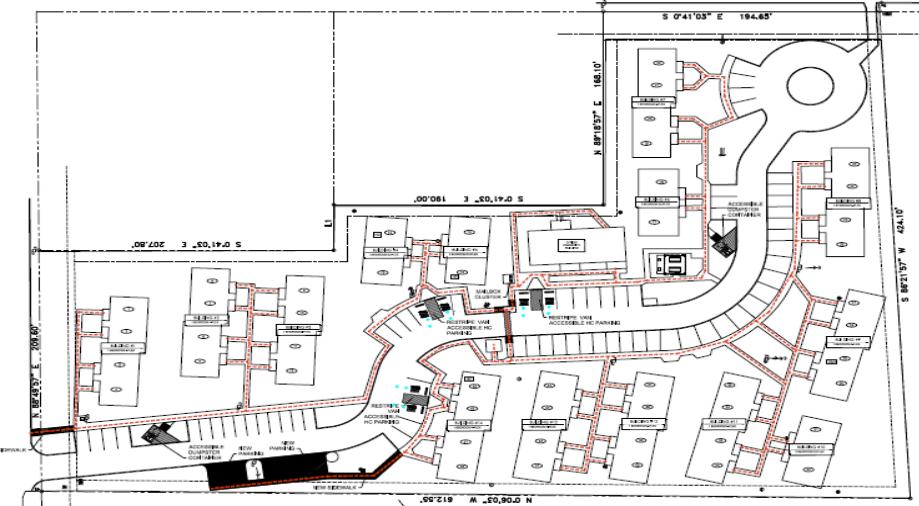


# 25035 Fredericksburg Senior Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

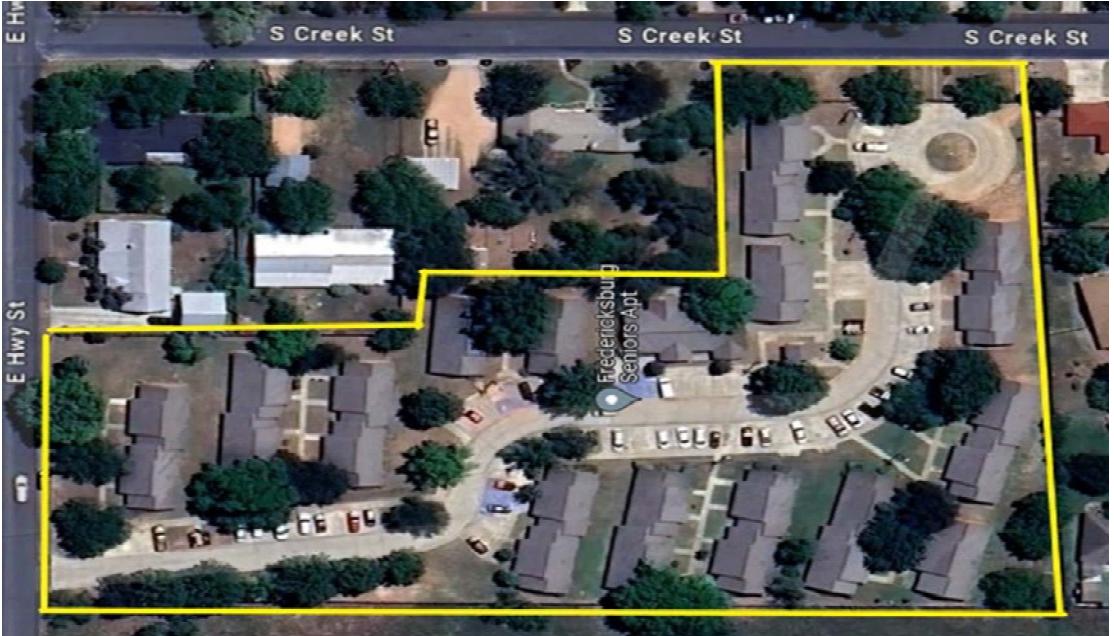
May 27, 2025

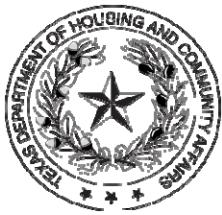
PROPERTY IDENTIFICATION			RECOMMENDATION				KEY PRINCIPALS / SPONSOR						
Application #	25035	TDHCA Program				Request	Recommended						
Development	Fredericksburg Senior Apartments	FHTC (9% Credit)				\$603,701	\$587,092	\$12,231/Unit	\$0.81				
City / County	Fredericksburg / Gillespie												
Region/Area	9 / Rural												
Population	Elderly Limitation												
Set-Aside	USDA												
Activity	Acquisition/Rehab (Built in 1991)												
TYPICAL BUILDING ELEVATION/PHOTO													
													
SITE PLAN													
													
UNIT 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%								
<b>TOTAL</b>	<b>48</b>	<b>100%</b>	<b>TOTAL</b>	<b>48</b>	<b>100%</b>								
INCOME DISTRIBUTION													
PRO FORMA FEASIBILITY INDICATORS													
Pro Forma Underwritten					Applicant's Pro Forma								
Debt Coverage	✓	1.34	Expense Ratio	✗	71.3%								
Break-even Occ.	✓	85.7%	Break-even 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	✓	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						Lymac, LLC	\$279,047
<b>TOTAL DEBT (Must Pay)</b>			<b>\$1,546,707</b>		Partnership Reserves	0/0	0.00%	\$272,965	1.34	<b>TOTAL EQUITY SOURCES</b>	<b>\$5,057,498</b>
					<b>CASH FLOW DEBT / GRANTS</b>				<b>TOTAL DEBT SOURCES</b>	<b>\$1,819,672</b>	
										<b>TOTAL CAPITALIZATION</b>	<b>\$6,877,170</b>

#### 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	AERIAL PHOTOGRAPH(s)
STRENGTHS/MITIGATING FACTORS	
<ul style="list-style-type: none"> <li>◦ Developers past experiences</li> <li>◦ 89% units receiving USDA - RA</li> </ul>	
WEAKNESSES/RISKS	
<ul style="list-style-type: none"> <li>◦ Expense/income ratio &gt; 65%</li> <li>◦ Low projected 15 - year cash flow</li> <li>◦ 50% of rehab is for the unit interior</li> </ul>	
AREA MAP	



## Real Estate Analysis Division

Underwriting Report

May 27, 2025

### 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

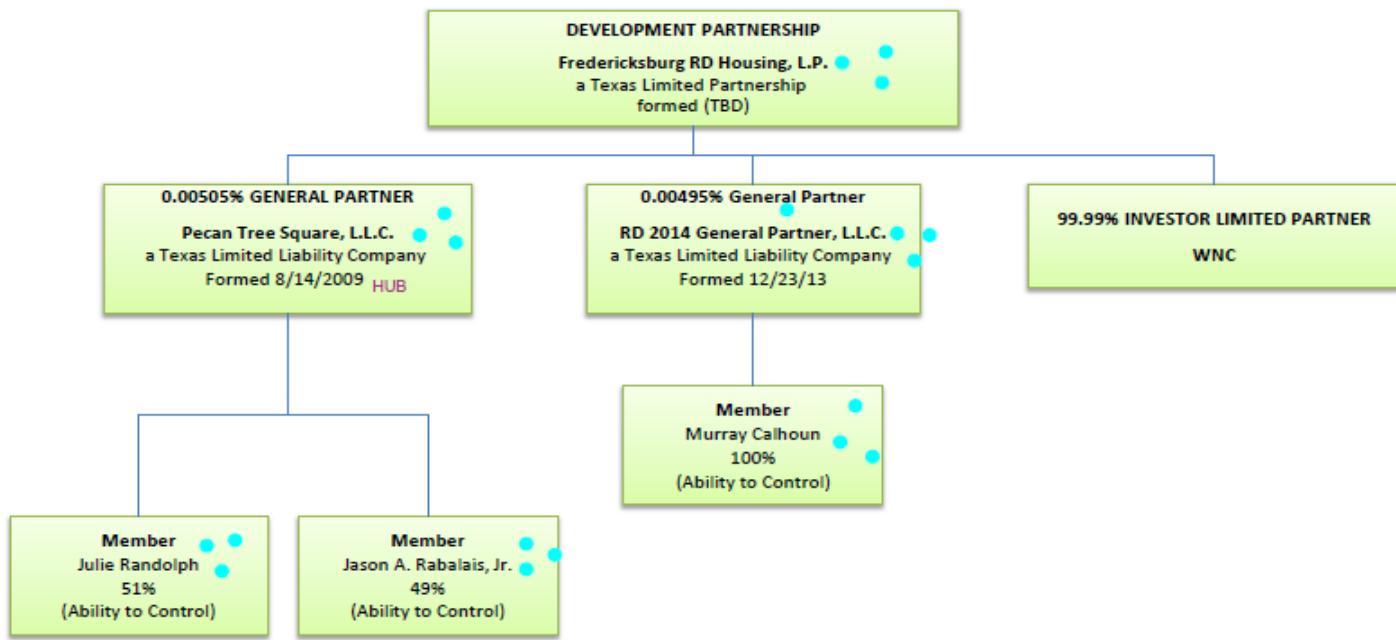
STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
▫ Developers past experiences	▫ Expense/income ratio > 65%
▫ 89% units receiving USDA - RA	▫ Low projected 15 - year cash flow
▫	▫ 50% of rehab is for the unit interior

## DEVELOPMENT TEAM

### OWNERSHIP STRUCTURE

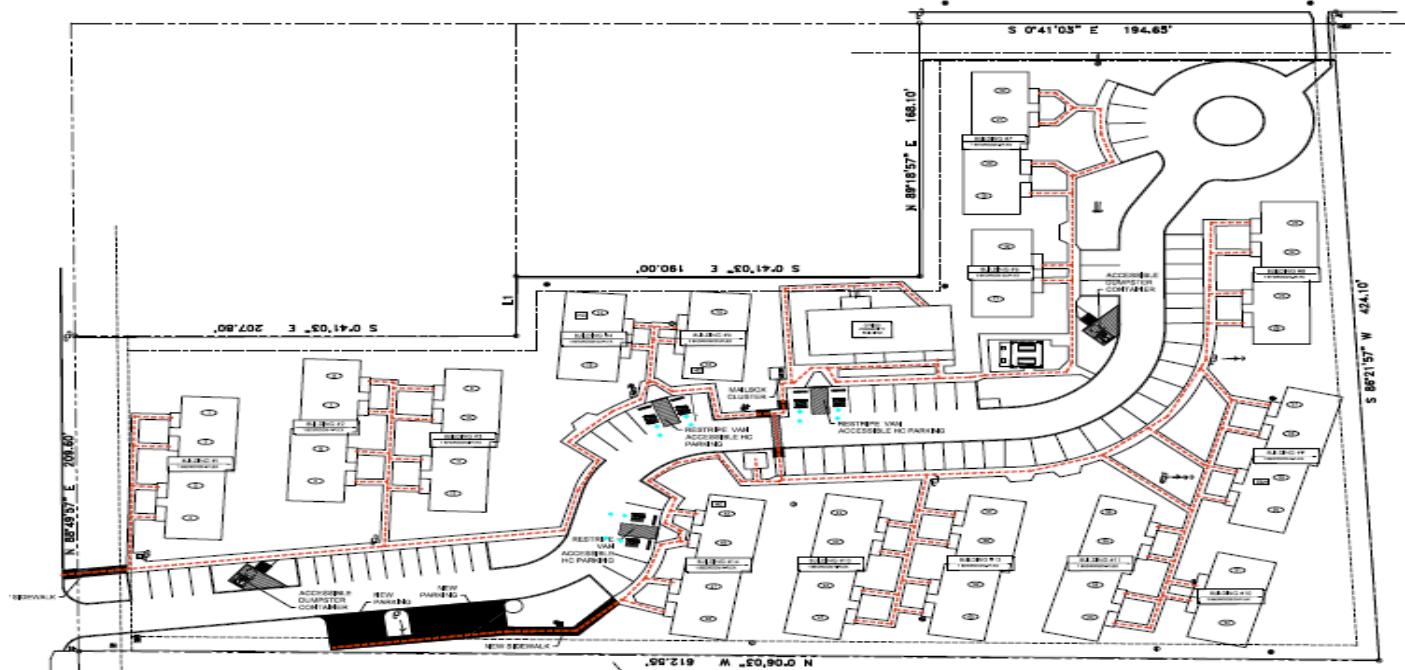
## Fredericksburg Senior Apartments

### 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											
<b>Total Units</b>	<b>40</b>	<b>8</b>											<b>48</b>
<b>Avg. Unit Size (SF)</b>	<b>675 sf</b>		<b>Total NRA (SF)</b>	<b>32,376</b>		<b>Common Area (SF)*</b>		<b>2,040</b>					

\*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
<b>Total Development Cost</b>		<b>\$143,274/unit</b>	<b>\$6,877,170</b>	<b>Rehabilitation Cost</b>	<b>\$59,195/unit</b>
<b>Qualified for 30% Basis Boost?</b>				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%
<b>Total Exterior</b>	<b>\$1,416,650</b>	<b>\$29,514/unit</b>	<b>50%</b>	<b>Total Interior</b>	<b>\$1,424,700</b>	<b>\$29,681/unit</b>	<b>50%</b>

## 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%
				\$5,688,396	Total Sources

## 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>	Total Sources		

## 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
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

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

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>	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	<b>TOTAL</b>
<b>Average Income</b>	<b># Units</b>	-	4	-	10	33	-	-	1	<b>48</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	<b>\$2,460</b>	<b>\$2,460</b>	\$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	<b>\$6,150</b>	<b>\$6,150</b>	\$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	<b>\$15,990</b>	<b>\$15,990</b>	\$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	<b>\$1,350</b>	<b>\$1,350</b>	\$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	<b>\$3,375</b>	<b>\$3,375</b>	\$675	\$0.81	\$0	\$1,095	\$1.32	\$1,095
EO				0	1	2	1	832	\$0	\$111	\$0		\$0.00	\$0	<b>\$0</b>	<b>\$0</b>			NA	\$1,095	\$1.32	\$1,095
<b>TOTALS/AVERAGES:</b>				<b>48</b>				<b>32,376</b>				<b>\$0</b>	<b>\$0.91</b>	<b>\$611</b>	<b>\$29,325</b>	<b>\$29,325</b>	<b>\$611</b>	<b>\$0.91</b>	<b>\$0</b>	<b>\$1,045</b>	<b>\$1.55</b>	<b>\$1,045</b>

ANNUAL POTENTIAL GROSS RENT:																						
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## STABILIZED PRO FORMA

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

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	%	\$		
<b>POTENTIAL GROSS RENT</b>					\$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
<b>POTENTIAL GROSS INCOME</b>						\$359,328	\$359,328					0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(26,950)	(26,950)	7.5% PGI				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$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%	-
<b>TOTAL EXPENSES</b>					71.33%	\$7.32	\$4,939	<b>\$237,080</b>	<b>\$235,710</b>	\$4,911	\$7.28	70.92%	0.6%	\$ 1,370
<b>NET OPERATING INCOME ("NOI")</b>					28.67%	\$2.94	\$1,985	<b>\$95,298</b>	<b>\$96,669</b>	\$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**

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

<b>DEBT / GRANT SOURCES</b>													
<b>APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE</b>													
<b>DEBT (Must Pay)</b>	<b>Fee</b>	Cumulative DCR		<b>Pmt</b>	<b>Rate</b>	<b>Amort</b>	<b>Term</b>	<b>Principal</b>	AS UNDERWRITTEN DEBT/GRANT STRUCTURE		<b>Cumulative</b>		
		UW	App						Term	Amort	Rate	Pmt	
USDA		4.16	4.10	\$23,238	1.00%	50	30.0	\$914,064	\$914,064	30.0	50.0	1.00%	
TDHCA HOME		1.36	1.34	\$47,654	1.00%	30	30.0	\$674,082	\$632,643	14.25	14.25	1.00%	
First Horizon		1.36	1.34		0.00%	0	0.0	\$0	\$0	0.0	0.0	0.00%	
<b>CASH FLOW DEBT / GRANTS</b>													
City of Fredericksburg		1.36	1.34		0.00%	0	0.0	\$0	\$0	0.0	0.00%	1.34	
Partnership Reserves		1.36	1.34		0.00%	0	0.0	\$272,965	\$272,965	0.0	0.00%	1.34	
		<b>\$70,892</b>		<b>TOTAL DEBT / GRANT SOURCES</b>		<b>\$1,861,111</b>	<b>\$1,819,672</b>		<b>TOTAL DEBT SERVICE</b>		<b>\$70,891</b>	<b>1.34</b>	26.5%
<b>NET CASH FLOW</b>		<b>\$25,777</b>	<b>\$24,406</b>						<b>APPLICANT</b>	<b>NET OPERATING INCOME</b>	<b>\$95,298</b>	<b>\$24,407</b>	<b>NET CASH FLOW</b>

<b>EQUITY SOURCES</b>													
<b>APPLICANT'S PROPOSED EQUITY STRUCTURE</b>													
<b>EQUITY / DEFERRED FEES</b>	<b>DESCRIPTION</b>	<b>% Cost</b>	<b>Annual Credit</b>	<b>Credit Price</b>	<b>Amount</b>	<b>Amount</b>	<b>Credit Price</b>	<b>Annual Credit</b>	<b>% Cost</b>	<b>Annual Credits per Unit</b>	<b>Allocation Method</b>		
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%				
<b>TOTAL EQUITY SOURCES</b>		<b>72.9%</b>			<b>\$5,016,059</b>	<b>\$5,057,498</b>			<b>73.5%</b>				
<b>TOTAL CAPITALIZATION</b>					<b>\$6,877,170</b>	<b>\$6,877,170</b>					15-Yr Cash Flow after Deferred Fee:		<b>\$62,023</b>

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

**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>	<b>\$940,948</b>	<b>\$4,696,189</b>	<b>\$940,948</b>	<b>\$4,696,189</b>
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	<b>\$940,948</b>	<b>\$6,105,045</b>	<b>\$940,948</b>	<b>\$6,105,045</b>
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	<b>\$940,948</b>	<b>\$6,105,045</b>	<b>\$940,948</b>	<b>\$6,105,045</b>
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
<b>ANNUAL CREDIT ON BASIS</b>	<b>\$37,638</b>	<b>\$549,454</b>	<b>\$37,638</b>	<b>\$549,454</b>
<b>CREDITS ON QUALIFIED BASIS</b>	<b>\$587,092</b>		<b>\$587,092</b>	

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

## 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>													
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>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,023</b>	<b>\$138,524</b>	<b>\$174,695</b>	<b>\$152,769</b>	<b>\$50,971</b>	<b>(\$157,245)</b>