

## Real Estate Analysis Division September 24, 2024

	Add	endum to Underwritin	g Report		
TDHCA Application #:	24511_23007	Program(s):	MDL/9%	НТС	
	3	05 E Round Grove L	iving		
Address/Location:		305 E Roui	nd Grove Rd		
City:	Lewisville	County:	Denton	Zip:	75067
		APPLICA	TION HISTORY		
Report Date		PI	URPOSE		
09/24/24	MDL Award M	emo / Amendment to	Set-Aside		
06/22/23	Original Underv	vriting Report			

### **ALLOCATION**

	Previ	ous Al	llocati	on		RECOMMENDATION								
		Int.				Int. P		Perm.	Perm.	Const.	Const			
TDHCA Program	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien	Term	. Lien			
MFDL FHA					\$4,438,911	2.00%	40	40 yrs	2	36 mos	3			
LIHTC (9% Credit)	\$1,500,000				\$1,500,000									

<sup>\*</sup> Multifamily Direct Loan and HOME ARP Terms:

## **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:

- 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: 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.

<sup>\*</sup> The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

<sup>\*\*</sup> 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

#### **SET-ASIDES**

TC	DHCA SET-ASIDES for HTC LUR	?A
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: Deborah Willson

Manager of Real Estate Analysis: Gregg Kazak

Director of Real Estate Analysis: Jeanna Adams

# UNIT MIX/RENT SCHEDULE

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

	UN	IIT DIST	RIBUTIO	N	
# 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	1	6	-	23	28	-	1	33	90
Income	% Total	0.0%	6.7%	0.0%	25.6%	31.1%	0.0%	0.0%	36.7%	100.0%

								UNIT M	IX / MON	ITHLY R	ENT SC	HEDULI	Ε										
нто	:	MF Dire Un (HOME F	its		UNIT	г міх		APPLIC	ABLE PRO	OGRAM	ı		CANT'S MA RENT	s	TDHCA	PRO FOF	RMA RE	NTS	MAI	MARKET REI			
Туре	Gross Rent	Туре	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	Under	written	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/AVE	RAGES:			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

							STABIL	IZED FIRS	T YEAR PE	O FORMA						
		COMPA	RABLES			AP	PLICANT		PRIOR F	REPORT		TDHC	A		VAR	ANCE
	Databa	ase	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.						\$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				

## CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

								DE	DEBT / GRANT SOURCES											
			APPLIC	ANT'S PROP	OSED DEBT/	GRANT STRI	JCTURE				AS UNDERWRITTEN DEBT/GRANT STRUCTURE									
		Cumula	tive DCR						Prior Und	lerwriting						Cur	nulative			
DEBT (Must Pay)	Fee	UW	Арр	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	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	TOT	AL DEBT / GR	ANT SOURCES	\$16,336,311	\$11,609,000	\$11,609,000	\$15,946,311		TOTAL D	EBT SERVICE	\$895,706	1.00	53.0%					
NET CASH FLOW	IET CASH FLOW (\$8,975) \$14,33										APPLICANT	NET OPERA	TING INCOME	\$940,935	\$45 229	NET CASH	I FLOW			

						EQUITY SOURCES									
	APPLICANT'S	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE						
				Credit		Prior Underwriting Credit Annu						Annual Credits			
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Price	Amount	Applicant	TDHCA	Amount	Price	<b>Annual Credit</b>	% Cost	per Unit	Allocation Method		
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	\$16,667 Applicant Request		
GP Equity	GP Equity	0.0%			\$100	\$100		\$100			0.0%				
RIVA/The Land Experts	Deferred Developer Fees	1.4%	(13% D	eferred)	\$416,333	\$1,014,835	\$1,014,935	\$806,333	(25% □	eferred)	2.7%	Total Developer Fee: \$3,188,57			
Additional (Excess) Funds Req'd		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 Det	erred Fee: \$1.408.					

	DEVELOPMENT COST / ITEMIZED BASIS												
		APPLICA	NT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS				COST VARIANCE	
	Eligibl	e Basis			Prior Underwriting					Eligible Basis			
	Acquisition	New Const. Rehab	Total Cost	i	Applicant	TDHCA		Total Costs		New Const. Rehab	Acquisition	%	\$
Land Acquisition			\$32,222 / Ui	it \$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 / Ur	it \$180,000	\$0	\$0	\$180,000	\$2,000 / Unit		\$180,000		0.0%	\$0
Site Work		\$3,135,414	\$34,838 / Uı	it \$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 / Uı	it \$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/Ui	it \$11,554,696	\$11,285,076	\$12,414,917	\$12,417,775	\$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 / Ui	it \$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 / Ui	it \$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 Monti	s \$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 / Uı	it \$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											
Developer Fee	\$0	\$0		\$0	\$0								
Reserves				\$0	\$0								
ADJUSTED BASIS / COST	\$0	\$24,331,019	\$334,460/ui	it \$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 DEVELOPME	WITHIN 5% OF I DHCA Estimate	: [	\$30,10	71,409									

## CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

	CREDIT CALCULATION ON QUALIFIED BASIS									
	Applica	ant	TDHCA							
	Acquisition	Construction Rehabilitation	Acquisition	Construction						
ADJUSTED BASIS	\$0	\$24,331,019	\$0	\$24,304,020						
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	\$1,707.8	18	\$1.70	5 923						

	ANNUAL CREDIT CAL	CULATION BASED ON	FINAL ANNUAL LIHTC ALLOCATION						
	APPLICA	NT BASIS	Credit Price \$0.8899	Variance	to Request				
Method	Annual Credits	Proceeds	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				

BU	LDING COS	T ESTIMATI	E		
CATEGORY	FACTOR	UNITS/SF	PER SF		
Base Cost: Elevate	or 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**

	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	N	\$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