

March 19, 2025

Kimberly Brown
Secretary, Rosenberg Housing Authority Public Facility Corporation
117 Lane Drive
Rosenberg, TX 77471

REASON: Financial Assessment Results for Vista Williams Ranch Engagement

Ms. Brown,

PREFACE

Advisor Sphere, LLC was retained to provide a financial assessment of Vista Williams Ranch located at Southwest FWY, Richmond, TX 77469, hereafter referred to as Vista Williams Ranch. The assessment is required as a condition of HB 2071 Enrolled enacted in the 88th Regular Session (2023), consistent with Section 6 (A). The corporation or corporation's sponsor conducts or obtains from a professional entity that has experience underwriting affordable multifamily residential developments and does not have a financial interest in the applicable development, developer, or public facility user an underwriting assessment of the proposed development that allows the corporation to make a good faith determination that: (ii) for a newly constructed multifamily residential development, the development would not be feasible without the participation of the corporation.

This assessment represents an updated assessment previously dated July 17, 2024. It is intended to accurately reflect updated unit counts. Total units for Vista Williams Ranch has been updated from 376 to 375 with attributable variations of income restricted units that necessitated an updated assessment letter.

ADVISOR SPHERE BACKGROUND

Advisor Sphere was established in 2019 in support of single family and multifamily affordable housing development for both for profit and not for profit entities.

Ken Montgomery leads the strategic corporate advisory and community development sector for Advisor Sphere. Advisor Sphere Consulting partners with organizations using real estate to solve some of our most difficult and persistent societal challenges. Mr. Montgomery's extensive financial services background includes leading due diligence reviews for independent broker-dealers utilizing alternative and real estate investments. This due diligence included thorough financial analysis of performance as well as sponsor and property level reviews of feasibility and expected outcomes.

INFORMATION ASSUMPTION

The baseline information utilized for our analysis is ascertained from a combination of third-party subject matter experts, the Rosenberg Housing Authority Public Facility Corporation (the PFC) and the developer-sponsor of Vista Williams Ranch. The primary components of the analysis are rent analysis, operational expense analysis, financial terms obtained by the developer and ad valorem tax assumptions. As outlined below, we leveraged third party information to determine feasibility in all areas where information is available and informative to the analysis of feasibility contained herein.

RENT ASSUMPTIONS

Advisor Sphere retained the services of an independent third party to provide reasonableness to the developer-sponsor's stated market rate rents and used the industry standard Novogradac Rent & Income Calculator for Fort Bend County in the Metropolitan Statistical Area of Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area. Applicable income restricted rents are included in our model and sourced as outlined above. Vista Williams Ranch concerns 1- and 2-bedroom rents at both 60% Area Median Income (AMI) and 80% AMI. Those monthly average rents are as follows:

Income Restricted Unit	Income Restricted Rent
1 bedroom unit at 60% AMI	\$1,135
2 bedroom unit at 60% AMI	\$1,276
1 bedroom unit at 80% AMI	\$1,514
2 bedroom unit at 80% AMI	\$1,702

Apartment MarketData, LLC, a Qualified Market Analyst for the Texas Department of Housing and Community Affairs analyzed market rent data using 6 comparable multi-family properties in close proximity to Vista Williams Ranch site. The resulting finding is a market rate rent opinion of \$1,430 for a 1-bedroom unit at Vista Williams Ranch and \$1,849 for a 2 bedroom unit at Vista Williams Ranch.

We compared these rents against the developer-sponsor's assumed market rents and found them to be similar. The market analysis yields a market rent of \$1,430 while the developer-sponsor has an assumed market rent of \$1,500. The small difference of 4.67% from both sources confirms a relative consensus regarding market rents for 1-bedroom units. For consistency, we will defer to

the third-party market report for market rents and use a market rent of \$1,430 for a 1 bedroom unit at Vista Williams Ranch.

Regarding the average 2-bedroom unit market rents, Apartment MarketData, LLC concluded a market rent of \$1,849 while the developer-sponsor has an assumed market rent of \$1,845. The 2 rates are similar and provide a near consensus on 2-bedroom market rents. For a 2-bedroom market rent we will again use the third-party analysis concluding a \$1,849 market rent.

In conclusion, we will complete our analysis using data sourced by the research of Apartment MarketData, LLC as this research confirms similar findings to that of the developer-sponsor.

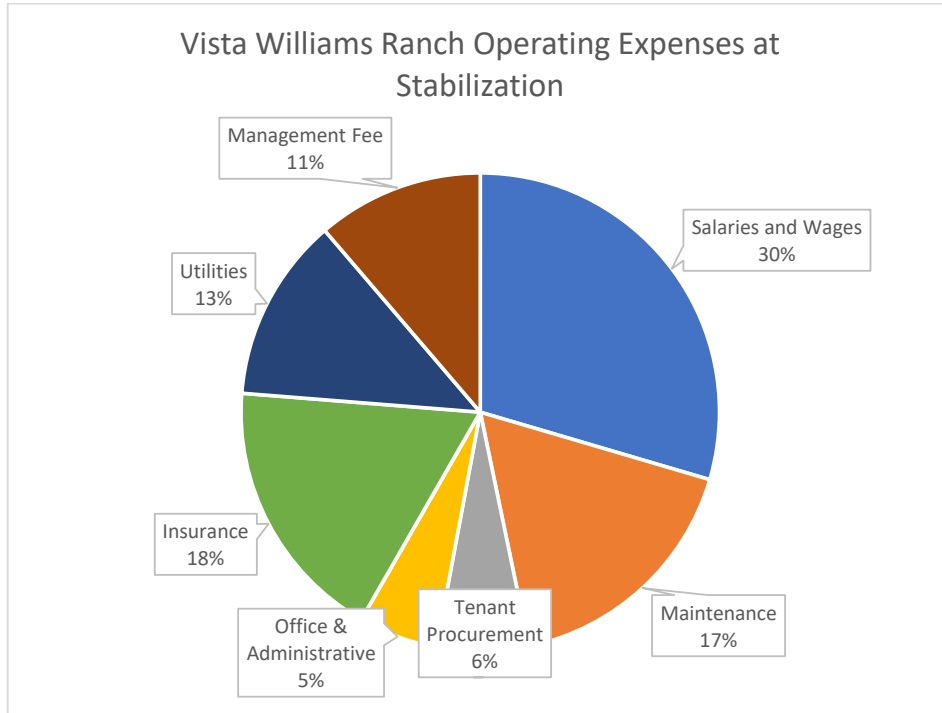
ADVISOR SPHERE METHODS AND MEANS

Advisor Sphere utilized the baseline analysis and applied various methods to produce logical outcomes consistent with industry standards. Those standards include the construction and operating of the asset as well as capital markets assumptions consistent with lender and equity investor expectations.

Market Trends and Expense Assumptions

Our initial market trend and expense assumptions include the annual operating expenses of Vista Williams Ranch. To confirm that the developer-sponsor's assumptions are reasonable we engaged a third party, Newmark Group, to provide current underwriting assumptions for similar multi-family properties in the proximity of Vista Williams Ranch. Newmark examined the current operating expenses of 11 properties similar in location and operational needs to Vista Williams Ranch and expressed those expenses in dollars per unit operated. These current industry average operating expenses are then grossed up for 376 units, the proposed size of Vista Williams Ranch, to arrive at annual operating expenses.

Given these assumptions, the anticipated operating expense breakdown at Vista Williams Ranch at the point of stabilization is as follows:



Financial Assumptions for Ad Valorem Taxes and Capital

Financial feasibility of Vista Williams Ranch is fundamentally predicated on the amount of ad valorem taxes that would be otherwise payable absent a tax abatement provided in partnership with the PFC. Determining taxable value is then a most critical step in this process of determining financial feasibility. Determining taxable value on an income producing asset such as Vista Williams Ranch can then occur in one of two ways. Either we can use cost to determine value or we can use income and apply a market capitalization rate. To determine taxable value we examined each of these methods at the point of stabilization of the asset.

The cost method is relatively straightforward.

Land Cost	Construction Hard Costs	Taxable Value Using Cost
\$10,100,112	\$49,386,000	\$ 59,486,112

Income Based Taxable Value is determined by subtracting estimated taxes from Net Operating Income and then applying a market capitalization rate. For our analysis, and given that Vista Williams Ranch is new construction, we applied market capitalization rates of 5%, 5.5% and 6%. The results are as follows:

Net Operating Income less Estimated Taxes	Applied Capitalization Rate	Estimated Taxable Value
\$3,635,791	5.0%	\$ 72,715,819
3,635,791	5.5%	\$ 66,105,290
\$3,635,791	6.0%	\$60,596,515
Average		\$66,472,541

All of the estimated taxable values that we calculated were reasonable given assumptions related to cost and value. Because we are assuming value at the point of stabilization we recognize that there is a fair amount of uncertainty in using net operating income as a measure of value. While income as a measure of value is more accurate over longer periods of time, the point at which we are assessing taxable value lends itself to cost as the most appropriate estimate of taxable value. We, therefore, have used \$59,486,112 as the estimated taxable value from which our underwriting began.

Upon determination of taxable value we simply apply current millage rates of the appropriate taxing authorities given the location of Vista Williams Ranch. We determined those jurisdictions and millage rates to be as follows:

	2023
Total	2.558100
Lamar CISD	1.149200
Fort Bend General	0.426500
Fort Bend Drainage	0.012400
Williams Ranch MUD No. 1	0.970000
West Fort Bend Management District	-

	2023
Total	2.663436
Lamar CISD	1.149200
Fort Bend General	0.426500
Fort Bend Drainage	0.012400
Fort Bend LID 12	0.055000
Fort Bend MUD 122	0.935000

At the total millage rate above, we estimate annual taxes in year one to be \$1,521,714 for our feasibility analysis.

It is important to note that the schedule of taxing jurisdictions includes a Municipal Utility District (MUD). As MUDs are not eligible for exemption without a payment in lieu of taxes (PILOT) agreement with the MUD, we have included the Williams Ranch MUD No. 1 payment in our analysis of the PFC structure and use the millage rate above. As expected, the inclusion of the MUD payment lowers equity returns in the PFC model as reflected in the discussion of equity and the accompanying exhibits.

The remaining component that we address regarding feasibility of Vista Williams Ranch is access to and cost of capital. Access and cost are inextricably linked to the idiosyncratic risk profile of the developer-sponsor. While we may apply industry standard debt levels and cost of capital, the efficacy of such standards would be of limited use when applied to the developer-sponsor. Therefore, we are using the capital stack provided by the developer-sponsor and the cost of capital for which they have made good faith performance assumptions.

For Vista Williams Ranch that means we have modeled debt service on 55% of the total development costs equaling debt of \$ \$40,326,159. Further, we have assumed a rate of SOFR + 3.50%. For analysis, we further assume a ceiling of 8% and a floor of 3.50%. The ensuing interest rate assumptions are as follows:

Forward Curve	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1 Month SOFR	5.33%	4.34%	3.80%	3.62%	3.58%	3.62%	3.67%	3.71%	3.74%	3.78%
Floating Rate	8.83%	7.84%	7.30%	7.12%	7.08%	7.12%	7.17%	7.21%	7.24%	7.28%
Fixed Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Rate	8.00%	7.84%	7.30%	7.12%	7.08%	7.12%	7.17%	7.21%	7.24%	7.28%

The average rate based on the forecasting above is 7.42%.

Having established the amount of debt and the cost of debt, we turn our attention to assessing the annual service of the debt. Succinctly, we modeled 5 years of interest only using the corresponding estimated rate in the chart above for each of the first 5 years. For assumptions on the amortized permanent loan we will use the full 10 year average of 7.42%. Given that our analysis begins at stabilization, 5 years of interest only at that point is a rather conservative assumption when evaluating the feasibility of Vista Williams Ranch at full Ad Valorem Tax Assessment.

The second component of the developer-sponsor's capital stack is equity comprising 45% of the total development costs. To attract capital, developer-sponsors will commit to a preferred return which is the

minimum return to investors before the developer-sponsor can participate in profitability. A preferred return is cumulative and is not paid as a regular periodic payment as debt is paid. But because the preferred return represents an accumulated obligation to investors we have modeled a preferred return as an annual obligation to investors as part of our feasibility analysis. Absent a return to investors, capital projects like Vista Williams Ranch are fundamentally not feasible.

To properly set our preferred return, we looked exclusively at similar social impact fund preferred returns. Conventional market rate preferred returns are higher. But social impact investors will often forego higher monetary returns in favor of a holistic return to include a sometimes immeasurable public good. Given that this project is designed to further the public good a social impact style return is most appropriate.

The funds below have a similar risk profile and social impact to Vista Williams Ranch. We simply mathematically averaged the preferred returns of these funds to arrive at an implied preferred return of 6.6%. Private Placement Memorandums (PPM) ultimately govern and confirm preferred returns to investors. However, PPMs are not publicly available in every case whereby we have used publicly available information that we reasonably expect to match the governing PPM as advertising fund information contrary to Securities and Exchange Commission (SEC) filings is a violation of federal securities laws.

The combined debt and equity cost of capital is modeled as to determine the feasibility of attracting and deploying the needed capital for a project similar to Vista Williams Ranch.

Investment Fund		Source for Preferred Return	Preferred Return
Impact REIT, LLC	Housing	Offering Circular	8%
Enterprise Wealth Fund	Renter Creation	https://www.enterprisecommunity.org/impact-areas/upward-mobility/renter-wealth-creation PPM not publicly available	4%
ASI Impact Fund, LP	Multi-Family	Prospectus	8%
National Equity Fund (a LISC affiliate) Workforce Housing Fund		https://www.nationalequityfund.org/media/s2pl2uqe/nef-wfh-fund-i-sept-5.pdf . PPM not publicly available	8%
Austin Housing Conservancy		https://www.austinhousingconservancy.com/campaign/ . PPM not publicly available	5%
Average			6.6%

Using a preferred return of 6.6% we sought to forecast the amount of preferred return an investor would receive under the partnership with the PFC as well as without said partnership and paying full ad valorem taxes. Preferred returns accumulate and the aggregate amount is ultimately due to the investor prior to the payment of other ownership interests. A 10-year forecast provides a sufficient forecast of preferred returns to determine feasibility of Vista Williams Ranch.

We believe that a 6.6% preferred return is somewhat above the acceptable rate of return desired by impact investors. For a point of reference, the 10-year average annual return for Cambridge Associates LLC Real Estate Impact Investing Index is 5.27%. And while impact investing has become more sophisticated and begun to revert toward market style returns, we would maintain that a 6.6% preferred return on an affordable housing multifamily impact investment is above what would commonly be accepted for a preferred interest and, therefore, a rather conservative evaluation for purposes of feasibility.

In partnership with the PFC, investors would receive 76.97% of their preferred returns meaning that Vista Williams Ranch would deliver 76.97% of accrued preferred returns by year 10. This translates to an annual return of 6.13% which is a similar return to Cambridge Associates LLC Real Estate Impact Investing Index referenced above yet still below the 6.6% industry standard target.

Conversely, Vista Williams Ranch absent a tax abatement would only deliver 38.27% of the aggregate preferred return to investors. This equates to an annualized rate of return at 3.43%. Those returns are slightly above the 2024 annualized inflation rate of 2.9%. Given that the March 19, 2025 U.S. 10-Year Treasury is 4.245% a return to investors of 3.43% could not reasonably be expected to attract equity capital.

General Underwriting Assumptions

To determine the performance of Vista Williams Ranch it is necessary to make assumptions for a period of feasibility as well as the trendlines for this same period of feasibility. We therefore used industry standard assumptions for conventional lending underwriting. Our feasibility period is 10 years, our income and rent growth is 2.5%, our operating expenses grow at 3.5% and our standing vacancy rate is 5%.

CONCLUSION

It is our statement of opinion that but for the participation of the Rosenberg Housing Authority Public Facility Corporation the development of Vista Williams Ranch would not be feasible.

References

Disclaimer – This assessment was performed utilizing current and historical market information. Given the pragmatic economic environment, Advisor Sphere makes no assertions on future economic conditions or impact on this development.

Exhibit A



Rent & Income Limit Calculator ©

If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at thomas.stagg@novoco.com.

Click on the 📊 icons below to view historical charts.

Program and Location Information

HUD Published Income Limits for 2024 (with no adjustments)

Display Income Limits Hide Income Limits

Affordable Housing Program
Other Federal, State, or Local Program (non-LIHTC)

Year
2024 (effective 04/01/24)

State
TX
County
Fort Bend County
MSA
Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area

Rent Calculation Based on

Persons / Bedroom
1 Person / Bedroom + 1

4-person AMI 📊

\$94,600

\$77,400

\$38,700

National Non-Metropolitan Median Income

HUD Published 50% National Non-Metropolitan Median Income

Income Limits for 2024
 (Based on 2024 AMI Income Limits)

	60.00%	80.00%	60.00%	80.00%	60.00%
1 Person 🏠	39,720	52,960	39,720	52,960	39,720
2 Person 🏠	45,420	60,560	45,420	60,560	45,420
3 Person 🏠	51,060	68,080	51,060	68,080	51,060
4 Person 🏠	56,760	75,680	56,760	75,680	56,760
5 Person 🏠	61,320	81,760	61,320	81,760	61,320
6 Person 🏠	65,820	87,760	65,820	87,760	65,820
7 Person 🏠	70,380	93,840	70,380	93,840	70,380
8 Person 🏠	74,940	99,920	74,940	99,920	74,940
9 Person 🏠	79,440	105,920	79,440	105,920	79,440
10 Person 🏠	84,000	112,000	84,000	112,000	84,000
11 Person 🏠	88,560	118,080	88,560	118,080	88,560
12 Person 🏠	93,060	124,080	93,060	124,080	93,060

Rent Limits for 2024
 (Based on 2024 AMI Income Limits)

	60.00%	80.00%	60.00%	80.00%	60.00%
Bedrooms (People) 🏠					FMR
1 Bedroom (2.0) 🏠	1,135	1,514	1,135	1,514	1,135
2 Bedrooms (3.0) 🏠	1,276	1,702	1,276	1,702	1,357
3 Bedrooms (4.0) 🏠	1,419	1,892	1,419	1,892	1,792

Before using the numbers from the Rent & Income Limit Calculator®, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.

Please note the following for households over 8 people. Per the HUD briefing material "HUD does not include income limits for families with more than eight persons in the printed lists because of space limitations. For each person over eight-persons, the four-person income limit should be multiplied by an additional 8 percent. (For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit.) HUD rounds income limits up to the nearest \$50. Local agencies may round income limits for nine or more persons to the nearest \$50, or they may use the un-rounded numbers." To account for areas that may round to the nearest \$50, the calculator also rounds to the nearest \$50 for these household sizes as this will always result in a lower amount than rounding up. If you are qualifying a household over 8 people please check with your local agency for what their policy is in relation to rounding.

These rent & income results are for other programs (non-LIHTC/tax-exempt bond). The results require you to have in-depth knowledge of the property's particular rent & income level requirements.

You may choose which HUD published AMI % to use as the basis for calculating rent and income limits. The Rent & Income Limit Calculator® starts by default with the HUD published 50% VLI (Very low income), but this can be changed to AMI (Area median income), 30% Median, or 80% Low, if necessary (See Step 2). You may also choose the imputed persons per bedroom for the rent calculations or directly input the imputed persons per bedroom if they have other imputed persons per bedroom requirements not listed in the choices (See Step 2). The Rent & Income Limit Calculator® starts by default with 1 person/bedroom plus 1; but this can be changed to 1.5 persons per bedroom or other imputed persons per bedroom if necessary (See Step 2). Although the Rent & Income Limit Calculator® is flexible, it may not accommodate all scenarios; therefore you will have to manually calculate rent and income levels for some scenarios.

(1) The Consolidated Appropriations Act of 2014 changed how the 30% income limits is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ("VLI") published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:
<https://www.huduser.gov/portal/datasets/mtsp.html>

Terms of Use:

Utility allowances are input by the user and are not reviewed or verified by Novogradac & Company LLP. Novogradac & Company LLP provides no assurance of the accuracy of the particular results you may obtain from the Rent & Income Limit Calculator®; which is designed only to be a quick reference tool and is no substitute for professional tax and accounting advice. The Rent & Income Limit Calculator® should not be used for any final financial decisions. IRS guidelines and actual HUD amounts should be used for any final decisions. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. As consideration for your use of this tool, free of any requirement to pay any related monetary compensation to Novogradac & Company LLP, you agree to hold Novogradac & Company LLP harmless from any damages and claims related to use of the Rent & Income Limit Calculator®. If you do not agree with the terms of this paragraph, you may not use the Rent & Income Limit Calculator®.

Exhibit B

APARTMENT MARKETDATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

July 16, 2024

Ken Montgomery
Advisor Sphere

Re: Rent Analysis
Vista Williams Ranch
Richmond, Texas

Greetings:

Apartment MarketData, LLC is a Qualified Market Analyst for the Texas Department of Housing and Community affairs. Apartment MarketData, LLC is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing this analysis, and the fee is in no way contingent upon the outcome of the analysis.

Per your request, we conducted an analysis to determine achievable rents for the proposed development of Vista Williams Ranch located on the north side of Interstate Highway 69 and west of Williams Ranch Drive, Richmond, Texas.

The following market rate comparable projects were used in determining the achievable rents for the subject.

Cortland Sugar Land
5200 Pointe W Cir, Richmond

Dolce Living Rosenberg
7145 Reading Rd., Rosenberg

Residences @ River Park West
22155 Wildwood Park Dr, Richmond

Springs at Summer Park
7210 Reading Rd, Richmond

Territory at Williams Way
5131 Williams Way Blvd, Richmond



20475 Hwy. 46 West
(210) 530-0040

Suite 180 - PMB 416
Fax (210) 340-5830

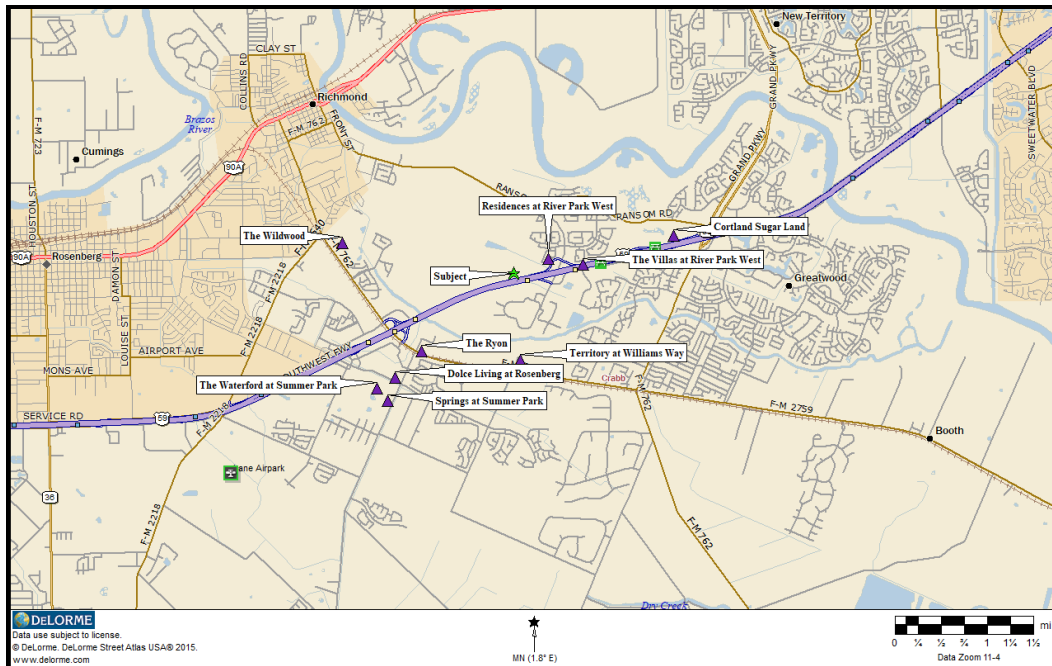
Spring Branch, Texas 77080
www.aptmktdata.com

The Ryon
3232 Manford Blvd, Richmond

The Villas at River Park West
21811 Wildwood Park Rd, Richmond

The Wildwood
24500 Wildwood Park Dr, Richmond

Waterford at Summer Park
601 Park Place Blvd, Rosenberg



The projects used in this analysis are all two- and three-story garden style apartment communities constructed between 2005 and 2023.

Based on our analysis, the following table provides the average, minimum, and maximum adjusted rent at the comparable projects for each unit type.

We have concluded market rents at \$1,430 and \$1,849 for the subject's one- and two-bedroom units, respectively. Three of the comparable projects have adjusted rents greater than or equal to the average adjusted rent for the one bedrooms, and four have adjusted rents greater than the average adjusted rent for the two bedrooms, which indicates there is potential for rents to be set higher than the concluded rents.

SUMMARY OF ANALYZED RENTS

Subject Unit Type	Subject Average SF	Minimum Adjusted Rent	Maximum Adjusted Rent	Average Adjusted Rent	Concluded Rent
1BR	740	\$1,182	\$1,591	\$1,430	\$1,430
2BR	1,125	\$1,620	\$2,078	\$1,849	\$1,849

If you have any questions or need anything further, please contact me directly.

Sincerely,



Kirt Shell
Analyst

Exhibit C

NEWMARK

T12 Year	YOC	FLRS	SF	Units	Vac. % of GSR	LTL % of GSR	Non-Revenue % of GSR	Cl. % of GSR	Conc. % of GSR	Utilities Per Unit (Net RUBS)	Other Income Per Unit	R&M Per Unit	Payroll Per Unit	Admin Per Unit	MKT Per Unit	Utilities Per Unit	Insurance Per Unit	Expense Ratio
2024	2021	0	1,217	315	14.3%	-0.2%	0.7%	0.1%	8.3%	359	2,198	941	2,915	544	388	389	1,264	51%
2023	2020		1,199	326	8.2%	2.4%	1.1%	1.0%	3.8%	295	3,034	488	2,127	455	753	835	1,666	60%
2023	2021		793	334	10.7%	3.8%	0.7%	0.5%	5.7%	251	1,702	517	1,883	439	351	605	1,234	55%
2023	2021		919	324	6.3%	7.0%	0.3%	1.0%	1.1%	255	1,294	726	1,742	468	374	496	938	61%
2023	2020		966	312	10.8%	3.7%	1.0%	3.7%	2.6%	548	1,355	1,446	1,693	515	400	862	465	61%
2023	2020		891	330	6.5%	6.0%	0.7%	0.2%	0.6%	438	1,639	629	1,584	389	145	1,614	634	51%
2023	2020		911	350	5.5%	1.7%	0.5%	2.0%	0.8%	299	1,567	981	1,508	349	127	943	894	52%
2023	2020		841	336	11.6%	4.6%	0.8%	1.4%	1.7%	136	1,173	766	1,477	413	350	520	438	55%
2023	2018		935	333	5.3%	-0.5%	0.7%	3.2%	4.0%	376	1,313	863	1,460	393	251	869	705	58%
2022	2020		1,002	336	6.6%	6.6%	0.6%	7.8%	-1.3%	49	1,295	959	1,436	434	293	639	478	39%
2023	2017		934	300	6.1%	4.2%	0.5%	2.2%	1.4%	258	1,172	894	1,211	279	456	706	660	50%
2020	0	0	980	328	8.5%	3.0%	0.7%	2.0%	3.2%	283	1,669	821	1,715	425	368	775	872	54%

Exhibit D



1-month Term SOFR Forward Curve



6/14/24 12/14/24 6/14/25 12/14/25 6/14/26 12/14/26 6/14/27 12/14/27 6/14/28 12/14/28 6/14/29 12/14/29 6/14/30 12/14/30 6/14/31 12/14/31 6/14/32 12/14/32 6/14/33 12/14/33 6/14/3

Latest curves as of 12 Jun 2024 | 16:00 EDT

For the latest rates, please visit:

<https://chathamdirect.com/rates>

Date	1-month Term SOFR
6/14/24	5.33%
7/15/24	5.33%
8/14/24	5.30%
9/16/24	5.21%
10/15/24	5.15%
11/14/24	5.07%
12/16/24	4.87%
1/14/25	4.86%
2/14/25	4.86%
3/14/25	4.62%
4/14/25	4.58%
5/14/25	4.58%
6/16/25	4.34%
7/14/25	4.33%
8/14/25	4.33%
9/15/25	4.20%
10/14/25	4.13%
11/14/25	4.07%
12/15/25	4.01%
1/14/26	3.97%
2/17/26	3.92%
3/16/26	3.88%
4/14/26	3.85%
5/14/26	3.82%
6/15/26	3.80%
7/14/26	3.78%
8/14/26	3.76%
9/14/26	3.74%
10/14/26	3.72%
11/16/26	3.70%
12/14/26	3.69%
1/14/27	3.67%
2/16/27	3.66%
3/15/27	3.65%
4/14/27	3.64%
5/14/27	3.63%
6/14/27	3.62%
7/14/27	3.62%
8/16/27	3.61%
9/14/27	3.61%
10/14/27	3.60%
11/15/27	3.60%
12/14/27	3.59%
1/14/28	3.59%
2/14/28	3.59%
3/14/28	3.59%
4/17/28	3.58%
5/15/28	3.58%
6/14/28	3.58%
7/14/28	3.58%
8/14/28	3.58%
9/14/28	3.59%
10/16/28	3.59%
11/14/28	3.59%
12/14/28	3.59%
1/16/29	3.60%
2/14/29	3.60%

3/14/29	3.60%
4/16/29	3.61%
5/14/29	3.61%
6/14/29	3.62%
7/16/29	3.62%
8/14/29	3.63%
9/14/29	3.63%
10/15/29	3.64%
11/14/29	3.64%
12/14/29	3.65%
1/14/30	3.65%
2/14/30	3.66%
3/14/30	3.66%
4/15/30	3.67%
5/14/30	3.67%
6/14/30	3.67%
7/15/30	3.68%
8/14/30	3.68%
9/16/30	3.68%
10/15/30	3.69%
11/14/30	3.69%
12/16/30	3.69%
1/14/31	3.70%
2/14/31	3.70%
3/14/31	3.70%
4/14/31	3.70%
5/14/31	3.71%
6/16/31	3.71%
7/14/31	3.71%
8/14/31	3.71%
9/15/31	3.72%
10/14/31	3.72%
11/14/31	3.72%
12/15/31	3.72%
1/14/32	3.73%
2/17/32	3.73%
3/15/32	3.73%
4/14/32	3.73%
5/14/32	3.74%
6/14/32	3.74%
7/14/32	3.74%
8/16/32	3.75%
9/14/32	3.75%
10/14/32	3.75%
11/15/32	3.76%
12/14/32	3.76%
1/14/33	3.76%
2/14/33	3.77%
3/14/33	3.77%
4/14/33	3.78%
5/16/33	3.78%
6/14/33	3.78%
7/14/33	3.79%
8/15/33	3.79%
9/14/33	3.80%
10/14/33	3.80%
11/14/33	3.80%
12/14/33	3.81%
1/17/34	3.81%
2/14/34	3.82%
3/14/34	3.82%
4/14/34	3.83%
5/15/34	3.83%
6/14/34	3.84%

Exhibit E

Vista Williams Ranch - 10 Year P&L

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$542,940	\$556,514	\$570,426	\$584,687	\$599,304	\$614,287	\$629,644	\$645,385	\$661,520	\$678,058	\$695,009
Current Gross Potential 80% AMI Rent	\$2,860,560	\$2,992,074	\$3,005,376	\$3,080,510	\$3,157,523	\$3,236,461	\$3,317,373	\$3,400,307	\$3,485,315	\$3,572,447	\$3,661,759
Current Gross Potential Market Rent	\$3,586,020	\$3,675,671	\$3,767,562	\$3,861,751	\$3,958,295	\$4,057,252	\$4,158,684	\$4,262,651	\$4,369,217	\$4,478,448	\$4,590,409
Rent Trending Percentage	2.5%										
Gross Potential Rent - Program Rent	\$6,989,520	\$7,164,258	\$7,343,364	\$7,526,949	\$7,715,422	\$7,908,000	\$8,105,700	\$8,308,343	\$8,516,051	\$8,728,933	\$8,947,177
Vacancy	(\$349,476)	(\$358,213)	(\$367,168)	(\$376,347)	(\$385,756)	(\$395,400)	(\$405,285)	(\$415,417)	(\$425,803)	(\$436,448)	(\$447,359)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$65,900)	(\$67,548)	(\$69,237)	(\$70,968)	(\$72,742)	(\$74,560)	(\$76,424)	(\$78,335)	(\$80,293)	(\$82,301)	(\$84,358)
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Parking Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321
EGI	\$7,024,014	\$7,199,614	\$7,379,604	\$7,564,094	\$7,753,197	\$7,947,027	\$8,145,702	\$8,349,345	\$8,558,078	\$8,772,030	\$8,991,311
Salaries and Wages	\$534,000	\$552,690	\$572,034	\$592,055	\$612,777	\$634,224	\$656,422	\$679,397	\$703,176	\$727,787	\$753,260
Maintenance	\$310,500	\$321,368	\$332,615	\$344,257	\$356,306	\$368,777	\$381,684	\$395,043	\$408,869	\$423,180	\$437,991
Tenant Procurement	\$112,125	\$116,049	\$120,111	\$124,315	\$128,666	\$133,169	\$137,830	\$142,654	\$147,647	\$152,815	\$158,163
Office & Administrative	\$96,750	\$100,136	\$103,641	\$107,268	\$111,023	\$114,909	\$118,930	\$123,093	\$127,401	\$131,860	\$136,475
Franchise & Excise Taxes	-	\$23,831	\$24,426	\$25,037	\$25,663	\$26,305	\$26,962	\$27,636	\$28,327	\$29,035	\$29,761
Insurance	\$327,000	\$338,445	\$350,291	\$362,551	\$375,240	\$388,373	\$401,966	\$416,035	\$430,597	\$445,667	\$461,266
Utilities	\$225,375	\$233,263	\$241,427	\$249,877	\$258,623	\$267,675	\$277,043	\$286,740	\$296,776	\$307,163	\$317,914
Management Fee	\$207,208	\$212,389	\$217,698	\$223,141	\$228,719	\$234,437	\$240,298	\$246,306	\$252,463	\$258,775	\$265,244
Total Operating Expenses	\$1,812,958	\$1,898,171	\$1,962,244	\$2,028,502	\$2,097,017	\$2,167,869	\$2,241,137	\$2,316,904	\$2,395,257	\$2,476,288	\$2,560,075
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$5,157,505	\$5,246,555	\$5,361,099	\$5,477,925	\$5,597,070	\$5,718,570	\$5,842,463	\$5,968,786	\$6,097,576	\$6,228,871	\$6,362,708
Williams Ranch MUD No. 1	(\$17,015)	(\$97,211)	(\$18,113)	(\$69,747)	(\$62,158)	(\$65,313)	(\$70,299)	(\$74,125)	(\$79,819)	(\$86,413)	(\$93,937)
Less: Debt	(\$3,226,093)	(\$3,161,571)	(\$2,943,810)	(\$2,871,223)	(\$2,855,092)	(\$3,387,912)	(\$3,387,912)	(\$3,387,912)	(\$3,387,912)	(\$3,387,912)	(\$3,387,912)
HHA Origination Payment	(\$446,146)										
HHA Cash Flow Share	-	(\$25,692)	(\$45,056)	(\$65,130)	(\$85,998)	(\$107,509)	(\$129,868)	(\$153,046)	(\$177,071)	(\$201,975)	(\$238,034)
HHA Compliance Fee	(\$36,533)	(\$37,853)	(\$39,189)	(\$40,560)	(\$41,980)	(\$43,449)	(\$44,970)	(\$46,544)	(\$48,173)	(\$49,859)	(\$51,604)
Preferred Return	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)
Income	(\$1,299,358)	(\$456,609)	(\$456,095)	(\$309,761)	(\$219,105)	(\$76,638)	(\$60,611)	(\$523,866)	(\$446,424)	(\$368,313)	(\$146,264)
Assumed Preferred Return Paid	\$871,668	\$1,424,218	\$1,714,931	\$1,861,265	\$1,951,921	\$1,494,388	\$1,570,415	\$1,647,161	\$1,724,602	\$1,802,713	\$2,317,290
Preferred Return Running Balance	(\$1,299,358)	(\$204,617)	(\$2,802,262)	(\$2,812,222)	(\$3,031,127)	(\$3,707,765)	(\$4,390,377)	(\$4,832,242)	(\$5,278,667)	(\$5,646,980)	(\$5,500,716)
Preferred Return Earned over 10 Years											76.97%

NOTE:

Use same trending method for both Market Rents and Program Rents and state your trending percentage

Please provide RR supporting Acquisition Market Rents

Assume a vacancy factor 5%

Debt = 5 year interest only on 55% of development costs

Initial Sources

Vista Williams Ranch - 10 Year P&L

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$542,940	\$556,514	\$570,426	\$584,687	\$599,304	\$614,287	\$629,644	\$645,385	\$661,520	\$678,058	\$695,009
Current Gross Potential 80% AMI Rent	\$2,860,560	\$2,992,074	\$3,005,376	\$3,080,510	\$3,157,223	\$3,236,461	\$3,317,732	\$3,400,307	\$3,485,315	\$3,572,447	\$3,661,759
Current Gross Potential Market Rent	\$3,586,020	\$3,672,671	\$3,767,562	\$3,861,751	\$3,958,295	\$4,057,252	\$4,158,684	\$4,262,651	\$4,369,217	\$4,478,448	\$4,590,409
Rent trending percentage	2.5%										
	At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Rent - Program Rent	\$6,989,520	\$7,164,258	\$7,343,364	\$7,526,949	\$7,715,122	\$7,908,000	\$8,105,700	\$8,308,343	\$8,516,051	\$8,728,953	\$8,947,177
Vacancy	(\$349,476)	(\$358,213)	(\$367,168)	(\$376,347)	(\$385,756)	(\$395,400)	(\$405,285)	(\$415,417)	(\$425,803)	(\$436,448)	(\$447,359)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$65,900)	(\$67,548)	(\$69,227)	(\$70,968)	(\$72,742)	(\$74,560)	(\$76,424)	(\$78,335)	(\$80,293)	(\$82,301)	(\$84,358)
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Utility Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321
EGl	\$7,024,014	\$7,199,614	\$7,379,604	\$7,564,094	\$7,753,197	\$7,947,027	\$8,145,702	\$8,349,345	\$8,558,078	\$8,772,030	\$8,991,331
Salaries and Wages	\$534,000	\$552,690	\$572,034	\$592,055	\$612,777	\$634,224	\$656,422	\$679,397	\$703,176	\$727,787	\$753,260
Maintenance	\$310,500	\$321,368	\$332,615	\$344,257	\$356,306	\$368,777	\$381,684	\$395,043	\$408,869	\$423,180	\$437,991
Tenant Procurement	\$112,125	\$116,049	\$120,111	\$124,315	\$128,666	\$133,169	\$137,830	\$142,654	\$147,647	\$152,815	\$158,163
Office & Administrative	\$96,750	\$100,136	\$103,641	\$107,268	\$111,023	\$114,909	\$118,930	\$123,093	\$127,399	\$131,860	\$136,475
Franchise & Excise Taxes	-	\$23,831	\$24,426	\$25,037	\$25,663	\$26,305	\$26,962	\$27,636	\$28,327	\$29,035	\$29,761
Insurance	\$327,000	\$338,445	\$350,291	\$362,551	\$375,240	\$388,373	\$401,966	\$416,035	\$430,597	\$445,667	\$461,266
Utilities	\$225,375	\$233,263	\$241,427	\$249,877	\$258,623	\$267,675	\$277,043	\$286,740	\$296,776	\$307,163	\$317,914
Management Fee	\$207,208	\$212,389	\$217,698	\$223,141	\$228,719	\$234,437	\$240,298	\$246,306	\$252,463	\$258,775	\$265,244
Total Operating Expenses	\$1,812,958	\$1,898,171	\$1,962,244	\$2,028,502	\$2,097,017	\$2,167,869	\$2,241,137	\$2,316,904	\$2,395,257	\$2,476,283	\$2,560,075
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$5,157,505	\$5,246,555	\$5,346,099	\$5,447,925	\$5,559,707	\$5,718,570	\$5,884,263	\$6,056,786	\$6,235,776	\$6,421,871	\$6,615,292
Less: Debt	(\$3,226,099)	(\$3,020,429)	(\$2,726,048)	(\$2,697,820)	(\$2,697,820)	(\$2,716,570)	(\$2,756,272)	(\$2,796,272)	(\$2,836,572)	(\$2,877,172)	(\$2,918,072)
Real Estate Taxes	(\$1,521,714)	(\$1,574,974)	(\$1,630,098)	(\$1,687,152)	(\$1,746,202)	(\$1,807,319)	(\$1,870,579)	(\$1,936,049)	(\$2,003,807)	(\$2,073,940)	(\$2,146,528)
Preferred Return	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)	(\$2,171,026)
Income	(\$1,761,328)	(\$1,519,482)	(\$1,166,074)	(\$1,028,073)	(\$1,034,109)	(\$1,516,046)	(\$1,455,410)	(\$1,394,527)	(\$1,333,529)	(\$1,272,367)	(\$1,211,118)
Assumed Preferred Return Paid	\$409,988	\$651,151	\$1,004,952	\$1,092,953	\$1,136,918	\$654,980	\$715,617	\$776,659	\$837,798	\$899,659	\$962,908
Preferred Return Running Balance	\$ (1,761,328.01)	\$ (3,281,203.19)	\$ (4,487,277.17)	\$ (5,525,349.99)	\$ (6,559,458.70)	\$ (8,075,505.20)	\$ (9,530,914.88)	\$ (10,925,471.87)	\$ (12,259,000.42)	\$ (13,531,367.48)	\$ (14,742,485.39)
Preferred Return Earned over 10 Years											38.27%

NOTE:
 Use same trending method for both Market Rents and Program Rents and state your trending percentage
 Please provide RR supporting Acquisition Market Rents
 Assume a vacancy factor 5%

Beginning Taxable Value Assumptions

Vista Williams Ranch - Rent Benefit Analysis

Total Units	375	Total	
Unit Type			
1 Bedroom	225		
2 Bedroom	150		
Total	375		

		60% AMI		Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1 BD	\$ 1,135.00	23	21%	\$ 6,785.00	\$ 81,420.00
2 BD	\$ 1,276.00	15	31%	\$ 8,595.00	\$ 103,140.00
Total/Avg % of Units		38	26%	\$ 15,380.00	\$ 184,560.00

		80% AMI		Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
	\$ 1,514.00	90	-6%	\$ -	\$ -
	\$ 1,702.00	60	8%	\$ 8,820.00	\$ 105,840.00
Total/Avg % of Units		150	1%	\$ 8,820.00	\$ 105,840.00

		Market Rents	
	Avg. Rent	Units	Rent
	\$ 1,430.00	112	
	\$ 1,849.00	75	
Total/Avg % of Units		187	\$ 3,586,020.00

		100% Market Rents	
	Units	Monthly	Annually
	225	\$ 321,750	\$ 3,861,000.00
	150	\$ 277,350	\$ 3,328,200.00
Total/Avg % of Units	375	\$ 7,189,200.00	