



Addendum to Underwriting Report

TDHCA Application #: **24511_23007** Program(s): **MDL/9% HTC**

305 E Round Grove Living

Address/Location: 305 E Round Grove Rd

City: Lewisville County: Denton Zip: 75067

APPLICATION HISTORY	
Report Date	PURPOSE
09/24/24	MDL Award Memo / Amendment to Set-Aside
06/22/23	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	
MFDL FHA					\$4,438,911	2.00%	40	40 yrs	2	36 mos	3	
LIHTC (9% Credit)	\$1,500,000				\$1,500,000							

* 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).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

CONDITIONS STATUS

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:

- 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 1.0 DCR if subordinate to FHA financing.

3 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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	23
60% of AMI	60% of AMI	28

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	5
60% of AMFI	High HOME	17

ANALYSIS

The Development was awarded \$1,500,000 in 9% Housing Tax Credits in 2023. Applicant has now applied for \$4,438,911 in MDL funding from available HOME funds to primarily cover increased development costs. In conjunction with the MDL request, there is an Amendment to go from Income Averaging to the 40/60 Set-Aside.

Operating Pro Forma

Applicant is no longer utilizing income averaging.

The Unit Mix and operating Pro Forma have been updated with current 2024 Program Rents.

Underwriter revised Applicant's market unit rents to equal the Market Analyst's lower concluded rents.

Applicant's Management Fee was reduced from 5.00% to 4.00%.

With the updated and revised rents, projected Net Operating Income has increased by \$156K since original underwriting (from \$785K to \$941K).

Financing on this deal includes a TDHCA MFDL that is subordinate to an FHA insured loan. Therefore, the combined DCR is calculated using 75% of the Surplus Cash after the senior debt service is deducted from Net Operating Income. Pursuant to the 2024 QAP, the combined DCR must meet a minimum 1.0 DCR to demonstrate financial feasibility. In this case, the combined DCR was calculated at 1.00.

As underwritten, the long-term Pro Forma exhibits a 15 year residual cash flow of \$1.4M after repayment of deferred developer fee in year 9.

Development Cost

\$180K in off-site costs were added for City required street improvements. A CPA letter was provided stating that the \$180K is likely includable in eligible basis.

Site Work increased by \$2.1M (from \$1M to \$3.1M).

Building Cost increased by \$270K (from \$11.3M to \$11.6M).

Total Housing Development Cost increased by \$3.5M (\$26.6M to \$30.1M).

Sources of Funds

The underwriting analysis assumes a \$390,000 Adjustment to the Senior Debt Per §11.302(c)(2) in order to achieve the minimum 1.00x debt coverage ratio.

The \$4.4M of MDL funds at 2% interest are primarily facilitating an increase in development costs since original underwriting.

Applicant changed equity providers from Regions Bank to PNC. The total equity contribution decreased by \$600K (from \$13.9M to \$13.3M), while the equity price decreased from \$0.93 to \$0.89.

Recommendation

Underwriter recommends a second lien Multifamily Direct Loan in the amount of \$4,438,911 at a 2.00% interest rate for a 40 year term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is \$161,306. The construction term is assumed at 36 months.

Furthermore, an annual 9% tax credit allocation of \$1,500,000 is still being recommended.

Underwriter:	<u>Deborah Willson</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
305 E Round Grove Living, Lewisville, 9% HTC #23007

LOCATION DATA	
CITY:	Lewisville
COUNTY:	Denton
Area Median Income	\$110,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	24	26.7%	0	19	0
2	51	56.7%	0	22	0
3	15	16.7%	0	5	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL					
	90	100.0%	-	46	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	59.99%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	950 sf

53%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	6	-	23	28	-	-	33	90
Income	% Total	0.0%	6.7%	0.0%	25.6%	31.1%	0.0%	0.0%	36.7%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																					
HTC		MF Direct Loan Units (HOME Rent/Inc)		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
Type	Gross Rent	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%	\$621			5	1	1	750	\$621	\$54	\$567	\$0	\$0.76	\$567	\$2,835	\$2,835	\$567	\$1	\$0	\$1,497	\$2.00	\$1,497
TC 50%	\$1,035	Match		13	1	1	750	\$1,035	\$54	\$981	\$0	\$1.31	\$981	\$12,753	\$12,753	\$981	\$1	\$0	\$1,497	\$2.00	\$1,497
TC 50%	\$1,035	LH/50%	\$1,035	2	1	1	750	\$1,035	\$54	\$981	\$0	\$1.31	\$981	\$1,962	\$1,962	\$981	\$1	\$0	\$1,497	\$2.00	\$1,497
TC 60%	\$1,242	HH/60%	\$1,325	4	1	1	750	\$1,242	\$54	\$1,188	\$0	\$1.58	\$1,188	\$4,752	\$4,752	\$1,188	\$2	\$0	\$1,497	\$2.00	\$1,497
TC 30%	\$744			1	2	2	981	\$744	\$72	\$672	\$0	\$0.69	\$672	\$672	\$672	\$672	\$1	\$0	\$1,828	\$1.86	\$1,828
TC 50%	\$1,241			5	2	2	981	\$1,241	\$72	\$1,169	\$0	\$1.19	\$1,169	\$5,845	\$5,845	\$1,169	\$1	\$0	\$1,828	\$1.86	\$1,828
TC 50%	\$1,241	LH/50%	\$1,241	2	2	2	981	\$1,241	\$72	\$1,169	\$0	\$1.19	\$1,169	\$2,338	\$2,338	\$1,169	\$1	\$0	\$1,828	\$1.86	\$1,828
TC 60%	\$1,489	Match		10	2	2	981	\$1,489	\$72	\$1,417	\$0	\$1.44	\$1,417	\$14,170	\$14,170	\$1,417	\$1	\$0	\$1,828	\$1.86	\$1,828
TC 60%	\$1,489	HH/60%	\$1,592	10	2	2	981	\$1,489	\$72	\$1,417	\$0	\$1.44	\$1,417	\$14,170	\$14,170	\$1,417	\$1	\$0	\$1,828	\$1.86	\$1,828
MR				23	2	2	981	\$0	\$72		NA	\$1.86	\$1,828	\$42,044	\$42,044	\$1,828	\$2	NA	\$1,828	\$1.86	\$1,828
TC 50%	\$1,434	LH/50%	\$1,434	1	3	2	1,164	\$1,434	\$89	\$1,345	\$0	\$1.16	\$1,345	\$1,345	\$1,345	\$1,345	\$1	\$0	\$1,828	\$1.57	\$1,828
TC 60%	\$1,721	HH/60%	\$1,830	3	3	2	1,164	\$1,721	\$89	\$1,632	\$0	\$1.40	\$1,632	\$4,896	\$4,896	\$1,632	\$1	\$0	\$2,282	\$1.96	\$2,282
TC 60%	\$1,721	Match		1	3	2	1,164	\$1,721	\$89	\$1,632	\$0	\$1.40	\$1,632	\$1,632	\$1,632	\$1,632	\$1	\$0	\$2,282	\$1.96	\$2,282
MR				10	3	2	1,164	\$0	\$89		NA	\$1.96	\$2,282	\$22,820	\$22,820	\$2,282	\$2	NA	\$2,282	\$1.96	\$2,282
TOTALS/AVERAGES:				90			85,491				\$0	\$1.55	\$1,469	\$132,234	\$132,234	\$1,469	\$1.55	\$0	\$1,810	\$1.91	\$1,810

ANNUAL POTENTIAL GROSS RENT:			\$1,586,808	\$1,586,808
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STABILIZED PRO FORMA

305 E Round Grove Living, Lewisville, 9% HTC #23007

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA			VARIANCE		
	Database	Denton / Tarant Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.55	\$1,469	\$1,586,808	\$1,448,112	\$1,448,112	\$1,586,808	\$1,469	\$1.55		0.0%	\$0
Application, Pet, Late and NSF Fees					\$15.97	\$17,244	17,244							
Laundry, Vending, Cable					\$14.03	\$15,156	9,828							
Total Secondary Income					\$30.00			27,072	\$32,400	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,619,208	\$1,475,184	\$1,475,184	\$1,619,208				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(121,441)	(110,639)	(110,639)	(121,441)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,497,767	\$1,364,545	\$1,364,545	\$1,497,767				0.0%	\$0

General & Administrative	\$45,039	\$500/Unit	\$46,114	\$512	2.76%	\$0.48	\$458	\$41,264	\$43,764	\$43,764	\$45,039	\$500	\$0.53	3.01%	-8.4%	(3,775)
Management	\$44,376	3.5% EGI	\$45,382	\$504	4.11%	\$0.72	\$684	\$61,540	\$68,227	\$68,227	\$59,911	\$666	\$0.70	4.00%	2.7%	1,629
Payroll & Payroll Tax	\$123,707	\$1,375/Unit	\$129,808	\$1,442	10.04%	\$1.76	\$1,670	\$150,339	\$156,121	\$156,121	\$150,339	\$1,670	\$1.76	10.04%	0.0%	-
Repairs & Maintenance	\$70,416	\$782/Unit	\$72,216	\$802	3.58%	\$0.63	\$596	\$53,663	\$61,663	\$58,500	\$58,500	\$650	\$0.68	3.91%	-8.3%	(4,837)
Electric/Gas	\$23,090	\$257/Unit	\$11,631	\$129	1.15%	\$0.20	\$191	\$17,222	\$17,222	\$11,631	\$11,631	\$129	\$0.14	0.78%	48.1%	5,591
Water, Sewer, & Trash	\$72,356	\$804/Unit	\$71,687	\$797	3.37%	\$0.59	\$561	\$50,524	\$50,524	\$71,687	\$71,687	\$797	\$0.84	4.79%	-29.5%	(21,163)
Property Insurance	\$51,581	\$0.60 /sf	\$61,798	\$687	3.00%	\$0.53	\$500	\$45,000	\$45,000	\$61,798	\$45,000	\$500	\$0.53	3.00%	0.0%	-
Property Tax (@ 100%) 1.8976	\$103,538	\$1,150/Unit	\$113,253	\$1,258	7.51%	\$1.32	\$1,250	\$112,500	\$112,500	\$113,253	\$113,253	\$1,258	\$1.32	7.56%	-0.7%	(753)
Reserve for Replacements					1.50%	\$0.26	\$250	\$22,500	\$22,500	\$22,500	\$22,500	\$250	\$0.26	1.50%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.15%	\$0.03	\$25	\$2,280	\$2,280	\$2,280	\$2,280	\$25	\$0.03	0.15%	0.0%	-
TOTAL EXPENSES					37.18%	\$6.51	\$6,187	\$556,832	\$579,801	\$609,761	\$580,140	\$6,446	\$6.79	38.73%	-4.0%	\$ (23,308)
NET OPERATING INCOME ("NOI")					62.82%	\$11.01	\$10,455	\$940,935	\$784,744	\$754,784	\$917,628	\$10,196	\$10.73	61.27%	2.5%	\$ 23,308

CONTROLLABLE EXPENSES							\$3,478/Unit						\$3,747/Unit			
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

305 E Round Grove Living, Lewisville, 9% HTC #23007

DEBT / GRANT SOURCES																		
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App													DCR	LTC	
PNC FHA 221(d)4 Loan	0.25%	1.20	1.23	765,297	5.90%	40	40	\$11,239,300	\$11,608,500	\$11,608,500	\$11,239,300	40	40	5.90%	\$760,800	1.24	37.3%	
Adjustment to Debt Per §11.302(c)(2)	0.25%										(\$390,000)	40	40	5.90%	(\$26,400)	1.28	-1.3%	
TDHCA MFDL 2024-2		0.99	1.02	\$161,306	2.00%	40	40	\$4,438,911	\$0	\$0	\$4,438,911	40	40	2.00%	\$161,306	1.00	14.7%	
CASH FLOW DEBT / GRANTS																		
City of Lewisville		0.99	1.02		0.00%	0	0	\$500	\$500	\$500	\$500	0	0	0.00%		1.00	0.0%	
TDHCA MFDL Match Funds		0.99	1.02		0.00%	0	0	\$657,600	\$0	\$0	\$657,600	0	0	0.00%		1.00	2.2%	
				\$926,603				TOTAL DEBT / GRANT SOURCES	\$16,336,311	\$11,609,000	\$11,609,000	\$15,946,311			TOTAL DEBT SERVICE	\$895,706	1.00	53.0%
NET CASH FLOW												APPLICANT	NET OPERATING INCOME	\$940,935	\$45,229	NET CASH FLOW		

EQUITY SOURCES															
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE							
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method		
													Applicant	TDHCA	Applicant Request
PNC	LIHTC Equity	44.3%	\$1,500,000	\$0.89	\$13,348,665	\$13,948,605	\$13,948,605	\$13,348,665	\$0.89	\$1,500,000	44.3%	\$16,667	Applicant Request		
GP Equity	GP Equity	0.0%			\$100	\$100	\$100	\$100			0.0%				
RIVA/The Land Experts	Deferred Developer Fees	1.4%	(13% Deferred)		\$416,333	\$1,014,835	\$1,014,835	\$806,333	(25% Deferred)		2.7%		Total Developer Fee:	\$3,188,574	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0	\$0	\$0			0.0%				
TOTAL EQUITY SOURCES		45.7%			\$13,765,098	\$14,963,540	\$14,963,540	\$14,155,098			47.0%				
TOTAL CAPITALIZATION					\$30,101,409	\$26,572,540	\$26,572,540	\$30,101,409	15-Yr Cash Flow after Deferred Fee:			\$1,408,183			

DEVELOPMENT COST / ITEMIZED BASIS															
APPLICANT COST / BASIS ITEMS						Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE			
Eligible Basis	Acquisition	New Const. Rehab	Total Costs	Applicant	TDHCA	Total Costs	New Const. Rehab	Acquisition	%	\$	%	\$			
													Applicant	TDHCA	Applicant
Land Acquisition			\$32,222 / Unit	\$2,900,000	\$2,750,000	\$2,750,000	\$2,900,000	\$32,222 / Unit			0.0%	\$0			
Broker Fees			\$87,000	\$82,500	\$82,500	\$87,000					0.0%	\$0			
Off-Sites		\$180,000	\$2,000 / Unit	\$180,000	\$0	\$0	\$180,000	\$2,000 / Unit	\$180,000		0.0%	\$0			
Site Work		\$3,135,414	\$34,838 / Unit	\$3,135,414	\$1,020,473	\$1,020,473	\$3,135,414	\$34,838 / Unit	\$3,135,414		0.0%	\$0			
Site Amenities		\$737,534	\$8,195 / Unit	\$737,534	\$720,324	\$720,324	\$737,534	\$8,195 / Unit	\$737,534		0.0%	\$0			
Building Cost		\$11,454,939	\$135.16 /sf	\$128,386/Unit	\$11,554,696	\$11,285,076	\$12,414,917	\$137,975/Unit	\$145.25 /sf	\$11,454,939	-7.0%	(\$863,079)			
Contingency		\$763,481	4.92%	4.89%	\$763,481	\$510,305	\$510,305	\$763,481	4.64%	4.92%	\$763,481	0.0%	\$0		
Contractor Fees		\$2,159,868	13.27%	13.19%	\$2,159,868	\$1,823,622	\$1,823,622	\$2,159,868	12.53%	13.27%	\$2,159,868	0.0%	\$0		
Soft Costs	\$0	\$1,557,260	\$26,901 / Unit	\$2,421,110	\$2,738,110	\$2,738,110	\$2,421,110	\$26,901 / Unit	\$1,557,260	\$0	0.0%	\$0			
Financing	\$0	\$1,168,913	\$25,166 / Unit	\$2,264,966	\$1,705,839	\$1,705,839	\$2,264,966	\$25,166 / Unit	\$1,168,913	\$0	0.0%	\$0			
Developer Fee	\$0	\$3,173,610	15.00%	15.00%	\$3,188,574	\$2,840,858	\$2,840,858	\$3,188,574	14.41%	14.87%	\$3,146,611	\$0	0.0%	\$0	
Reserves			6 Months	\$708,766	\$1,095,433	\$1,095,433	\$708,766	6 Months			0.0%	\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)				\$0	\$24,331,019	\$334,460 / Unit	\$30,101,409	\$26,572,540	\$27,702,381	\$30,964,488	\$344,050 / Unit	\$24,304,020	\$0	-2.8%	(\$863,079)
Acquisition Cost	\$0			\$0	\$0										
Contingency		\$0		\$0	\$0										
Contractor's Fee		\$0		\$0	\$0										
Financing Cost		\$0		\$0	\$0										
Developer Fee	\$0	\$0		\$0	\$0										
Reserves				\$0	\$0										
ADJUSTED BASIS / COST				\$0	\$24,331,019	\$334,460/unit	\$30,101,409	\$26,572,540	\$27,702,381	\$30,964,488	\$344,050/unit	\$24,304,020	\$0	-2.8%	(\$863,079)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):							\$30,101,409								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

305 E Round Grove Living, Lewisville, 9% HTC #23007

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
	ADJUSTED BASIS	\$0	\$24,331,019	\$0
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$24,331,019	\$0	\$24,304,020
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$31,630,325	\$0	\$31,595,226
Applicable Fraction	59.99%	59.99%	60%	60%
TOTAL QUALIFIED BASIS	\$0	\$18,975,753	\$0	\$18,954,697
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,707,818	\$0	\$1,705,923
CREDITS ON QUALIFIED BASIS	\$1,707,818		\$1,705,923	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8899	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,707,818	\$15,198,058	----	----	----
Needed to Fill Gap	\$1,590,608	\$14,154,998	----	----	----
Applicant Request	\$1,500,000	\$13,348,665	\$1,500,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Elevator Served		85,491 SF	\$109.14	9,330,066
Adjustments				
Exterior Wall Finish	2.80%		3.06	\$261,242
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.35%		3.66	312,557
Roof Adjustment(s)			(0.25)	(21,373)
Subfloor			0.23	19,877
Floor Cover			2.82	241,085
Enclosed Corridors	\$100.69	19,771	23.28	1,990,644
Balconies	\$31.05	6,963	2.53	216,189
Plumbing Fixtures	\$1,090	198	2.52	215,820
Rough-ins	\$535	180	1.13	96,300
Built-In Appliances	\$1,880	90	1.98	169,200
Exterior Stairs	\$3,275	9	0.34	29,475
Heating/Cooling			2.37	202,614
Storage Space	\$100.69	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$119.60	6,168	8.63	737,673
Elevators	\$366,765	1	4.29	366,765
Other:			0.00	0
Fire Sprinklers	\$3.65	111,430	4.76	406,720
SUBTOTAL			170.48	\$14,574,853
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			170.48	\$14,574,853
Plans, specs, survey, bldg permits	3.30%		(5.63)	(\$480,970)
Contractor's OH & Profit	11.50%		(19.61)	(1,676,108)
NET BUILDING COSTS		\$137,975/unit	\$145.25/sf	\$12,417,775

Long-Term Pro Forma

305 E Round Grove Living, Lewisville, 9% HTC #23007

	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%	\$1,497,767	\$1,527,723	\$1,558,277	\$1,589,443	\$1,621,232	\$1,789,971	\$1,976,272	\$2,181,964	\$2,409,065	\$2,659,802	\$2,936,637	\$3,242,284
TOTAL EXPENSES	3.00%	\$556,832	\$572,922	\$589,481	\$606,526	\$624,068	\$719,790	\$830,374	\$958,150	\$1,105,810	\$1,276,474	\$1,473,751	\$1,701,822
NET OPERATING INCOME ("NOI")		\$940,935	\$954,801	\$968,796	\$982,917	\$997,163	\$1,070,181	\$1,145,898	\$1,223,815	\$1,303,255	\$1,383,329	\$1,462,886	\$1,540,463
EXPENSE/INCOME RATIO		37.2%	37.5%	37.8%	38.2%	38.5%	40.2%	42.0%	43.9%	45.9%	48.0%	50.2%	52.5%
MUST -PAY DEBT SERVICE													
PNC FHA 221(d)4 Loan		\$760,800	\$760,621	\$760,432	\$760,231	\$760,017	\$758,741	\$757,027	\$754,728	\$751,641	\$747,499	\$741,939	\$734,476
Adjustment to Debt Per §11.302(c)(2)		(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)	(\$26,400)
TDHCA MFDL 2024-2		\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306
TOTAL DEBT SERVICE		\$895,706	\$895,528	\$895,338	\$895,137	\$894,924	\$893,647	\$891,934	\$889,634	\$886,548	\$882,405	\$876,845	\$869,383
DEBT COVERAGE RATIO		1.00	1.01	1.02	1.04	1.05	1.11	1.18	1.24	1.31	1.39	1.46	1.54
ANNUAL CASH FLOW		\$45,229	\$59,273	\$73,458	\$87,780	\$102,239	\$176,534	\$253,964	\$334,180	\$416,707	\$500,924	\$586,041	\$671,080
Deferred Developer Fee Balance		\$761,104	\$701,831	\$628,373	\$540,593	\$438,354	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$294,416	\$1,408,183	\$2,917,624	\$4,835,295	\$7,170,950	\$9,930,740	\$13,116,314

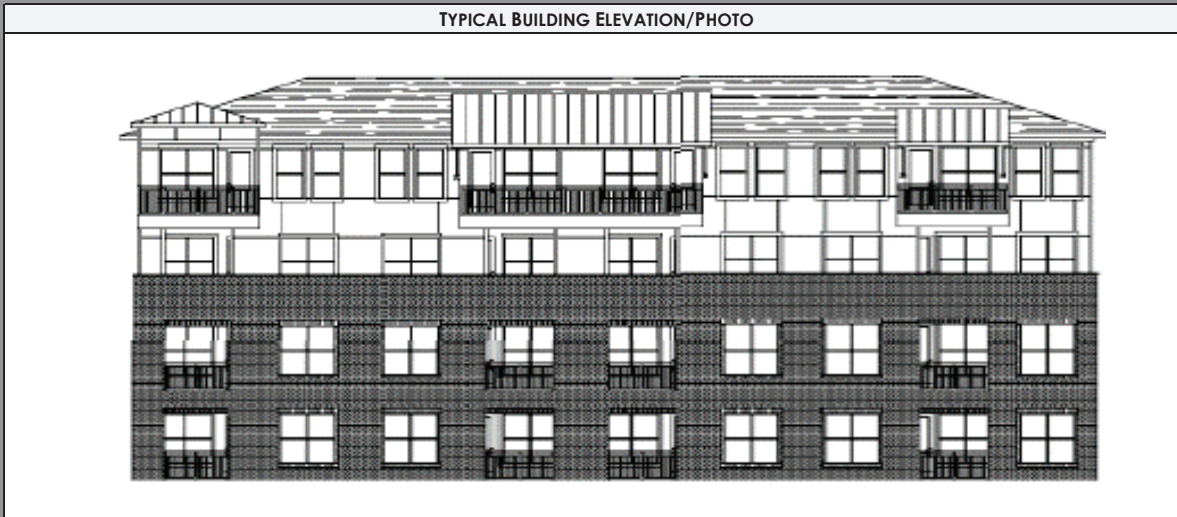
23007 305 E Round Grove Living - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 22, 2023

PROPERTY IDENTIFICATION	
Application #	23007
Development	305 E Round Grove Living
City / County	Lewisville / Denton
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION			
TDHCA Program	Request	Recommended	
LIHTC (9% Credit)	\$1,500,000	\$1,500,000	\$16,667/Unit \$0.93

KEY PRINCIPALS / SPONSOR	
Cody Hunt / Riva Switzerland, Inc. / Authorized Signer (70%)	
Kim Parker / The Land Experts, LLC / (30%)	
Related Parties	Contractor - No Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	24	27%	30%	6	7%
2	51	57%	40%	-	0%
3	15	17%	50%	23	26%
4	-	0%	60%	23	26%
			70%	4	4%
			80%	1	1%
			MR	33	37%
TOTAL	90	100%	TOTAL	90	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	42.5%
Breakeven Occ.	85.6%	Breakeven Rent	\$1,238
Average Rent	\$1,341	B/E Rent Margin	\$102
Property Taxes	\$1,250/unit	Exemption/PILOT	0%
Total Expense	\$6,442/unit	Controllable	\$3,659/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			0.4%
Highest Unit Capture Rate	2%	1 BR/50%	16
Dominant Unit Cap. Rate	2%	1 BR/50%	16
Premiums (↑60% Rents)	Yes		\$564/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	950 SF	Density	31.7/acre
Acquisition		\$31K/unit	\$2,833K
Building Cost	\$132.06/SF	\$125K/unit	\$11,285K
Hard Cost		\$150K/unit	\$13,536K
Total Cost		\$295K/unit	\$26,573K
Developer Fee	\$2,841K	(36% Deferred)	Paid Year: 8
Contractor Fee	\$1,824K	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
Regions Bank HUD 221 (d)(4)	40/40	4.80%	\$11,608,500	1.15	City of Lewisville	0/0	0.00%	\$500	1.15	Regions Bank	\$13,948,605
										GP Funding	\$0
										RIVA/The Land Experts	\$1,014,935
TOTAL DEBT (Must Pay)			\$11,608,500		CASH FLOW DEBT / GRANTS			\$500		TOTAL EQUITY SOURCES	\$14,963,540
										TOTAL DEBT SOURCES	\$11,609,000
										TOTAL CAPITALIZATION	\$26,572,540

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

- Low Gross Capture Rate
- High projected 15-year cash flow

WEAKNESSES/RISKS

- DCR of 1.15
- Parking requirement not currently met

AREA MAP



AERIAL PHOTOGRAPH(s)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: **23007** Program(s): **9% HTC**

305 E Round Grove Living

Address/Location: 305 E Round Grove Rd

City: Lewisville County: Denton Zip: 75067

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

Activity: New Construction Building Type: Elevator Served Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$1,500,000				\$1,500,000				

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	6
50% of AMI	50% of AMI	23
60% of AMI	60% of AMI	23
70% of AMI	70% of AMI	4
80% of AMI	80% of AMI	1

DEVELOPMENT SUMMARY

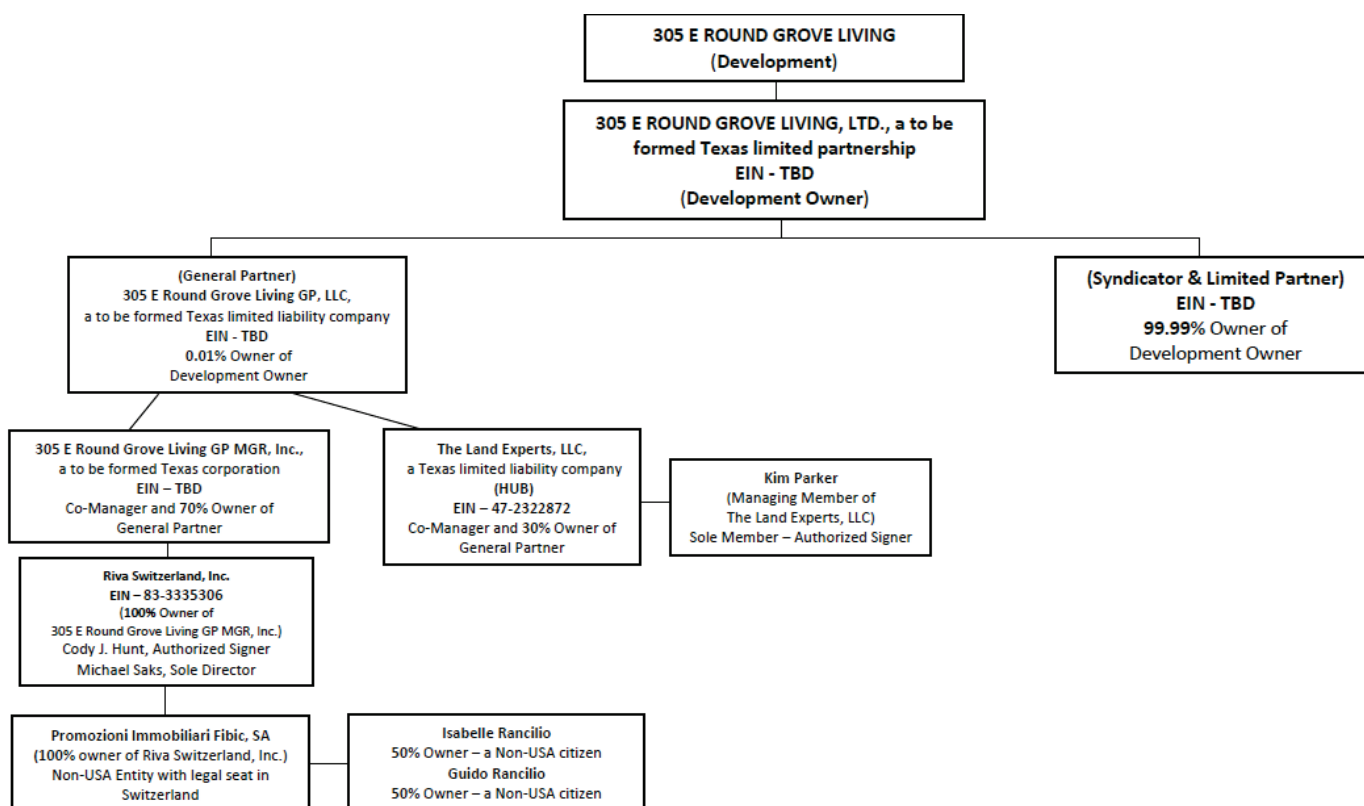
305 E Round Grove Living will be an elevator served development that will offer 90 units. There will be 33 Market Rent units [37% of total units]. Site Amenities offered will include a pool, landscaping, athletic court/playground.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> ▫ Low Gross Capture Rate 	<ul style="list-style-type: none"> ▫ DCR of 1.15
<ul style="list-style-type: none"> ▫ High projected 15-year cash flow 	<ul style="list-style-type: none"> ▫ Parking requirement not currently met

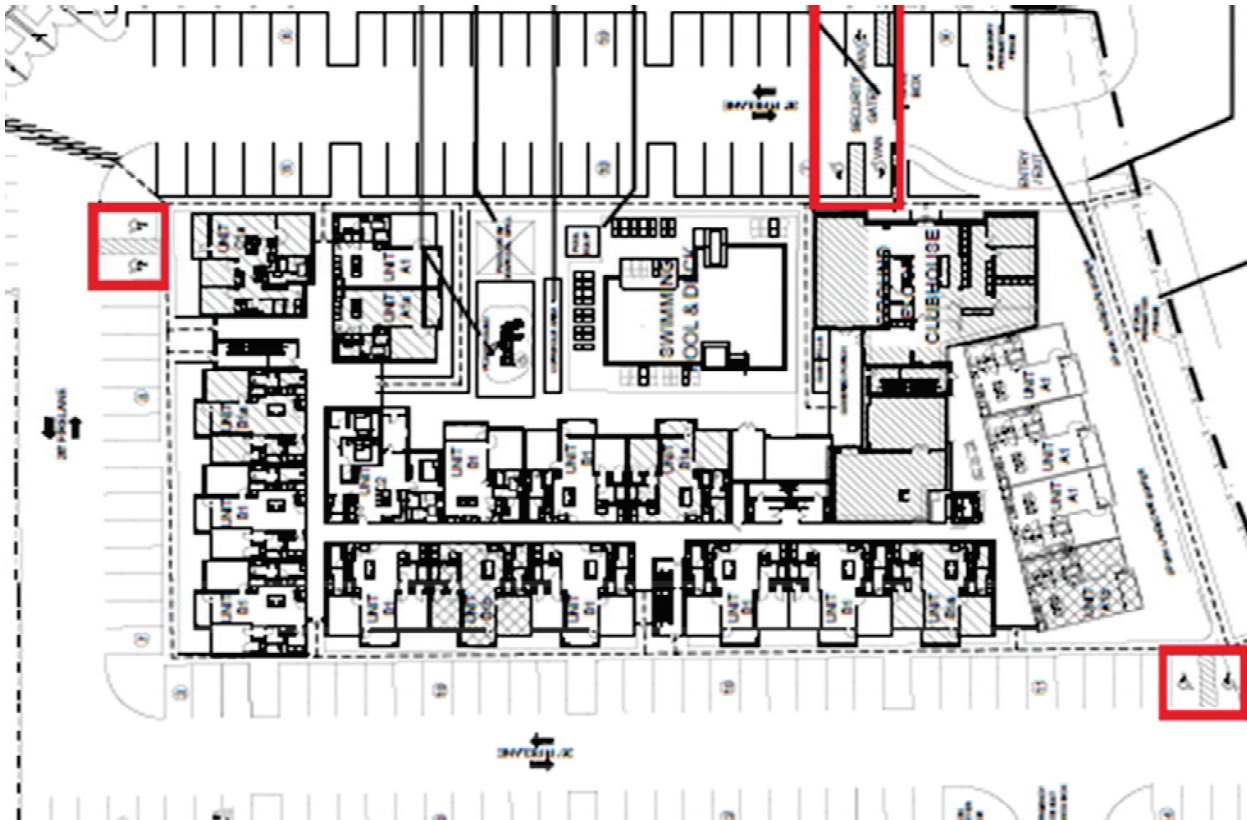
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN





Comments:

The parking requirement is 2 parking spaces per unit. (180 parking spaces total). The Development is offering 134 parking spaces. The Applicant is not meeting the parking requirement, however, the Applicant has requested a parking variance from the city as part of the zoning change. As of 6/16/23 the Zoning Variance is still in process. It is expected to go before Zoning and Platting Commission 08/15/2023 and the City Council 09/11/2023.

Per QAP, Mandatory Amenities: (M) Adequate parking spaces consistent with local code including a waiver or variance thereof, unless there is no local code, in which case the requirement would be one and a half spaces per Unit for non-Elderly Developments and one space per Unit for Elderly Developments. The minimum number of required spaces must be available to the tenants at no cost.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1										Total Buildings	
Floors/Stories	4										1	
Number of Bldgs	1										90	
Units per Bldg	90										90	
Total Units	90										90	
Avg. Unit Size (SF)	950 sf	Total NRA (SF)				85,455				Common Area (SF)*		28,815

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 2.84 acres Density: 31.7 units/acre
Site Control: 2.69 **Site Plan:** 2.84 **Appraisal:** 0 **ESA:** 2.843
Feasibility Report Survey: 2.844 **Feasibility Report Engineer's Plan:** 0

Control Type: Commercial Contract - Unimproved Property

Development Site: 2.84 acres Cost: \$2,750,000 \$30,556 per unit

Seller: Havenshire Investment LP

Buyer: Palladium USA International, Inc

Assignee: 305 E Round Grove Living, LTD., a Texas Limited Partnership

Related-Party Seller/Identity of Interest: No

Comments:
 The LURA will encumber the full 2.84 acre.

SITE INFORMATION

Flood Zone:	<u> X </u>	Scattered Site?	<u> No </u>
Zoning:	<u> LC-Local </u> <u> Commercial </u>	Within 100-yr floodplain?	<u> No </u>
Re-Zoning Required?	<u> yes </u>	Utilities at Site?	<u> No </u>
Year Constructed:	<u> N/A </u>	Title Issues?	<u> No </u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, LLC Date: 2/21/2023

Recognized Environmental Conditions (RECs) and Other Concerns:

- A noise study was conducted and the following was noted:
One major road was identified within 1,000 feet from the subject property: East Round Grove Road. Two major civil airports were identified within 15 miles from the subject property: Dallas Love Field and DFW.
The combined projected Day/Night Noise Level for each location was 70 dB in the southwest corner and by the pool - 67 dB. The calculated noise values fall within the range 65-75 db, and are considered "Normally Unacceptable" based on the HUD guidelines.

Mitigation options were provided:

- Contact your Field or Regional Environmental Officer
- Increase mitigation in the building walls
- Reconfigure the site plan to increase distance between the noise source and noise-sensitive uses
- Incorporate natural or man-made barriers
- Construct noise barrier

MARKET ANALYSIS

Provider: Novogradac Consulting

Date: 3/20/2023

Primary Market Area (PMA): 23 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
22218	Heritage Estates at Edmonds		New	Elderly	0	48
Stabilized Affordable Developments in PMA					Total Units	1,356
					Total Developments	9
					Average Occupancy	96.1%

Comments:

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	38,419			
Potential Demand from the Primary Market Area	14,959			
10% External Demand	1,496			
Potential Demand from Other Sources	0			
GROSS DEMAND	16,455			
Subject Affordable Units	58			
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	58			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		0.4%		

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
30% AMGI	1,850	185	6	0	0.29%
50% AMGI	4,293	429	24	0	0.51%
60% AMGI	3,904	390	23	0	0.54%
70% AMGI	2,900	290	3	0	0.09%
80% AMGI	2,012	201	2	0	0.09%

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%	287	29	5	0	1.58%					
1 BR/50%	584	58	16	0	2.49%					
1 BR/60%	1,060	106	3	0	0.26%					
2 BR/30%	317	32	1	0	0.29%					
2 BR/50%	521	52	8	0	1.40%					
2 BR/60%	978	98	16	0	1.49%					
2 BR/70%	751	75	1	0	0.12%					
3 BR/60%	476	48	4	0	0.76%					
3 BR/70%	452	45	2	0	0.40%					
3 BR/80%	321	32	1	0	0.28%					

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$784,744	Avg. Rent:	\$1,341	Expense Ratio:	42.5%
Debt Service:	\$682,384	B/E Rent:	\$1,238	Controllable Expenses:	\$3,659
Net Cash Flow:	\$102,360	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,250
Aggregate DCR:	1.15	B/E Occupancy:	85.6%	Program Rent Year:	2022

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$968,310/ac	\$31,472/unit	\$2,832,500	Contractor Fee	\$1,823,622
Off-site + Site Work		\$19,342/unit	\$1,740,797	Soft Cost + Financing	\$4,443,949
Building Cost	\$132.06/sf	\$125,390/unit	\$11,285,076	Developer Fee	\$2,840,858
Contingency	3.92%	\$5,670/unit	\$510,305	Reserves	\$1,095,433
Total Development Cost	\$295,250/unit	\$26,572,540.00	Rehabilitation Cost	N/A	

Qualified for 30% Basis Boost?	High Opportunity Index [9% only]
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Building Cost:

Underwriter utilized Marshall & Swift's "good" base cost adjusted for four-story build and for small number of units.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$26,572,540	\$21,779,915	\$1,528,711

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Regions Bank HUD 221 (d) (4)	HUD 221(d)4 Loan	\$11,608,500	4.80%	44%
Regions Bank	Equity Bridge Loan	\$10,735,418	5.00%	40%
Regions Bank	HTC	\$2,300,175	\$0.93	9%
GP Funding	GP Equity	\$100	\$0.00	0%
City of Lewisville	\$11.9(d)(2)LPS Contribution	\$500	0.00%	0%
RIVA/The Land Experts	Deferred Developer Fee	\$1,927,847	0.00%	7%
		\$26,572,540	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions Bank HUD 221 (d) (4)	\$11,608,500	4.80%	40	40.0	\$11,608,500	4.80%	40	40.0	44%
City of Lewisville	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
Total	\$11,609,000				\$11,609,000				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions Bank	\$13,948,605	\$0.93		\$13,948,605	\$0.93	52%	
	\$100			\$0		0%	
RIVA/The Land Experts	\$1,014,835		36%	\$1,014,935		4%	36%
Total	\$14,963,540			\$14,963,540			
				\$26,572,540	Total Sources		

Credit Price Sensitivity based on current capital structure

\$0.998	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.818	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$26,572,540
Permanent Sources (debt + non-HTC equity)	\$11,609,000
Gap in Permanent Financing	\$14,963,540

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$14,215,595	\$1,528,711
Needed to Balance Sources & Uses	\$14,963,540	\$1,609,144
Requested by Applicant	\$13,948,605	\$1,500,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$13,948,605	\$1,500,000

Deferred Developer Fee	\$1,014,935	(36% deferred)
Repayable in	8 years	

Recommendation:

Underwriter recommends \$1,500,000 in annual credits as requested by the Applicant.

Underwriter:	<i>Robert Castillo</i>
Manager of Real Estate Analysis:	<i>Diamond Unique Thompson</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>

UNIT MIX/RENT SCHEDULE

305 E Round Grove Living, Lewisville, 9% HTC #23007

LOCATION DATA	
CITY:	Lewisville
COUNTY:	Denton
Area Median Income	\$97,400
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	-	0.0%	0	0	0
1	24	26.7%	0	0	0
2	51	56.7%	0	0	0
3	15	16.7%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL					
	90	100.0%	-	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	59.99%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	950 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	6	-	23	23	4	1	33	90
Income	% Total	0.0%	6.7%	0.0%	25.6%	25.6%	4.4%	1.1%	36.7%	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%	\$548	5	1	1	750	\$548	\$61	\$487	\$0	\$0.65	\$487	\$2,435	\$2,435	\$487	\$1	\$0	\$1,515	\$2.02	\$1,515
TC 50%	\$913	16	1	1	750	\$913	\$61	\$852	\$0	\$1.14	\$852	\$13,632	\$13,632	\$852	\$1	\$0	\$1,515	\$2.02	\$1,515
TC 60%	\$1,096	3	1	1	750	\$1,096	\$61	\$1,035	\$0	\$1.38	\$1,035	\$3,105	\$3,105	\$1,035	\$1	\$0	\$1,515	\$2.02	\$1,515
TC 30%	\$657	1	2	2	980	\$657	\$81	\$576	\$0	\$0.59	\$576	\$576	\$576	\$576	\$1	\$0	\$1,754	\$1.79	\$1,855
TC 50%	\$1,096	7	2	2	980	\$1,096	\$81	\$1,015	\$0	\$1.04	\$1,015	\$7,105	\$7,105	\$1,015	\$1	\$0	\$1,754	\$1.79	\$1,855
TC 60%	\$1,315	18	2	2	980	\$1,315	\$81	\$1,234	\$0	\$1.26	\$1,234	\$22,212	\$22,212	\$1,234	\$1	\$0	\$1,754	\$1.79	\$1,855
TC 70%	\$1,534	2	2	2	980	\$1,534	\$81	\$1,453	\$0	\$1.48	\$1,453	\$2,906	\$2,906	\$1,453	\$1	\$0	\$1,754	\$1.79	\$1,855
MR		23	2	2	980	\$0	\$81		NA	\$1.79	\$1,754	\$40,342	\$40,342	\$1,754	\$2	NA	\$1,754	\$1.79	\$1,855
TC 60%	\$1,519	2	3	2	1,165	\$1,519	\$101	\$1,418	\$0	\$1.22	\$1,418	\$2,836	\$2,836	\$1,418	\$1	\$0	\$2,026	\$1.74	\$2,175
TC 70%	\$1,772	2	3	2	1,165	\$1,772	\$101	\$1,671	\$0	\$1.43	\$1,671	\$3,342	\$3,342	\$1,671	\$1	\$0	\$2,026	\$1.74	\$2,175
TC 80%	\$2,026	1	3	2	1,165	\$2,026	\$101	\$1,925	\$0	\$1.65	\$1,925	\$1,925	\$1,925	\$1,925	\$2	\$0	\$2,026	\$1.74	\$2,175
MR		10	3	2	1,165	\$0	\$101		NA	\$1.74	\$2,026	\$20,260	\$20,260	\$2,026	\$2	NA	\$2,026	\$1.74	\$2,175
TOTALS/AVERAGES:		90			85,455				\$0	\$1.41	\$1,341	\$120,676	\$120,676	\$1,341	\$1.41	\$0	\$1,736	\$1.83	\$1,818

ANNUAL POTENTIAL GROSS RENT:	\$1,448,112	\$1,448,112
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STABILIZED PRO FORMA

305 E Round Grove Living, Lewisville, 9% HTC #23007

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT				TDHCA				VARIANCE	
Database	Denton / Tarant Comps		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.41	\$1,341	\$1,448,112	\$1,448,112	\$1,341	\$1.41		0.0%	\$0
Application, Pet, Late and NSF Fees					\$15.97	\$17,244						
Laundry, Vending, Cable					\$9.10	\$9,828						
Total Secondary Income					\$25.07		\$27,072	\$25.07			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,475,184	\$1,475,184				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI		(110,639)	(110,639)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,364,545	\$1,364,545				0.0%	\$0

General & Administrative	\$45,029	\$500/Unit	\$46,114	\$512	3.21%	\$0.51	\$486	\$43,764	\$43,764	\$486	\$0.51	3.21%	0.0%	-
Management	\$44,366	3.5% EGI	\$45,382	\$504	5.00%	\$0.80	\$758	\$68,227	\$68,227	\$758	\$0.80	5.00%	0.0%	-
Payroll & Payroll Tax	\$123,707	\$1,375/Unit	\$129,808	\$1,442	11.44%	\$1.83	\$1,735	\$156,121	\$156,121	\$1,735	\$1.83	11.44%	0.0%	-
Repairs & Maintenance	\$70,416	\$782/Unit	\$72,216	\$802	4.52%	\$0.72	\$685	\$61,663	\$58,500	\$650	\$0.68	4.29%	5.4%	3,163
Electric/Gas	\$23,084	\$256/Unit	\$11,631	\$129	1.26%	\$0.20	\$191	\$17,222	\$11,631	\$129	\$0.14	0.85%	48.1%	5,591
Water, Sewer, & Trash	\$72,356	\$804/Unit	\$71,687	\$797	3.70%	\$0.59	\$561	\$50,524	\$71,687	\$797	\$0.84	5.25%	-29.5%	(21,163)
Property Insurance	\$51,581	\$0.60 /sf	\$61,798	\$687	3.30%	\$0.53	\$500	\$45,000	\$61,798	\$687	\$0.72	4.53%	-27.2%	(16,798)
Property Tax (@ 100%) 1.8976	\$103,515	\$1,150/Unit	\$113,253	\$1,258	8.24%	\$1.32	\$1,250	\$112,500	\$113,253	\$1,258	\$1.33	8.30%	-0.7%	(753)
Reserve for Replacements					1.65%	\$0.26	\$250	\$22,500	\$22,500	\$250	\$0.26	1.65%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.17%	\$0.03	\$25	\$2,280	\$2,280	\$25	\$0.03	0.17%	0.0%	-
TOTAL EXPENSES					42.49%	\$6.78	\$6,442	\$579,801	\$609,761	\$6,775	\$7.14	44.69%	-4.9%	\$ (29,960)
NET OPERATING INCOME ("NOI")					57.51%	\$9.18	\$8,719	\$784,744	\$754,784	\$8,386	\$8.83	55.31%	4.0%	\$ 29,960

CONTROLLABLE EXPENSES							\$3,659/Unit				\$3,797/Unit			
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

305 E Round Grove Living, Lewisville, 9% HTC #23007

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
Regions Bank HUD 221(d)(4)	0.25%	1.11	1.15	682,384	4.80%	40	40.0	\$11,608,500	\$11,608,500	40.0	40	4.80%	\$682,384	1.15	43.7%
Regions Bank		1.11	1.15		0.00%	0	0.0	\$0	\$0	0.0	0	0.00%		1.15	0.0%
CASH FLOW DEBT / GRANTS															
City of Lewisville		1.11	1.15		0.00%	0	0.0	\$500	\$500	0.0	0	0.00%		1.15	0.0%
				\$682,384				\$11,609,000	\$11,609,000				\$682,384	1.15	43.7%
NET CASH FLOW		\$72,400	\$102,360							APPLICANT NET OPERATING INCOME	\$784,744	\$102,360		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	
GP Funding	GP Equity	0.0%			\$100				0.0%			
RIVA/The Land Experts	Deferred Developer Fees	3.8%	(36% Deferred)		\$1,014,835	\$1,014,935	(36% Deferred)		3.8%		Total Developer Fee:	\$2,840,858
Additional (Excess) Funds Req'd		0.0%			\$0				0.0%			
TOTAL EQUITY SOURCES		56.3%			\$14,963,540	\$14,963,540			56.3%			
TOTAL CAPITALIZATION						\$26,572,540	\$26,572,540			15-Yr Cash Flow after Deferred Fee:	\$1,684,538	

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			\$30,556 / Unit	\$2,750,000	\$2,750,000	\$30,556 / Unit		0.0%	\$0			
Broker Fees				\$82,500	\$82,500			0.0%	\$0			
Off-Sites		\$0	\$ / Unit	\$0	\$0	\$ / Unit	\$0	0.0%	\$0			
Site Work		\$1,020,473	\$11,339 / Unit	\$1,020,473	\$1,020,473	\$11,339 / Unit	\$1,020,473	0.0%	\$0			
Site Amenities		\$720,324	\$8,004 / Unit	\$720,324	\$720,324	\$8,004 / Unit	\$720,324	0.0%	\$0			
Building Cost		\$11,285,076	\$132.06 /sf	\$125,390/Unit	\$11,285,076	\$12,414,917	\$137,944/Unit	\$145.28 /sf	\$11,285,076	-9.1%	(\$1,129,841)	
Contingency		\$510,305	3.92%	3.92%	\$510,305	\$510,305	3.60%	3.92%	\$510,305	0.0%	\$0	
Contractor Fees		\$1,823,622	13.47%	13.47%	\$1,823,622	\$1,823,622	12.43%	13.47%	\$1,823,622	0.0%	\$0	
Soft Costs	\$0	\$2,556,860		\$30,423 / Unit	\$2,738,110	\$2,738,110	\$30,423 / Unit		\$2,556,860	\$0	0.0%	\$0
Financing	\$0	\$1,022,397		\$18,954 / Unit	\$1,705,839	\$1,705,839	\$18,954 / Unit		\$1,022,397	\$0	0.0%	\$0
Developer Fee	\$0	\$2,840,858	15.00%	15.00%	\$2,840,858	\$2,840,858	14.16%	15.00%	\$2,840,858	\$0	0.0%	\$0
Reserves				10 Months	\$1,095,433	\$1,095,433	10 Months			0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$21,779,915		\$295,250 / Unit	\$26,572,540	\$27,702,381	\$307,804 / Unit	\$21,779,915	\$0	-4.1%	(\$1,129,841)
Acquisition Cost	\$0				\$0							
Contingency		\$0			\$0							
Contractor's Fee		\$0			\$0							
Financing Cost		\$0			\$0							
Developer Fee	\$0	\$0			\$0				\$0			
Reserves					\$0							
ADJUSTED BASIS / COST		\$0	\$21,779,915		\$295,250/unit	\$26,572,540	\$27,702,381	\$307,804/unit	\$21,779,915	\$0	-4.1%	(\$1,129,841)
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$26,572,540						

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

305 E Round Grove Living, Lewisville, 9% HTC #23007

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$21,779,915	\$0	\$21,779,915
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$21,779,915	\$0	\$21,779,915
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$28,313,890	\$0	\$28,313,890
Applicable Fraction	59.99%	59.99%	60%	60%
TOTAL QUALIFIED BASIS	\$0	\$16,985,683	\$0	\$16,985,683
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,528,711	\$0	\$1,528,711
CREDITS ON QUALIFIED BASIS	\$1,528,711		\$1,528,711	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.9299	Credits	Proceeds
Eligible Basis	\$1,528,711	\$14,215,595	----	----	----
Needed to Fill Gap	\$1,609,144	\$14,963,540	----	----	----
Applicant Request	\$1,500,000	\$13,948,605	\$1,500,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	85,455 SF	\$109.15	9,327,014
Adjustments				
Exterior Wall Finish	2.80%		3.06	\$261,156
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.35%		3.66	312,455
Roof Adjustment(s)			(0.25)	(21,364)
Subfloor			0.23	19,868
Floor Cover			2.82	240,983
Enclosed Corridors	\$100.70	19,771	23.30	1,990,847
Balconies	\$31.05	6,963	2.53	216,189
Plumbing Fixtures	\$1,090	198	2.53	215,820
Rough-ins	\$535	180	1.13	96,300
Built-In Appliances	\$1,880	90	1.98	169,200
Exterior Stairs	\$3,275	9	0.34	29,475
Heating/Cooling			2.37	202,528
Storage Space	\$100.70	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$119.60	6,168	8.63	737,673
Elevators	\$366,765	1	4.29	366,765
Other:			0.00	0
Fire Sprinklers	\$3.65	111,394	4.76	406,588
SUBTOTAL			170.52	14,571,499
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			170.52	\$14,571,499
Plans, specs, survey, bldg permits	3.30%		(5.63)	(\$480,859)
Contractor's OH & Profit	11.50%		(19.61)	(1,675,722)
NET BUILDING COSTS		\$137,944/unit	\$145.28/sf	\$12,414,917

Long-Term Pro Forma

305 E Round Grove Living, Lewisville, 9% HTC #23007

	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%	\$1,364,545	\$1,391,836	\$1,419,673	\$1,448,066	\$1,477,028	\$1,630,758	\$1,800,488	\$1,987,885	\$2,194,785	\$2,423,220	\$2,675,431	\$2,953,892
TOTAL EXPENSES	3.00%	\$579,801	\$596,513	\$613,712	\$631,414	\$649,632	\$749,026	\$863,826	\$996,442	\$1,149,664	\$1,326,719	\$1,531,343	\$1,767,863
NET OPERATING INCOME ("NOI")		\$784,744	\$795,323	\$805,960	\$816,652	\$827,395	\$881,732	\$936,662	\$991,442	\$1,045,121	\$1,096,502	\$1,144,088	\$1,186,029
EXPENSE/INCOME RATIO		42.5%	42.9%	43.2%	43.6%	44.0%	45.9%	48.0%	50.1%	52.4%	54.8%	57.2%	59.8%
MUST -PAY DEBT SERVICE													
Regions Bank HUD 221(d)(4)		\$682,384	\$682,139	\$681,881	\$681,610	\$681,327	\$679,685	\$677,599	\$674,949	\$671,581	\$667,301	\$661,864	\$654,955
Adjustment to Debt Per §11.302(c)(2)													
TOTAL DEBT SERVICE		\$682,384	\$682,139	\$681,881	\$681,610	\$681,327	\$679,685	\$677,599	\$674,949	\$671,581	\$667,301	\$661,864	\$654,955
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.30	1.38	1.47	1.56	1.64	1.73	1.81
ANNUAL CASH FLOW		\$102,360	\$113,184	\$124,079	\$135,042	\$146,069	\$202,047	\$259,063	\$316,494	\$373,541	\$429,200	\$482,224	\$531,074
Deferred Developer Fee Balance		\$912,575	\$799,391	\$675,312	\$540,270	\$394,201	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$503,556	\$1,684,538	\$3,152,126	\$4,906,074	\$6,941,541	\$9,247,952	\$11,807,640