

# 25035 Fredericksburg Senior Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

May 27, 2025

PROPERTY IDENTIFICATION	
Application #	25035
Development	Fredericksburg Senior Apartments
City / County	Fredericksburg / Gillespie
Region/Area	9 / Rural
Population	Elderly Limitation
Set-Aside	USDA
Activity	Acquisition/Rehab (Built in 1991)

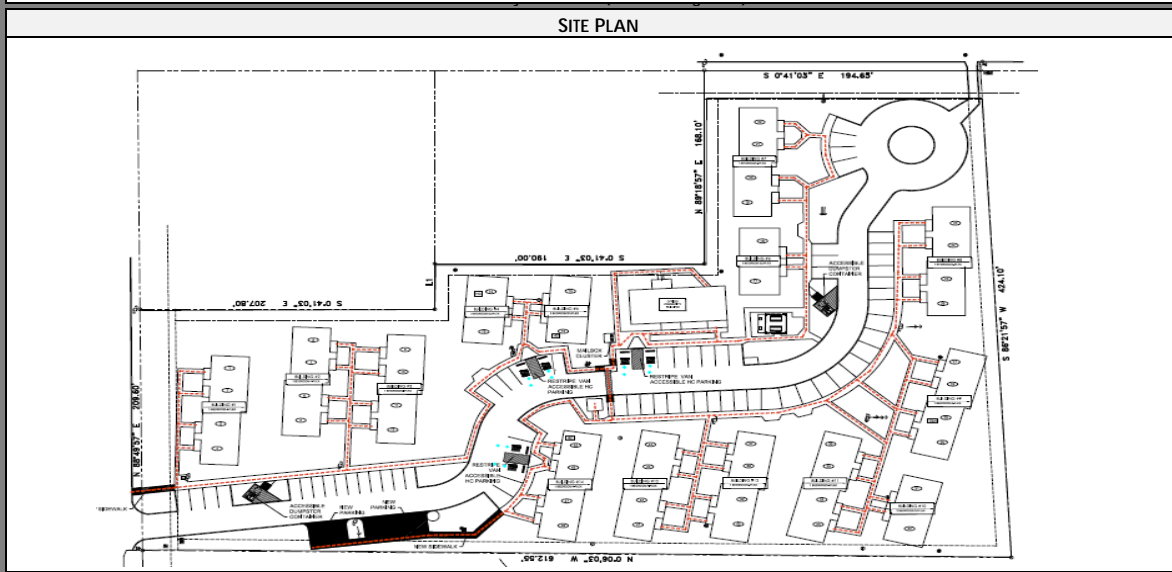
RECOMMENDATION						
TDHCA Program		Request	Recommended			
FHTC (9% Credit)		\$603,701	\$587,092	\$12,231/Unit	\$0.81	

KEY PRINCIPALS / SPONSOR			
Julie Randolph / Pecan Tree Square, LLC			
Jason A. Rabalais, Jr. / Pecan Tree Square, LLC			
Murray Calhoun / RD 2014 General Partner, LLC			
Robbye Meyer / Consultant			
Related Parties	Contractor -	Yes	Seller - Yes



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	40	83%	30%	4	8%
2	8	17%	40%	-	0%
3	-	0%	50%	10	21%
4	-	0%	60%	33	69%
			70%	-	0%
			80%	-	0%
			MR	1	2%
TOTAL	48	100%	TOTAL	48	100%

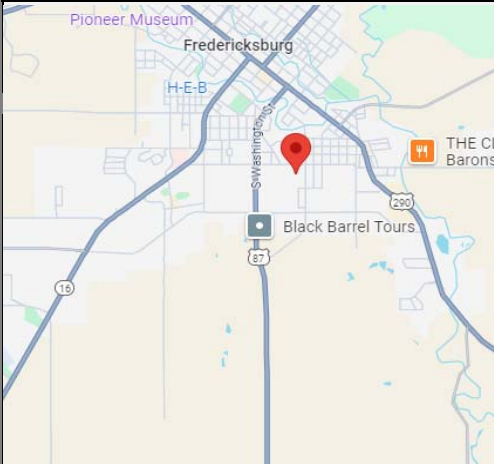
PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.34	Expense Ratio	71.3%
Breakeven Occ.	85.7%	Breakeven Rent	\$565
Average Rent	\$611	B/E Rent Margin	\$46
Property Taxes	\$255/unit	Exemption/PILOT	0%
Total Expense	\$4,939/unit	Controllable	\$2,203/unit

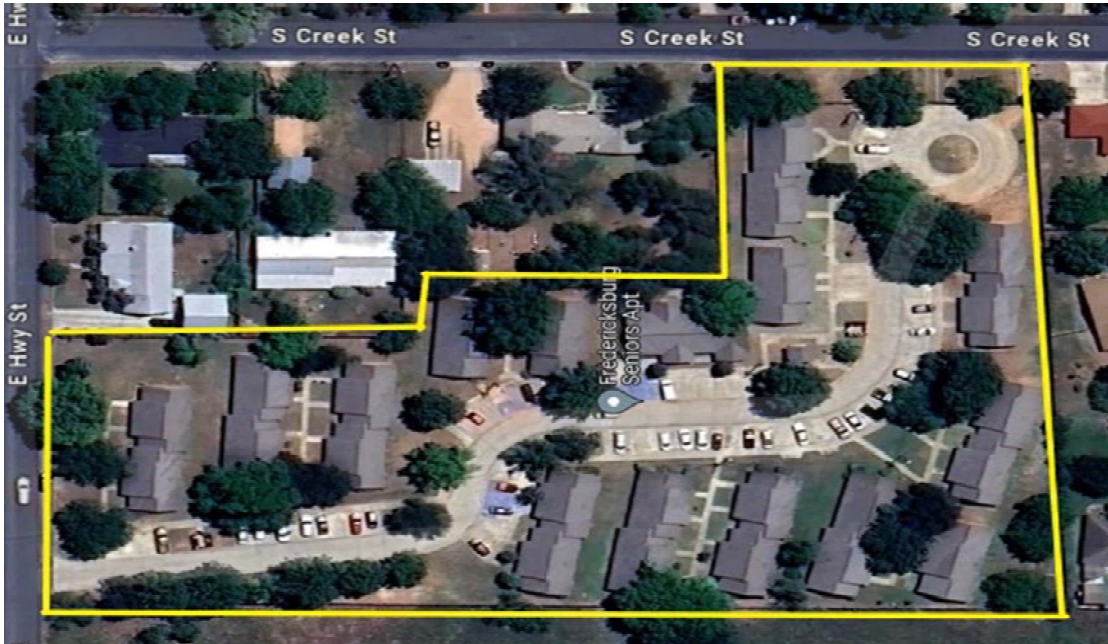


MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			#DIV/0!
Highest Unit Capture Rate	<div><div></div></div> 0%	N/A	N/A
Dominant Unit Cap. Rate		0 BR/20%	0
Premiums (↑80% Rents)	N/A	N/A	
Rent Assisted Units	47	98% Total Units	
DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on SCR	
Avg. Unit Size	675 SF	Density	11.7/acre
Acquisition		\$33K/unit	\$1,588K
Building Cost	\$70.48/SF	\$48K/unit	\$2,282K
Hard Cost		\$65K/unit	\$3,125K
Total Cost		\$143K/unit	\$6,877K
Developer Fee	\$805K	(35% Deferred)	Paid Year: 12
Contractor Fee	\$437K	30% Boost	Yes
REHABILITATION COSTS / UNIT			
Site Work	\$7K	10%	Finishes/Fixtures \$21K 33%
Building Shell	\$18K	27%	Amenities \$5K 8%
HVAC	\$6K	9%	Total Exterior \$30K 50%
Appliances	\$3K	4%	Total Interior \$30K 50%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
USDA	30/50	1.00%	\$914,064	4.10						WNC & Associates	\$4,778,451	
TDHCA HOME	25/14	1.00%	\$632,643	1.34						Partnership Reserves	0/0	0.00%
TOTAL DEBT (Must Pay)			\$1,546,707		CASH FLOW DEBT / GRANTS			\$272,965		TOTAL EQUITY SOURCES	\$5,057,498	
											TOTAL DEBT SOURCES	\$1,819,672
											TOTAL CAPITALIZATION	\$6,877,170

CONDITIONS
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
◦ Developers past experiences
◦ 89% units receiving USDA - RA
WEAKNESSES/RISKS
◦ Expense/income ratio > 65%
◦ Low projected 15 - year cash flow
◦ 50% of rehab is for the unit interior
AREA MAP


AERIAL PHOTOGRAPH(S)




### DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25035** Program(s): **9% HTC**

**Fredericksburg Senior Apartments**

Address/Location: 591 E. Highway St

City: Fredericksburg County: Gillespie Zip: 78624

Population: Elderly Limitation Program Set-Aside: USDA Area: Rural

Activity: Acquisition/Rehab Building Type: Fourplex Region: 9

Low-Income: 40% at 60%

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
FHTC (9% Credit)	\$603,701				\$587,092						

### CONDITIONS

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	4
50% of AMI	50% of AMI	10
60% of AMI	60% of AMI	34

## DEVELOPMENT SUMMARY

The Fredericksburg Seniors development is a USDA 515 transfer that consists of 48 total units with 40 (1 BR units) and 8 (2 BR units) including one EO unit. The development currently has 42 units receiving USDA - rental assistance. The remaining five units are expected to receive rental assistance in the future.

The structure was originally built in 1991. The previous application was #08324.

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Developers past experiences
▫	89% units receiving USDA - RA
▫	

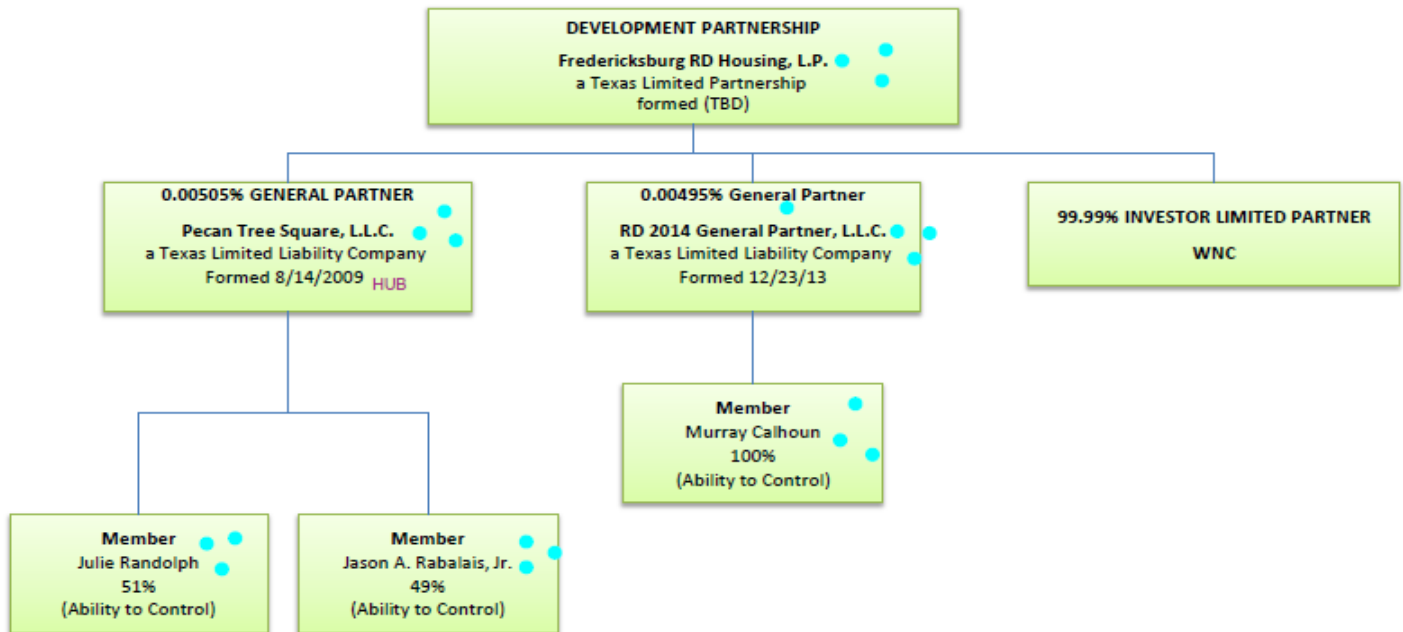
WEAKNESSES/RISKS	
▫	Expense/income ratio > 65%
▫	Low projected 15 - year cash flow
▫	50% of rehab is for the unit interior

## DEVELOPMENT TEAM

### OWNERSHIP STRUCTURE

## Fredericksburg Senior Apartments

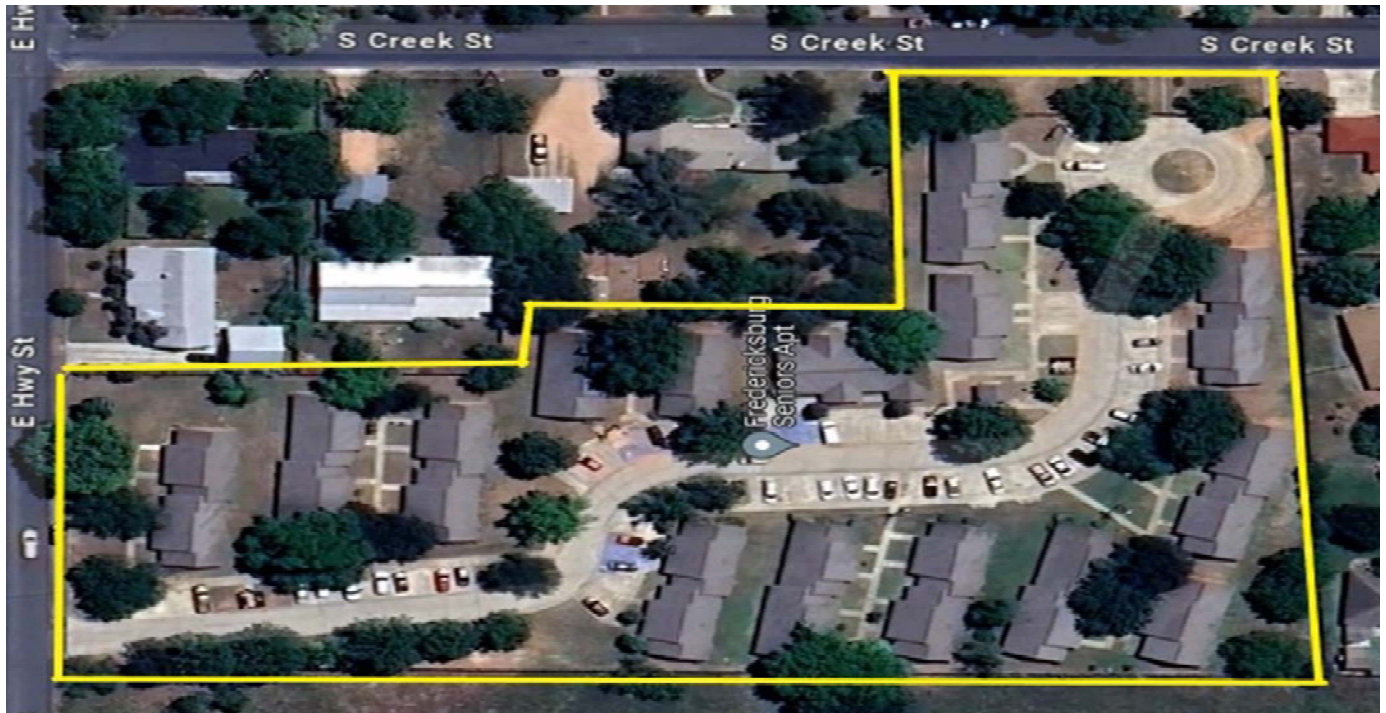
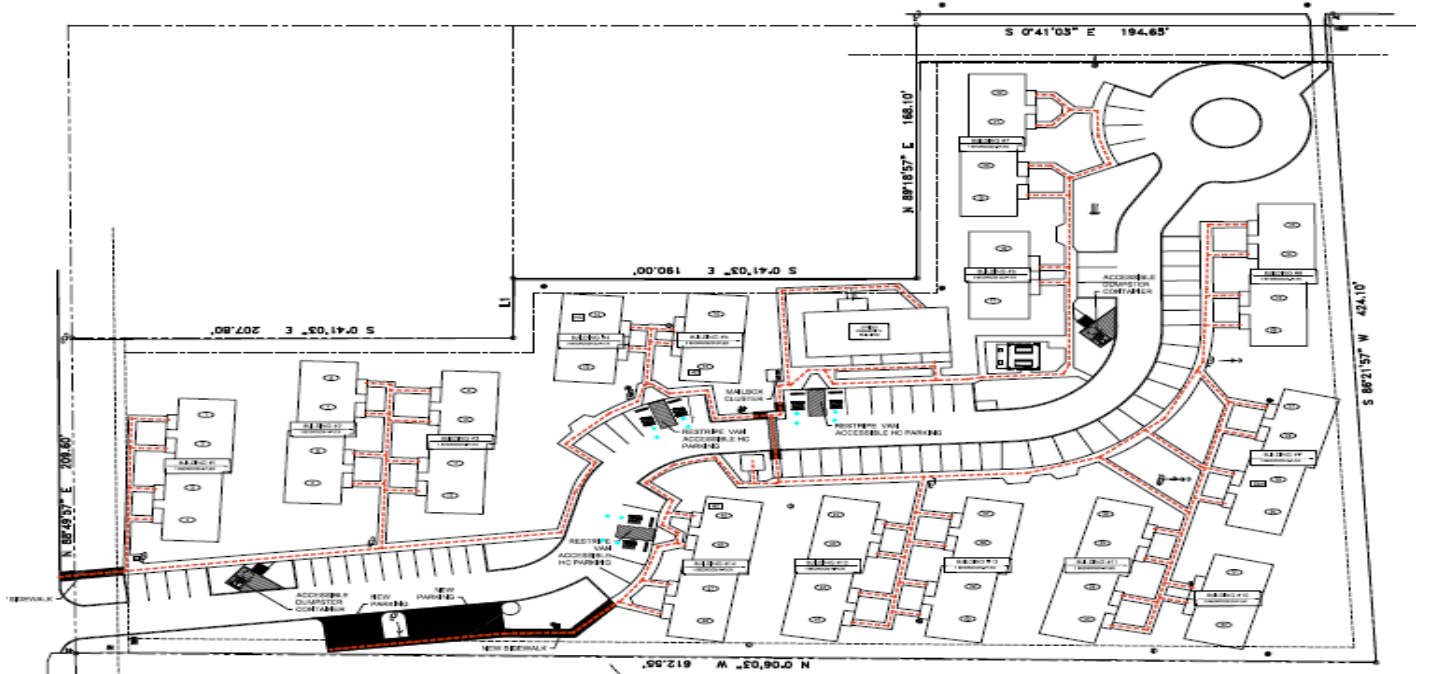
### Owner Structure





# DEVELOPMENT SUMMARY

## SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
Open Surface	76	1.6/unit	0	--	76	1.6/unit
<b>Total Parking</b>	<b>76</b>	<b>1.6/unit</b>	<b>0</b>	<b>--</b>	<b>76</b>	<b>1.6/unit</b>

### Comments:

The development currently consists of 68 parking spaces. The requirement is 76 parking spaces. The rehab will add another eight parking spaces for a total of 76 spaces. The Applicant will be meeting the requirement post-rehab.

# BUILDING ELEVATION



# BUILDING CONFIGURATION

Building Type	1	2												Total Buildings
Floors/Stories	1	1												
Number of Bldgs	10	4												14
Units per Bldg	4	2												
Total Units	40	8												48
Avg. Unit Size (SF)		675 sf		Total NRA (SF)		32,376		Common Area (SF)*		2,040				

\*Common Area Square Footage as specified on Architect Certification

# SITE CONTROL INFO

**Site Acreage:** Development Site: 4.09 acres Density: 11.7 units/acre  
**Site Control:** 4.094 **Site Plan:** 4.094 **Appraisal:** 4.094 **ESA:** N/A  
**Feasibility Report Survey:** 4.094 **Feasibility Report Engineer's Plan:** N/A **Existing LURA:**

Control Type: Purchase Option

Development Site: 4.09 acres Cost: \$1,588,146 \$33,086 per unit

Seller: Fredericksburg Seniors Apartments, Ltd.

Buyer: Fredericksburg RD Housing, L.P.

Related-Party Seller/Identity of Interest: Yes

Date of Most Recent Arms Length Settlement Statement: 1/23/1991

Sales Price in Most Recent Arms Length Settlement Statement: More than 5 Years

## Comments:

The application shows total acquisition price of \$1,588,146 on the Development Cost Schedule . The Option Agreement states the purchase price is the assumed USDA debt of \$967,706 plus the assumed TDHCA HOME debt of \$677,498 estimated at the time of the application for a total of \$1,645,204.

The application was submitted with the acquisition price and the estimated USDA loan as separate costs. Underwriter combined both costs to show the acquisition price of \$1,588,146.

USDA July 2026 Balance: \$914,064

TDHCA HOME Loan Transfer July 2025: \$674,082

**TDHCA's side shows the balances of both loans in July 2026 when the Applicant expects to close.**

As is typical on USDA property transfers, the price is subject to adjustment based on the outstanding balance at the time of closing.

The development has an existing LURA in place from 2009.

## APPRAISED VALUE

Appraiser: O'Connor & Associates

Date: 2/6/2025

Land as Vacant:	4.094 acres	\$625,000	Per Unit:	\$13,021
Existing Buildings: (as-is)		\$645,000	Per Unit:	\$13,438
Land + Buildings: (as-is)		\$1,270,000	Per Unit:	\$26,458
Favorable Financing:		\$762,000	Per Unit:	\$15,875
<b>Total Development: (as-is)</b>		<b>\$2,032,000</b>	Per Unit:	<b>\$42,333</b>

**Comments:**

Applicant's acquisition cost \$1,588,146 is supported by the appraisal **only when** including favorable financing values on the below rate transfer of the USDA and/or TDHCA loans.

## SITE INFORMATION

Flood Zone:	Zone X	Scattered Site?	No
Zoning:	R2f	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1991	Title Issues?	No

**Current Uses of Subject Site:**

The subject site is improved with a 48-unit United States Department of Agriculture Rural Development (USDA RD) apartment complex, consisting of 14 one-story residential apartment buildings and 1 one-story leasing office/community room.

## TENANT RELOCATION PLAN

Applicant provided the Tenant Relocation Plan. However, according to the Plan, the developer does not believe that any work will cause displacement or relocation of the tenants. Thus, developer did not budget for any tenant relocation funds.

## HIGHLIGHTS of ENVIRONMENTAL REPORTS

**Comments:**

Developments funded by USDA are not required to supply an Environmental Site Assessment, as these are existing properties previously approved and subsidized by USDA; it is the Applicant's responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements. USDA retains on-going oversight of the properties.



## MARKET ANALYSIS

### Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market. The subject property is **96%** occupied as of February 2025.

## OPERATING PRO FORMA

### SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$95,298	Avg. Rent:	\$611	Expense Ratio:	71.3%
Debt Service:	\$70,891	B/E Rent:	\$565	Controllable Expenses:	\$2,203
Net Cash Flow:	\$24,407	UW Occupancy:	92.5%	Property Taxes/Unit:	\$255
Aggregate DCR:	1.34	B/E Occupancy:	85.7%	Program Rent Year:	2024

The application submitted shows 42 out of 47 units are currently receiving USDA Rental Assistance. Applicant is expecting to have all 47 units approved to be USDA RA units. Underwrote to use the lesser of the USDA RA rents and TC 60% program rate for 2 BR units. Actual rents are subject to USDA approval.

Using Applicant's ProForma - Underwriter's expenses are based on database comparables and estimates (3506-7) included in the proposed USDA budget. Overall underwriting will be reviewed following USDA approval based on final closing documentation.

Applicant submitted operating expenses exceeding 65% expense to income ratio. Pursuant to the rules, the expense ratio threshold of 65%, and a Debt Coverage Ratio below 1.15 at any time during years two through fifteen does not apply to USDA deals that will receive rental assistance for at least 50% of the units.

Unit Type	Current Net USDA Rent	Variance	Increase	Proposed Net USDA Rent
1 BR	\$565.00	50	8.8%	\$615.00
2 BR	\$625.00	53	8.5%	\$678.00

Applicant submitted proposed rents, which are 8.8% and 8.5% higher than the current rents listed on the support, respectively. Underwrote to the support provided showing the proposed basic rents at \$615 for 1 BR and \$675 for 2 BR.

Underwriter adjusted the vacancy rate to 7.5% from 7% as per QAP rules.

## DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	\$190,901/ac	\$33,086/unit	\$1,588,146	Contractor Fee	\$437,000
Off-site + Site Work		\$11,659/unit	\$559,650	Soft Cost + Financing	\$515,709
Building Cost	\$70.48/sf	\$47,535/unit	\$2,281,700	Developer Fee	\$805,000
Contingency	10.00%	\$5,917/unit	\$284,000	Reserves	\$405,965
Total Development Cost		\$143,274/unit	\$6,877,170	Rehabilitation Cost	\$59,195/unit
Qualified for 30% Basis Boost?		Rural [9% only]			

### Acquisition:

The Applicant's Total Acquisition cost of \$1,588,146 is contingent upon the inclusion of the favorable financing: \$470k for the below market USDA loan and; \$292k for the below market TDHCA HOME loan.

Underwriter applied the land-to-asset and building-to-asset ratios from the appraisal to the Applicant's higher acquisition price which results in the land value increasing from \$625k to \$781,568 and buildings from \$645k to \$806,578.

The Applicant's Development Cost Schedule shows the appraised land value of \$625k and an increased building value at \$963,146. The Applicant did not allocate any favorable financing to the land portion of the appraised value. Therefore, the Applicant understated their land by \$156,568 and overstated their Building Acquisition by \$156,568.

Hypothetically if the TDHCA favorable financing is not included in the total value, the building acquisition would still be overstated by the same amount.

Total acquisition cost in the underwritten analysis uses a projected outstanding balance on both the assumed USDA debt and TDHCA HOME loan debt as of July 2026, which is estimated to be \$914,064 and \$632,643, respectively.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$316,800	\$6,600/unit	10%	Finishes/Fixtures	\$1,022,700	\$21,306/unit	33%
Building Shell	\$857,000	\$17,854/unit	27%	HVAC	\$270,000	\$5,625/unit	9%
Amenities	\$242,850	\$5,059/unit	8%	Appliances	\$132,000	\$2,750/unit	4%
Total Exterior	\$1,416,650	\$29,514/unit	50%	Total Interior	\$1,424,700	\$29,681/unit	50%

## SCOPE & COST REVIEW

Provider: GIBCO Environmental, LLC

Date: 2/20/2025

### Scope of Work:

#### Mandatory Development Amenities:

- Screens on all operable windows (included with new Energy Star Window Installation)
- Energy-Star rated refrigerator (will be supplied in all units - ice maker will be supplied)
- Oven/Range (will be supplied in all units)
- Blinds (will be supplied for all windows)
- Energy-Star Ceiling Fan (at least 1 per unit)
- Energy-Star rated lighting (all lighting fixtures will be changed complex wide)
- HVAC (all areas of units will have heating and air conditioning – Exterior Storage excluded)
- Adequate parking (parking will meet requirements per local code)
- Energy Star rated windows (All existing windows will be replaced)
- Adequate accessible parking (Accessible parking will comply with 2010 ADA requirements)

#### Common Amenities:

- Covered pavilion with sitting area
- Furnished Community Room

#### Unit Development Construction Features to Replace:

- Covered Entries
- Microwave Oven
- Self-Cleaning/continuous cleaning oven
- Energy-Star rated refrigerator with icemaker
- Energy-Star rated ceiling fans in all Bedrooms
- EPA WaterSense qualified toilets in all bathrooms
- EPA WaterSense qualified showerheads and faucets in all bathrooms)

#### Development Construction Features to Replace:

- 15 SEER HVAC
- Thirty (30) year roof

#### Systems & Components to Replace:

- HVAC (existing air handlers and condensing units are replaced in all units)
- Water Heaters (existing water heaters are replaced in all units)
- Tubs and surrounds (existing tubs and surrounds are replaced in all units)

### Financing Cost:

Applicant submitted in their Sources and Uses the existing TDHCA HOME Loan balance of \$674,082 (balance as of July 2025) with 30-yr term, amortized over 30 Yrs.

The Underwriter received the amortization table from the loan department. To be consistent, the Underwriter adjusted the TDHCA HOME loan balance to be \$632,643 (balance per amort table) with remaining 14.25 Yrs term, amortized over 14.25 Yrs. This is based on the original HOME loan amortization schedule dated 10/1/2010 and the projected closing date of July 2026 same projected closing date as the assumed USDA debt.

Developer Fee:

Developer Fee is overstated by \$134,370.

Comments:

As a result of the overstatement with the acquisition and developer fee, the credits will reduced by \$16,609.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$6,877,170	\$5,637,137	\$587,092

## UNDERWRITTEN CAPITALIZATION

### INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
USDA	USDA Transfer	\$914,064	0.00%	16%
TDHCA HOME	TDHCA HOME Transfer	\$674,082	0.00%	12%
First Horizon	Construction Loan	\$4,000,000	7.35%	70%
WNC & Associates	FHTC	\$100,000	\$0.81	2%
City of Fredericksburg	\$11.9(d)(2)LPS Contribution	\$250	0.00%	0%
		<b>\$5,688,396</b>	<b>Total Sources</b>	

### PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
USDA	\$914,064	1.00%	50	30.0	\$914,064	1.00%	50	30.0	13%
TDHCA HOME	\$674,082	1.00%	30	30.0	\$632,643	1.00%	14	14.3	9%
Partnership Reserves	\$272,965	0.00%	0	0.0	\$272,965	0.00%	0	0.0	4%
<b>Total</b>	<b>\$1,861,111</b>				<b>\$1,819,672</b>				

Comments:

TDHCA's side shows the TDHCA HOME loan transfer balance as of July 2026 estimated closing; Applicant is using the balance as of July 2025.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
WNC & Associates	\$4,913,635	\$0.81		\$4,778,451	\$0.81	69%	
Lymac, LLC	\$102,424		13%	\$279,047		4%	35%
<b>Total</b>	<b>\$5,016,059</b>			<b>\$5,057,498</b>			
				<b>\$6,877,170</b>	<b>Total Sources</b>		

## CONCLUSIONS

### Gap Analysis:

Total Development Cost	\$6,877,170
Permanent Sources (debt + non-HTC equity)	\$1,819,672
<b>Gap in Permanent Financing</b>	<b>\$5,057,498</b>

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$4,778,451	\$587,092
Needed to Balance Sources & Uses	\$5,057,498	\$621,376
Requested by Applicant	\$4,913,637	\$603,701

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
<b>Tax Credit Allocation</b>	<b>\$4,778,451</b>	<b>\$587,092</b>

Deferred Developer Fee	\$279,047	( 35% deferred)
Repayable in	12 years	

### Recommendation:

Underwriter recommends \$587,092 in annual tax credits as determined by Eligible Basis.

Underwriter: Bin Ni

Manager of Real Estate Analysis: Robert Castillo

Director of Real Estate Analysis: Jeanna Adams



UNIT MIX/RENT SCHEDULE
<i>Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035</i>

LOCATION DATA	
CITY:	Fredericksburg
COUNTY:	Gillespie
Area Median Income	\$99,000
PROGRAM REGION:	9
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	SHTC	Match
Eff	-	0.0%	0	0	0	0
1	40	83.3%	40	0	0	0
2	8	16.7%	7	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
<b>TOTAL</b>	<b>48</b>	<b>100.0%</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>-</b>

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	675 sf

<b>55%</b>	<b>Income</b>	20%	30%	40%	50%	60%	70%	80%	EO / MR	<b>TOTAL</b>
<b>Average</b>	<b># Units</b>	-	4	-	10	33	-	-	1	<b>48</b>
<b>Income</b>	<b>% Total</b>	0.0%	8.3%	0.0%	20.8%	68.8%	0.0%	0.0%	2.1%	<b>100.0%</b>

UNIT MIX / MONTHLY RENT SCHEDULE																						
FEDERAL HTC		RENT ASSISTED UNIT		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	\$535	USDA - RA	\$706	0	4	1	1	643	\$706	\$91	\$615	\$0	\$0.96	\$615	\$2,460	\$2,460	\$615	\$0.96	\$0	\$1,035	\$1.61	\$1,035
TC 50%	\$891	USDA - RA	\$706	0	10	1	1	643	\$706	\$91	\$615	\$0	\$0.96	\$615	\$6,150	\$6,150	\$615	\$0.96	\$0	\$1,035	\$1.61	\$1,035
TC 60%	\$1,070	USDA - RA	\$706	0	26	1	1	643	\$706	\$91	\$615	\$0	\$0.96	\$615	\$15,990	\$15,990	\$615	\$0.96	\$0	\$1,035	\$1.61	\$1,035
TC 60%	\$1,284	USDA - RA	\$786	0	2	2	1	832	\$786	\$111	\$675	\$0	\$0.81	\$675	\$1,350	\$1,350	\$675	\$0.81	\$0	\$1,095	\$1.32	\$1,095
TC 60%	\$1,284	Non-USDA	\$786	0	5	2	1	832	\$786	\$111	\$675	\$0	\$0.81	\$675	\$3,375	\$3,375	\$675	\$0.81	\$0	\$1,095	\$1.32	\$1,095
EO				0	1	2	1	832	\$0	\$111	\$0		\$0.00	\$0	\$0				NA	\$1,095	\$1.32	\$1,095
TOTALS/AVERAGES:					48			32,376				\$0	\$0.91	\$611	\$29,325	\$29,325	\$611	\$0.91	\$0	\$1,045	\$1.55	\$1,045

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$351,900</b>	<b>\$351,900</b>	
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# STABILIZED PRO FORMA

*Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035*

## STABILIZED FIRST YEAR PRO FORMA

STABILIZED FIRST YEAR PRO FORMA													
COMPARABLES				APPLICANT				TDHCA				VARIANCE	
Database	3506-7 Proposed Budget			% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$0.91	\$611	\$351,900	\$351,900	\$611	\$0.91		0.0%	\$0
Interest Income						\$1.73	\$996						
Tenant Charges						\$1.38	\$792						
Tenant Water Bill Charges						\$9.79	\$5,640						
Total Secondary Income						\$12.90		\$7,428	\$12.90			0.0%	\$0
POTENTIAL GROSS INCOME							\$359,328	\$359,328				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(26,950)	(26,950)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$332,378	\$332,378				0.0%	\$0

General & Administrative	\$28,719	\$598/Unit	\$18,384	\$383	5.58%	\$0.57	\$386	\$18,534	\$18,384	\$383	\$0.57	5.53%	0.8%	150
Management	\$29,273	5.7% EGI	\$50,760	\$1,058	15.19%	\$1.56	\$1,052	\$50,487	\$50,487	\$1,052	\$1.56	15.19%	0.0%	-
Payroll & Payroll Tax	\$62,486	\$1,302/Unit	\$25,730	\$536	7.74%	\$0.79	\$536	\$25,730	\$25,730	\$536	\$0.79	7.74%	0.0%	-
Repairs & Maintenance	\$42,618	\$888/Unit	\$34,400	\$717	10.35%	\$1.06	\$717	\$34,400	\$33,600	\$700	\$1.04	10.11%	2.4%	800
Electric/Gas	\$15,473	\$322/Unit	\$4,100	\$85	1.23%	\$0.13	\$85	\$4,100	\$4,100	\$85	\$0.13	1.23%	0.0%	-
Water, Sewer, & Trash	Tenant Pays: T Only \$34,257	\$714/Unit	\$22,000	\$458	6.92%	\$0.71	\$479	\$23,000	\$23,000	\$479	\$0.71	6.92%	0.0%	-
Property Insurance	\$31,515	\$0.97 /sf	\$72,393	\$1,508	14.83%	\$1.52	\$1,027	\$49,276	\$49,276	\$1,027	\$1.52	14.83%	0.0%	-
Property Tax (@ 100%) 1.2251	\$31,972	\$666/Unit	\$12,233	\$255	3.68%	\$0.38	\$255	\$12,223	\$11,843	\$247	\$0.37	3.56%	3.2%	380
Reserve for Replacements					4.33%	\$0.44	\$300	\$14,400	\$14,400	\$300	\$0.44	4.33%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.58%	\$0.06	\$40	\$1,920	\$1,880	\$39	\$0.06	0.57%	2.1%	40
Return to Owner					0.91%	\$0.09	\$63	\$3,010	\$3,010	\$63	\$0.09	0.91%	0.0%	-
TOTAL EXPENSES					71.33%	\$7.32	\$4,939	\$237,080	\$235,710	\$4,911	\$7.28	70.92%	0.6%	\$ 1,370
NET OPERATING INCOME ("NOI")					28.67%	\$2.94	\$1,985	\$95,298	\$96,669	\$2,014	\$2.99	29.08%	-1.4%	\$ (1,370)

CONTROLLABLE EXPENSES						\$2,203/Unit				\$2,184/Unit				
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035</i>

		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			
USDA		4.16	4.10	\$23,238	1.00%	50	30.0	\$914,064	\$914,064	30.0	50.0	1.00%	\$23,238	4.10	13.3%			
TDHCA HOME		1.36	1.34	\$47,654	1.00%	30	30.0	\$674,082	\$632,643	14.25	14.25	1.00%	\$47,653	1.34	9.2%			
First Horizon		1.36	1.34		0.00%	0	0.0	\$0	\$0	0.0	0.0	0.00%		1.34	0.0%			
CASH FLOW DEBT / GRANTS																		
City of Fredericksburg		1.36	1.34		0.00%	0	0.0	\$0	\$0	0.0	0.0	0.00%		1.34	0.0%			
Partnership Reserves		1.36	1.34		0.00%	0	0.0	\$272,965	\$272,965	0.0	0.0	0.00%		1.34	4.0%			
				\$70,892	TOTAL DEBT / GRANT SOURCES			\$1,861,111	\$1,819,672	TOTAL DEBT SERVICE			\$70,891	1.34	26.5%			
NET CASH FLOW		\$25,777	\$24,406	APPLICANT NET OPERATING INCOME												\$95,298	\$24,407	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											
WNC & Associates	LIHTC Equity	71.4%	\$603,701	\$0.814	\$4,913,635	\$4,778,451	\$0.814	\$587,092	69.5%	\$12,231	Eligible Basis
Lymac, LLC	Deferred Developer Fees	1.5%	(13% Deferred)		\$102,424	\$279,047	(35% Deferred)		4.1%	Total Developer Fee: \$805,000	
Additional (Excess) Funds Req'd		0.0%				\$0			0.0%		
TOTAL EQUITY SOURCES		72.9%			\$5,016,059	\$5,057,498			73.5%		
TOTAL CAPITALIZATION					\$6,877,170	\$6,877,170	15-Yr Cash Flow after Deferred Fee:			\$62,023	

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS				COST VARIANCE		
Eligible Basis		Total Costs				Eligible Basis		Total Costs				
Acquisition	New Const. Rehab					New Const. Rehab	Acquisition					
Land Acquisition		\$13,021 / Unit	\$625,000		\$781,568	\$16,283 / Unit				-20.0%	(\$156,568)	
Building Acquisition	\$963,146	\$20,066 / Unit	\$963,146		\$806,578	\$16,804 / Unit		\$806,578		19.4%	\$156,568	
Site Work		\$316,800	\$6,600 / Unit	\$316,800	\$316,800	\$6,600 / Unit	\$316,800			0.0%	\$0	
Site Amenities		\$242,850	\$5,059 / Unit	\$242,850	\$242,850	\$5,059 / Unit	\$242,850			0.0%	\$0	
Building Cost		\$2,281,700	\$70.48 /sf	\$47,535/Unit	\$2,281,700	\$47,535/Unit	\$70.48 /sf	\$2,281,700		0.0%	\$0	
Contingency		\$284,000	10.00%	10.00%	\$284,000	\$284,000	10.00%	10.00%	\$284,000	0.0%	\$0	
Contractor Fees		\$437,000	13.98%	13.98%	\$437,000	\$437,000	13.98%	13.98%	\$437,000	0.0%	\$0	
Soft Costs	\$0	\$155,709	\$3,244 / Unit	\$155,709	\$155,709	\$3,244 / Unit	\$155,709	\$0		0.0%	\$0	
Financing	\$0	\$307,500	\$7,500 / Unit	\$360,000	\$360,000	\$7,500 / Unit	\$307,500	\$0		0.0%	\$0	
Developer Fee	\$0	\$805,000	20.00%	16.66%	\$805,000	\$805,000	16.66%	16.66%	\$670,630	\$134,370	0.0%	\$0
Reserves			16 Months	\$405,965	\$405,965	16 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$963,146	\$4,830,559	\$143,274 / Unit	\$6,877,170	\$6,877,170	\$143,274 / Unit	\$4,696,189	\$940,948	0.0%	\$0	
Acquisition Cost		(\$156,568)			\$0							
Contingency			\$0		\$0							
Contractor's Fee			\$0		\$0							
Financing Cost			\$0									
Developer Fee	16.66%	\$134,370	(\$134,370)	16.66%	\$0							
Reserves					\$0							
ADJUSTED BASIS / COST		\$940,948	\$4,696,189	\$143,274/unit	\$6,877,170	\$6,877,170	\$143,274/unit	\$4,696,189	\$940,948	0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$6,877,170						

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$940,948	\$4,696,189	\$940,948	\$4,696,189
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$940,948	\$4,696,189	\$940,948	\$4,696,189
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$940,948	\$6,105,045	\$940,948	\$6,105,045
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$940,948	\$6,105,045	\$940,948	\$6,105,045
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$37,638	\$549,454	\$37,638	\$549,454
<b>CREDITS ON QUALIFIED BASIS</b>	\$587,092		\$587,092	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8139 Credit Allocation	Variance to Request Credits	Proceeds
<b>Eligible Basis</b>	\$587,092	\$4,778,451	<b>\$587,092</b>	<b>(\$16,609)</b>	<b>(\$135,186)</b>
<b>Needed to Fill Gap</b>	\$621,376	\$5,057,498	----	----	----
<b>Applicant Request</b>	\$603,701	\$4,913,637	----	----	----

## Long-Term Pro Forma

*Fredericksburg Senior Apartments, Fredericksburg, 9% HTC #25035*

	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%	\$332,378	\$339,026	\$345,806	\$352,723	\$359,777	\$397,223	\$438,566	\$484,213	\$534,610	\$590,252	\$651,686	\$719,514
TOTAL EXPENSES	3.00%	\$237,080	\$243,688	\$250,483	\$257,473	\$264,661	\$303,798	\$348,855	\$400,742	\$460,510	\$529,376	\$608,743	\$700,237
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$95,298</b>	<b>\$95,338</b>	<b>\$95,323</b>	<b>\$95,250</b>	<b>\$95,116</b>	<b>\$93,425</b>	<b>\$89,711</b>	<b>\$83,470</b>	<b>\$74,099</b>	<b>\$60,877</b>	<b>\$42,943</b>	<b>\$19,278</b>
EXPENSE/INCOME RATIO		71.3%	71.9%	72.4%	73.0%	73.6%	76.5%	79.5%	82.8%	86.1%	89.7%	93.4%	97.3%
<b>MUST -PAY DEBT SERVICE</b>													
USDA		\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238	\$23,238
TDHCA HOME		\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653	\$47,653
TOTAL DEBT SERVICE		\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891	\$70,891
DEBT COVERAGE RATIO		1.34	1.34	1.34	1.34	1.34	1.32	1.27	1.18	1.05	0.86	0.61	0.27
<b>ANNUAL CASH FLOW</b>													
ANNUAL CASH FLOW		\$24,407	\$24,447	\$24,432	\$24,359	\$24,225	\$22,534	\$18,820	\$12,579	\$3,208	(\$10,015)	(\$27,948)	(\$51,613)
Deferred Developer Fee Balance		\$254,639	\$230,192	\$205,760	\$181,401	\$157,176	\$40,406	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$62,023	\$138,524	\$174,695	\$152,769	\$50,971	(\$157,245)