reserve for Replacements					2.40%	\$0.32	\$300	\$36,000	\$30,000	\$250	\$0.26	2.00%	20.0%	6,000
TDHCA Compliance fees (\$40/HTC unit)					0.26%	\$0.03	\$33	\$3,920	\$3,920	\$33	\$0.03	0.26%	0.0%	-
TOTAL EXPENSES					45.11%	\$5.94	\$5,635	\$676,244	\$692,337	\$5,769	\$6.08	46.19%	-2.3%	\$ (16,093)
NET OPERATING INCOME ("NOI")					54.89%	\$7.23	\$6,856	\$822,700	\$806,607	\$6,722	\$7.09	53.81%	2.0%	\$ 16,093

CONTROLLABLE EXPENSES		\$3,063/Unit		\$3,247/Unit	
-----------------------	--	--------------	--	--------------	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Andover Village Apartments (f/k/a Nunn Village Apartments), Houston, 9% HTC #24084

		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	
UW	App	DCR	LTC												
DEBT (Must Pay)	Fee	1.13	1.15	715,391	6.61%	40	18.0	\$10,048,014	\$10,048,014	18.0	40.0	6.61%	\$715,391	1.15	30.5%
CASH FLOW DEBT / GRANTS															
City of Houston		1.13	1.15		0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%		1.15	0.0%
Amegy		1.13	1.15		1.00%	0	40.0	\$3,000,000	\$3,000,000	40.0	0.0	1.00%		1.15	9.1%
				\$715,391	TOTAL DEBT / GRANT SOURCES			\$13,048,514	\$13,048,514	TOTAL DEBT SERVICE			\$715,391	1.15	39.7%
NET CASH FLOW		\$91,216	\$107,309	APPLICANT NET OPERATING INCOME \$822,700 \$107,309 NET CASH FLOW											

EQUITY / DEFERRED FEES	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
NEF	LIHTC Equity	54.7%	\$2,000,000	\$0.90	\$17,998,200	\$17,998,200	\$0.8999	\$2,000,000	54.7%	\$16,667	Applicant Request
DWR Development Group, LLC	Deferred Developer Fees	5.6%	(49% Deferred)		\$1,844,504	\$1,844,504	(49% Deferred)		5.6%	Total Developer Fee:	\$3,780,642
TOTAL EQUITY SOURCES		60.3%			\$19,842,704	\$19,842,704			60.3%		
TOTAL CAPITALIZATION					\$32,891,218	\$32,891,218	15-Yr Cash Flow after Deferred Fee:			\$847,362	

		DEVELOPMENT COST / ITEMIZED BASIS												
		APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE		
		Eligible Basis								Eligible Basis				
		Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			
				Total Costs			Total Costs					%	\$	
Land Acquisition				\$25,000 / Unit		\$3,000,000	\$3,000,000	\$25,000 / Unit					0.0%	\$0
Building Acquisition				\$ / Unit		\$0	\$0	\$ / Unit				\$0	0.0%	\$0
						\$0	\$0					0.0%	\$0	
Off-Sites				\$479 / Unit		\$57,450	\$57,450	\$479 / Unit		\$0		0.0%	\$0	
Site Work			\$1,522,050	\$13,517 / Unit		\$1,622,050	\$1,622,050	\$13,517 / Unit		\$1,522,050		0.0%	\$0	
Site Amenities			\$235,000	\$1,958 / Unit		\$235,000	\$235,000	\$1,958 / Unit		\$235,000		0.0%	\$0	
Pre-K Center				4125.625		\$495,075	\$495,075	4125.625		\$495,075		0.0%	\$0	
Building Cost			\$16,467,149	\$150.82 /sf	\$143,032/Unit	\$17,163,845	\$16,957,809	\$141,315/Unit	\$149.01 /sf	\$16,467,149		1.2%	\$206,036	
Contingency			\$978,671	5.37%	5.00%	\$978,671	\$978,671	5.05%	5.23%	\$978,671		0.0%	\$0	
Contractor Fees			\$2,363,490	12.31%	11.50%	\$2,363,490	\$2,363,490	11.62%	12.00%	\$2,363,490		0.0%	\$0	
Soft Costs		\$0	\$1,077,988	\$9,067 / Unit		\$1,087,988	\$1,087,988	\$9,067 / Unit		\$1,077,988	\$0	0.0%	\$0	
Financing		\$0	\$1,210,708	\$11,760 / Unit		\$1,411,188	\$1,411,188	\$11,760 / Unit		\$1,210,708	\$0	0.0%	\$0	
Developer Fee		\$0	\$3,578,259	15.00%	15.00%	\$3,780,642	\$3,749,736	15.00%	14.70%	\$3,578,259	\$0	0.8%	\$30,905	
Reserves				6 Months		\$695,818	\$695,818	6 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$27,433,316	\$274,093 / Unit		\$32,891,218	\$32,654,277	\$272,119 / Unit		\$27,928,391	\$0	0.7%	\$236,941	
ADJUSTED BASIS / COST		\$0	\$27,433,316	\$274,093/unit		\$32,891,218	\$32,654,277	\$272,119/unit		\$27,928,391	\$0	0.7%	\$236,941	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$32,891,218								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
Andover Village Apartments (f/k/a Nunn Village Apartments), Houston, 9% HTC #24084

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$27,433,316	\$0	\$27,928,391
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$27,433,316	\$0	\$27,928,391
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$35,663,310	\$0	\$36,306,908
Applicable Fraction	81.37%	81.37%	81%	81%
TOTAL QUALIFIED BASIS	\$0	\$29,020,900	\$0	\$29,544,626
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,611,881	\$0	\$2,659,016
CREDITS ON QUALIFIED BASIS	\$2,611,881		\$2,659,016	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8999	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,611,881	\$23,504,579	----	----	----
Needed to Fill Gap	\$2,204,965	\$19,842,704	----	----	----
Applicant Request	\$2,000,000	\$17,998,200	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	113,802 SF	\$121.57	13,835,434
Adjustments				
Exterior Wall Finish	6.00%		7.29	\$830,126
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.75%		4.56	518,829
Roof Adjustment(s)			1.58	180,000
Subfloor			(0.21)	(24,278)
Floor Cover			5.82	662,385
Breezeways	\$39.95	13,182	4.63	526,621
Balconies	\$38.98	9,844	3.37	383,700
Plumbing Fixtures	\$1,420	390	4.87	553,800
Rough-ins	\$700	240	1.48	168,000
Built-In Appliances	\$2,280	120	2.40	273,600
Exterior Stairs	\$3,550	18	0.56	63,900
Heating/Cooling			3.12	355,062
Storage Space	\$39.95	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$117.58	9,180	9.48	1,079,355
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	136,164	4.37	496,999
SUBTOTAL			174.90	19,903,532
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			174.90	\$19,903,532
Plans, specs, survey, bldg permits	3.30%		(5.77)	(\$656,817)
Contractor's OH & Profit	11.50%		(20.11)	(2,288,906)
NET BUILDING COSTS			\$141,315/unit	\$149.01/sf
				\$16,957,809

Long-Term Pro Forma

Andover Village Apartments (f/k/a Nunn Village Apartments), Houston, 9% HTC #24084

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$1,498,944	\$1,528,923	\$1,559,501	\$1,590,691	\$1,622,505	\$1,791,377	\$1,977,825	\$2,183,678	\$2,410,957	\$2,661,892	\$2,938,944	\$3,244,831
TOTAL EXPENSES	3.00%	\$676,244	\$695,932	\$716,198	\$737,060	\$758,536	\$875,769	\$1,011,301	\$1,168,009	\$1,349,221	\$1,558,794	\$1,801,193	\$2,081,588
NET OPERATING INCOME ("NOI")		\$822,700	\$832,991	\$843,303	\$853,631	\$863,970	\$915,608	\$966,524	\$1,015,670	\$1,061,736	\$1,103,098	\$1,137,751	\$1,163,243
EXPENSE/INCOME RATIO		45.1%	45.5%	45.9%	46.3%	46.8%	48.9%	51.1%	53.5%	56.0%	58.6%	61.3%	64.2%
MUST -PAY DEBT SERVICE													
Amegy		\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391
TOTAL DEBT SERVICE		\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391	\$715,391
DEBT COVERAGE RATIO		1.15	1.16	1.18	1.19	1.21	1.28	1.35	1.42	1.48	1.54	1.59	1.63
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$1,737,195	\$1,619,595	\$1,491,683	\$1,353,443	\$1,204,865	\$306,950	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$847,362	\$2,251,410	\$3,892,533	\$5,750,594	\$7,796,221	\$9,988,714