



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 667

Agenda Date: 7/11/2024

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application, changes to the ownership structure, and waiver of §11.101(b)(1)(A)(vii) of the 2023 Qualified Allocation Plan for Cabana Design District (HTC #23100)

RECOMMENDED ACTION

WHEREAS, Cabana Design District (the Development) received an award of 9% Housing Tax Credits (HTCs) for the adaptive re-use of a former hotel into 160 multifamily units, of which 64 are low-income units, in Dallas, Dallas County;

WHEREAS, Cabana Design District LP (the Development Owner or Owner) requests approval for a material amendment to the Application for an increase to the number of units from 160 to 175, with the number of low-income units increasing from 64 to 70;

WHEREAS, Board approval is required for a modification of the number of units or bedroom mix of units, a significant modification of the architectural design of the Development, and for a modification of the residential density of at least 5%, as directed in Tex. Gov't Code §2306.6712 (d)(2), (5), and (6) and 10 TAC §10.405(a)(4)(B), (E), and (F), and the Owner has complied with the amendment requirements therein;

WHEREAS, Board approval is required for a waiver of §11.101(b)(1)(A)(vii) of the 2023 Qualified Allocation Plan (QAP), as the revised unit mix proposed by the Owner includes more than 30% efficiency and/or one-bedroom units;

WHEREAS, the Owner also requests approval for a change to the ownership structure involving the replacement of SSFP Cabana Design District LLC (49% interest), one of the members of the general partner, with Hunt Capital Partners, LLC (39.5% Interest), Cabana HCP, LLC (10.5% interest) and Finn Architecture and Design LLC (10.5% interest), while Sycamore Strategies, LLC (39.5% interest) will remain as a member and manager of the general partner;

WHEREAS, the Owner also requests approval for a change involving the Developer, as SSFD Cabana Design District Developer LLC will be replaced by Hunt Capital Partners, LLC;

WHEREAS, Stuart Shaw Family Partnership, LLC will be replaced by Sycamore Strategies, LLC and Hunt Capital Partners, LLC as Guarantors;

WHEREAS, Board approval of this amendment does not constitute a waiver of any of the other rules or statutes applicable to the 2023 HTC Application, including but not limited to the accessibility requirements stated in Chapter 1, Subchapter B; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or change the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment to the Application, changes to the ownership structure subject to completion and clearance of the previous participation review, and waiver of §11.101(b)(1)(A)(vii) of the 2023 Qualified Allocation Plan for Cabana Design District are approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Cabana Design District received a 9% HTC award in 2023 for the adaptive reuse of a former hotel and later corrections facility into 160 units in Dallas, Dallas County. In a letter dated May 24, 2024, Jess Krochtengel, representative for the Owner, requested approval for an increase to the total number of units from 160 to 175. The amendment request letter states that, after award, the Owner was able to do laser scanning and modeling of the structure, and once this data was incorporated, it was deemed necessary to include shear walls. These problems were not contemplated by the Owner at the time of application. The Owner and their engineer explained that it has been determined that the building needs the addition of shear walls to ensure the building's stability for wind and seismic loads. The proposed walls will be grouted masonry walls with limited penetrations running from the basement up multiple floors in the tower. As a result, the addition of shear walls cuts through many of the two-bedroom units in the tower, which necessitates converting those units to one-bedroom units. Additionally, the engineer recommended to minimize penetrations through the existing floor slabs of the tower. These penetrations include utilities and stairs that are not already in existence. To comply with this recommendation, the developer will need to stack identical units for utilities and also eliminate the two-level lofted units within the existing tower levels. As a result, the unit mix would change from eight efficiency units, 40 one-bedroom units, 98 two-bedroom units, and 14 three-bedroom units to 21 efficiency units, 71 one-bedroom units, 74 two-bedroom units, and nine three-bedroom units. The Development elected to do average income, and will continue to have an average income under 54% for the low-income units. The number of market rate units is increasing from 96 to 105.

The proposed unit mix includes over 52% of the units as efficiency and one-bedroom units, and the Owner is requesting a waiver for the requirement in the 2023 QAP that states that Adaptive Reuse Developments may not propose more than 30% efficiency and/or one-bedroom units. The Owner pointed out that the QAP changed from 2023 to 2024 to exclude Historic Developments from this requirement.

The Development will include residential units in a historic structure and also include units in a parking garage that is not historic. The Owner's original plan was to demolish a portion of the existing parking garage and reconstruct new units in that portion. However, the Owner provided a letter as of June 7, 2024, from the National Park Service indicating that the Owner's original plan to partially demolish the south portion of the parking garage would not meet the standards for the historic component of the Development, and as a result, the Owner had to redesign the unit mix in the parking garage to use existing elements.

The Owner states that granting the waiver regarding the number of efficiency and one-bedroom units will further the purposes of the Department under Tex. Gov't Code §§2306.001, 2306.002, 2306.6701 by assisting the City of Dallas on the redevelopment of the Cabana Hotel, which is a goal of their Design District TIF Policy. The Owner also states that the Development is bringing low-income units into a submarket that does not have any affordable HTC units.

The increase in the number of units results in a 9.38% increase in the residential density, which will increase from 48.81 units per acre to 53.39 units per acre. This change in the number of units will result in an increase in net rentable area from 152,463 square feet at Application to 160,492 square feet, which is an increase of 5.27% or 8,029 square feet.

The Owner also requests approval for a change to the ownership structure and for changes to the Developer and Guarantor. SSFP Cabana Design District LLC (49% interest), one of the members of the general partner, will be replaced with Hunt Capital Partners, LLC (39.5% Interest), Cabana HCP, LLC (10.5% interest) and Finn Architecture and Design LLC (10.5% interest), while Sycamore Strategies, LLC (39.5% interest) will remain as a member and manager of the general partner. SSFD Cabana Design District Developer LLC will be replaced by Hunt Capital Partners, LLC in the structure of the Developer, and Sycamore Strategies, LLC and Hunt Capital Partners, LLC will replace Stuart Shaw Family Partnership, LLC as Guarantors.

The Owner provided updated financial information that has been analyzed by the Real Estate Analysis (REA) Division. REA's analysis of the updated financial information indicates that the Development is still feasible, and continues to support the originally awarded HTC amount. Staff also determined that the proposed changes noted above would not have impacted the selection of the Application for an award, except for the requested waiver.

Staff recommends approval of the amendment request, changes to the ownership structure subject to completion and clearance of the previous participation review, and the waiver of §11.101(b)(1)(A)(vii) of the 2023 Qualified Allocation Plan as presented herein.



Addendum to Underwriting Report

TDHCA Application #: **23100** Program(s): **9% HTC**

Cabana Design District

Address/Location: 899 Stemmons Fwy

City: Dallas County: Dallas Zip: 75207

APPLICATION HISTORY	
Report Date	PURPOSE
06/19/24	Amendment
07/14/23	New Application Initial Underwriting

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000				

CONDITIONS STATUS

- 1 Receipt and acceptance by Carryover:
 - a: Formal approval for a \$41M subsidy from the City of Dallas's tax increment reinvestment zone clearly stating all terms, conditions and source of funding.
Status: Cleared. The September 27, 2023 Dallas City Council minutes reflect that the Dallas City Council has approval to disburse funds to Cabana Sycamore Development, Inc. (who will lend money to Partnership) up to \$41M. The funds will come from the Design District TIF District Fund.
 - b: No more than \$28,535,590 can be forgiven from the City of Dallas' \$41M loan. The remaining \$12,464,410 needs to be restructured with market rate interest and deferred payable.
Status: Cleared. Applicant confirmed and certified that no more than \$28,535,590 will be forgiven and that the \$12,464,410 will be restructured with market rate interest and will be deferred payable.

2 Receipt and acceptance by Cost Certification:

- a: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.
- b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
- c: Certification that a subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
- d: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and/or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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

At Original Underwriting		
TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	27
60% of AMI	60% of AMI	9
70% of AMI	70% of AMI	14
80% of AMI	80% of AMI	14

Total: 64

Amendment		
TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	29
60% of AMI	60% of AMI	13
70% of AMI	70% of AMI	13
80% of AMI	80% of AMI	15

Total: 70

ANALYSIS

The Applicant is requesting changes to the unit count, unit mix and set-asides for this Project. The reason this change needs to be made is due to the fact that the Structural Engineer determined that the building needs the addition of shear walls to ensure the building's stability for wind and seismic loads. The space planning effect of the addition of shear walls is that it cuts through many of the planned two bedroom units which necessitated converting many of those units to one bedroom and studio units. The Structural Engineer is also recommending to minimize penetrations through the existing floor slabs of the tower. The Applicant will need to stack identical units for utilities and eliminate the two-level lofted units.

Operating Pro Forma

Underwriter and Applicant utilized 2024 rents. The number of overall units increased from 160 to 175 (+15). The number of efficiencies increased from 8 to 26 (+18) and one-bedroom apartments from 40 to 66 (+26). The number of two-bedroom apartments decreased from 98 to 74 (-24) and three-bedroom apartments from 14 to 9 (-5). The Set Asides also changed as the number of 30% units went from 27 to 29 (+2), 60% units from 9 to 13 (+4), 70% units from 14 to 13 (-1) and 80% units from 14 units to 15 units (+1). The number of market rate units went from 96 to 105 (+9).

Underwritten NOI has increased from \$1,568,523 to \$2,048,996 (30%) due to the increase in Program rents from original Application (2022 rents) to present day (2024 rents), as well as the addition of more total units (+15) and more market rate units (+9).

Development Cost

Applicant submitted supporting documentation of building costs, site work, and amenities of \$52.8M which is \$1.1M lower than the Development Cost Pro Forma. Based on Applicant's Schedule of Values, the building costs increased \$5.3M and overall development cost increased by \$2.5M. Additional debt and deferred fee cover these costs.

Sources of Funds

Applicant changed lenders from Legacy Bank & Trust to Citibank. The new conventional loan went from \$20,970,000 at 6.5% to \$22,850,000 at 7.41%. The term and amortization period did not change but Annual Debt Service (ADS) increased by \$310k per year from \$1.47M to \$ 1.78M. The increase in number of units and Program rents from 2022 to 2024 is sufficient to cover the difference in ADS.

Applicant changed equity partners from RBC to Hunt Capital Partners. The equity price for the \$2M in 2023 9% Housing Credits decreased from \$0.90 to \$0.85, resulting in \$1M less in equity proceeds. Changes to the State and Federal historic credits resulted in a net gain of \$166k in the total of those equity proceeds. There is sufficient deferred fee to offset the overall decrease in equity proceeds and the increase in construction costs.

Conclusion

Underwriter recommends Applicant's request to increase the unit count from 160 units to 175 units and to change the unit mix and Set Asides.

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

UNIT MIX/RENT SCHEDULE

Cabana Design District, Dallas, 9% HTC #23100

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
Area Median Income	\$0
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
Eff	21	12.0%	0	0	0
1	71	40.6%	0	0	0
2	74	42.3%	0	0	0
3	9	5.1%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	175	100.0%	-	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	38.01%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	917 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	29	-	-	13	13	15	105	175
Income	% Total	0.0%	16.6%	0.0%	0.0%	7.4%	7.4%	8.6%	60.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$579	3	0	1	517	\$579	\$53	\$526	\$0	\$1.02	\$526	\$1,578	\$1,578	\$526	\$1	\$0	\$1,350	\$2.61	\$1,400
TC 30%	\$579	2	0	1	560	\$579	\$53	\$526	\$0	\$0.94	\$526	\$1,052	\$1,052	\$526	\$1	\$0	\$1,350	\$2.41	\$1,400
TC 60%	\$1,159	2	0	1	560	\$1,159	\$53	\$1,106	\$0	\$1.98	\$1,106	\$2,212	\$2,212	\$1,106	\$2	\$0	\$1,350	\$2.41	\$1,400
TC 70%	\$1,352	2	0	1	560	\$1,352	\$53	\$1,299	\$0	\$2.32	\$1,299	\$2,598	\$2,598	\$1,299	\$2	\$0	\$1,350	\$2.41	\$1,400
TC 80%	\$1,546	2	0	1	560	\$1,546	\$53	\$1,493	\$0	\$2.67	\$1,493	\$2,986	\$2,986	\$1,493	\$3	\$0	\$1,546	\$2.76	\$1,400
MR		5	0	1	517	\$0	\$53		NA	\$3.19	\$1,650	\$8,250	\$8,250	\$1,650	\$3	NA	\$1,650	\$3.19	\$1,650
MR		5	0	1	560	\$0	\$53		NA	\$2.90	\$1,625	\$8,125	\$8,125	\$1,625	\$3	NA	\$1,625	\$2.90	\$1,650
TC 30%	\$621	5	1	1	634	\$621	\$62	\$559	\$0	\$0.88	\$559	\$2,795	\$2,795	\$559	\$1	\$0	\$1,350	\$2.13	\$1,350
TC 30%	\$621	1	1	1	672	\$621	\$62	\$559	\$0	\$0.83	\$559	\$559	\$559	\$559	\$1	\$0	\$1,462	\$2.18	\$1,723
TC 30%	\$621	1	1	1	677	\$621	\$62	\$559	\$0	\$0.83	\$559	\$559	\$559	\$559	\$1	\$0	\$1,462	\$2.16	\$1,723
TC 30%	\$621	3	1	1	757	\$621	\$62	\$559	\$0	\$0.74	\$559	\$1,677	\$1,677	\$559	\$1	\$0	\$1,462	\$1.93	\$1,723
TC 30%	\$621	2	1	1	761	\$621	\$62	\$559	\$0	\$0.73	\$559	\$1,118	\$1,118	\$559	\$1	\$0	\$1,462	\$1.92	\$1,723
TC 60%	\$1,242	1	1	1	634	\$1,242	\$62	\$1,180	\$0	\$1.86	\$1,180	\$1,180	\$1,180	\$1,180	\$2	\$0	\$1,462	\$2.31	\$1,723
TC 60%	\$1,242	2	1	1	674	\$1,242	\$62	\$1,180	\$0	\$1.75	\$1,180	\$2,360	\$2,360	\$1,180	\$2	\$0	\$1,462	\$2.17	\$1,723
TC 60%	\$1,242	1	1	1	761	\$1,242	\$62	\$1,180	\$0	\$1.55	\$1,180	\$1,180	\$1,180	\$1,180	\$2	\$0	\$1,462	\$1.92	\$1,723
TC 70%	\$1,449	2	1	1	676	\$1,449	\$62	\$1,387	\$0	\$2.05	\$1,387	\$2,774	\$2,774	\$1,387	\$2	\$0	\$1,462	\$2.16	\$1,723
TC 70%	\$1,449	2	1	1	754	\$1,449	\$62	\$1,387	\$0	\$1.84	\$1,387	\$2,774	\$2,774	\$1,387	\$2	\$0	\$1,462	\$1.94	\$1,723
TC 80%	\$1,656	1	1	1	634	\$1,656	\$62	\$1,594	\$0	\$2.51	\$1,594	\$1,594	\$1,594	\$1,594	\$3	\$0	\$1,656	\$2.61	\$1,723
TC 80%	\$1,656	2	1	1	677	\$1,656	\$62	\$1,594	\$0	\$2.35	\$1,594	\$3,188	\$3,188	\$1,594	\$2	\$0	\$1,656	\$2.45	\$1,723
TC 80%	\$1,656	1	1	1.5	698	\$1,656	\$62	\$1,594	\$0	\$2.28	\$1,594	\$1,594	\$1,594	\$1,594	\$2	\$0	\$1,656	\$2.37	\$1,723
MR		1	1	1	634	\$0	\$62		NA	\$2.92	\$1,850	\$1,850	\$1,850	\$1,850	\$3	NA	\$1,850	\$2.92	\$1,723
MR		15	1	1	673	\$0	\$62		NA	\$2.79	\$1,880	\$28,200	\$28,200	\$1,880	\$3	NA	\$1,880	\$2.79	\$1,723
MR		24	1	1	763	\$0	\$62		NA	\$2.49	\$1,900	\$45,600	\$45,600	\$1,900	\$2	NA	\$1,900	\$2.49	\$1,723
MR		7	1	1	831	\$0	\$62		NA	\$2.35	\$1,950	\$13,650	\$13,650	\$1,950	\$2	NA	\$1,950	\$2.35	\$1,723

TC 30%	\$744	1	2	2	855	\$744	\$82	\$662	\$0	\$0.77	\$662	\$662	\$662	\$662	\$1	\$0	\$1,546	\$1.81	\$1,723
TC 30%	\$744	1	2	1	855	\$744	\$82	\$662	\$0	\$0.77	\$662	\$662	\$662	\$662	\$1	\$0	\$1,554	\$1.82	\$1,723
TC 30%	\$744	5	2	2	1,001	\$744	\$82	\$662	\$0	\$0.66	\$662	\$3,310	\$3,310	\$662	\$1	\$0	\$1,695	\$1.69	\$1,723
TC 30%	\$744	3	2	2	1,016	\$744	\$82	\$662	\$0	\$0.65	\$662	\$1,986	\$1,986	\$662	\$1	\$0	\$1,723	\$1.70	\$1,723
TC 30%	\$744	1	2	2	1,124	\$744	\$82	\$662	\$0	\$0.59	\$662	\$662	\$662	\$662	\$1	\$0	\$1,723	\$1.53	\$1,723
TC 60%	\$1,489	1	2	2	1,001	\$1,489	\$82	\$1,407	\$0	\$1.41	\$1,407	\$1,407	\$1,407	\$1,407	\$1	\$0	\$1,489	\$1.49	\$1,723
TC 60%	\$1,489	1	2	2	1,119	\$1,489	\$82	\$1,407	\$0	\$1.26	\$1,407	\$1,407	\$1,407	\$1,407	\$1	\$0	\$1,597	\$1.43	\$1,723
TC 60%	\$1,489	3	2	2	1,125	\$1,489	\$82	\$1,407	\$0	\$1.25	\$1,407	\$4,221	\$4,221	\$1,407	\$1	\$0	\$2,100	\$1.87	\$2,100
TC 60%	\$1,489	1	2	2	1,135	\$1,489	\$82	\$1,407	\$0	\$1.24	\$1,407	\$1,407	\$1,407	\$1,407	\$1	\$0	\$2,100	\$1.85	\$2,100
TC 70%	\$1,737	1	2	2	855	\$1,737	\$82	\$1,655	\$0	\$1.94	\$1,655	\$1,655	\$1,655	\$1,655	\$2	\$0	\$2,100	\$2.46	\$2,100
TC 70%	\$1,737	1	2	2	1,001	\$1,737	\$82	\$1,655	\$0	\$1.65	\$1,655	\$1,655	\$1,655	\$1,655	\$2	\$0	\$2,100	\$2.10	\$2,100
TC 70%	\$1,737	2	2	2	1,016	\$1,737	\$82	\$1,655	\$0	\$1.63	\$1,655	\$3,310	\$3,310	\$1,655	\$2	\$0	\$2,100	\$2.07	\$2,100
TC 70%	\$1,737	1	2	2	1,119	\$1,737	\$82	\$1,655	\$0	\$1.48	\$1,655	\$1,655	\$1,655	\$1,655	\$1	\$0	\$2,100	\$1.88	\$2,100
TC 70%	\$1,737	1	2	2	1,145	\$1,737	\$82	\$1,655	\$0	\$1.45	\$1,655	\$1,655	\$1,655	\$1,655	\$1	\$0	\$2,100	\$1.83	\$2,100
TC 80%	\$1,986	1	2	2	1,001	\$1,986	\$82	\$1,904	\$0	\$1.90	\$1,904	\$1,904	\$1,904	\$1,904	\$2	\$0	\$2,100	\$2.10	\$2,100
TC 80%	\$1,986	1	2	2	1,016	\$1,986	\$82	\$1,904	\$0	\$1.87	\$1,904	\$1,904	\$1,904	\$1,904	\$2	\$0	\$2,100	\$2.07	\$2,100
TC 80%	\$1,986	2	2	2.5	1,043	\$1,986	\$82	\$1,904	\$0	\$1.83	\$1,904	\$3,808	\$3,808	\$1,904	\$2	\$0	\$2,031	\$1.95	\$2,100
TC 80%	\$1,986	1	2	2.5	1,246	\$1,986	\$82	\$1,904	\$0	\$1.53	\$1,904	\$1,904	\$1,904	\$1,904	\$2	\$0	\$2,100	\$1.69	\$2,100
TC 80%	\$1,986	1	2	2.5	1,258	\$1,986	\$82	\$1,904	\$0	\$1.51	\$1,904	\$1,904	\$1,904	\$1,904	\$2	\$0	\$2,100	\$1.67	\$2,100
TC 80%	\$1,986	1	2	2.5	1,412	\$1,986	\$82	\$1,904	\$0	\$1.35	\$1,904	\$1,904	\$1,904	\$1,904	\$1	\$0	\$1,986	\$1.41	\$2,100
MR		4	2	2	1,013	\$0	\$82		NA	\$2.17	\$2,200	\$8,800	\$8,800	\$2,200	\$2	NA	\$2,200	\$2.17	\$2,100
MR		5	2	2	1,045	\$0	\$82		NA	\$2.20	\$2,300	\$11,500	\$11,500	\$2,300	\$2	NA	\$2,300	\$2.20	\$2,100
MR		4	2	2.5	1,045	\$0	\$82		NA	\$2.20	\$2,300	\$9,200	\$9,200	\$2,300	\$2	NA	\$2,300	\$2.20	\$2,100
MR		5	2	2	1,126	\$0	\$82		NA	\$2.13	\$2,400	\$12,000	\$12,000	\$2,400	\$2	NA	\$2,400	\$2.13	\$2,100
MR		13	2	2	1,145	\$0	\$82		NA	\$2.14	\$2,450	\$31,850	\$31,850	\$2,450	\$2	NA	\$2,450	\$2.14	\$2,100
MR		6	2	2	1,273	\$0	\$82		NA	\$2.12	\$2,700	\$16,200	\$16,200	\$2,700	\$2	NA	\$2,700	\$2.12	\$2,100
MR		1	2	2.5	1,386	\$0	\$82		NA	\$2.02	\$2,800	\$2,800	\$2,800	\$2,800	\$2	NA	\$2,800	\$2.02	\$2,100
MR		1	2	2	1,489	\$0	\$82		NA	\$1.88	\$2,800	\$2,800	\$2,800	\$2,800	\$2	NA	\$2,800	\$1.88	\$2,100
MR		3	2	2.5	1,489	\$0	\$82		NA	\$1.88	\$2,800	\$8,400	\$8,400	\$2,800	\$2	NA	\$2,800	\$1.88	\$2,100
MR		1	2	2.5	1,489	\$0	\$82		NA	\$1.88	\$2,800	\$2,800	\$2,800	\$2,800	\$2	NA	\$2,800	\$1.88	\$3,152
MR		1	2	2.5	1,515	\$0	\$82		NA	\$1.88	\$2,850	\$2,850	\$2,850	\$2,850	\$2	NA	\$2,850	\$1.88	\$3,152
TC 30%	\$860	1	3	2	1,050	\$860	\$102	\$758	\$0	\$0.72	\$758	\$758	\$758	\$758	\$1	\$0	\$3,152	\$3.00	\$3,152
TC 60%	\$1,721	1	3	2	1,050	\$1,721	\$102	\$1,619	\$0	\$1.54	\$1,619	\$1,619	\$1,619	\$1,619	\$2	\$0	\$3,152	\$3.00	\$3,152
TC 70%	\$2,008	1	3	2.5	1,597	\$2,008	\$102	\$1,906	\$0	\$1.19	\$1,906	\$1,906	\$1,906	\$1,906	\$1	\$0	\$3,152	\$1.97	\$3,152
TC 80%	\$2,295	1	3	2.5	1,392	\$2,295	\$102	\$2,193	\$0	\$1.58	\$2,193	\$2,193	\$2,193	\$2,193	\$2	\$0	\$3,025	\$2.17	\$3,152
TC 80%	\$2,295	1	3	2.5	1,597	\$2,295	\$102	\$2,193	\$0	\$1.37	\$2,193	\$2,193	\$2,193	\$2,193	\$1	\$0	\$3,027	\$1.90	\$3,152
MR		2	3	2.5	1,622	\$0	\$102		NA	\$1.88	\$3,050	\$6,100	\$6,100	\$3,050	\$2	NA	\$3,050	\$1.88	\$3,152
MR		1	3	3	1,950	\$0	\$102		NA	\$1.59	\$3,100	\$3,100	\$3,100	\$3,100	\$2	NA	\$3,100	\$1.59	\$3,152
MR		1	3	2.5	2,095	\$0	\$102		NA	\$1.53	\$3,200	\$3,200	\$3,200	\$3,200	\$2	NA	\$3,200	\$1.53	\$3,152
TOTALS/AVERAGES:		175			160,494				\$0	\$1.92	\$1,764	\$308,704	\$308,704	\$1,764	\$1.92	\$0	\$2,002	\$2.18	\$1,905

ANNUAL POTENTIAL GROSS RENT:											\$3,704,448	\$3,704,448							
-------------------------------------	--	--	--	--	--	--	--	--	--	--	--------------------	--------------------	--	--	--	--	--	--	--

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Cabana Design District, Dallas, 9% HTC #23100

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Comp Properties		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.92	\$1,764	\$3,704,448	\$3,299,016	\$3,149,016	\$3,704,448	\$1,764	\$1.92		0.0%	\$0
Late fees, app fees					\$30.00	\$63,000	48,000	0						
Commercial Lease					\$0.00	\$0	68,844	0						
Total Secondary Income					\$30.00		0	48,000	\$63,000	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$3,767,448	\$3,415,860	\$3,197,016	\$3,767,448				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(282,559)	(256,190)	(239,776)	(282,559)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$3,484,889	\$3,159,671	\$2,957,240	\$3,484,889				0.0%	\$0

General & Administrative	\$85,967	\$491/Unit	\$57,447	\$328	2.60%	\$0.56	\$517	\$90,500	\$90,500	\$80,203	\$85,967	\$491	\$0.54	2.47%	5.3%	4,533
Management	\$84,690	3.5% EGI	\$61,386	\$351	4.00%	\$0.87	\$797	\$139,396	\$127,000	\$118,290	\$139,396	\$797	\$0.87	4.00%	0.0%	0
Payroll & Payroll Tax	\$240,541	\$1,375/Unit	\$320,729	\$1,833	8.97%	\$1.95	\$1,786	\$312,500	\$312,500	\$312,500	\$312,500	\$1,786	\$1.95	8.97%	0.0%	-
Repairs & Maintenance	\$136,920	\$782/Unit	\$108,720	\$621	3.40%	\$0.74	\$677	\$118,500	\$112,500	\$112,000	\$122,500	\$700	\$0.76	3.52%	-3.3%	(4,000)
Electric/Gas	\$44,051	\$252/Unit	\$83,887	\$479	1.65%	\$0.36	\$329	\$57,500	\$52,500	\$52,500	\$44,051	\$252	\$0.27	1.26%	30.5%	13,449
Water, Sewer, & Trash	\$140,691	\$804/Unit	\$106,028	\$606	3.54%	\$0.77	\$706	\$123,500	\$188,000	\$128,632	\$140,691	\$804	\$0.88	4.04%	-12.2%	(17,191)
Property Insurance	\$100,297	\$0.62 /sf	\$84,192	\$481	3.13%	\$0.68	\$623	\$109,075	\$104,000	\$104,000	\$109,075	\$623	\$0.68	3.13%	0.0%	-
Property Tax (@ 100%) 2.6409	\$197,670	\$1,130/Unit	\$196,715	\$1,124	11.80%	\$2.56	\$2,350	\$411,250	\$376,392	\$417,532	\$411,250	\$2,350	\$2.56	11.80%	0.0%	-
Reserve for Replacements					1.51%	\$0.33	\$300	\$52,500	\$40,000	\$48,000	\$52,500	\$300	\$0.33	1.51%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.08%	\$0.02	\$16	\$2,800	\$2,560	\$2,560	\$2,800	\$16	\$0.02	0.08%	0.0%	-
Internet					0.39%	\$0.09	\$79	\$13,750	\$12,500	\$12,500	\$13,750	\$79	\$0.09	0.39%	0.0%	-
TOTAL EXPENSES					41.07%	\$8.92	\$8,179	\$1,431,271	\$1,418,452	\$1,388,717	\$1,434,479	\$8,197	\$8.94	41.16%	-0.2%	\$ (3,208)
NET OPERATING INCOME ("NOI")					58.93%	\$12.80	\$11,735	\$2,053,618	\$1,741,219	\$1,568,523	\$2,050,410	\$11,717	\$12.78	58.84%	0.2%	\$ 3,208

CONTROLLABLE EXPENSES		\$4,014/Unit		\$4,033/Unit
-----------------------	--	--------------	--	--------------

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cabana Design District, Dallas, 9% HTC #23100

DEBT / GRANT SOURCES																	
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
Citibank		1.15	1.15	1,784,265	7.41%	40	15.0	\$22,825,000	\$20,970,000	\$20,970,000	\$22,825,000	15.0	40	7.41%	\$1,784,265	1.15	19.4%
Adjustment to Debt Per §11.302(c)(2)	0.00%									(\$1,575,000)		15.0	40	7.41%		1.15	0.0%
CASH FLOW DEBT / GRANTS																	
City of Dallas		1.15	1.15		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0	0.00%		1.15	0.0%
City of Dallas - Design District TIF		1.15	1.15		0.00%	0	0.0	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	0.0	0	0.00%		1.15	34.9%
				\$1,784,265	TOTAL DEBT / GRANT SOURCES			\$63,825,500	\$61,970,500	\$60,395,500	\$63,825,500	TOTAL DEBT SERVICE			\$1,784,265	1.15	54.3%

NET CASH FLOW	\$266,145	\$269,353											APPLICANT NET OPERATING INCOME	\$2,053,618	\$269,353	NET CASH FLOW
----------------------	-----------	-----------	--	--	--	--	--	--	--	--	--	--	---------------------------------------	-------------	-----------	----------------------

EQUITY SOURCES														
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
						Applicant	TDHCA							
Hunt Capital Partners	LIHTC Equity	14.5%	\$2,000,000	\$0.85	\$16,998,300	\$17,998,200	\$17,998,200	\$16,998,300	\$0.85	\$2,000,000	14.5%	\$11,429	Applicant Request	
Hunt Capital Partners	State Historic Tax Credits	15.7%		\$0.88	\$18,388,647	\$17,552,478	\$17,552,478	\$18,388,647	\$0.88		15.7%			
Hunt Capital Partners	Federal Historic Tax Credits	11.4%		\$0.80	\$13,372,224	\$14,041,982	\$14,041,982	\$13,372,224	\$0.80		11.4%			
Cabana Design District LP	Deferred Developer Fees	5.2%	(54% Deferred)		\$6,089,812	\$4,771,315	\$4,411,363	\$4,913,291		(43% Deferred)	4.2%		Total Developer Fee:	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0	\$0	\$0			0.0%		\$11,332,370	
TOTAL EQUITY SOURCES		46.7%			\$54,848,983	\$54,363,975	\$54,004,023	\$53,672,462			45.7%			

TOTAL CAPITALIZATION			\$118,674,483	\$116,334,475	\$114,399,523	\$117,497,962			15-Yr Cash Flow after Deferred Fee:	\$2,150,271
-----------------------------	--	--	----------------------	---------------	---------------	----------------------	--	--	-------------------------------------	--------------------

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE			
Acquisition	New Const. Rehab	Total Costs	Applicant	TDHCA	Total Costs	Eligible Basis		%	\$				
						New Const. Rehab	Acquisition						
Land Acquisition		\$40,000 / Unit	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$40,000 / Unit		0.0%	\$0			
Building Acquisition	\$0	\$114,286 / Unit	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$114,286 / Unit	\$0	0.0%	\$0			
Closing costs & acq. legal fees		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000			0.0%	\$0			
Off-Sites	\$0	\$800 / Unit	\$140,000	\$140,000	\$140,000	\$140,000	\$800 / Unit	\$0	0.0%	\$0			
Site Work	\$2,582,020	\$15,613 / Unit	\$2,732,220	\$2,732,220	\$2,250,000	\$2,274,006	\$12,994 / Unit	\$2,274,006	20.2%	\$458,214			
Site Amenities	\$460,000	\$2,629 / Unit	\$460,000	\$202,000	\$460,000	\$440,421	\$2,517 / Unit	\$440,421	4.4%	\$19,579			
Building Cost	\$48,710,640	\$316.32 /sf	\$290,097/Unit	\$50,766,924	\$46,151,750	\$44,860,000	\$50,142,181	\$286,527/Unit	\$312.42 /sf	\$48,710,640			
Contingency	\$3,529,957	6.82%	6.52%	\$3,529,957	\$2,611,299	\$2,611,299	\$3,529,957	6.66%	6.86%	\$3,529,957			
Contractor Fees	\$7,624,066	13.79%	13.80%	\$7,952,574	\$7,236,218	\$7,044,982	\$7,913,719	14.00%	13.87%	\$7,624,066			
Soft Costs	\$0	\$4,552,500	\$27,157 / Unit	\$4,752,500	\$5,352,500	\$5,352,500	\$4,752,500	\$27,157 / Unit	\$4,552,500	\$0			
Financing	\$0	\$6,846,000	\$42,086 / Unit	\$7,365,040	\$12,056,630	\$12,056,630	\$7,365,040	\$42,086 / Unit	\$6,846,000	\$0			
Developer Fee	\$0	\$11,145,778	15.00%	14.83%	\$11,367,500	\$10,200,000	\$9,972,254	\$11,332,370	15.00%	\$11,096,638			
Reserves		6 Months	\$1,607,768	\$1,651,858	\$1,651,858	\$1,607,768	6 Months			\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$85,450,961	\$678,140 / Unit	\$118,674,483	\$116,334,475	\$114,399,523	\$117,497,962	\$671,417 / Unit	\$85,074,228	\$0	1.0%	\$1,176,521
Acquisition Cost	\$0			\$0	\$0								
Contingency	\$0			\$0	\$0								
Contractor's Fee	\$0			\$0	\$0								
Financing Cost	\$0												
Developer Fee	0.00%	\$0	(\$1)	15.00%	\$0	\$0							
Reserves				\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$85,450,960	\$678,140/unit	\$118,674,483	\$116,334,475	\$114,399,523	\$117,497,962	\$671,417/unit	\$85,074,228	\$0	1.0%	\$1,176,521
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$117,497,962							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cabana Design District, Dallas, 9% HTC #23100

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
	ADJUSTED BASIS	\$0	\$85,450,960	\$0
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$85,450,960	\$0	\$85,074,228
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$111,086,249	\$0	\$110,596,497
Applicable Fraction	38.01%	38%	38%	38%
TOTAL QUALIFIED BASIS	\$0	\$42,225,427	\$0	\$42,039,266
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,800,288	\$0	\$3,783,534
CREDITS ON QUALIFIED BASIS	\$3,800,288		\$3,783,534	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8499	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$3,783,534	\$32,156,822	----	----	----
Needed to Fill Gap	\$2,578,092	\$21,911,591	----	----	----
Applicant Request	\$2,000,000	\$16,998,300	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Mid-Rise (Over 5 Stories)		160,494 SF	\$77.94	12,509,227
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			0.21	33,000
Subfloor			0.86	137,646
Floor Cover			4.47	716,927
Breezeways	\$30.99	6,135	1.18	190,111
Balconies	\$31.92	1,302	0.26	41,560
Plumbing Fixtures	\$1,090	-654	-4.44	(712,860)
Rough-ins	\$535	182	0.61	97,370
Built-In Appliances	\$1,880	175	2.05	329,000
Exterior Stairs	\$3,050	6	0.11	18,300
Heating/Cooling			2.37	380,371
Storage Space	\$30.99	0	0.00	0
Carports	\$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$0.00	0	0.00	0
Elevators		6	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	166,629	3.79	608,196
SUBTOTAL			89.40	14,348,848
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			89.40	\$14,348,848
Plans, specs, survey, bldg permits	3.30%		(2.95)	(\$473,512)
Contractor's OH & Profit	11.50%		(10.28)	(1,650,117)
NET BUILDING COSTS		\$69,858/unit	\$76.17/sf	\$12,225,218

Long-Term Pro Forma

Cabana Design District, Dallas, 9% HTC #23100

	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%	\$3,484,889	\$3,554,587	\$3,625,679	\$3,698,193	\$3,772,156	\$4,164,765	\$4,598,238	\$5,076,826	\$5,605,226	\$6,188,622	\$6,832,739	\$7,543,896
TOTAL EXPENSES	3.00%	\$1,431,271	\$1,472,815	\$1,515,578	\$1,559,595	\$1,604,903	\$1,852,195	\$2,138,007	\$2,468,384	\$2,850,326	\$3,291,934	\$3,802,591	\$4,393,160
NET OPERATING INCOME ("NOI")		\$2,053,618	\$2,081,772	\$2,110,101	\$2,138,598	\$2,167,253	\$2,312,570	\$2,460,231	\$2,608,442	\$2,754,900	\$2,896,689	\$3,030,149	\$3,150,736
EXPENSE/INCOME RATIO		41.1%	41.4%	41.8%	42.2%	42.5%	44.5%	46.5%	48.6%	50.9%	53.2%	55.7%	58.2%
MUST -PAY DEBT SERVICE													
Citibank		\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265
Adjustment to Debt Per §11.302(c)(2)													
TOTAL DEBT SERVICE		\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265	\$1,784,265
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.30	1.38	1.46	1.54	1.62	1.70	1.77
ANNUAL CASH FLOW													
		\$269,353	\$297,507	\$325,836	\$354,332	\$382,988	\$528,305	\$675,965	\$824,176	\$970,635	\$1,112,423	\$1,245,883	\$1,366,471
Deferred Developer Fee Balance		\$4,643,938	\$4,346,431	\$4,020,595	\$3,666,263	\$3,283,275	\$933,623	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$2,150,271	\$5,974,930	\$10,536,422	\$15,817,503	\$21,784,169	\$28,381,534

23100 Cabana Design District - Application Summary

REAL ESTATE ANALYSIS DIVISION

July 14, 2023

PROPERTY IDENTIFICATION	
Application #	23100
Development	Cabana Design District
City / County	Dallas / Dallas
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	Adaptive Re-Use (Built in 1962)

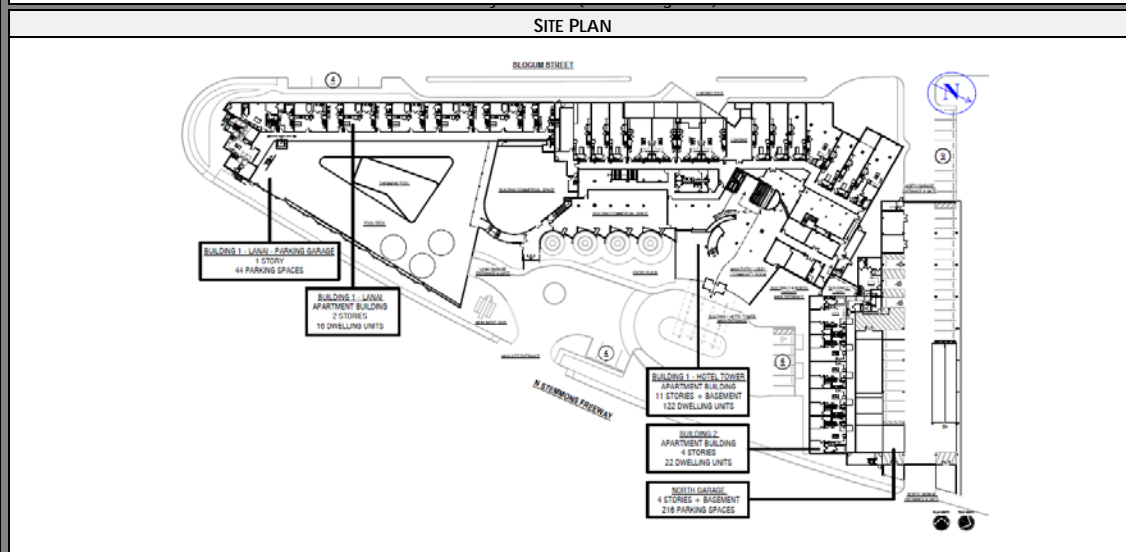
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$12,500/Unit	\$0.90

KEY PRINCIPALS / SPONSOR			
<ul style="list-style-type: none"> Stuart Shaw & Casey Bump / Stuart Shaw Family Development LLC Jessica Krochtengel & Zachary Krochtengel / Sycamore Strategies, LLC 			
Related Parties	Contractor - TBD	Seller -	No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	8	5%	20%	-	0%
1	40	25%	30%	27	17%
2	98	61%	40%	-	0%
3	14	9%	50%	-	0%
4	-	0%	60%	9	6%
			70%	14	9%
			80%	14	9%
			MR	96	60%
TOTAL	160	100%	TOTAL	160	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.15	Expense Ratio	47.0%
Breakeven Occ.	86.1%	Breakeven Rent	\$1,524
Average Rent	\$1,640	B/E Rent Margin	\$116
Property Taxes	\$2,610/unit	Exemption/PILOT	0%
Total Expense	\$8,679/unit	Controllable	\$4,286/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	0.7%		
Highest Unit Capture Rate	5%	0 BR/30%	3
Dominant Unit Cap. Rate	3%	1 BR/30%	11
Premiums (↑60% Rents)	Yes	\$825/Avg.	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	953 SF	Density	48.8/acre
Acquisition	\$175K/unit	\$28,000K	
Building Cost	\$294.24/SF	\$280K/unit	\$44,860K
Hard Cost	\$315K/unit		\$50,321K
Total Cost	\$715K/unit		\$114,400K
Developer Fee	\$9,972K (44% Deferred)	Paid Year: 14	
Contractor Fee	\$7,045K	30% Boost	Yes

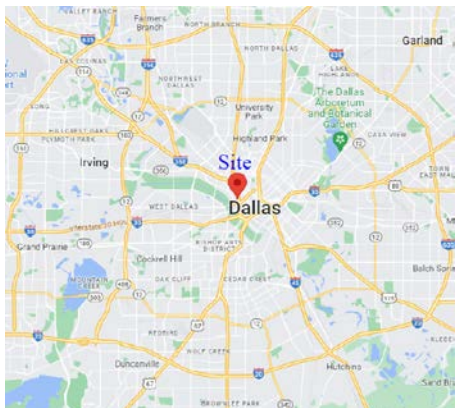
REHABILITATION COSTS / UNIT			
Site Work	\$14K	5%	Finishes/Fixture \$31K 10%
Building Shell	\$223K	75%	Amenities \$3K 1%
HVAC	\$20K	7%	Total Exterior \$240K 81%
Appliances	\$6K	2%	Total Interior \$58K 19%

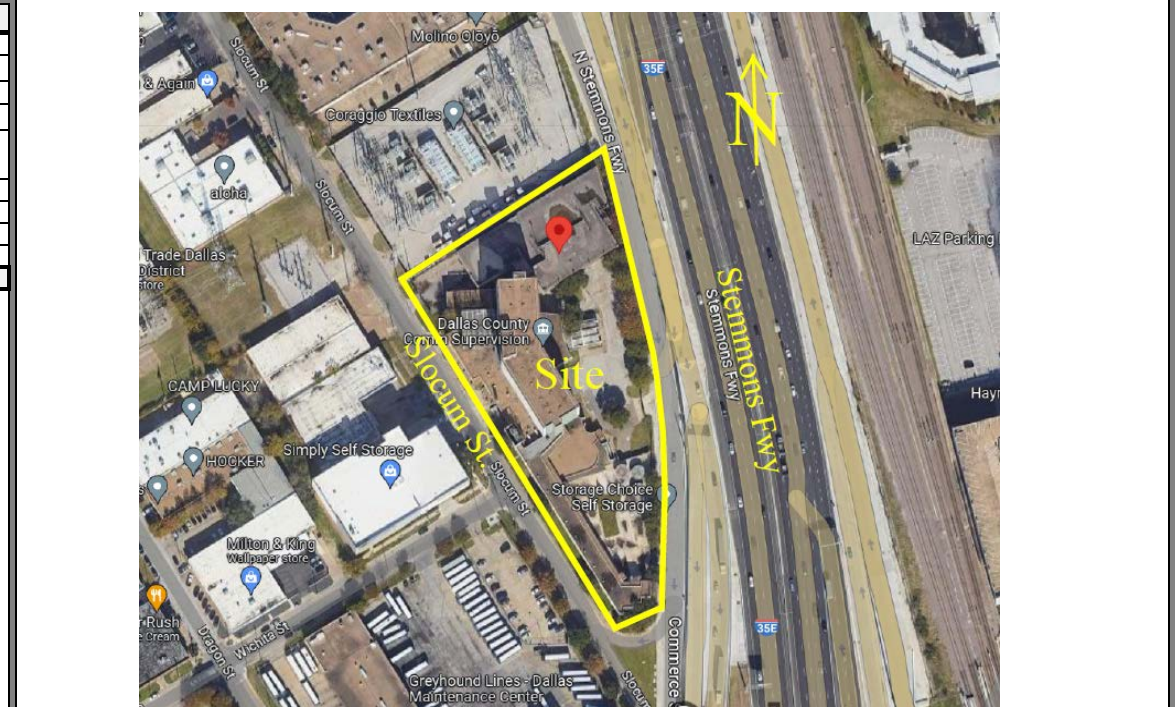
DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Legacy Bank & Trust	15/40	6.50%	#####	1.06	City of Dallas	0/0	0.00%	\$500	1.15	RBC	\$17,998,200
Adjustment to Debt Per §11.302(c)(2)	15/40	6.50%	(\$1,575,000)	1.15	City of Dallas - Design District TIF	0/0	0.00%	\$41,000,000	1.15	RBC	\$17,552,478
										RBC	\$14,041,982
										Cabana Design District LP	\$4,411,363
										TOTAL EQUITY SOURCES	\$54,004,023
										TOTAL DEBT SOURCES	\$60,395,500
TOTAL DEBT (Must Pay)			\$19,395,000		CASH FLOW DEBT / GRANTS			\$41,000,500		TOTAL CAPITALIZATION	\$114,399,523

CONDITIONS

- 1 Receipt and acceptance by Carryover:
 - a: Formal approval for \$41M subsidy from the City of Dallas' tax increment reinvestment zone clearly stating all terms, conditions and source of funding.
 - b: No more than \$28,535,590 can be forgiven from the City of Dallas' \$41M loan. The remaining \$12,464,410 needs to be restructured with market rate interest and deferred payable.
- 2 Receipt and acceptance by Cost Certification:
 - a: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.
 - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
 - c: Certification that a subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
 - d: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and/or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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	
▫	Easily accessible to highways, transit, jobs
▫	Appealing urban design
▫	Very low gross capture rate
▫	Developer's construction and management experience with LIHTC properties in Texas
WEAKNESSES/RISKS	
▫	Infeasible without \$41M that is not committed
▫	Complicated project with high costs
▫	Feasibility dependent on market rents
AREA MAP	
	





DEVELOPMENT IDENTIFICATION

TDHCA Application #: 23100 Program(s): 9% HTC

Cabana Design District

Address/Location: 899 Stemmons Fwy

City: Dallas County: Dallas Zip: 75207

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

Activity: Adaptive Re-Use Building Type: Mid-Rise (Over 5 Stories) Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000				

CONDITIONS

- 1 Receipt and acceptance by Carryover:
 - a: Formal approval for **\$41M** subsidy from the City of Dallas' tax increment reinvestment zone clearly stating all terms, conditions and source of funding.
 - b: No more than \$28,535,590 can be forgiven from the City of Dallas' \$41M loan. The remaining \$12,464,410 needs to be restructured with market rate interest and deferred payable.
- 2 Receipt and acceptance by Cost Certification:
 - a: Attorney opinion validating that the City of Dallas TIRZ funds are not federally sourced and that if funds are federally sources it can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.
 - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
 - c: Certification that a subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
 - d: Certification of comprehensive testing for asbestos and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials and/or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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	27
60% of AMI	60% of AMI	9
70% of AMI	70% of AMI	14
80% of AMI	80% of AMI	14

DEVELOPMENT SUMMARY

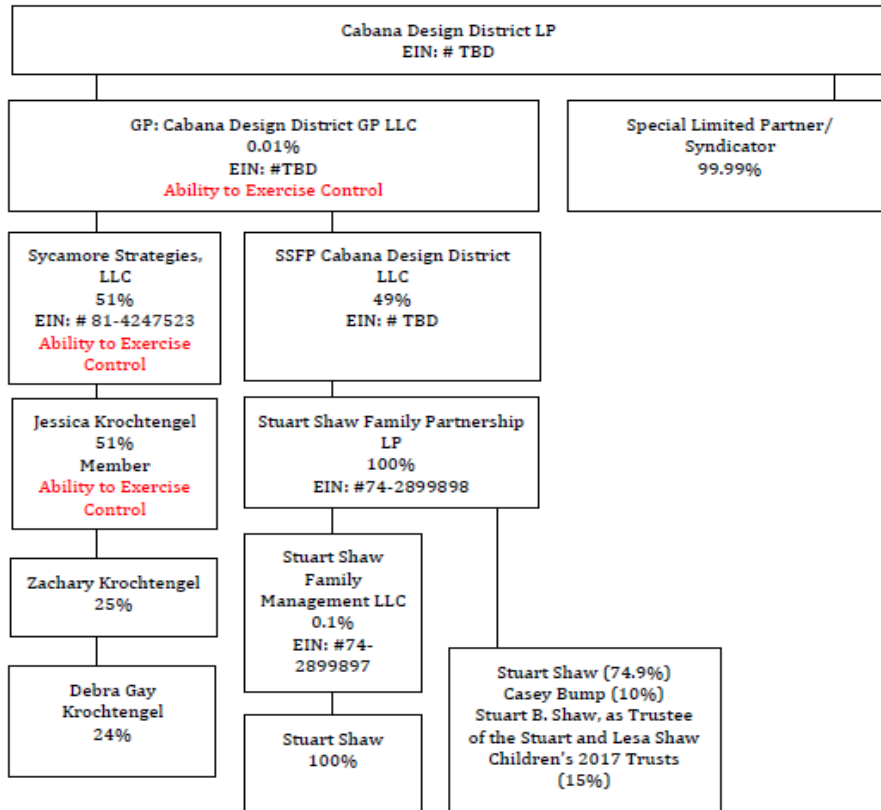
The project consists of renovating the existing vacant former Cabana Hotel at 899 North Stemmons Freeway in Dallas, TX into 160 affordable apartments with related parking, leasing and management office as well as common and apartment amenities pursuant to TDHCA 2023 Tax Credit Apartment requirements. The original 1962 facility consists of a 10-story and two-story hotel area with hotel amenities in the 10-story tower and site parking, including surface parking and two underground parking garages. A four-story parking garage was added in 1984 when the hotel was converted to a corrections facility.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> ▫ Easily accessible to highways, transit, jobs 	<ul style="list-style-type: none"> ▫ Infeasible without \$41M that is not committed
<ul style="list-style-type: none"> ▫ Appealing urban design 	<ul style="list-style-type: none"> ▫ Complicated project with high costs
<ul style="list-style-type: none"> ▫ Very low gross capture rate 	<ul style="list-style-type: none"> ▫ Feasibility dependent on market rents
<ul style="list-style-type: none"> ▫ Developer's construction and management experience with LIHTC properties in Texas 	<ul style="list-style-type: none"> ▫

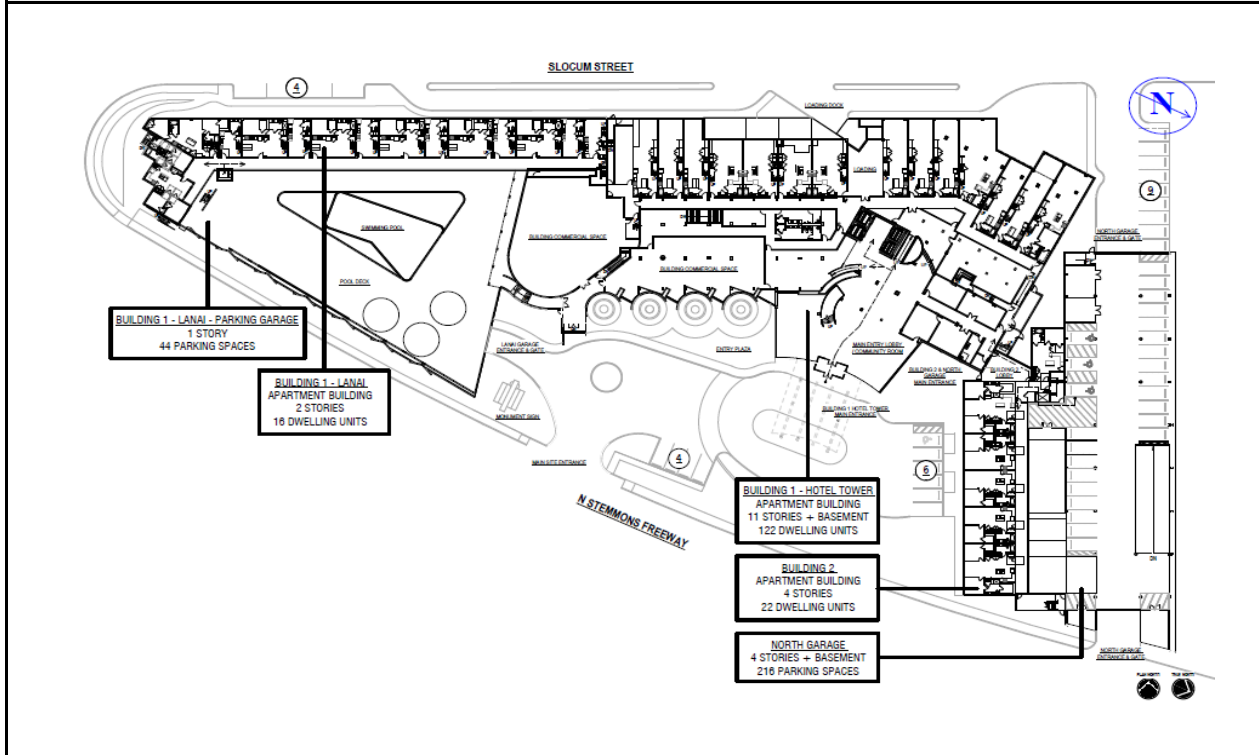
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
	Count	Cost/unit	Count	Cost/unit	Count	Cost/unit
Open Surface	23	0.1/unit	0	--	23	0.1/unit
Garage	260	1.6/unit	0	--	260	1.6/unit
Total Parking	283	1.8/unit	0	--	283	1.8/unit

Comments:

Code requires 240 (1.5/unit) spaces for residential units. 283 spaces will be provided of which 260 are garage spaces and 23 are surface spaces.

BUILDING ELEVATION



BUILDING CONFIGURATION

Building Type	1	1										Total Buildings
Floors/Stories	11	4										2
Number of Bldgs	1	1										
Units per Bldg	138	22										
Total Units	138	22										160
Avg. Unit Size (SF)	953 sf		Total NRA (SF)		152,463		Common Area (SF)*		168,516			

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 3.28 acres Density: 48.8 units/acre
Site Control: 3.278 **Site Plan:** 3.278 **Appraisal:** NA **ESA:** 3.278
Feasibility Report Survey: 3.278 **Feasibility Report Engineer's Plan:** 3.278

Control Type: Agreement of Sale and Purchase
 Development Site: 3.28 acres Cost: \$27,000,000 \$168,750 per unit
 Seller: Cabana Development, LLC
 Buyer: Anthem Interests LLC
 Assignee: Cabana Design District LP
 Related-Party Seller/Identity of Interest: No

SITE INFORMATION

Flood Zone:	<u>X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>PD 621</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>1962</u>	Title Issues?	<u>No</u>

Current Uses of Subject Site:
 The site has a vacant ten story building originally used as a hotel, a three level parking garage and a pool deck with a connected parking garage.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc. Date: 2/16/2023

- Recognized Environmental Conditions (RECs) and Other Concerns:
- Significant roads are within 1000 feet (Stemmons and Rogers Fwys) and railroads within 3000 feet (DART, TRE), thereby indicating the need for a noise study.
 - Concentrations of chlorinated Volatile Organic Compounds (VOC's) in groundwater remaining at the facility poses as a potential Vapor Encroachment Condition (VEC) to the site. The former Engraving and former Colour IV/Currently Storage Choice Design District/GE Greenway Environmental and Colour IV, Inc. were identified in the regulatory database.

Comments:
 In Terracon's opinion, the subsurface conditions around the on-site hydraulic elevators should be evaluated either when the elevators are removed or during site redevelopment.

MARKET ANALYSIS

Provider: Araiza Appraisal & Consulting Date: 3/29/2023

Primary Market Area (PMA): 37 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY					
Other Affordable Developments in PMA since 2017					
20197	Villas at Western Heights	New Const	Elderly	N/A	130
Stabilized Affordable Developments in PMA				Total Units	1,855
				Total Developments	12
				Average Occupancy	97%

OVERALL DEMAND ANALYSIS				
		Market Analyst		
		HTC	Assisted	
Total Households in the Primary Market Area		24,426		
Potential Demand from the Primary Market Area		7,972		
10% External Demand		797		
GROSS DEMAND		8,769		
Subject Affordable Units		64		
Unstabilized Competitive Units		0		
RELEVANT SUPPLY		64		
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		0.7%		

Population:	General	Market Area:	Urban	Maximum Gross Capture Rate:	10%
-------------	----------------	--------------	--------------	-----------------------------	------------

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND						
	Market Analyst					
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate	
30% AMGI	2,099	210	27	0	1%	
60% AMGI	2,403	240	9	0	0%	
70% AMGI	2,768	277	14	0	0%	
80% AMGI	702	70	14	0	2%	

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE

Unit Type	Market Analyst									
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate					
0 BR/30%	55	6	3	0	5%					
0 BR/60%	54	5	2	0	3%					
0 BR/70%	116	12	1	0	1%					
0 BR/80%	344	34	1	0	0%					
1 BR/30%	344	34	11	0	3%					
1 BR/60%	279	28	3	0	1%					
1 BR/70%	241	24	4	0	2%					
1 BR/80%	747	75	4	0	0%					
2 BR/30%	255	26	11	0	4%					
2 BR/60%	179	18	3	0	2%					
2 BR/70%	149	15	7	0	4%					
2 BR/80%	347	35	7	0	2%					
3 BR/30%	399	40	2	0	0%					
3 BR/60%	239	24	1	0	0%					
3 BR/70%	177	18	2	0	1%					
3 BR/80%	556	56	2	0	0%					

Market Analyst Comments:

Based on the high occupancy levels of the existing properties in the market, the lack of good quality affordable housing along with the recent strong absorption history, the Market Analyst projects the subject property's absorption rate to be 10-20 units per month and stabilization within 14 months.(p.15)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma)

NOI:	\$1,568,523	Avg. Rent:	\$1,640	Expense Ratio:	47.0%
Debt Service:	\$1,362,592	B/E Rent:	\$1,524	Controllable Expenses:	\$4,286
Net Cash Flow:	\$205,931	UW Occupancy:	92.5%	Property Taxes/Unit:	\$2,610
Aggregate DCR:	1.15	B/E Occupancy:	86.1%	Program Rent Year:	2022

Applicant elected to use Income Averaging at 54% and restrict only 40% of the Units. Underwriter did not include commercial lease income and used Applicant's number of \$25/unit for other income. Replacement reserves were underwritten at \$300/unit since this is an adaptive reuse project and water/trash expenses are based on TDHCA's database. The projected 15-year cash flow is \$616K after deferred developer fee is paid in Year 14.

Market rents were underwritten with Market Analyst rents. After Underwriter adjusted Applicant's market rents, there was a \$1.575M adjustment to Debt Per \$11.302(c)(2) to achieve feasibility of a 1.15 DCR.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)

Acquisition	\$2,135,448/ac	\$175,000/unit	\$28,000,000	Contractor Fee	\$7,044,982
Off-site + Site Work		\$17,813/unit	\$2,850,000	Soft Cost + Financing	\$17,409,130
Building Cost	\$294.24/sf	\$280,375/unit	\$44,860,000	Developer Fee	\$9,972,254
Contingency	5.47%	\$16,321/unit	\$2,611,299	Reserves	\$1,651,858
Total Development Cost	\$714,997/unit	\$114,399,523		Rehabilitation Cost	\$297,313/unit
Qualified for 30% Basis Boost?	Non-Qualified Elderly not in OCT covered by Revitalization Plan [9% only]				

Building Cost:

Underwriter used SCR estimate of \$42.6M (\$266,313/unit).

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$2,250,000	\$14,063/unit	5%	Finishes/Fixtures	\$4,950,000	\$30,938/unit	10%
Building Shell	\$35,660,000	\$222,875/unit	75%	HVAC	\$3,250,000	\$20,313/unit	7%
Amenities	\$460,000	\$2,875/unit	1%	Appliances	\$1,000,000	\$6,250/unit	2%
Total Exterior	\$38,370,000	\$239,813/unit	81%	Total Interior	\$9,200,000	\$57,500/unit	19%

SCOPE & COST REVIEW

Provider: Coda Consulting Group Date: 2/28/2023

Scope of Work:

- Water line upgrades and fire hydrants
- Demolition allowance
- Site grading allowance
- Site concrete for paving, courtyard and loading docks
- Sidewalks
- Site masonry, sound wall, and building screen walls
- Landscape and irrigation
- Pool deck fencing
- Perimeter metal fencing and three automatic gates
- Roll-up south garage door
- Site plumbing, water, and sewer improvements
- Site electrical, replace due to age
- Garage and building reinforced concrete restoration
- Clean, prime and paint steel garage
- Replace metal garage stairs (2)
- Add metal mesh screens to garage exterior
- Masonry Tower screen wall repairs and cleaning
- Exterior stair and railing repairs and/or replacement as needed
- Interior stair repairs as needed
- Replace storefront systems
- Replace roofs
- Drywall and metal studs
- Insulation
- Interior painting
- Apartment entrance and interior doors and trim
- Windows with balcony doors
- Cabinets and countertops
- Appliances
- Flooring
- Lighting

- Window treatments
- Common amenities allowance
- Common area finishes
- Building mechanical systems
- Building electrical systems
- Building plumbing systems
- Building and garage fire protection systems
- Building trash collection systems
- Asbestos abatement
- Lead paint abatement

Contingency:

\$150K in soft cost contingency moved to overall contingency. Does not effect credit request as eligible basis is still greater than Applicant's request and no adjustment is needed.

Contractor Fee:

\$19K adjustment made as a result of limited eligible contingency. Does not effect credit request as eligible basis is still greater than Applicant's request and no adjustment is needed.

Developer Fee:

\$39K adjustment made as a result of limited eligible contingency. Does not effect credit request as eligible basis is still greater than Applicant's request and no adjustment is needed.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$114,399,523	\$47,522,523	\$2,035,722

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Legacy Bank & Trust	Conventional Loan	\$76,000,000	8.00%	65%
RBC	HTC	\$10,437,162	\$0.90	9%
RBC	State Historic Tax Credits	\$8,776,285	\$0.87	8%
RBC	Federal Historic Tax Credits	\$7,021,028	\$0.87	6%
City of Dallas - Design District TIF	Local Government Grant	\$4,100,000	0.00%	4%
Cabana Design District LP	Deferred Developer Fee	\$10,000,000	0.00%	9%
		\$116,334,475	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Legacy Bank & Trust	\$20,970,000	6.50%	40	15.0	\$20,970,000	6.50%	40	15.0	18%
Adjustment to Debt Per §11.302(c)(2)	\$0	0.00%	0	0.0	(\$1,575,000)	6.50%	40	15.0	-1%
City of Dallas	\$500	0.00%	0	0.0	\$500	0.00%	0	0.0	0%
City of Dallas - Design District TIF	\$41,000,000	0.00%	0	0.0	\$41,000,000	0.00%	0	0.0	36%
Total	\$61,970,500				\$60,395,500				

Comments:

No more than \$28,535,590 can be forgiven from the City of Dallas' \$41M loan. The remaining \$12,464,410 needs to be restructured with market rate interest deferred payable. Additional developer fee does not need to be increased as Underwriter is using SCR costs which is lower than the Applicant's costs.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
RBC	\$17,998,200	\$0.90		\$17,998,200	\$0.90	16%	
RBC	\$17,552,478	\$0.87		\$17,552,478	\$0.87	15%	
RBC	\$14,041,982	\$0.87		\$14,041,982	\$0.87	12%	
Cabana Design District LP	\$4,771,315		47%	\$4,411,363		4%	44%
Total	\$54,363,975			\$54,004,023			
				\$114,399,523	Total Sources		

Credit Price Sensitivity based on current capital structure	
\$1.120	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.869	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

The underwriting analysis assumes a \$1,575,000 adjustment to Debt Per §11.302(c)(2) to achieve the minimum 1.15x debt coverage ratio.

Gap Analysis:	
Total Development Cost	\$114,399,523
Permanent Sources (debt + non-HTC equity)	\$91,989,960
Gap in Permanent Financing	\$22,409,563

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$18,319,667	\$2,035,722
Needed to Balance Sources & Uses	\$22,409,563	\$2,490,200
Requested by Applicant	\$17,998,200	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$17,998,200	\$2,000,000

Deferred Developer Fee	\$4,411,363	(44% deferred)
Repayable in	14 years	

Recommendation:

Underwriter recommends Applicant request for \$2,000,000 in annual 9% tax credits.

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

UNIT MIX/RENT SCHEDULE
Cabana Design District, Dallas, 9% HTC #23100

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

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Assisted	MDL	ARP
EF#	8	5.0%	0	0	0
1	40	25.0%	0	0	0
2	98	61.3%	0	0	0
3	14	8.8%	0	0	0
4	-	0.0%	0	0	0
5	-	0.0%	0	0	0
TOTAL	160	100.0%	-	-	-

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basic Adjust	130%
Applicable Fraction	36.61%
APP % Acquisition	9.00%
APP % Construction	9.00%
Average Unit Size	953 sf

54%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	.27	-	-	9	14	14	96	160
Income	% Total	0.0%	16.9%	0.0%	0.0%	5.6%	8.8%	8.8%	60.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																				
HTC	UNIT MIX				APPLICABLE PROGRAM RENT				APPLICANT'S PRO FORMA RENTS					TDHCA PRO FORMA RENTS				MARKET RENTS		
	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$511	3	0	1	511	\$511	\$53	\$458	\$0	\$0.90	\$458	\$1,374	\$1,374	\$458	\$1	\$0	\$1,350	\$2.64	\$1,400	
TC 60%	\$1,023	2	0	1	511	\$1,023	\$53	\$970	\$0	\$1.90	\$970	\$1,940	\$1,940	\$970	\$2	\$0	\$1,350	\$2.64	\$1,400	
TC 70%	\$1,193	1	0	1	511	\$1,193	\$53	\$1,140	\$0	\$2.23	\$1,140	\$1,140	\$1,140	\$1,140	\$2	\$0	\$1,350	\$2.64	\$1,400	
TC 80%	\$1,364	1	0	1	511	\$1,364	\$53	\$1,311	\$0	\$2.57	\$1,311	\$1,311	\$1,311	\$1,311	\$3	\$0	\$1,350	\$2.64	\$1,400	
MR	1	0	1	1	511	\$0	\$0	\$0	NA	\$2.64	\$1,350	\$1,350	\$1,350	\$1,350	\$3	NA	\$1,350	\$2.64	\$1,400	
TC 30%	\$548	3	1	1	722	\$548	\$61	\$487	(\$1)	\$0.67	\$486	\$1,458	\$1,461	\$487	\$1	\$0	\$1,462	\$2.02	\$1,723	
TC 30%	\$548	1	1	1	720	\$548	\$61	\$487	(\$1)	\$0.68	\$486	\$486	\$487	\$487	\$1	\$0	\$1,462	\$2.03	\$1,723	
TC 30%	\$548	2	1	1	722	\$548	\$61	\$487	(\$1)	\$0.67	\$486	\$972	\$974	\$487	\$1	\$0	\$1,462	\$2.02	\$1,723	
TC 30%	\$548	1	1	1	616	\$548	\$61	\$487	(\$1)	\$0.79	\$486	\$486	\$487	\$487	\$1	\$0	\$1,462	\$2.37	\$1,723	
TC 30%	\$548	4	1	1	602	\$548	\$61	\$487	(\$1)	\$0.81	\$486	\$1,944	\$1,948	\$487	\$1	\$0	\$1,462	\$2.43	\$1,723	
TC 60%	\$1,096	2	1	1	602	\$1,096	\$61	\$1,035	(\$1)	\$1.72	\$1,034	\$2,068	\$2,070	\$1,035	\$2	\$0	\$1,462	\$2.43	\$1,723	
TC 60%	\$1,096	1	1	1	722	\$1,096	\$61	\$1,035	(\$1)	\$1.43	\$1,034	\$1,034	\$1,035	\$1,035	\$1	\$0	\$1,462	\$2.02	\$1,723	
TC 70%	\$1,279	1	1	1	602	\$1,279	\$61	\$1,218	(\$1)	\$2.02	\$1,217	\$1,217	\$1,218	\$1,218	\$2	\$0	\$1,462	\$2.43	\$1,723	
TC 70%	\$1,279	1	1	1	616	\$1,279	\$61	\$1,218	(\$1)	\$1.98	\$1,217	\$1,217	\$1,218	\$1,218	\$2	\$0	\$1,462	\$2.37	\$1,723	
TC 70%	\$1,279	1	1	1	722	\$1,279	\$61	\$1,218	(\$1)	\$1.69	\$1,217	\$1,217	\$1,218	\$1,218	\$2	\$0	\$1,462	\$2.02	\$1,723	
TC 70%	\$1,279	1	1	1	720	\$1,279	\$61	\$1,218	(\$1)	\$1.69	\$1,217	\$1,217	\$1,218	\$1,218	\$2	\$0	\$1,462	\$2.03	\$1,723	
TC 80%	\$1,462	1	1	1	602	\$1,462	\$61	\$1,401	(\$1)	\$2.33	\$1,400	\$1,400	\$1,401	\$1,401	\$2	\$0	\$1,462	\$2.43	\$1,723	
TC 80%	\$1,462	1	1	1	616	\$1,462	\$61	\$1,401	(\$1)	\$2.27	\$1,400	\$1,400	\$1,401	\$1,401	\$2	\$0	\$1,462	\$2.37	\$1,723	
TC 80%	\$1,462	1	1	1	722	\$1,462	\$61	\$1,401	(\$1)	\$1.94	\$1,400	\$1,400	\$1,401	\$1,401	\$2	\$0	\$1,462	\$2.02	\$1,723	
TC 80%	\$1,462	1	1	1	720	\$1,462	\$61	\$1,401	(\$1)	\$1.94	\$1,400	\$1,400	\$1,401	\$1,401	\$2	\$0	\$1,462	\$2.03	\$1,723	
MR	1	1	1	1	616	\$0	\$0	\$0	NA	\$2.13	\$1,312	\$1,312	\$1,312	\$1,312	\$2	NA	\$1,312	\$2.13	\$1,723	
MR	1	1	1	1	790	\$0	\$0	\$0	NA	\$1.96	\$1,546	\$1,546	\$1,546	\$1,546	\$2	NA	\$1,546	\$1.96	\$1,723	
MR	7	1	1	1	720	\$0	\$0	\$0	NA	\$2.16	\$1,554	\$10,878	\$10,878	\$1,554	\$2	NA	\$1,554	\$2.16	\$1,723	
MR	4	1	1	1	722	\$0	\$0	\$0	NA	\$2.35	\$1,695	\$6,780	\$6,780	\$1,695	\$2	NA	\$1,695	\$2.35	\$1,723	
MR	1	1	1.5	1.5	957	\$0	\$0	\$0	NA	\$2.03	\$1,939	\$1,939	\$1,723	\$1,723	\$2	NA	\$1,723	\$1.80	\$1,723	
MR	1	1	1.5	1.5	957	\$0	\$0	\$0	NA	\$2.15	\$2,053	\$2,053	\$1,723	\$1,723	\$2	NA	\$1,723	\$1.80	\$1,723	
MR	1	1	1.5	1.5	650	\$0	\$0	\$0	NA	\$2.14	\$1,391	\$1,391	\$1,391	\$1,391	\$2	NA	\$1,391	\$2.14	\$1,723	
MR	2	1	1	1	722	\$0	\$0	\$0	NA	\$2.21	\$1,597	\$3,194	\$3,194	\$1,597	\$2	NA	\$1,597	\$2.21	\$1,723	
TC 30%	\$657	4	2	2	1,095	\$657	\$82	\$575	\$0	\$0.53	\$575	\$2,300	\$2,300	\$575	\$1	\$0	\$2,100	\$1.92	\$2,100	
TC 30%	\$657	7	2	2	955	\$657	\$82	\$575	\$0	\$0.60	\$575	\$4,025	\$4,025	\$575	\$1	\$0	\$2,100	\$2.20	\$2,100	
TC 60%	\$1,315	2	2	2	955	\$1,315	\$82	\$1,233	\$0	\$1.29	\$1,233	\$2,466	\$2,466	\$1,233	\$1	\$0	\$2,100	\$2.20	\$2,100	
TC 60%	\$1,315	1	2	2	1,092	\$1,315	\$82	\$1,233	\$0	\$1.13	\$1,233	\$1,233	\$1,233	\$1,233	\$1	\$0	\$2,100	\$1.92	\$2,100	
TC 70%	\$1,534	4	2	2	955	\$1,534	\$82	\$1,452	\$0	\$1.52	\$1,452	\$5,808	\$5,808	\$1,452	\$2	\$0	\$2,100	\$2.20	\$2,100	
TC 70%	\$1,534	3	2	2	1,092	\$1,534	\$82	\$1,452	\$0	\$1.33	\$1,452	\$4,356	\$4,356	\$1,452	\$1	\$0	\$2,100	\$1.92	\$2,100	
TC 80%	\$1,754	1	2	2	955	\$1,754	\$82	\$1,672	\$0	\$1.75	\$1,672	\$1,672	\$1,672	\$1,672	\$2	\$0	\$2,100	\$2.20	\$2,100	
TC 80%	\$1,754	6	2	2	1,092	\$1,754	\$82	\$1,672	\$0	\$1.53	\$1,672	\$10,032	\$10,032	\$1,672	\$2	\$0	\$2,100	\$1.92	\$2,100	
MR	20	2	2	2	955	\$0	\$0	\$0	NA	\$2.13	\$2,031	\$40,620	\$40,620	\$2,031	\$2	NA	\$2,031	\$2.13	\$2,100	
MR	8	2	2	2	1,037	\$0	\$0	\$0	NA	\$2.10	\$2,178	\$17,424	\$16,800	\$2,100	\$2	NA	\$2,100	\$2.03	\$2,100	
MR	16	2	2	2	1,092	\$0	\$0	\$0	NA	\$2.11	\$2,302	\$36,832	\$33,600	\$2,100	\$2	NA	\$2,100	\$1.92	\$2,100	
MR	1	2	1.5	1.5	893	\$0	\$0	\$0	NA	\$2.10	\$1,876	\$1,876	\$1,876	\$1,876	\$2	NA	\$1,876	\$2.10	\$2,100	
MR	4	2	2.5	2.5	992	\$0	\$0	\$0	NA	\$2.10	\$2,086	\$8,344	\$8,344	\$2,086	\$2	NA	\$2,086	\$2.10	\$2,100	
MR	5	2	2	2	992	\$0	\$0	\$0	NA	\$2.10	\$2,086	\$10,430	\$10,430	\$2,086	\$2	NA	\$2,086	\$2.10	\$2,100	
MR	1	2	2.5	1,007	\$0	\$0	\$0	NA	\$2.10	\$2,115	\$2,115	\$2,100	\$2,100	\$2	NA	\$2,100	\$2.09	\$2,100		
MR	2	2	2.5	1,073	\$0	\$0	\$0	NA	\$2.10	\$2,258	\$4,516	\$4,200	\$2,100	\$2	NA	\$2,100	\$1.96	\$2,100		
MR	1	2	2	1,157	\$0	\$0	\$0	NA	\$2.11	\$2,445	\$2,445	\$2,100	\$2,100	\$2	NA	\$2,100	\$1.82	\$2,100		
MR	8	2	2	1,205	\$0	\$0	\$0	NA	\$2.16	\$2,602	\$20,816	\$16,800	\$2,100	\$2	NA	\$2,100	\$1.74	\$2,100		
MR	2	2	2	858	\$0	\$0	\$0	NA	\$2.10	\$1,798	\$3,596	\$3,596	\$1,798	\$2	NA	\$1,798	\$2.10	\$2,100		
MR	2	2	1	909	\$0	\$0	\$0	NA	\$2.12	\$1,928	\$3,856	\$3,856	\$1,928	\$2	NA	\$1,928	\$2.12	\$2,100		
TC 30%	\$759	2	3	2.5	1,446	\$759	\$102	\$657	\$0	\$0.45	\$657	\$1,314	\$1,314	\$657	\$0	\$0	\$3,152	\$2.18	\$3,152	
TC 60%	\$1,519	1	3	2.5	1,446	\$1,519	\$102	\$1,417	\$0	\$0.98	\$1,417	\$1,417	\$1,417	\$1,417	\$1	\$0	\$3,152	\$2.18	\$3,152	
TC 70%	\$1,772	2	3	2	1,061	\$1,772	\$102	\$1,670	\$0	\$1.57	\$1,670	\$3,340	\$3,340	\$1,670	\$2	\$0	\$3,152	\$2.97	\$3,152	
TC 80%	\$2,026	2	3	2	1,257	\$2,026	\$102	\$1,924	\$0	\$1.53	\$1,924	\$3,848	\$3,848	\$1,924	\$2	\$0	\$3,152	\$2.51	\$3,152	
MR	1	3	2	1,261	\$0	\$0	\$0	NA	\$2.35	\$2,966	\$2,966	\$3,152	\$3,152	\$2	NA	\$3,152	\$2.50	\$3,152		
MR	2	3	2	1,257	\$0	\$0	\$0	NA	\$2.41	\$3,025	\$6,050	\$6,050	\$3,025	\$2	NA	\$3,025	\$2.41	\$3,152		
MR	1	3	2.5	1,288	\$0	\$0	\$0	NA	\$2.35	\$3,027	\$3,027	\$3,027	\$3,027	\$2	NA	\$3,027	\$2.35	\$3,152		
MR	1	3	2.5	1,534	\$0	\$0	\$0	NA	\$2.36	\$3,615	\$3,615	\$3,152	\$3,152	\$2	NA	\$3,152	\$2.05	\$3,152		
MR	1	3	2	1,725	\$0	\$0	\$0	NA	\$2.35	\$4,059	\$4,059	\$3,152	\$3,152	\$2	NA	\$3,152	\$1.83	\$3,152		
MR	1	3	2.5	2,294	\$0	\$0	\$0	NA	\$2.35	\$5,396	\$5,396	\$3,152	\$3,152	\$1	NA	\$3,152	\$1.37	\$3,152		
TOTALS/AVERAGES:	160				152,463				(\$0)	\$1.80	\$1,718	\$274,918	\$262,418	\$1,640	\$1.72	\$0	\$1,990	\$2.09	\$2,063	

ANNUAL POTENTIAL GROSS RENT: \$3,299,016 | \$3,149,016
*MFDL units float among Unit Types

STABILIZED PRO FORMA

Cabana Design District, Dallas, 9% HTC #23100

STABILIZED FIRST YEAR PRO FORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Comp Properties	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.80	\$1,718	\$3,299,016	\$3,149,016	\$1,640	\$1.72		4.8%	\$150,000
Storage & Application/Late Fees					\$25.00	\$48,000						
Commercial Lease					\$35.86	\$68,844						
Total Secondary Income					\$60.86		\$48,000	\$25.00			143.4%	\$68,844
POTENTIAL GROSS INCOME						\$3,415,860	\$3,197,016				6.8%	\$218,844
Vacancy & Collection Loss					7.5% PGI	(256,190)	(239,776)	7.5% PGI			6.8%	(16,413)
EFFECTIVE GROSS INCOME						\$3,159,671	\$2,957,240				6.8%	\$202,431

General & Administrative	\$80,203	\$501/Unit	\$57,447	\$359	2.86%	\$0.59	\$566	\$90,500	\$80,203	\$501	\$0.53	2.71%	12.8%	10,297
Management	\$79,025	3.5% EGI	\$61,386	\$384	4.02%	\$0.83	\$794	\$127,000	\$118,290	\$739	\$0.78	4.00%	7.4%	8,710
Payroll & Payroll Tax	\$219,924	\$1,375/Unit	\$320,729	\$2,005	9.89%	\$2.05	\$1,953	\$312,500	\$312,500	\$1,953	\$2.05	10.57%	0.0%	-
Repairs & Maintenance	\$125,184	\$782/Unit	\$108,720	\$679	3.56%	\$0.74	\$703	\$112,500	\$112,000	\$700	\$0.73	3.79%	0.4%	500
Electric/Gas	\$41,119	\$257/Unit	\$83,887	\$524	1.66%	\$0.34	\$328	\$52,500	\$52,500	\$328	\$0.34	1.78%	0.0%	-
Water, Sewer, & Trash	\$128,632	\$804/Unit	\$106,028	\$663	5.95%	\$1.23	\$1,175	\$188,000	\$128,632	\$804	\$0.84	4.35%	46.2%	59,368
Property Insurance	\$91,700	\$0.60 /sf	\$84,192	\$526	3.29%	\$0.68	\$650	\$104,000	\$104,000	\$650	\$0.68	3.52%	0.0%	-
Property Tax (@ 100%) 2.6409	\$184,372	\$1,152/Unit	\$196,715	\$1,229	11.91%	\$2.47	\$2,352	\$376,392	\$417,532	\$2,610	\$2.74	14.12%	-9.9%	(41,140)
Reserve for Replacements					1.27%	\$0.26	\$250	\$40,000	\$48,000	\$300	\$0.31	1.62%	-16.7%	(8,000)
TDHCA Compliance fees (\$40/HTC unit)					0.08%	\$0.02	\$16	\$2,560	\$2,560	\$16	\$0.02	0.09%	0.0%	-
Internet					0.40%	\$0.08	\$78	\$12,500	\$12,500	\$78	\$0.08	0.42%	0.0%	-
TOTAL EXPENSES					44.89%	\$9.30	\$8,865	\$1,418,452	\$1,388,717	\$8,679	\$9.11	46.96%	2.1%	\$ 29,735
NET OPERATING INCOME ("NOI")					55.11%	\$11.42	\$10,883	\$1,741,219	\$1,568,523	\$9,803	\$10.29	53.04%	11.0%	\$ 172,696

CONTROLLABLE EXPENSES							\$4,725/Unit				\$4,286/Unit			
------------------------------	--	--	--	--	--	--	--------------	--	--	--	--------------	--	--	--

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cabana Design District, Dallas, 9% HTC #23100

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
Legacy Bank & Trust		1.06	1.18	1,473,244	6.50%	40	15.0	\$20,970,000	\$20,970,000	15.0	40	6.50%	\$1,473,244	1.06	18.3%
Adjustment to Debt Per §11.302(c)(2)	0.00%								(\$1,575,000)	15.0	40	6.50%	(\$110,651)	1.15	-1.4%
CASH FLOW DEBT / GRANTS															
City of Dallas		1.06	1.18		0.00%	0	0.0	\$500	\$500	0.0	0	0.00%		1.15	0.0%
City of Dallas - Design District TIF		1.06	1.18		0.00%	0	0.0	\$41,000,000	\$41,000,000	0.0	0	0.00%		1.15	35.8%
				\$1,473,244				\$61,970,500	\$60,395,500				\$1,362,592	1.15	52.8%
TOTAL DEBT / GRANT SOURCES															
TOTAL DEBT SERVICE															
NET CASH FLOW		\$95,279	\$267,975							TDHCA NET OPERATING INCOME	\$1,568,523	\$205,931	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												
RBC		LIHTC Equity	15.7%	\$2,000,000	\$0.90	\$17,998,200	\$17,998,200	\$0.90	\$2,000,000	15.7%	\$12,500	Applicant Request
RBC		State Historic Tax Credits	15.3%		\$0.87	\$17,552,478	\$17,552,478	\$0.87		15.3%		
RBC		Federal Historic Tax Credits	12.3%		\$0.87	\$14,041,982	\$14,041,982	\$0.87		12.3%		
Cabana Design District LP		Deferred Developer Fees	4.2%	(47% Deferred)		\$4,771,315	\$4,411,363	(44% Deferred)		3.9%		Total Developer Fee:
Additional (Excess) Funds Req'd			0.0%				\$0			0.0%		\$9,972,254
TOTAL EQUITY SOURCES			47.5%			\$54,363,975	\$54,004,023			47.2%		
TOTAL CAPITALIZATION						\$116,334,475	\$114,399,523				15-Yr Cash Flow after Deferred Fee:	\$616,333

DEVELOPMENT COST / ITEMIZED BASIS												
		APPLICANT COST / BASIS ITEMS				TDHCA COST / BASIS ITEMS				COST VARIANCE		
		Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$			
Acquisition	New Const. Rehab	New Const. Rehab	Acquisition									
Land Acquisition				\$43,750 / Unit	\$7,000,000	\$7,000,000	\$43,750 / Unit		0.0%	\$0		
Building Acquisition	\$0			\$125,000 / Unit	\$20,000,000	\$20,000,000	\$125,000 / Unit	\$0	0.0%	\$0		
Closing costs & acq. legal fees				\$1,000,000	\$1,000,000	\$1,000,000			0.0%	\$0		
Off-Sites		\$0		\$875 / Unit	\$140,000	\$140,000	\$875 / Unit	\$0	0.0%	\$0		
Site Work		\$2,582,020		\$17,076 / Unit	\$2,732,220	\$2,250,000	\$14,063 / Unit	\$2,250,000	21.4%	\$482,220		
Site Amenities		\$202,000		\$1,263 / Unit	\$202,000	\$460,000	\$2,875 / Unit	\$202,000	-56.1%	(\$258,000)		
Building Cost		\$20,423,943	\$302.71 /sf	\$288,448/Unit	\$46,151,750	\$44,860,000	\$280,375/Unit	\$294.24 /sf	2.9%	\$1,291,750		
Contingency		\$2,611,299	11.25%	5.30%	\$2,611,299	\$2,611,299	5.47%	10.00%	0.0%	\$0		
Contractor Fees		\$3,593,697	13.92%	13.96%	\$7,236,218	\$7,044,982	14.00%	14.00%	2.7%	\$191,236		
Soft Costs	\$0	\$5,152,500		\$33,453 / Unit	\$5,352,500	\$5,352,500	\$33,453 / Unit	\$5,152,500	0.0%	\$0		
Financing	\$0	\$7,485,000		\$75,354 / Unit	\$12,056,630	\$12,056,630	\$75,354 / Unit	\$7,485,000	0.0%	\$0		
Developer Fee	\$0	\$6,300,000	14.98%	14.98%	\$10,200,000	\$9,972,254	15.00%	15.00%	2.3%	\$227,746		
Reserves				7 Months	\$1,651,858	\$1,651,858	7 Months		0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$48,350,459		\$727,090 / Unit	\$116,334,475	\$114,399,523	\$714,997 / Unit	\$47,522,523	\$0	1.7%	\$1,934,952
Acquisition Cost		\$0				\$0						
Contingency			(\$290,503)			\$0						
Contractor's Fee			(\$19,670)			\$0						
Financing Cost			\$0			\$0						
Developer Fee	0.00%	\$0	(\$38,957)	15.00%		\$0						
Reserves						\$0						
ADJUSTED BASIS / COST		\$0	\$48,001,329		\$727,090/unit	\$116,334,475	\$114,399,523	\$714,997/unit	\$47,522,523	\$0	1.7%	\$1,934,952
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						\$114,399,523						

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Cabana Design District, Dallas, 9% HTC #23100

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$48,001,329	\$0	\$47,522,523
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$48,001,329	\$0	\$47,522,523
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$62,401,728	\$0	\$61,779,280
Applicable Fraction	36.61%	36.61%	37%	37%
TOTAL QUALIFIED BASIS	\$0	\$22,847,031	\$0	\$22,619,135
Applicable Percentage	9.00%	9.00%	9.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,056,233	\$0	\$2,035,722
CREDITS ON QUALIFIED BASIS	\$2,056,233		\$2,035,722	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			\$0.8999	Credits	Proceeds
Eligible Basis	\$2,035,722	\$18,319,667	----	----	----
Needed to Fill Gap	\$2,490,200	\$22,409,563	----	----	----
Applicant Request	\$2,000,000	\$17,998,200	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Mid-Rise (Over 5 Stories)	152,463 SF	\$77.94	11,883,275
Adjustments				
Exterior Wall Finish	0.00%		0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			0.22	33,000
Subfloor			0.86	130,758
Floor Cover			4.47	681,052
Breezeways	\$30.99	6,135	1.25	190,111
Balconies	\$31.92	1,302	0.27	41,560
Plumbing Fixtures	\$1,090	-654	-4.68	(712,860)
Rough-ins	\$535	182	0.64	97,370
Built-In Appliances	\$1,880	160	1.97	300,800
Exterior Stairs	\$3,050	6	0.12	18,300
Heating/Cooling			2.37	361,337
Storage Space	\$30.99	0	0.00	0
Carports	\$13.00	0	0.00	0
Garages		0	0.00	0
Common/Support Area	\$0.00	0	0.00	0
Elevators		6	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	158,598	3.80	578,883
SUBTOTAL			89.23	13,603,586
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			89.23	\$13,603,586
Plans, specs, survey, bldg permits	3.30%		(2.94)	(\$448,918)
Contractor's OH & Profit	11.50%		(10.26)	(1,564,412)
NET BUILDING COSTS		\$72,439/unit	\$76.02/sf	\$11,590,256

Long-Term Pro Forma

Cabana Design District, Dallas, 9% HTC #23100

	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%	\$2,957,240	\$3,016,385	\$3,076,712	\$3,138,247	\$3,201,011	\$3,534,175	\$3,902,015	\$4,308,140	\$4,756,535	\$5,251,599	\$5,798,189	\$6,401,669
TOTAL EXPENSES	3.00%	\$1,388,717	\$1,429,196	\$1,470,865	\$1,513,760	\$1,557,918	\$1,798,987	\$2,077,716	\$2,400,028	\$2,772,779	\$3,203,909	\$3,702,615	\$4,279,545
NET OPERATING INCOME ("NOI")		\$1,568,523	\$1,587,189	\$1,605,847	\$1,624,486	\$1,643,094	\$1,735,189	\$1,824,299	\$1,908,112	\$1,983,756	\$2,047,689	\$2,095,574	\$2,122,125
EXPENSE/INCOME RATIO		47.0%	47.4%	47.8%	48.2%	48.7%	50.9%	53.2%	55.7%	58.3%	61.0%	63.9%	66.9%
MUST -PAY DEBT SERVICE													
Legacy Bank & Trust		\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244	\$1,473,244
Adjustment to Debt Per §11.302(c)(2)		(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)	(\$110,651)
TOTAL DEBT SERVICE		\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592	\$1,362,592
DEBT COVERAGE RATIO		1.15	1.16	1.18	1.19	1.21	1.27	1.34	1.40	1.46	1.50	1.54	1.56
ANNUAL CASH FLOW													
		\$205,931	\$224,597	\$243,255	\$261,894	\$280,502	\$372,596	\$461,707	\$545,520	\$621,164	\$685,097	\$732,982	\$759,532
Deferred Developer Fee Balance		\$4,205,432	\$3,980,836	\$3,737,581	\$3,475,686	\$3,195,185	\$1,515,599	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$616,333	\$3,178,955	\$6,137,408	\$9,440,514	\$13,017,054	\$16,771,341

TDHCA Asset Management Division
221 East 11th Street
Austin TX 78701

5/24/2024

Material Amendment Request TDHCA #23100

We are requesting a material change to application #23100 Cabana Design District. The first change is to the unit count and unit mix for the development. The reason this change needs to be made is due to structural analysis by Thornton Thomasetti our structural engineer. During the application cycle we engaged the structural engineer to undertake a thorough analysis of the building. After award we were able to do laser scanning and modeling of the structure. Once this data was incorporated it was deemed necessary to include shear walls. These walls are continuous and will cut through many of our two bedroom units forcing us to convert them to one bedroom units. The other recommendation is to minimize penetrations through the floor plates. Further details of the structural recommendations can be found in the attached letter from Thornton Thomasetti.

1. Change in Unit Count and Mix

The reason this change needs to be made is due to structural analysis by Thornton Thomasetti our structural engineer. During the application cycle we engaged the structural engineer to undertake a thorough analysis of the building. After award we were able to do laser scanning and modeling of the structure. Once this data was incorporated it was deemed necessary to include shear walls. These walls are continuous and will cut through many of our two bedroom units forcing us to convert them to one bedroom units. The other recommendation is to minimize penetrations through the floor plates. Further details of the structural recommendations can be found in the attached letter from Thornton Thomasetti.

This change will also result in an excess of 30% of one bedroom units. This rule has been changed to exclude Historic Structures so we believe that this change should be approved. These structural conditions were unforeseeable at the time of application and we

2. Change in Ownership/Guarantors

This change is necessary because the high risk and budget of this transaction has caused a greater need for guarantors from the equity investors. As the development of this project has moved forward we are seeing a greater amount of interest rate risk and need for stronger guarantors. This was unforeseeable at the time of application and this should be approved to allow this proposed project to move forward.

Thank you,

Jess Krochtengel
Managing Member
Cabana Design District, LP

11.207 Waiver Request

We are requesting a waiver for the 30% maximum 1 bedroom/studio rule for the unit mix of TDHCA #23100 Cabana. While we initially turned in an application with a unit mix and architectural drawings that complied with the requirements of the QAP. During the application period we engaged Thornton Thomasetti, the largest structural engineering firm in the world, to complete a structural survey and consult on our architectural plans for the building.

These problems causing the waiver request were not contemplated by the Applicant at the time of application, however, upon further structural investigation that could not have been fully undertaken during the initial application period certain structural recommendations were made that do not allow for our initial architectural plans to be undertaken. The changes, which include the addition of shear walls, the minimizing of floor plate penetration in the tower and the stacking of units do not allow for some of the more complex plans we had initially proposed to be undertaken. The newly revised unit mix and floor plans increases unit count from 160 units to 175 units and keep net rentable close to the same as proposed in the original application. Further, historic deals were exempt from this unit mix requirement in the 2024 9% application round due to the types of issues that we are currently confronting with the structural issue as well as the floor plate issues. Please also see the attached letter from Thornton Thomasetti detailing this further.

Granting this waiver will further the purposes of the department under ex. Gov't Code §§2306.001, 2306.002, and 2306.6701 by assisting the City of Dallas on the redevelopment of the Cabana Hotel which is a goal of their Design District TIF policy. The proposed development is bringing low income units into a sub-market that does not have any affordable LIHTC units.

Changes to Organizational Chart

We are replacing the Bonner Carrington entities (49% ownership) with entities including Hunt Capital Partners (39.5% ownership), Cabana HCP (10.5% ownership) and Finn Architecture and Design (10.5% ownership). Sycamore Strategies will also decrease ownership to 39.5%. These three new entities will provide experience, guarantor capacity as well as percentage changes required for tax planning purposes as it relates to the TIF loans. This new structure has been vetted and is acceptable by all financial parties. Hunt Capital Partners will also act as co-guarantor with Sycamore Strategies.

Thornton Tomasetti

April 29, 2024

TO: Texas Department of Housing and Community Affairs

RE: Material Amendment for **TDHCA Application #23100**

I am the lead structural engineer for the redevelopment of the Cabana Hotel in Dallas, TX. I have been a structural engineer for 24 years with the majority of that time at Thornton Tomasetti. Working on the submission of the Cabana Hotel for the TDHCA application we undertook a very thorough structural survey of the existing building to determine the feasibility the adaptive reuse of the structure for affordable housing. As we have continued our investigations, while working with the development team towards permit, our recommendations have become clearer and have had an effect on the floor plan of the units

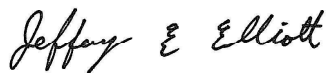
The building is in good condition structurally; however, we have determined that the building needs the addition of shear walls to ensure the building's stability for wind and seismic loads. These proposed shear walls will be solid grouted masonry walls with limited penetrations running from the basement up multiple floors in the tower. The space planning effect of the addition of shear walls is that it cuts through many of the two-bedroom units in the tower which necessitates converting those to one-bedroom units.

The other structural recommendation we have made is to minimize penetrations through the existing floor slabs of the tower. These penetrations include utilities and stairs that are not already in existence. To comply with this recommendation the developer will need to stack identical units for utilities and also eliminate the two-level lofted units within the existing tower levels.

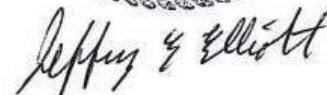
I have reviewed the current documents that are being submitted to TDHCA for the material amendment and they comply with our current structural recommendations. Our understanding of the building and its structural systems has improved greatly since the initial TDHCA application, and we are confident our current recommendations will make the adaptive reuse a success.

Sincerely,

THORNTON TOMASETTI, INC.

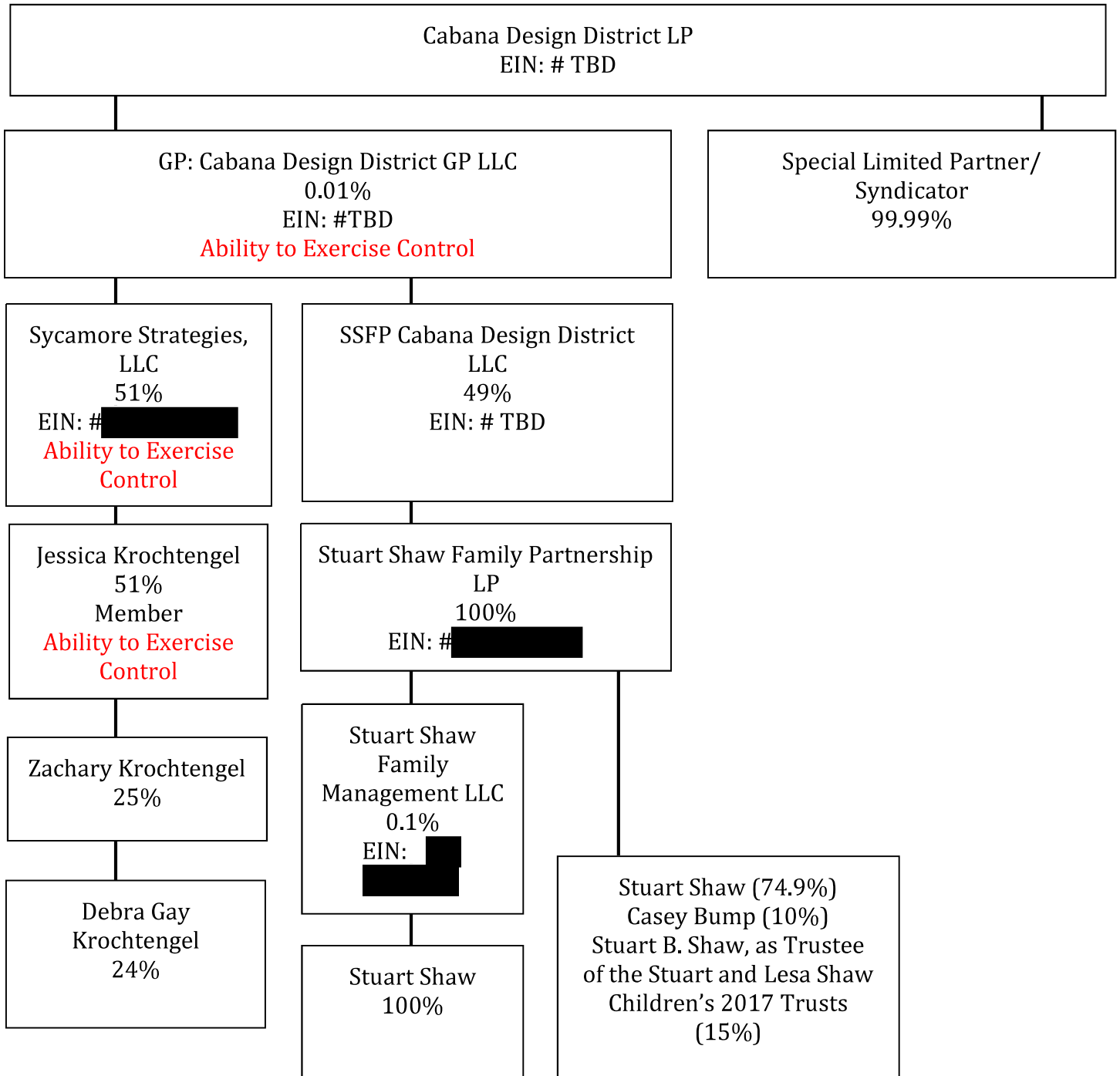


Jeffery E Elliott P.E.
Senior Principal



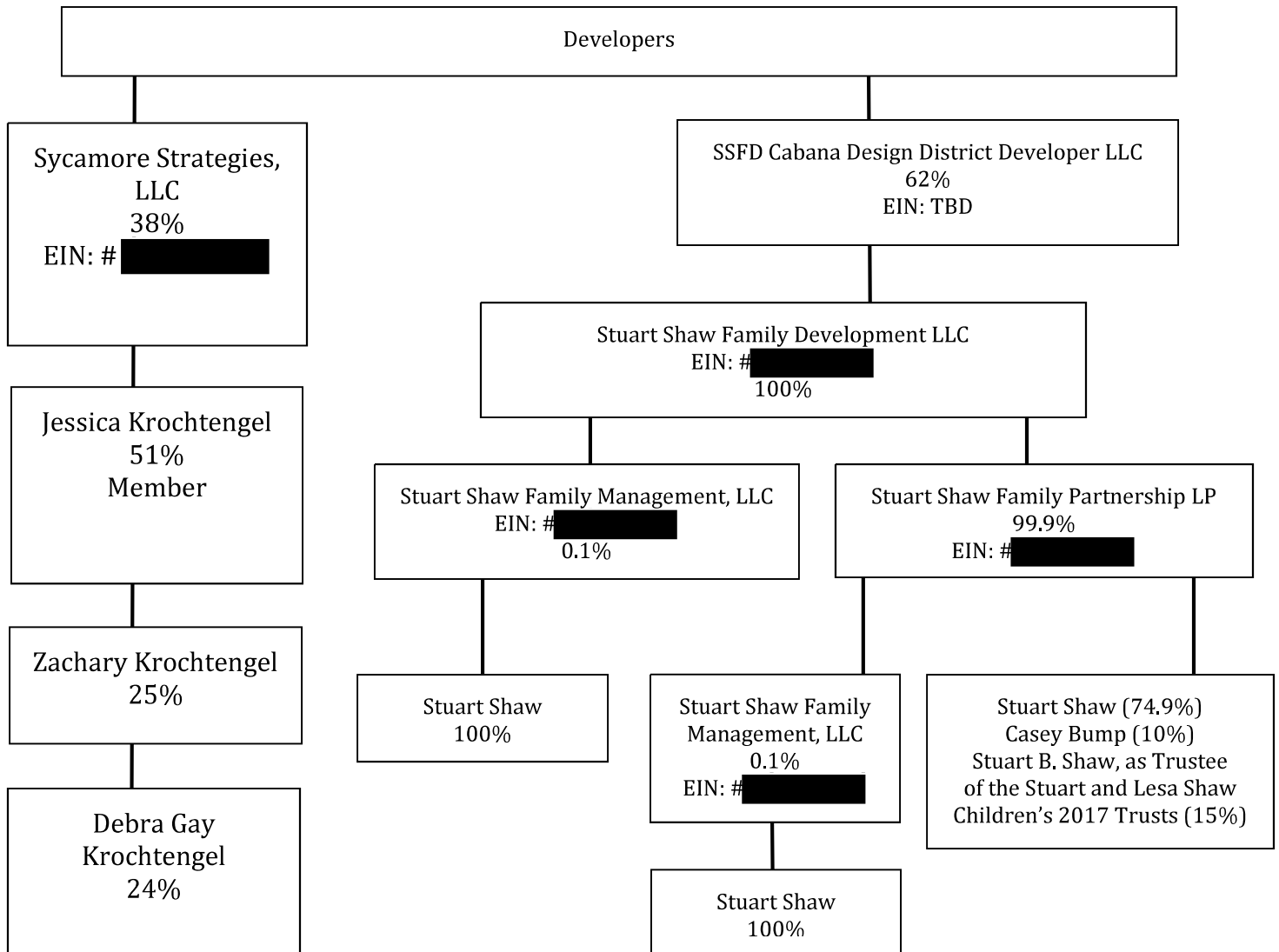
ORIGINAL SUBMISSION

Cabana Design District: Ownership
TDHCA #23100
Organizational Chart



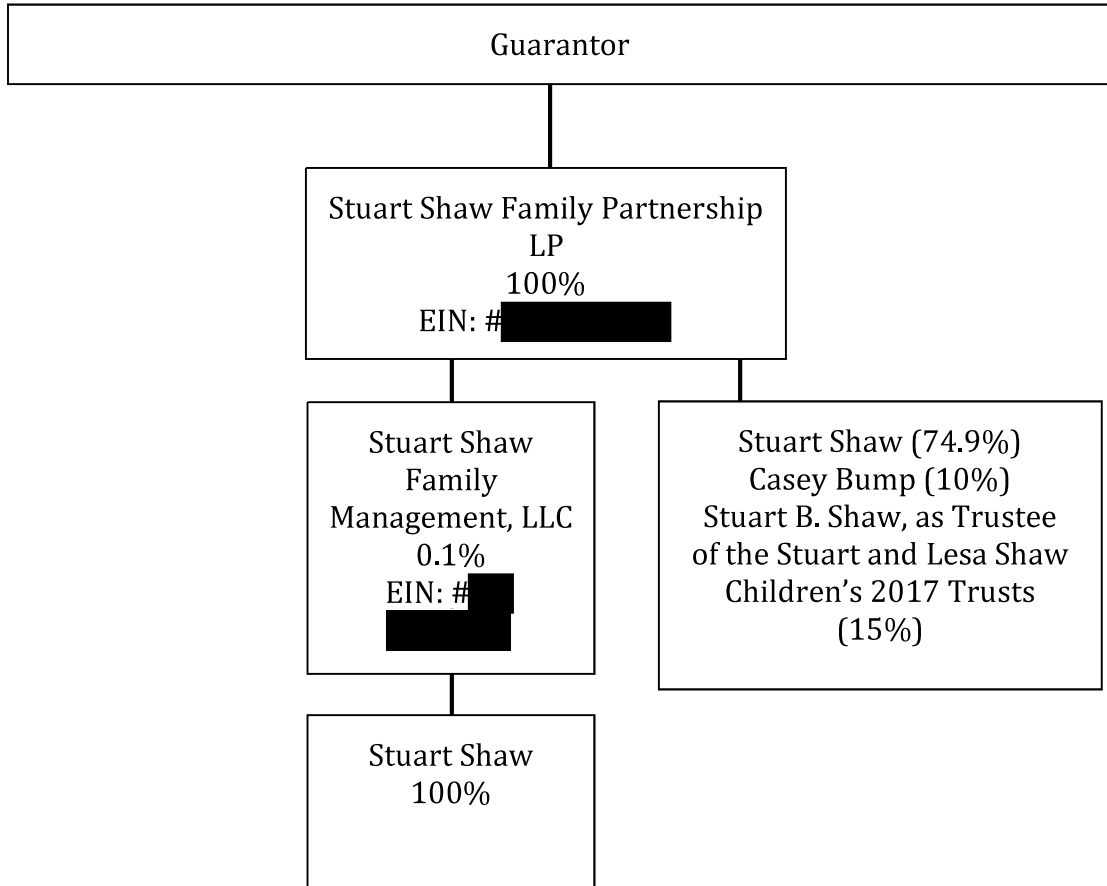
ORIGINAL SUBMISSION

Cabana Design District: Developer
TDHCA #23100
Organizational Chart

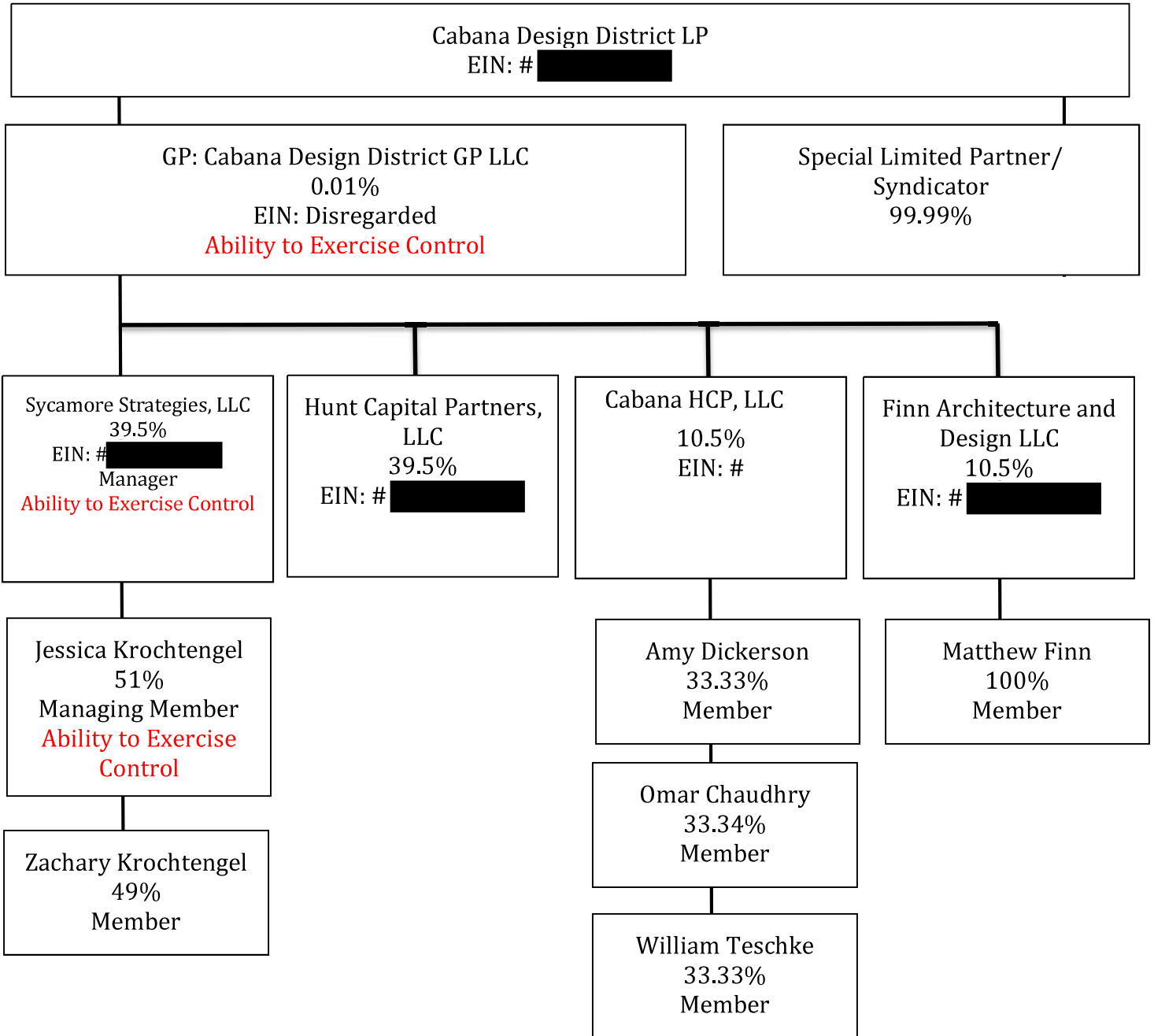


ORIGINAL SUBMISSION

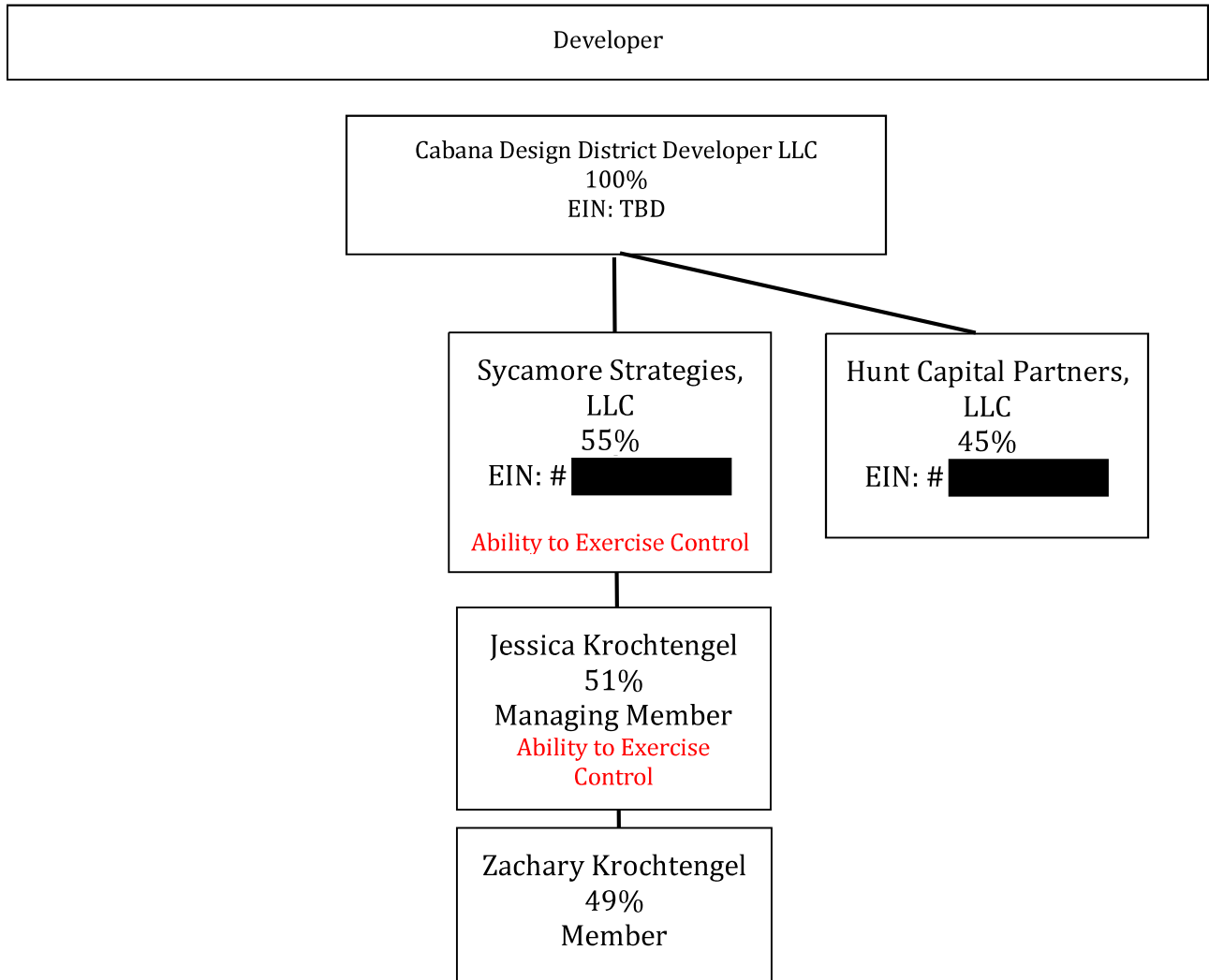
Cabana Design District: Guarantor
TDHCA #23100
Organizational Chart



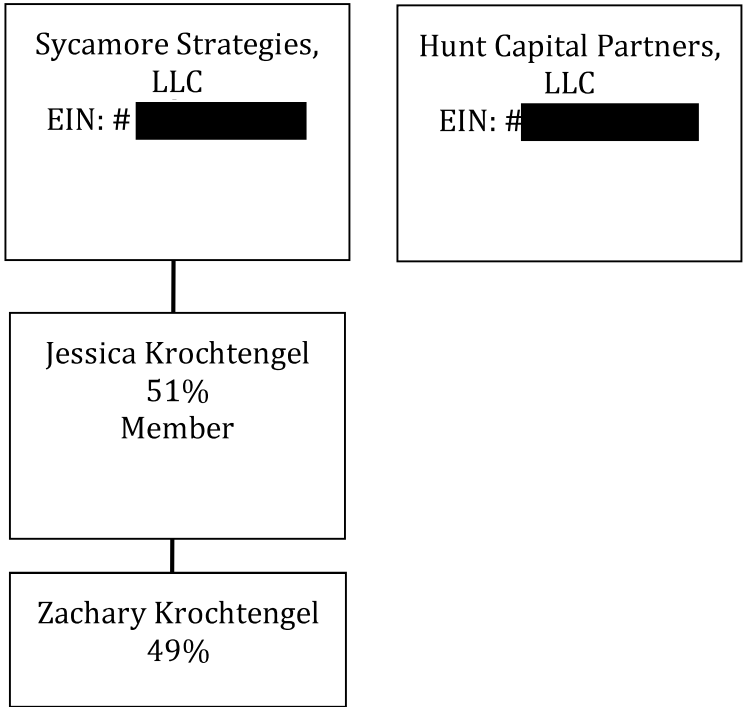
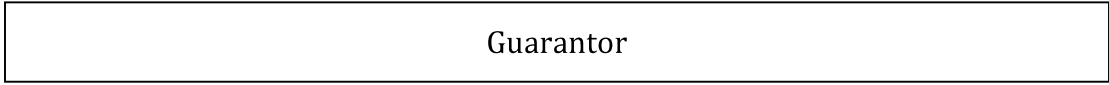
Cabana Design District: Ownership
TDHCA #23100
Organizational Chart

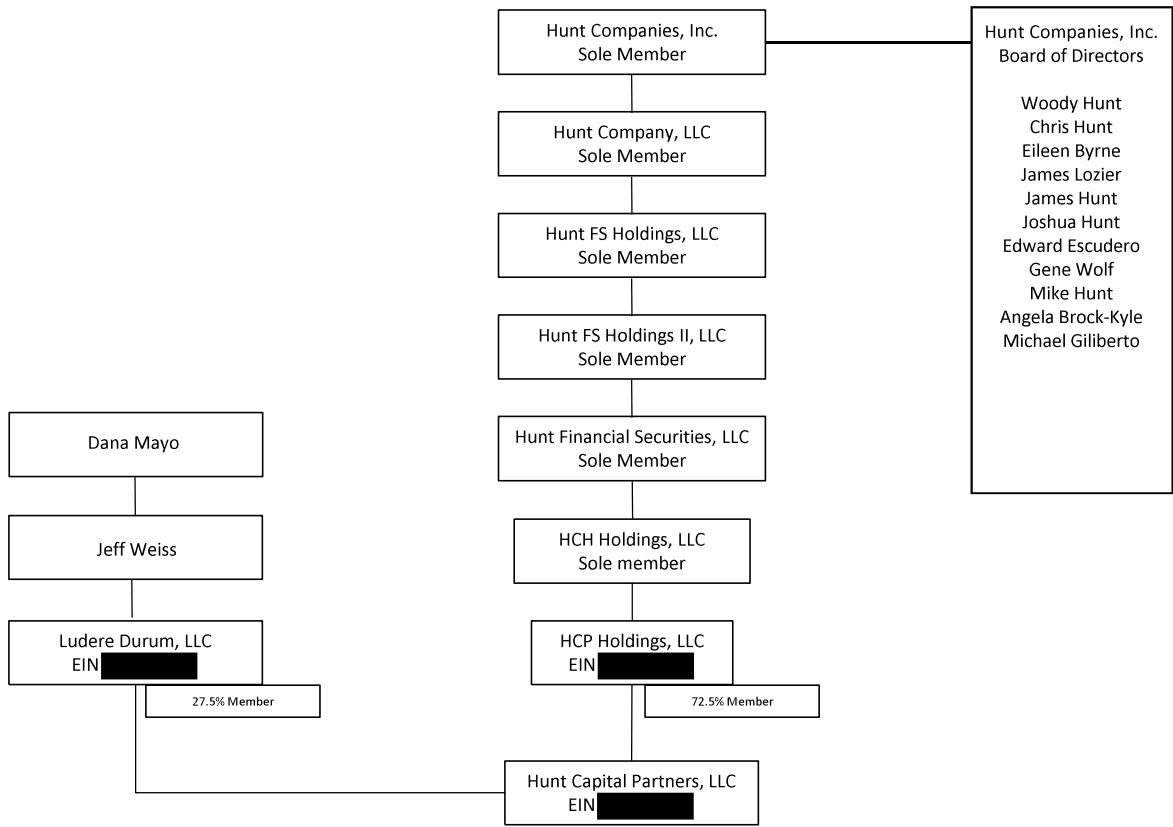


Cabana Design District: Developer
TDHCA #23100
Organizational Chart



Cabana Design District: Guarantor
TDHCA #23100
Organizational Chart







United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, NW

Washington, DC 20240

SENT VIA EMAIL

June 7, 2024

Jessica Krochtengel
Cabana Design District LP
17014 Preston Bend Drive
Dallas, 75248

PROPERTY: **Cabana Motor Hotel, 899 N. Stemmons Fwy., Dallas, TX**

PROJECT NUMBER: **47829**

APPLICATION: **Part 2**

DECISION: **Review on hold**

Dear Ms. Krochtengel:

The National Park Service has received your Historic Preservation Certification Application (HPCA) Part 2 for this property and has determined that additional information is needed to complete our review. Furthermore, based on the information provided, the project appears to contain treatments that do not meet the Standards. As a result, the review has been placed on hold to allow you the opportunity to provide the requested information and to address problematic treatments as outlined below.

1. **Parking Structure:** Schematic information was reviewed by THC and NPS on a preliminary basis in December 2023/January 2024 related to the proposed concept of utilizing part of the c.1985 non-contributing parking structure for residential units. Our understanding of the proposal at that time, based on the limited information provided, was the existing structure would be retained but altered (“repurposed”) to create four floors of residential apartments. The NPS preliminary comments noted the general concept could meet the Standards provided the new materials and fenestration design were compatible with the character of the hotel complex.

The Part 2 application narrative describes, “*The southern half of the parking deck area will be repurposed to house new apartment units and will maintain the same height as the existing so as to not alter the viewshed of the historic building.*” We note the Part 2 drawings appear to show the south portion of the parking structure will be demolished, and a new building essentially constructed in its place to connect to the remaining parking deck and hotel. The narrative does not describe this level of work.

The c.1985 parking structure is non-contributing and would not meet the Standards if proposed to be constructed as part of a rehabilitation project today. If the south portion is to be demolished, constructing a new building in its footprint will likewise not meet the Standards, as the location and massing has substantial impact to the primary elevation of the historic hotel. NPS will still consider introducing residential units at this location only if the existing parking structure is retained and residential units are constructed to fit within the existing footprint. The fourth level can be fully enclosed as previously agreed to. We understand structural reinforcement may be necessary to achieve this construction.

The proposed scope of work must be revised; please provide the following:

- A. **Updated narrative** clarifying the scope of work and confirmation the structure will not be demolished, but instead will be retained and reused.
- B. **Revised architectural drawings** (demolition and proposed) for the south parking structure.
- C. **Design revisions** to the south “primary” façade are necessary for the parking deck alterations to meet the Standards. The checkerboard pattern utilizing metal screening and glass railings, as well as the varying

sized window and door openings, accentuates the non-contributing building and should be simplified. If balcony space is desired, the new exterior wall should be recessed within the parking structure and utilize a glass curtain wall, or at least a regular pattern of floor-to-ceiling windows in keeping with the fenestration character of the historic hotel. The concrete deck and steel columns would remain, with a simple cable railing at the edge of the structure.

2. **Existing conditions:** We understand the previous owner undertook extensive demolition of what remained throughout the historic hotel. The remaining features and finishes will need to be carefully assessed for retention where possible. Demolition drawings use a typical floor plan for Levels 3-9, and when compared to photographs the drawings do not appear to accurately reflect what remains on each floor. Revised drawings showing accurate existing conditions must be provided to document the true starting condition and extent of previous demolition. We note concern with the proposal for wholesale demolition of all remaining features, including corridor walls. Photographs show a distinct rhythm of plaster walls and modified openings remains on a number of levels. The recommended treatment would be to retain the corridors, group unit entries at openings where hotel room doors had been, and make modifications inboard of the corridors as necessary for unit layouts. At minimum, updated existing plans for each floor must be provided.
 - A. **Corridor reconstruction:** If demolition and reconstruction of corridor walls is determined to be warranted, please confirm the new partitions will match the location and corridor width of the extant historic plaster walls.
3. **Hotel Tower Windows:** A uniform fenestration pattern behind the brise-soleil is a character-defining feature of the hotel tower. We acknowledge a substantial number of windows have been removed and residential use must meet ventilation requirements. The proposed window design staggers the operable windows (with heavier framing) within each masonry opening instead of stacking them. What is the reason for this? Do the operable doors satisfy the ventilation requirement for those locations without needing an operable window adjacent? Please clarify the design intent and limitations that are driving the proposed configuration. We recommend limiting the operability to the door, and a pair of stacked windows matching the door location in other openings – the result would be a more uniform appearance across the building’s east and west elevations. Revised drawings should be submitted as appropriate.
4. **Lanai West Elevation:** The January 2024 preliminary review did not include new window openings on the west elevation of the historic lanai and was limited to the rear elevation of the hotel tower base. The number of new openings at the lanai can meet the Standards but the placement needs to be revised to a regular fenestration pattern, aligning first and second floor windows of matching size. Although a secondary elevation, the length of west façade, the number of windows, and irregular placement creates an incompatible character as currently proposed. Revised elevation and floor plans must be provided, as this may require interior layout revisions. The window size and pattern on the hotel base does not need to match the revised pattern on the lanai.
5. **Lanai East Elevation:** The distinctive pattern of windows and door openings within the exterior masonry wall is character-defining and must be preserved. There appears to be discrepancy between some of the application drawings; demolition drawings show some of the masonry piers between openings will be demolished to enlarge the opening and eliminate the historic fenestration. This treatment does not meet the Standards and must be revised. This could be a condition of the Part 2 approval if necessary.
6. **Rooftop Addition:** As noted in the January 2024 preliminary review, a rooftop addition that is generally the same size as the approved 2018 proposal will conceptually meet the Standards, but sightline studies will be required to confirm visibility of the new proposed design. We note the addition has been enlarged one structural bay to the south. No sightline studies have been provided with the Part 2, therefore NPS is unable to issue an approval for the addition without the necessary documentation. We recommend providing these details with the hold response if available.

We note NPS review of this application is on-going and additional revisions may be necessary as conditions of a Part 2 approval, for a project that otherwise meets the Standards. These will likely include, but are not limited to, masonry work, window and storefront replacement, site work, finish details, etc.

Technical Preservation Services has transitioned to an all-electronic submittal and review process, and the additional information requested must be submitted through the HPCA Electronic Submission SharePoint Site within 30 days of the date of this letter. You will receive a separate email generated by the HPCA Electronic Submission SharePoint Site within one business day giving you access to a project-specific folder in which to upload information when you are ready to submit it. The email will have the following subject line or something similar “[**TPS Admin Staff Name**] shared the folder "**Hold NPS Project #XXXXX, Project Name, Address, State**" with you.” If you do not receive this email, please check your junk folder. All electronic submissions must use the current [Amendment/Advisory Determination form](#), dated “6/2023 v2” in the upper lefthand corner. Please check the first box in Section 2 of the form for additional information submitted in response to a project that was put on hold. You must also submit a copy to the SHPO using the SHPO's electronic-submission process. Contact the individual SHPO office or consult the [TPS webpage](#) with links to the individual SHPO offices and this information.

Requests for extensions of the hold period must be made in writing by notifying TPS Admin Staff via email at nps_tps@nps.gov.” Upon receipt of the requested information, a new 30-day review period will begin. The file will be closed if the request for extension is not made in the allotted time or the additional information is not provided, and work undertaken on the structure will not qualify as a "certified rehabilitation."

For additional information on the electronic application submission system, visit [TPS's new webpage](#).

Thank you for your attention to this request. If you have any questions, please call me at 202-354-2016.

Sincerely,

David Trayte
Technical Preservation Services

cc: TX SHPO
Cindy Hamilton, 15 W Highland Avenue, Philadelphia, 19118