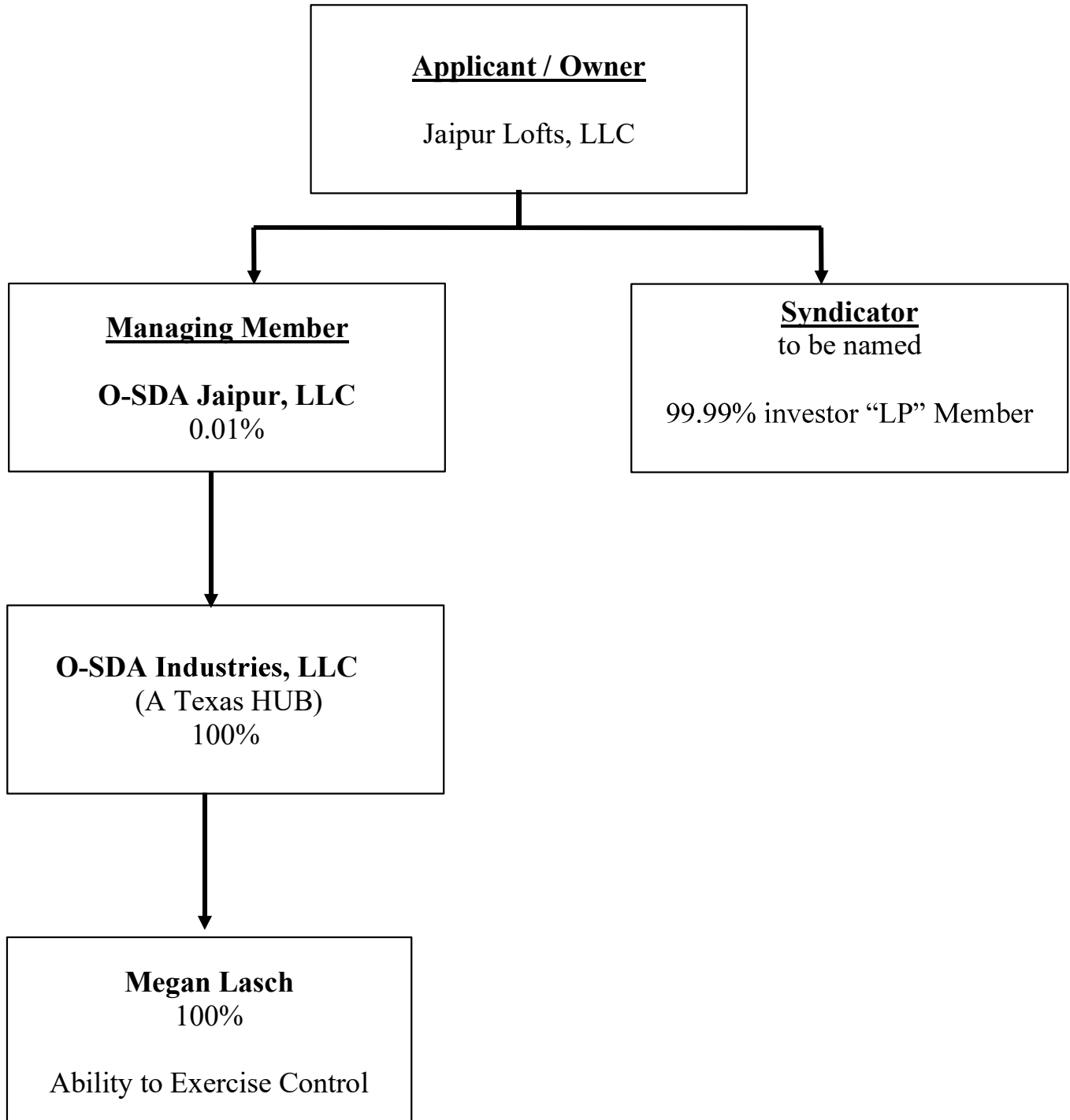


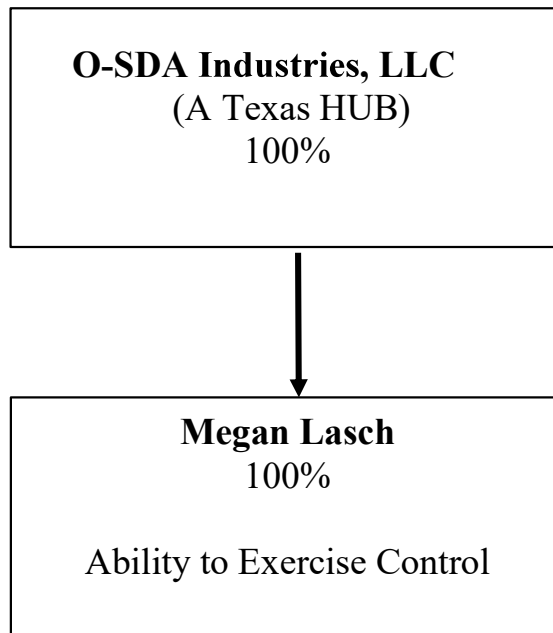
Jaipur Lofts

ORGANIZATIONAL CHART

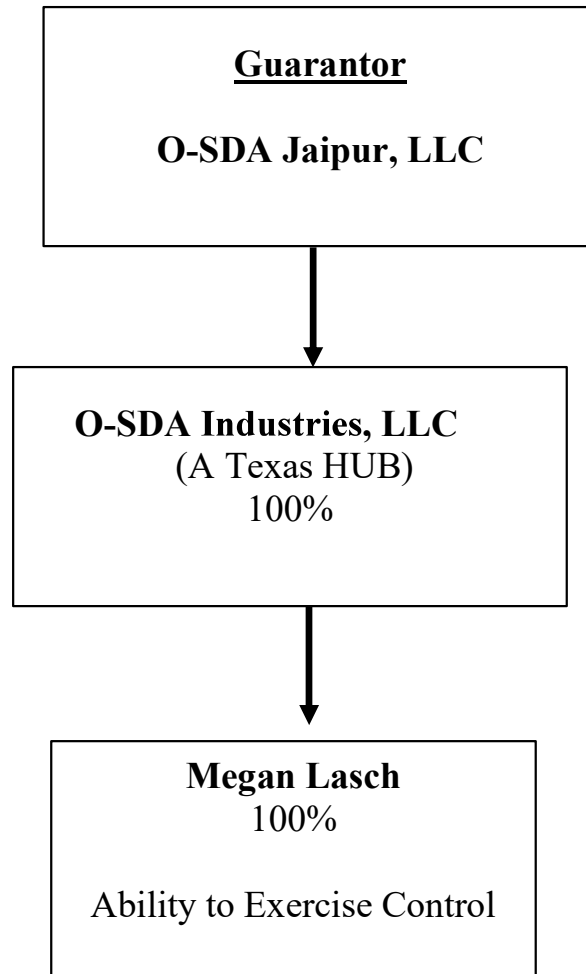
APPLICANT / OWNER



Jaipur Lofts
ORGANIZATIONAL CHART
DEVELOPER



Jaipur Lofts
ORGANIZATIONAL CHART
GUARANTOR





Real Estate Analysis Division

July 14, 2023

Addendum to Underwriting ReportTDHCA Application #: **23711_22285**Program(s): **9% HTC / HOME ARP****Jaipur Lofts**Address/Location: Lots around Annex Avenue and Cabell DriveCity: Dallas County: Dallas Zip: 75204

	APPLICATION HISTORY
Report Date	PURPOSE
07/14/23	HOME ARP Award and Amendment
06/22/22	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
HOME ARP (Repayable)	\$0	0.00%	0	0	\$2,060,000	0.25%	40	15	2nd
LIHTC (9% Credit)	\$1,690,200				\$1,690,200				

* Multifamily Direct Loan Terms / HOME ARP:

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

- 1 Receipt and acceptance prior to HOME-ARP Contract:
 - Evidence that the Developer has met Uniform Relocation Act (URA) and/or 104(d) requirements.
- 2 Receipt and acceptance before HOME ARP Closing:
 - a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
 - b: Substantially final construction contract with Schedule of Values.
 - c: Updated term sheets with substantially final terms from all lenders.
 - d: Substantially final draft of limited partnership agreement.
 - e: Agreement to enter into Housing Assistance Payment Contract or firm commitment from DHA Housing Solutions for North Texas showing 8 project-based vouchers specifying the payment standard that will apply.
 - f: Development will show that the waiver to use the PHA utility allowance from the City of Dallas to CPD HUD has been granted by HUD.
- 3 Receipt and acceptance by Cost Certification:
 - Certification that testing for asbestos was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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	13
50% of AMI	50% of AMI	26
60% of AMI	60% of AMI	21
80% of AMI	80% of AMI	11

TDHCA SET-ASIDES for HOME ARP LURA			
Federal Affordability Period		Remaining State Affordability Period	
Income Limit	Number of Units	Income Limit	Number of Units
QP	8	TC 30%	8
High HOME(60% AMFI)	3	TC 60%	3

ANALYSIS

Jaipur Lofts received a \$1.69M LIHTC award from TDHCA in 2022. Due to increasing costs, the Applicant has submitted a request for \$2,060,000 in HOME ARP funds to bridge the gap caused by the increased construction costs and finance restructuring.

In addition, Applicant has submitted an amendment request. Site acreage is increasing from 0.847 to 1.028 acres, causing a 17.7% decrease in the residential density. Common Area is also increasing from 14,759 s.f. to 18,783 s.f., a 27% increase.

At Application, the development site was 0.847 acres and consisted of two sites separated by a city street named Cabell Dr; subsequent to Application, the City of Dallas did abandon Cabell Dr through City Ordinance. The .1814 acres of abandoned Cabell Dr are added to the site acreage; the costs associated with the street abandonment have been added to the total site acquisition cost.

At Application, there were two residential buildings of four and five stories separated by Cabell Dr. With the additional area that was Cabell Dr, the site plan has been revised to contain only one residential building that is four stories in height.

Operating Pro Forma

The Development now includes eight Qualified Population "QP" units [four 1-bedroom and four 2-bedroom units]. **The Applicant has been awarded 8 Project Based Vouchers** from DHA Housing Solutions for North Texas. The term of the contract will be for ten (10) years, **with optional 10 year renewal**.

Rents for the 1-bedroom units will be \$1,990 and the 2-bedroom units will be \$2,350, **which are equal to FMR**.

As a result of including the PBV rents, **the DCR increased over 1.35**. Underwriter amortized (matched senior debt) the City of Dallas Cash Flow loan of \$2.5M over 40 years with a payment of \$75,250. The DCR is **1.18**.

Development Cost

Building Costs increased by \$2,046,616 and Total Housing Development Costs have increased by \$1,879,505.

Developer fee did not increase from previous underwriting.

Sources of Funds

The construction loan lender changed from JP Morgan Chase to Legacy Bank and Trust.

The Applicant changed the permanent lender from JP Morgan Chase to LISC Strategic Investments. The permanent loan amount increased by \$300,000. The interest rate is now 4.75%. The Equity Investor changed from Hudson Housing Capital to HUNT Capital Partners and the capital contribution decreased by \$507k and the capital price went from \$0.91 down to \$0.88.

The Deferred Developer Fee increased by \$46,514 / fee **pays back in year 6**.

The Applicant has included \$2,060,000 in HOME ARP Loan Funds as a second lien with a 15-year term, amortized over 40 years at .25%.

Underwriter recommends an annual tax credit allocation of \$1,690,200 as previously awarded.

Underwriter recommends \$2,060,000 in HOME ARP Loan Funds as a second lien with a 15-year term amortized over 40 years at 0.25%. This generates an annual debt service payment of \$54,123. **Construction term is 24 months to be co-terminous with senior construction lender.**

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

UNIT MIX/RENT SCHEDULE

Jaipur Lofts, Dallas, 9% HTC #23711_22285

LOCATION DATA			
	CITY:	Dallas	
	COUNTY:	Dallas	
	Area Median Income	\$105,600	
	PROGRAM REGION:	3	
	PROGRAM RENT YEAR:	2023	

UNIT DISTRIBUTION					HOME ARP	
# Beds	# Units	% Total	Assisted	ARP		
Eff	-	0.0%	0	0		
1	26	36.6%	4	5		
2	37	52.1%	4	5		
3	8	11.3%	0	1		
4	-	0.0%	0	0		
5	-	0.0%	0	0		
TOTAL					71	111

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	13	-	26	21	-	11	-	71
Income	% Total	0.0%	18.3%	0.0%	36.6%	29.6%	0.0%	15.5%	0.0%	100.0%

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				809 sf

UNIT MIX / MONTHLY RENT SCHEDULE																								
HTC		HOME ARP		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT				APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	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	Delta to Max	Underwritten	Mrkt Analyst			
TC 30%	\$580	QP	\$0	PBV	\$1,990	3	1	1	650	\$1,990	\$134	\$1,856	\$0	\$2.86	\$1,856	\$5,568	\$5,568	\$1,856	\$3	\$0	\$1,503	\$1,503		
TC 50%	\$966			0		9	1	1	650	\$966	\$134	\$832	\$0	\$1.28	\$832	\$7,488	\$7,488	\$832	\$1	\$0	\$1,503	\$1,503		
TC 50%	\$966	QP	\$0	PBV	\$1,990	1	1	1	650	\$1,990	\$134	\$1,856	\$0	\$2.86	\$1,856	\$1,856	\$1,856	\$1,856	\$3	\$0	\$1,503	\$1,503		
TC 50%	\$966			Dallas Low		1	1	1	650	\$966	\$134	\$832	\$0	\$1.28	\$832	\$832	\$832	\$832	\$1	\$0	\$1,503	\$1,503		
TC 60%	\$1,160			0		5	1	1	650	\$1,160	\$134	\$1,026	\$0	\$1.58	\$1,026	\$5,130	\$5,130	\$1,026	\$2	\$0	\$1,503	\$1,503		
TC 60%	\$1,160	HH/60%	\$1,236	0		1	1	1	650	\$1,160	\$134	\$1,026	\$0	\$1.58	\$1,026	\$1,026	\$1,026	\$1,026	\$2	\$0	\$1,503	\$1,503		
TC 60%	\$1,160			Dallas HH		3	1	1	650	\$1,160	\$134	\$1,026	\$0	\$1.58	\$1,026	\$3,078	\$3,078	\$1,026	\$2	\$0	\$1,503	\$1,503		
TC 80%	\$1,547					3	1	1	650	\$1,547	\$134	\$1,413	\$0	\$2.17	\$1,413	\$4,239	\$4,239	\$1,413	\$2	\$0	\$1,503	\$1,503		
TC 30%	\$696			0		5	2	2	850	\$696	\$176	\$520	\$0	\$0.61	\$520	\$2,600	\$2,600	\$520	\$1	\$0	\$1,944	\$1,944		
TC 30%	\$696	QP	\$0	PBV	\$2,350	4	2	2	850	\$2,350	\$176	\$2,174	\$0	\$2.56	\$2,174	\$8,696	\$8,696	\$2,174	\$3	\$0	\$1,944	\$1,944		
TC 50%	\$1,160			0		10	2	2	850	\$1,160	\$176	\$984	\$0	\$1.16	\$984	\$9,840	\$9,840	\$984	\$1	\$0	\$1,944	\$1,944		
TC 50%	\$1,160			Dallas Low		1	2	2	850	\$1,160	\$176	\$984	\$0	\$1.16	\$984	\$984	\$984	\$984	\$1	\$0	\$1,944	\$1,944		
TC 60%	\$1,392					4	2	2	850	\$1,392	\$176	\$1,216	\$0	\$1.43	\$1,216	\$4,864	\$4,864	\$1,216	\$1	\$0	\$1,944	\$1,944		
TC 60%	\$1,392	HH/60%	\$1,486	0		1	2	2	850	\$1,392	\$176	\$1,216	\$0	\$1.43	\$1,216	\$1,216	\$1,216	\$1,216	\$1	\$0	\$1,944	\$1,944		
TC 60%	\$1,392			Dallas HH		5	2	2	850	\$1,392	\$176	\$1,216	\$0	\$1.43	\$1,216	\$6,080	\$6,080	\$1,216	\$1	\$0	\$1,944	\$1,944		
TC 80%	\$1,856			0		7	2	2	850	\$1,856	\$176	\$1,680	\$0	\$1.98	\$1,680	\$11,760	\$11,760	\$1,680	\$2	\$0	\$1,944	\$1,944		
TC 30%	\$804			0		1	3	2	1,132	\$804	\$222	\$582	\$0	\$0.51	\$582	\$582	\$582	\$582	\$1	\$0	\$2,189	\$2,189		
TC 50%	\$1,340			0		3	3	2	1,132	\$1,340	\$222	\$1,118	\$0	\$0.99	\$1,118	\$3,354	\$3,354	\$1,118	\$1	\$0	\$2,189	\$2,189		
TC 50%	\$1,340			Dallas Low		1	3	2	1,132	\$1,340	\$222	\$1,118	\$0	\$0.99	\$1,118	\$1,118	\$1,118	\$1,118	\$1	\$0	\$2,189	\$2,189		
TC 60%	\$1,608			0		1	3	2	1,132	\$1,608	\$222	\$1,386	\$0	\$1.22	\$1,386	\$1,386	\$1,386	\$1,386	\$1	\$0	\$2,189	\$2,189		
TC 60%	\$1,608	HH/60%	\$1,709	0		1	3	2	1,132	\$1,608	\$222	\$1,386	\$0	\$1.22	\$1,386	\$1,386	\$1,386	\$1,386	\$1	\$0	\$2,189	\$2,189		
TC 80%	\$2,145			Dallas HH		1	3	2	1,132	\$2,145	\$222	\$1,923	\$0	\$1.70	\$1,923	\$1,923	\$1,923	\$1,923	\$2	\$0	\$2,189	\$2,189		
TC 80%	\$2,145			0		1	3	2	1,132	\$2,145	\$222	\$1,923	\$0	\$1.70	\$1,923	\$1,923	\$1,923	\$1,923	\$2	\$0	\$2,189	\$2,189		
TOTALS/AVERAGES:						71				\$7,406			\$0	\$1.48	\$1,197	\$85,006	\$85,006	\$1,197	\$1.48	\$0	\$1,810	\$1,810		

ANNUAL POTENTIAL GROSS RENT:		\$1,020,072	\$1,020,072
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STABILIZED PRO FORMA									
Jaipur Lofts, Dallas, 9% HTC #23711_22285									

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT			PRIOR REPORT		TDHCA			VARIANCE	
Database	Dallas County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI
POTENTIAL GROSS RENT												
late fees, app fees, retained deposits				\$1.48	\$1,197	\$1,020,072	\$804,600	\$804,600	\$1,020,072	\$1,197	\$1.48	0.0%
Total Secondary Income				\$15.00			12,780					
POTENTIAL GROSS INCOME				\$15.00								
Vacancy & Collection Loss						\$1,032,852	\$817,380	\$817,380	\$1,032,852			0.0%
Rental Concessions				7.5% PGI		(77,464)	(61,304)	(61,304)	(77,464)	7.5% PGI		0.0%
EFFECTIVE GROSS INCOME						\$955,388	\$756,077	\$756,077	\$955,388			0.0%
General & Administrative Management	\$39,649	\$558/Unit	3.60%	\$0.60	\$484	\$34,350	\$34,350	\$42,512	\$39,649	\$558	\$0.69	4.15%
Payroll & Payroll Tax	\$34,785	5.2% EGI	5.00%	\$0.83	\$673	\$47,769	\$37,804	\$37,804	\$47,769	\$673	\$0.83	5.00%
Repairs & Maintenance	\$74,498	\$1,049/Unit	10.32%	\$1.72	\$1,388	\$98,560	\$98,560	\$106,527	\$98,560	\$1,388	\$1.72	10.32%
Electric/Gas	\$56,103	\$790/Unit	5.36%	\$0.89	\$722	\$51,250	\$50,256	\$46,150	\$46,150	\$650	\$0.80	4.83%
Water, Sewer, & Trash	\$18,261	\$257/Unit	0.93%	\$0.15	\$125	\$8,875	\$12,425	\$16,621	\$14,451	\$204	\$0.25	1.51%
Property Insurance	\$50,279	\$708/Unit	5.39%	\$0.90	\$725	\$51,450	\$51,475	\$52,244	\$67,884	\$956	\$1.18	7.11%
Property Tax (@ 100%)	\$38,725	\$0.67 /sf	7.85%	\$1.31	\$1,056	\$75,000	\$42,600	\$44,542	\$75,000	\$1,056	\$1.31	7.85%
Reserve for Replacements	\$49,522	\$697/Unit	16.64%	\$2.77	\$2,239	\$159,000	\$110,500	\$80,475	\$113,090	\$1,593	\$1.97	11.84%
TDHCA Compliance fees (\$40/HTC unit)			2.23%	\$0.37	\$300	\$21,300	\$21,300	\$21,300	\$21,300	\$300	\$0.37	2.23%
TOTAL EXPENSES			57.61%	\$9.59	\$7,752	\$550,394	\$462,110	\$451,015	\$526,693	\$7,418	\$9.17	55.13%
NET OPERATING INCOME ("NOI")			42.39%	\$7.05	\$5,704	\$404,994	\$293,967	\$305,061	\$428,696	\$6,038	\$7.47	44.87%

CONTROLLABLE EXPENSES	\$3,443/Unit	\$3,756/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Jaipur Lofts, Dallas, 9% HTC #23711_22285

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	Prior Underwriting		Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA					DCR	LTC
LISC Strategic Investments		1.67	1.58	257,098	4.75%	40	15	\$4,200,000	\$3,900,000	\$3,900,000	15	40	4.75%	\$234,742	1.83	17.2%
TDHCA HOME ARP (Repayable)		1.38	1.30	\$54,123	0.25%	40	15	\$2,060,000			15	40	0.25%	\$54,123	1.48	8.4%
CASH FLOW DEBT / GRANTS																
City of Dallas (Cash Flow)		1.28	1.21	\$24,800	1.00%	40	40	\$2,480,000	\$2,500,000	\$2,500,000	40	40	1.00%	\$75,250	1.18	10.2%
				\$336,021	TOTAL DEBT / GRANT SOURCES			\$8,740,000	\$6,400,000		TOTAL DEBT SERVICE			\$364,115	1.18	35.8%
NET CASH FLOW																
		\$92,675	\$68,973				TDHCA			NET OPERATING INCOME			\$428,696	\$64,580 NET CASH FLOW		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Jaipur Lofts, Dallas, 9% HTC #22285

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$17,675,528	\$0	\$17,675,528
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$17,675,528	\$0	\$17,675,528
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$22,978,186	\$0	\$22,978,186
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$22,978,186	\$0	\$22,978,186
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,068,037	\$0	\$2,068,037
CREDITS ON QUALIFIED BASIS	\$2,068,037		\$2,068,037	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION	
	Annual Credits	Proceeds	Credit Price Credit Allocation	Variance to Request Credits Proceeds
Eligible Basis	\$2,068,037	\$18,196,904	----	----
Needed to Fill Gap	\$1,781,942	\$15,679,518	----	----
Previous Allocation	\$1,690,200	\$14,872,273	\$1,690,200	\$0

Long-Term Pro Forma

Jaipur Lofts, Dallas, 9% HTC #23711_22285

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%	\$955,388	\$974,496	\$993,986	\$1,013,865	\$1,034,143	\$1,141,777	\$1,260,614	\$1,391,819	\$1,536,681	\$1,696,620	\$1,873,205	\$2,068,170
	3.00%	\$526,693	\$542,016	\$557,789	\$574,025	\$590,739	\$681,975	\$787,445	\$909,386	\$1,050,386	\$1,213,445	\$1,402,033	\$1,620,171
NET OPERATING INCOME ("NOI")		\$428,696	\$432,480	\$436,197	\$439,840	\$443,403	\$459,802	\$473,169	\$482,433	\$486,294	\$483,175	\$471,172	\$447,999
EXPENSE/INCOME RATIO		55.1%	55.6%	56.1%	56.6%	57.1%	59.7%	62.5%	65.3%	68.4%	71.5%	74.8%	78.3%
MUST -PAY DEBT SERVICE													
LISC Strategic Investments		\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742	\$234,742
TDHCA HOME ARP (Repayable)		\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123	\$54,123
TOTAL DEBT SERVICE		\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865	\$288,865
DEBT COVERAGE RATIO		1.48	1.50	1.51	1.52	1.53	1.59	1.64	1.67	1.68	1.67	1.63	1.55
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$139,830	\$143,615	\$147,332	\$150,975	\$154,538	\$170,937	\$184,304	\$193,568	\$197,429	\$194,310	\$182,307	\$159,134
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
							\$751,957	\$1,648,155	\$2,599,349	\$3,581,228	\$4,562,162	\$5,501,682	\$6,348,678