

Request for Letters of Intent for

**Permanent Lender and Tax Credit  
Investor to Finance Hughes House II in  
Fort Worth, Texas**

**CSG** | ADVISORS

November 21, 2025

Responses Requested By:

5:00 PM Eastern Daylight Time,  
December 12, 2025

CSG Advisors, Inc.  
Nicole Graham  
Abbe Pick

## I. REQUEST FOR LETTERS OF INTENT

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### A. Summary

CSG Advisors, on behalf of Fort Worth Housing Solutions ("FWHS", or "Owner") is seeking Letters of Intent from prospective investors and lenders ("Respondents") to assist in the financing of **Hughes House II** (the "Project").

**Hughes House II** is a 302-unit mixed income housing development utilizing the 4% Housing Tax Credit. The Project is seeking a closing and groundbreaking **on or before March 15, 2025**, and is fully designed, permitted, and has both a bond reservation and tax credit award from the State of Texas. The total Development budget is approximately \$95 million and is seeking approximately \$28.5 million in tax credit investment and arrangements for \$45 million in permanent financing, through a Freddie Mac or private placement loan.

The Project is the largest phase of the Stop Six Choice Neighborhood Initiative (CNI), which is anchored by a \$70 million public investment from HUD and the City of Fort Worth. The \$300 million master plan replaces ~300 units of former public housing with over 1,000 new mixed income units for seniors and families across six phases. New public investments include: new **senior housing, mixed income townhomes and flats**, a new **workforce talent center** in partnership with CVS Healthcare, major area streetscape, utility and transportation improvements, and a **new public library and aquatic center**.

The FWHS portfolio includes over 50 properties with 10,000+ units, 85% of which are offered at reduced rents to eligible households. The agency manages rental assistance programs to help families and individuals cover housing costs and fosters the development of mixed income communities. FWHS works closely with its partners to serve more than 34,000 individuals every day.

FWHS anticipates the Hughes House II Project will be financed with Project-Based Vouchers, 4% Low Income Housing Tax Credits ("LIHTC"), debt, and other soft funds including City and Federal funds.

### B. Schedule

The anticipated solicitation schedule is below. Every effort will be made to keep to this schedule, but dates are subject to change.

Activity	Date(s)
Solicitation Issued	November 21, 2025
Deadline for Receipt of Solicitations	December 5, 2025
Lender/Investor Selected	December 19, 2025
Outside Date of Closing	March 15, 2026

### C. Submittal

Solicitation submittal should be sent to:

Nicole Graham  
ngraham@csgadvisors.com

Abbe Pick  
apick@csgadvisors.com

Brian K. Dennison  
bdennison@fwhs.org

Kirk I Presley  
kip@ojaraholdings.com

- D.** Responses must be received no later than December 5, 2025.

## **II. BACKGROUND INFORMATION**

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### **A. Project Description**

Hughes House II involves the construction of a 302-unit property, with 1-4 bedrooms located between Avenue G and Pollard-Smith Avenue in Fort Worth, Texas. The Hughes House development is part of a three-phase mixed-use development which is also part of the Stop Six Choice Neighborhood Initiative aimed at revitalizing the Stop Six neighborhood.

Rental subsidies for the 302 units will include the following:

- 83 LIHTC units with PBV assistance for Cavile Replacement Units
- 21 LIHTC units with PBV assistance for PSH tenants
- 112 LIHTC-only units at 60% AMI
- 5 non-LIHTC units at 80% AMI with PBV assistance
- 13 non-LIHTC units at 80% AMI without PBV assistance
- 68 market units

The breakdown of bedroom sizes is as follows:

- 48 1-BR
- 202 2-BR
- 43 3-BR
- 9 4-BR

### **B. Development Plan**

A breakdown of the unit mix and rent is listed below.

Unit	Affordability	Units	Gross Rent	Utility Allowance Estimate	Net Rent
1.1W - MARKET	MARKET	10	\$1,350	\$0	\$1,350
1.1W - 80%	80%	2	\$1,350	\$0	\$1,350
1.1W - PBV 80%	80%	1	\$1,210	\$54	\$1,156
1.1W - 60%	60%	9	\$1,200	\$54	\$1,146
1.1W - PBV 50%	50%	2	\$1,210	\$54	\$1,156
1.1W - PBV 30%	30%	19	\$1,210	\$54	\$1,156
1.1W - PSH 30%	30%	5	\$1,210	\$54	\$1,156
2.2E - 60%	60%	22	\$1,441	\$76	\$1,365
2.2R - 60%	60%	58	\$1,441	\$76	\$1,365
2.2R - PBV 50%	50%	5	\$1,410	\$76	\$1,334
2.2R - PBV 30%	30%	24	\$1,410	\$76	\$1,334
2.2R - PSH 30%	30%	13	\$1,410	\$76	\$1,334
2.2C - MARKET	MARKET	50	\$1,650	\$0	\$1,650
2.2C - 80%	80%	8	\$1,650	\$0	\$1,650
2.2C - PBV 80%	80%	3	\$1,410	\$76	\$1,334
2.2C - 60%	60%	19	\$1,441	\$76	\$1,365
3.2W - MARKET	MARKET	4	\$1,800	\$0	\$1,800
3.2W - 80%	80%	2	\$1,800	\$0	\$1,800
3.2W - 60%	60%	1	\$1,665	\$98	\$1,567
3.2W - PBV 50%	50%	4	\$1,860	\$98	\$1,762
3.2W - PBV 30%	30%	24	\$1,860	\$98	\$1,762
3.2W - PSH 30%	30%	2	\$1,860	\$98	\$1,762
3.25W - MARKET	MARKET	2	\$1,800	\$0	\$1,800
3.25W - PBV 80%	80%	1	\$1,860	\$98	\$1,762
3.25W - 60%	60%	3	\$1,665	\$98	\$1,567
4.3W - MARKET	MARKET	2	\$2,100	\$0	\$2,100
4.3W - PBV 50%	50%	1	\$2,300	\$127	\$2,173
4.35W - PBV	80%	1	\$2,300	\$127	\$2,173
4.35W - PBV 30%	30%	4	\$2,300	\$127	\$2,173
4.35W - PSH 30%	30%	1	\$2,300	\$127	\$2,173

### Scope of Work

While the scope of work is currently under development, the design scope for the Hughes House II project encompasses a comprehensive plan for construction and development activities scheduled to commence in March 2026, with targeted substantial completion 24 months thereafter.

The project's hard construction costs, including site work, are estimated to be approximately \$215,171 per unit.

## C. Development Team

### Fort Worth Housing Solutions

Fort Worth Housing Solutions was established by the City of Fort Worth in 1938 to provide decent, safe housing for low- to moderate-income residents. The FWHS portfolio includes 52 properties with 10,015 units, 85 percent of which are offered at reduced rents to eligible individuals. The agency manages Housing Choice Vouchers and other rental assistance programs that help families and individuals cover housing costs. FWHS works closely with numerous partners to promote economic independence and positive change in the lives of more than 34,000 individuals every day.

### CSG Advisors

CSG Advisors is providing financial consulting services to FWHS on the project, focusing on bond structuring, investor engagement, training, and hands-on support to staff as needed. CSG is the nation's leading advisor in housing finance, with over 35 years of experience developing innovative solutions for a variety of public-sector entities, including local housing agencies, public housing authorities, and state housing finance agencies. The firm has particular expertise in low-income housing tax credits, tax-exempt and taxable bond financing for single and multi-family housing, HUD mixed-finance, development negotiations, and financial strategies and programs. Other real estate advisory services include tax-secured and other financings for public buildings and infrastructure.

### Development Consultant

Ojala Partners, LP Ojala Partners, LP, ("**Ojala**", "**Consultant**") is retained for development consulting in conjunction with the Project. In the past, Ojala and FWHS have worked on 14 previous public-private projects including two permanent supportive housing (PSH) projects for the homeless, tax credit developments, RAD re-development, and mixed income workforce housing, totaling a track record of over 3,500 units. Ojala is serving as Consultant for the Development with scopes including financing, design, development & construction management, and operations through the Development's conversion.

### Design & Construction Team

The joint venture between FWHS and a to-be-determined ("TBD") Sub-Prime Contractor enables Hughes House II to benefit from a sales tax exemption on the purchase of construction materials. In this joint venture, FWHS will serve as the Prime Contractor, passing through all associated rights and responsibilities to the Sub-Prime Contractor. The Sub-Prime Contractor is currently being procured through a Request for Qualifications (RFQ) issued on September 30, 2025, with a contractor being selected on December 3, 2025. Bidding contractors include Moss & Associates, The NRP Group, and Spring Valley Construction, all bondable and have experience working with both FWHS and LIHTC.

The Architectural firm for the project is Bennett Partners.

### General Contractor

The General Contractor (TBD) will be a newly formed Joint Venture (Hughes House II GC Joint Venture). The Joint Venture, headquartered in Dallas, Texas, will be the Managing Venturer of this joint venture

with full operational authority. Wind Terrace, Inc., a Texas nonprofit and an affiliate of FWHS, will be a Venturer.

The joint venture between FWHS and GC (TBD) enables Hughes House II to benefit from a sales tax exemption on the purchase of construction materials. In this joint venture, FWHS will serve as the Prime Contractor, passing through all associated rights and responsibilities to the GC (TBD), the Sub-Prime Contractor.

### Construction Manager

Ramel Company, LLC is a Fort Worth-based development and construction-management firm that began in 2001 and provides pre-development consultancy and full-scale construction project and program management. Drawing on a foundation in financial and development advisory work, the firm now provides clients with integrated services spanning program management, procurement management, construction schedule planning and budget oversight. With a problem-solving mindset and a commitment to guiding clients from concept through completion, Ramel Company partners with owners, architects and contractors to streamline processes and deliver predictable project outcomes.

## **D. Financing Plan**

Preliminary financial projections for the Project are summarized below. More detailed projections are attached in Excel model. An executed determination letter & fee were submitted to TDHCA on 4/18/25.

Sources of Funds		Uses of Funds	Permanent
Permanent Financing Loan	45,078,785	Acquisition Costs:	1,771,667
Tax Credit Equity	28,471,296	Hard Costs:	64,981,665
FWHS CNI	7,500,000	Soft Costs:	14,644,518
FWHFC PSH & Match	1,850,000	Reserves	1,757,483
City HOME, UDAG, ARPA	4,116,279	Sponsor Fees	12,228,927
HUD CPF	1,050,000	<b>Total</b>	<b>95,384,260</b>
Bond Investment Earnings & Interim Ca	2,158,424		
Deferred Developer Fee	5,159,476		
<b>Total</b>	<b>95,384,260</b>		

### Tax Credits

Based on the current budget estimates, the project will receive \$28.5 million in tax credit equity, at \$0.84 pricing, over a 10-year period.

### Primary Conventional Debt

The project will be able to support a permanent loan of \$45.1 million with a 5.8% interest rate, an 18-year term, and a 40-year amortization.

### FWHS - CNI

HUD Choice Neighborhoods Initiative will provide \$7.5 million. This source of funds is committed to the project.

### FWHFC PSH

Fort Worth Housing Finance Corporation will provide \$1.05 million. This source of funds is committed to the project.

City HOME, UDAG, ARPA

The City of Fort Worth will provide \$1.85 million from the HOME, UDAG, and ARPA programs.

Community Project Funding (Congressional Earmark)

The Community Project Funding (CPF) will provide \$4.1 million.

Interim Cash Flow

Approximately 50% of the cash flow during construction and prior to conversion, \$2.2 million, is being used as a source for the project.

Developer Fee

The Project includes a developer fee of \$12.2 million, and approximately \$5.2 million will be deferred. The deferred fee is expected to be paid by Year 9.

Reserves

The Project budget includes an Operating Reserve, which would be capitalized initially based on four months of projected operating expenses, reserves and debt service, or approximately \$1.8 million. Replacement reserves will be funded annually in the amount of \$250 per unit, escalating at a rate of 3% per year.

Operating Pro Forma

Operating Expenses reflect \$5,443 per unit. The operating expenses are based on Ojala's pro forma estimates.

**E. Operating Subsidies**

FWHS will be setting the PBV rents at 100% of the 2025 Fair Market Rent. The project vouchers will be administered by FWHS.

The subsidy will be subject to a 20-year Housing Assistance Payment (HAP) contract. Pursuant to HUD Regulations, the HAP contract is subject to automatic renewal.

**F. Bond Issuer**

FWHS, currently rated "A+" by Standard and Poor's, will be the bond issuer for this transaction. The bonds will be issued on the public market.

**G. Property Management**

A third party property management company will provide property management services, to be selected prior to ground breaking. Management fees incurred will comply with the applicable HUD Safe Harbor Provisions.



#### H. Guarantor

Guarantees, both compliance and construction risk, shall be provided by FWHS and limited to the developer fee. As a public housing entity, FWHS guarantees are limited to non-federal funds.

#### I. Project Schedule

Benchmark	Date
Construction Start	March 2026
1 <sup>st</sup> Building Placed in Service	March 2027
Construction Completion	March 2028
Qualified Occupancy: (100% of Tax Credit Units)	April 2028
Stabilized Occupancy/Conversion	July 2028

### III. CONTENT OF RESPONSE- INVESTOR

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*Qualified investors are invited to submit comprehensive Letters of Intent and formal LIHTC Equity Term Sheet addressing all issues outlined in this solicitation. Your response must specifically address each requested item and clearly identify any assumptions that differ from those provided in the solicitation package.*

**A. Pay-In Amount**

State the total capital contribution, quoted as both a total dollar amount and a credit price per tax credit dollar anticipated for the Project. Please provide a pricing scenario based on the pay-in schedule described below. Please propose if applicable, pay-in schedules acceptable to the qualified investor which would result in more favorable pay-in amounts.

**B. Pay-in Schedule**

Provide your proposed pay-in schedule. Be sure to state the percentage of total equity that each payment represents, the calendar date you have assumed for each pay-in, and all conditions (including any administrative ones) precedent to each pay-in. Also describe the purposes to which you would restrict the spending of each pay-in, if any (e.g., construction costs, reserves, developer fee). Pay-in schedule must conform to Texas Underwriting Guidelines in the Qualified Allocation Plan.

CSG requests that Respondents provide pricing quotes based on the following pay-in scenarios (all dates are preliminary and subject to change). Adjustments between the pay-in schedule and the completion timeline include a 5-month grace period to meet the required milestones for the remaining equity contributions. This will accurately provide additional interest for delays.

% Of Total Contribution	Milestone	Projected Date
20	Closing	March 2026
60	100% Construction Completion	March 2028
15	Stabilization	July 2028
5	Final Cost Cert/8609	November 2028

**C. Equity Placement Structure**

Please describe whether the investment will be made as a direct investment or through a multi-investor or proprietary fund. Please indicate the level of discretion the investor or syndicator will have in negotiating terms and identify any potential limitations or fund-level constraints that may impact the project's timeline, structuring, or compliance with public agency preferences (e.g., ROFR, exit terms, reserve requirements).

**D. Adjusters**

Describe any capital contribution adjustment provisions assuming an acceleration or delay in credits and/or an increase or reduction in credits. Note whether there are upwards adjusters for additional depreciation benefits. Note whether there are limits on any adjustments. Explain, if applicable, the reason for any difference in the number of adjusters for increase and decrease of credits.

**E. Fees and Expenses**

Describe the amount and character of any upfront or ongoing fees to the investor such as an annual asset management fee, closing fees as well any fees during construction, if applicable. Note whether any fees would escalate over time and, if so, by what amount. For ongoing fees, if the payment source and/or priority is not described in the cash flow distribution provided elsewhere in your response, describe the relevant provisions here. Also describe if fees accrue or are limited to available cash flow.

Describe the amount and character of any upfront or ongoing expenses for which you would require reimbursement. Assume that your legal counsel will provide the tax opinion.

Finally, describe the amount of the Partnership Management Fee you would be willing to accept, including whether the fee would escalate over time and, if so, by what amount. If the payment source and/or priority is not described in the cash flow distribution provided elsewhere in your response, describe the relevant provisions here. Also describe if the fee accrues or is limited to available cash flow. Please note that the Owner desires a Partnership Management Fee of \$5,000, escalating by 3% per year, payable with equal priority to any investor asset management fee on a pari passu basis and accruing.

**F. Guarantees and Net Worth Requirements**

FWHS seeks to minimize the extent of guarantees it will provide. Be sure to specify the guarantor, items guaranteed, guarantee amount including any cap, duration of the guarantee, provisions for reduction and/or termination of the guarantee, and any reimbursement provisions for payments made on the guarantee. In addition, please state any net worth requirements for the guarantor(s). Also, if you impose any debt service coverage requirements, please describe them and any consequences of not meeting them.

**G. Operating Deficit Guaranty (ODG) Structure:**

Respondents must describe the structure and terms of the Operating Deficit Guaranty they will require, including:

- Duration of the guaranty period
- Conditions for drawing on the Operating Deficit Reserve (ODR)
- Requirements for replenishment, if applicable
- Any thresholds (e.g., occupancy or DSCR) that must be maintained
- Conditions under which the ODG may be reduced or released

FWHS seeks to minimize long-term exposure and prefers proposals that allow early access to reserves and offer limited-duration guarantees.

**H. Reserves**

Describe your required reserves. Be sure to describe the amount of each reserve, the timing of funding for each reserve, any escalator in any annual funding requirement, any conditions for reducing or eliminating the reserve, who holds the reserve, and to whom the reserve is released at liquidation and at sale or refinancing, or upon casualty or condemnation. Note that the reserves reflected in the attached financial projections are initial assumptions; please propose your requirements.

The GP wishes for the operating reserve to be released through the waterfall beginning in year 12, such that 1/3 of the reserve is released over three years.

**I. Cash Flow**

Indicate your proposed distribution of cash flow, both during operations and upon sale or refinancing. Describe any limits on cash flow distributions to the General Partner.

**J. Purchase Option and Right of First Refusal**

FWHS or affiliated group must be granted a Purchase Option and a Right of First Refusal for the projects. Please describe the terms of each, including prices and timing limits on exercise.

**K. Investor Exit Strategy**

Prospective investors should include in their proposals their preferred exit timeline and mechanics, including but not limited to:

- Proposed holding period (minimum 15 years required), Preferred exit mechanism,
- Anticipated yield requirements throughout the investment period, including at exit

**L. Projections and Exit Taxes**

Attach projections as a separate exhibit including exit tax calculations. Clarify the amount of exit taxes that you project at the time of the purchase option or at the start of the right of first refusal period. Provide suggestions or propose structures that would reduce or eliminate the burden of FWHS paying exit taxes.

**M. Insurance Requirements**

Please describe the requirements.

**N. Reporting and Audit Requirements**

Please describe the requirements.

**O. Due Diligence, Closing Requirements and Terms and Conditions**

Please describe these items.

**P. Investor Counsel**

If selected, please include the firm of the Counsel.

**Q. Internal Investment Committee & Approval Process**

Respondents must describe their internal investment approval process, including:

- A general timeline and sequence of approvals (e.g., preliminary vs. final investment committee)
- Who participates in the investment committee and their role in decision-making
- The responsibilities of the originator post-closing and whether they remain the primary point of contact
- The level of authority granted to the underwriter to respond to and resolve investment committee comments without requiring additional committee review

**R. Definition of Conversion to Permanent Financing**

Please provide a clear definition of “conversion to permanent financing” as it applies to the timing of equity installment releases. Please specify any operational, financial, or leasing milestones required for conversion, including any performance indicators (e.g., stabilized occupancy, DSCR thresholds, expense levels) and the duration over which they must be maintained.

**S. Experience with Texas Department of Housing and Community Affairs (TDHCA)**

Respondents are requested to provide examples of recent projects in Texas that involved working with Texas Department of Housing and Community Affairs. Please include examples that illustrate familiarity with TDHCA underwriting, regulatory requirements, and loan execution processes.

**T. Recapture**

Please provide a detailed description of the terms of recapture.

#### **IV. CONTENT OF RESPONSE- PERMANENT LENDER**

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Please respond to each of the following issues in the form of a letter of intent and identify any assumptions that differ from those included in this solicitation. Primary options for financing include a Freddie Mac TEL or a Private Placement loan. A taxable construction loan is not part of this RFP as the construction loan will be directly arranged by Owner. Please note, FHA loans will not be considered for this solicitation.

##### **A. Letters of Intent and Term Sheets**

Please include indicative loan terms including the following:

- A.** A description of the proposed loan
- B.** Loan amount proposed based on preliminary underwriting and maximum potential loan amount that could be underwritten
- C.** Rate information
- D.** Term
- E.** Amortization period
- F.** Any interest rate reset terms
- G.** Construction extension provisions and pricing Security and/or collateral requirements and any required guarantees
- H.** All applicable underwriting ratios and requirements for the project and borrower
- I.** A description of the underwriting process, including the approximate amount of time needed to complete the financing and key approvals required (description of your internal approval process)
- J.** Prepayment provisions
- K.** Fees and expenses, such as the fees of your legal counsel, fees related to any extension provisions, and fees related to any construction monitoring
- L.** Specify what rate lock options will be provided, if any
- M.** Describe the proposed structure of the bond financing, including any use of multiple tranches and the differences in terms between them (such as repayment schedule, interest rate, and security).
- N.** Describe any obstacles to meeting the target for a March 2026 closing.

##### **B. Guarantees and Net Worth Requirements**

FWHS seeks to minimize the extent of guarantees it will provide. Be sure to specify the guarantor, items guaranteed, guarantee amount including any cap, duration of the guarantee, provisions for reduction and/or termination of the guarantee, and any reimbursement provisions for payments made on the guarantee. In addition, please state any net worth requirements for the guarantor(s). If you impose any debt service coverage requirements, please describe them and any consequences of not meeting them.

Lastly, explain the process for underwriting the Owner/Guarantor entities and the Property Management entity.

##### **C. Reserves**

Describe your required reserves. Be sure to describe the amount of each reserve, the timing of funding for each reserve, any escalator in any annual funding requirement, any conditions for reducing or eliminating the reserve, who holds the reserve, and to whom the reserve is released at liquidation and at sale or refinancing, or upon casualty or condemnation. Note that the reserves reflected in the attached financial projections are initial assumptions; please propose your requirements.

**D. Insurance Requirements**

Please describe all insurance requirements, including a list of all types of insurance and the amount of coverage required. Including, but not limited to:

- Owner's Liability Insurance
- Owner's Property Insurance
- Excess Liability
- GC Liability Insurance
- Builder's Risk
- Catastrophic Risk Coverage
- Management Agent's Insurance

**E. Reporting and Audit Requirements**

Please describe the requirements.

**F. Lender Counsel**

Please describe.

**G. Experience with Texas Department of Housing and Community Affairs (TDHCA)**

Respondents are requested to provide examples of recent projects in Texas that involved working with the Texas Department of Housing and Community Affairs (TDHCA). Please include examples that illustrate familiarity with TDHCA underwriting, regulatory requirements, and loan execution processes.

## **V. Miscellaneous**

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### **A. Cost of the Response**

All costs incurred, directly or indirectly, in responding to the solicitation shall be the sole responsibility of the Respondents. All material and documents submitted by Respondents will become the property of the Owner and will not be returned. Additionally, any Respondent selected for further negotiations will be responsible for all costs incurred by it during such negotiations.

### **B. Form of Procurement**

Acceptance of the Selected Lender or Investor response for the investment specified herein will be initially evidenced by a letter of intent to be finalized within 30 days of the date that the Selected Lender or Investor is notified of its selection. Upon execution of a letter of intent, the parties will work in good faith to complete documents affecting the terms of the loan, including without limitation loan documents, all in form and content satisfactory to FWHS and the Selected Lender or Investor.

### **C. Owner's Discretion**

The determination of the criteria and process whereby responses are evaluated, the decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this solicitation, shall be at the sole and absolute discretion of FWHS.

### **D. No Claim Against Owner**

A respondent shall not obtain, by submitting a response to this solicitation, any claim of any sort against Owner or Owner's property by reason of all or any part of any of the following:

1. Any aspect of this solicitation;
2. The preparation and submission of its response to FWHS
3. The selection process;
4. The rejection of any or all offers;
5. The acceptance of any offer;
6. Entering into any agreements or the failure to enter into any agreements;
7. Any statements, representations, acts or omissions of Owner to any person or entity acting on its behalf; the exercise of any discretion set forth in or concerning any of the foregoing; and,
8. Any other matters arising out of the foregoing.

### **E. Personnel**

In submitting their responses, respondents are representing that the personnel described in their responses shall be available to perform the services described from first to last, barring illness, accident, or other unforeseeable events of a similar nature in which cases the respondent must be able to provide a comparably qualified replacement. Furthermore, all personnel shall be considered to be, at all times, the sole employees of the firm under its sole direction, and not employees or agents of FWHS.

### **F. Rules, Laws and Regulations**

The Selected Investor shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, especially those applicable to conflicts of interest. FWHS will presume that



respondents are familiar with all federal, state and local laws, ordinances, codes, rules and regulations that may in any way affect the services.

Respondents are advised that FWHS is a public entity and subject to the public records and disclosure requirements under Texas State law.

## **VI. EXHIBITS**

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- A. Financial Projections
- B. Market Study
- C. Tax Credit Application
- D. FWHS Audit

## **EXHIBIT A: FINANCIAL PROJECTIONS**

# Hughes House II Model

4% LINTC Pro Forma

Development Budget				
	% of Total	Eligible Basis	# of Units	Per Unit
Apartments			302	1,114
Land	1.9%	\$ -	5.3	5,866
Hard Costs	68.1%	\$ 64,981,665	193.1	215,171
Offsite + Site work	53.5%	\$ 47,725,876	151.5	168,892
Building Cost + Site Amenities	11.8%	-	33.4	37,249
Contingency	2.9%	\$ 2,730,322	8.1	9,041
GC Overhead, General Conditions & Pro	0.0%	-	-	-
Developer Fee	12.8%	\$ 12,228,927	36.3	40,493
Soft Costs + Financing	15.4%	\$ 13,941,085	43.5	48,492
Reserves	1.8%	-	5.2	5,819
<b>Total Investment</b>	<b>100.0%</b>	<b>\$ 91,151,678</b>	<b>\$ 283.4</b>	<b>\$ 315,842</b>

Sources				
	Closing	Completion	Stabilization	Total
Tax Credit Equity	\$ 5,694,259	\$ 17,082,778	\$ 5,694,259	\$ 28,471,296
Construction Loan & Bridge Loan	\$ 58,554,637	-	(\$8,554,637)	-
Perm Loan (Const. Payoff)	-	-	45,078,785	45,078,785
FWHS CNI	7,500,000	-	-	7,500,000
FWHFC PSH & Match	1,050,000	-	-	1,050,000
City HOME, UDAG, ARPA	1,850,000	-	-	1,850,000
HUD CPF	4,116,279	-	-	4,116,279
Bond Investment Earnings & Interim Cash Flow	-	-	2,158,424	2,158,424
Deferred Developer Fee	-	-	5,159,476	5,159,476
<b>Total</b>	<b>\$ 78,765,176</b>	<b>\$ 17,082,778</b>	<b>\$ (463,693)</b>	<b>\$ 95,384,260</b>

Uses				
	Closing	Completion	Stabilization	Total
Site Acquisition	\$ 1,771,667	-	-	\$ 1,771,667
Hard Cost	\$ 64,981,665	-	-	\$ 64,981,665
Soft Costs + Financing	\$ 10,423,923	-	-	\$ 10,423,923
Development Fee	\$ 1,767,363	\$ 1,767,363	\$ 3,534,726	\$ 7,069,451
Deferred Development Fee	-	-	\$ 5,159,476	\$ 5,159,476
Operating Reserve	-	\$ 1,757,483	-	\$ 1,757,483
Capitalized Interest	\$ 4,220,595	-	-	\$ 4,220,595
<b>Total</b>	<b>\$ 83,165,213</b>	<b>\$ 3,524,846</b>	<b>\$ 8,694,202</b>	<b>\$ 95,384,260</b>
Developer Fee Schedule	25.0%	25.0%	50.0%	100.0%
Developer Fee Paid	\$ 1,767,363	\$ 1,767,363	\$ 3,534,726	\$ 7,069,451

Development & Tax Credit Equity Draw Schedule				
	Start	Duration	End	Equity (\$)
Site Acquisition	3/1/26	0 Months	3/1/26	\$ 5,694,259
Predevelopment	3/1/26	0 Months	3/1/26	0.00
Construction Break Ground / Completion	3/1/26	24 Months	3/1/28	17,082,778
Lease Up (Starts in Month 13)	4/1/27	12 Months	4/1/28	-
Stabilization / Refinance	4/1/28	3 Months	7/1/28	4,270,694
8509's / Cost Certification	9/1/28	2 Months	11/1/28	1,423,365
<b>Total</b>	3/1/26	26 Months	7/1/28	\$ 28,471,296

Pro Forma Income Statement				
Stabilized (Excludes Growth Factors)	Rents % of Max	\$/SF/Month	Total \$/Year	\$/Unit
Potential Rent (net UAs)	100%	\$ 1.32	\$ 5,319,504	\$ 17,614
Vacancy	7.00%	(0.09)	(372,365)	(1,233)
Concessions	0.00%	-	-	-
Other Income	2.20%	0.03	108,720	360
<b>Effective Gross Income</b>		<b>\$ 1.25</b>	<b>\$ 5,055,859</b>	<b>\$ 16,741</b>
<b>Operating Expenses</b>				
General & Administrative		(0.04)	(179,888)	(596)
Misc / Services / TDHCA Compliance Fee		(0.00)	(12,080)	(40)
Advertising & Marketing		-	-	-
Payroll & Payroll Tax		(0.12)	(483,200)	(1,600)
Repair & Maintenance		(0.05)	(196,300)	(650)
Electric / Gas		(0.03)	(120,800)	(400)
Water, Sewer, & Trash		(0.05)	(211,400)	(700)
Insurance		(0.07)	(271,800)	(900)
Property Mgmt. Fee (% of EGI)	3.00%	(0.04)	(151,676)	(502)
Franchise Taxes		(0.50)	(18,750)	(55)
<b>Total Operating Expenses</b>		<b>\$ (0.41)</b>	<b>\$ (1,643,878)</b>	<b>\$ (5,443)</b>
Replacement Reserves (\$/Unit/Year)		\$ 250	(75,500)	(250)
<b>Stabilized NOI (% of Cost)</b>	<b>3.50%</b>	\$ 0.91	\$ 3,336,480	\$ 11,048
Sr. Debt Service (Amortizing Perm Debt)	6.44%	(0.72)	(2,901,287)	(9,607)
<b>Stabilized Net Cash Flow</b>		<b>\$ 0.19</b>	<b>\$ 435,193</b>	<b>\$ 1,441</b>

Sources				
	Amortization	Loan to Cost	Amount	Rate
Construction Financing				
Construction Loan (One Month SOFR + 3% Spread)		67.4%	\$ 64,244,543	4.500%
Permanent Financing	1.15x	40 Years	\$ 45,078,785	5.800%
Perm Loan	LTV	5.00%	\$ 66,729,608	
Soft Debt (LDC)				
FWHS CNI	360 Months		\$ 7,500,000	0.00%
FWHFC PSH & Match	360 Months		\$ 1,050,000	0.00%
City HOME, UDAG, ARPA	360 Months		\$ 1,850,000	0.00%
HUD CPF	360 Months		\$ 4,116,279	0.00%
<b>Total Soft Debt</b>			<b>\$ 14,516,279</b>	<b>\$ -</b>

Conversion Period	30.00 Months
Interest Reserve	29.00 Months
Operating Reserve (Months)	4 Months
Implied Lease-Up Rate	25 units / month
	(2.00)

Reversion Assumptions			
Sale Date	2/1/41	Year 15	Month 179
Annualized NOI	\$ 13,194	\$ 3,984,521	
Cap Rate		6.00%	
Value	\$ 219,896	\$ 66,408,681	
Less: Costs of Sale	1.00%	66,408	
Less: Debt Repayment		39,439,746	
Net Residual	NPV10:	2,822,090	11,788,569
Potential Rent @ Sale Date		\$ 1.76	

Gap Analysis	
Development Cost	\$ 95,384,260
Perm Debt Sources	45,078,785
<b>Gap in Construction Financing</b>	<b>\$ 50,305,475</b>
Credit - Price & Amount	\$ 3,389,440
<b>Amount Needed to Fill Gap</b>	<b>\$ 21,834,179</b>

Affordability Summary			
% AMI	Count	(%)	SF
30%	92	30%	100,071
50%	12	4%	13,848
60%	112	37%	123,197
80%	18	6%	20,953
Market	63	23%	78,500
<b>Total Units</b>	<b>302</b>	<b>100%</b>	<b>336,569</b>
<b>Total Affordable Total</b>	<b>216</b>	<b>Income Avg. ?</b>	<b>No</b>

Tax Credit Equity	
Projected Annual Credit	Closing LW
Eligible Development Costs	\$ 91,151,678
Percentage Affordable	71.5%
Qualified Basis	\$ 65,194,577
High Cost Area Adjustment	1.30
Total Adjusted Qualified Basis	\$ 84,752,951
Applicable Federal Rate	4.00%
Max Credit Amount	\$ 3,390,118
Investor Ownership	99.50%
Projected Annual Credit to ILP	\$ 3,389,440

15 Year Cash Flow			
Revenue Source	Deferred	Paid	Total
Developer Fee	\$ 5,159,476	7,069,451	\$ 12,228,927
% Deferred	42.2%		
Property Management Fee		2,415,709	
Cash Flow From Operations		12,068,727	
Net Reversion Proceeds		5,873,321	
<b>Total</b>	<b>\$ 5,159,477</b>	<b>\$ 7,069,451</b>	<b>\$ 32,586,685</b>

Cash Flow Projections															
	Multiple	Total NCF (15Yr.)	Close	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Rent Growth				2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Expense Growth				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Beginning Occupancy				0.0%	0.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%
Ending Occupancy				0.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%
Concessions				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Avg. Vacancy				100.0%	38.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Net Effective Rate (\$/SF/Month)				\$	1.24	1.38	1.41	1.44	1.47	1.50	1.53	1.56	1.59	1.62	1.65
Net Effective Growth (YoY)						11.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Potential Rent (net UAs)		\$ 86,416,771	\$ -	\$ -	5,023,296	5,584,963	5,696,662	5,810,595	5,926,807	6,045,343	6,166,250	6,289,575	6,415,367	6,543,674	6,674,547
Vacancy		(7,624,687)	-	-	(1,927,144)	(390,947)	(398,766)	(406,742)	(414,876)	(423,174)	(431,638)	(440,270)	(449,076)	(458,057)	(467,218)
Concessions		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income		1,731,562	-	-	68,042	114,145	116,428	118,757	121,132	123,556	126,026	128,546	131,117	133,740	136,414
Effective Gross Income		\$ 80,523,645	\$ -	\$ -	\$ 3,164,194	\$ 5,308,161	\$ 5,414,324	\$ 5,522,610	\$ 5,633,063	\$ 5,745,724	\$ 5,860,638	\$ 5,977,851	\$ 6,097,408	\$ 6,219,356	\$ 6,343,743
Operating Expenses															
General & Administrative		(3,170,387)	-	-	(172,378)	(193,453)	(199,256)	(205,234)	(211,391)	(217,733)	(224,265)	(230,993)	(237,923)	(245,060)	(252,412)
Payroll & Payroll Tax		(8,516,044)	-	-	(463,028)	(519,638)	(535,227)	(551,284)	(567,822)	(584,857)	(602,403)	(620,475)	(639,089)	(658,262)	(678,010)
Misc / Services / TDHCA Compliance Fee		(212,901)	-	-	(11,576)	(12,991)	(13,381)	(13,782)	(14,196)	(14,621)	(15,060)	(15,512)	(15,977)	(16,457)	(16,950)
Repair & Maintenance		(3,459,643)	-	-	(188,105)	(211,103)	(217,436)	(223,969)	(230,678)	(237,598)	(244,726)	(252,068)	(259,636)	(267,419)	(275,441)
Electric / Gas		(2,129,011)	-	-	(115,757)	(129,909)	(133,807)	(137,821)	(141,956)	(146,214)	(150,601)	(155,119)	(159,772)	(164,565)	(169,502)
Water, Sewer, & Trash		(3,725,769)	-	-	(202,575)	(227,342)	(234,162)	(241,187)	(248,422)	(255,875)	(263,551)	(271,458)	(279,601)	(287,990)	(296,629)
Total Controllable Expenses		(21,213,755)	-	-	(1,153,419)	(1,294,436)	(1,333,269)	(1,373,267)	(1,414,465)	(1,456,899)	(1,500,606)	(1,545,624)	(1,591,993)	(1,639,752)	(1,688,945)
Prop. Mgmt. Fee (% of EGI)		(2,415,709)	-	-	(94,926)	(159,245)	(162,430)	(165,678)	(168,992)	(172,372)	(175,819)	(179,336)	(182,922)	(186,581)	(190,312)
Insurance		(4,790,453)	-	-	(260,453)	(292,296)	(301,065)	(310,097)	(319,400)	(328,982)	(338,852)	(349,017)	(359,488)	(370,272)	(381,380)
Property Taxes		(294,940)	-	-	(16,036)	(17,997)	(18,537)	(19,093)	(19,666)	(20,256)	(20,863)	(21,489)	(22,134)	(22,798)	(23,482)
Replacement Reserves (\$/Unit/Year)		(1,330,652)	-	-	(72,348)	(81,193)	(83,629)	(86,138)	(88,722)	(91,384)	(94,125)	(96,949)	(99,858)	(102,853)	(105,939)
Total Expenses		\$ (30,045,311)	\$ -	\$ (135,763)	\$ (1,765,280)	\$ (1,854,020)	\$ (1,908,043)	\$ (1,963,654)	\$ (2,020,901)	\$ (2,079,833)	\$ (2,140,499)	\$ (2,202,950)	\$ (2,267,239)	\$ (2,333,421)	\$ (2,401,551)
Expense Income Ratio					55.79%	34.93%	35.24%	35.56%	35.88%	36.20%	36.52%	36.85%	37.18%	37.52%	37.86%
NOI		\$ 50,478,334	\$ -	\$ -	\$ 1,567,012	\$ 3,462,994	\$ 3,515,394	\$ 3,568,337	\$ 3,621,818	\$ 3,675,832	\$ 3,730,373	\$ 3,785,436	\$ 3,841,014	\$ 3,897,100	\$ 3,953,685
NOI Growth (YoY)							1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
DSCR (Senior Loan)						1.99x	1.20x	1.22x	1.24x	1.26x	1.28x	1.30x	1.31x	1.33x	1.35x
Sale Price: Less COS		\$ 11,788,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service															
Construction Loan		\$ 3,517,346	\$ -	\$ 624,803	\$ 2,014,224	\$ 878,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Perm Loan															
Interest & Fees		31,086,494	-	-	-	1,739,536	2,593,793	2,574,196	2,553,431	2,531,429	2,508,117	2,483,416	2,457,244	2,429,513	2,400,129
Principal Pay down		5,691,979	-	-	-	208,992	328,999	348,597	369,361	391,363	414,676	439,376	465,549	493,280	522,663
FWHS CNI		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FWHFC PSH & Match		1,235,478	-	185,478	-	-	-	-	-	-	-	-	-	-	-
CAV HOME, UDAG, ARPA		3,250,000	-	1,850,000	-	-	-	-	-	-	-	-	-	-	-
HUD CPF		6,232,658	-	4,116,279	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Debt Service		\$ 103,942,190	\$ -	\$ (6,151,757)	\$ 1,567,012	\$ 1,514,465	\$ 592,602	\$ 645,545	\$ 699,025	\$ 753,039	\$ 807,581	\$ 862,644	\$ 918,222	\$ 974,307	\$ 1,030,892
Other Partnership Fee (Not Used)	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Partner Fee (Issuer "Advisory Fee")	\$ 10,000	125,833	-	-	-	6,667	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Equity LP Annual Fee	\$ 10,000	125,833	-	-	-	6,667	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other Partnership Fee (Not Used)	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow from Operations		\$ 12,068,727	\$ -	\$ (6,151,757)	\$ 1,567,012	\$ 1,501,132	\$ 572,602	\$ 625,545	\$ 679,025	\$ 733,039	\$ 787,581	\$ 842,644	\$ 898,222	\$ 954,307	\$ 1,010,892
Developer Fee		\$ 7,069,451	\$ 1,767,363	\$ -	\$ -	\$ 5,302,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Development Fee		5,159,476	-	-	360,673	622,812	572,602	625,545	679,025	733,039	787,581	778,199	-	-	-
Total Developer Fee		\$ 12,228,927	\$ 1,767,363	\$ -	\$ 360,673	\$ 5,924,901	\$ 572,602	\$ 625,545	\$ 679,025	\$ 733,039	\$ 787,581	\$ 778,199	\$ -	\$ -	\$ -
Deferred Fee Balance			5,159,476	5,159,476	4,798,803	4,175,990	3,603,369	2,977,844	2,298,619	1,565,779	778,199	0	0	0	0
Residual Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,445	\$ 898,222	\$ 954,307	\$ 1,010,892

Hughes House II Model										
4% LIHTC Pro Forma						Market	FMR	LIHTC		
Unit	Bed/Bath Cour	Affordability	Units	% Mix	NSF/Unit	Total NRSF	GMR	ECM Est.	Net Rent	Total Rent
1.1W - MARKET	1	MARKET	10	3.3%	707	7,070	\$1,350	\$0	\$1,350	13,500
1.1W - 80%	1	80%	2	0.7%	707	1,414	\$1,350	\$0	\$1,350	2,700
1.1W - PBV 80%	1	80%	1	0.3%	707	707	\$1,210	\$54	\$1,156	1,210
1.1W - 60%	1	60%	9	3.0%	707	6,363	\$1,200	\$54	\$1,146	10,800
1.1W - PBV 50%	1	50%	2	0.7%	707	1,414	\$1,210	\$54	\$1,156	2,420
1.1W - PBV 30%	1	30%	19	6.3%	707	13,433	\$1,210	\$54	\$1,156	22,990
1.1W - PSH 30%	1	30%	5	1.7%	707	3,535	\$1,210	\$54	\$1,156	6,050
2.2E - 60%	2	60%	22	7.3%	1,036	22,792	\$1,441	\$76	\$1,365	31,702
2.2R - 60%	2	60%	58	19.2%	1,134	65,772	\$1,441	\$76	\$1,365	83,578
2.2R - PBV 50%	2	50%	5	1.7%	1,134	5,670	\$1,410	\$76	\$1,334	7,050
2.2R - PBV 30%	2	30%	24	7.9%	1,134	27,216	\$1,410	\$76	\$1,334	33,840
2.2R - PSH 30%	2	30%	13	4.3%	1,134	14,742	\$1,410	\$76	\$1,334	18,330
2.2C - MARKET	2	MARKET	50	16.6%	1,203	60,150	\$1,650	\$0	\$1,650	82,500
2.2C - 80%	2	80%	8	2.6%	1,203	9,624	\$1,650	\$0	\$1,650	13,200
2.2C - PBV 80%	2	80%	3	1.0%	1,203	3,609	\$1,410	\$76	\$1,334	4,230
2.2C - 60%	2	60%	19	6.3%	1,203	22,857	\$1,441	\$76	\$1,365	27,379
3.2W - MARKET	3	MARKET	4	1.3%	1,255	5,020	\$1,800	\$0	\$1,800	7,200
3.2W - 80%	3	80%	2	0.7%	1,255	2,510	\$1,800	\$0	\$1,800	3,600
3.2W - 60%	3	60%	1	0.3%	1,255	1,255	\$1,665	\$98	\$1,567	1,665
3.2W - PBV 50%	3	50%	4	1.3%	1,255	5,020	\$1,860	\$98	\$1,762	7,440
3.2W - PBV 30%	3	30%	24	7.9%	1,255	30,120	\$1,860	\$98	\$1,762	44,640
3.2W - PSH 30%	3	30%	2	0.7%	1,255	2,510	\$1,860	\$98	\$1,762	3,720
3.25W - MARKET	3	MARKET	2	0.7%	1,386	2,772	\$1,800	\$0	\$1,800	3,600
3.25W - PBV 80%	3	80%	1	0.3%	1,386	1,386	\$1,860	\$98	\$1,762	1,860
3.25W - 60%	3	60%	3	1.0%	1,386	4,158	\$1,665	\$98	\$1,567	4,995
4.3W - MARKET	4	MARKET	2	0.7%	1,744	3,488	\$2,100	\$0	\$2,100	4,200
4.3W - PBV 50%	4	50%	1	0.3%	1,744	1,744	\$2,300	\$127	\$2,173	2,300
4.35W - PBV	4	80%	1	0.3%	1,703	1,703	\$2,300	\$127	\$2,173	2,300
4.35W - PBV 30%	4	30%	4	1.3%	1,703	6,812	\$2,300	\$127	\$2,173	9,200
4.35W - PSH 30%	4	30%	1	0.3%	1,703	1,703	\$2,300	\$127	\$2,173	2,300
<b>Total / Avg</b>	<b>2.04</b>	<b>49.2%</b>	<b>302</b>	<b>100.0%</b>	<b>1,114</b>	<b>336,569</b>	<b>\$1,468</b>	<b>\$57</b>	<b>\$443,292</b>	

\$ 1.32

Affordability Summary				
% AMI	Count	(%)	SF	Rent
30%	92	30%	100,071	141,070
50%	12	4%	13,848	19,210
60%	112	37%	123,197	160,119
80%	18	6%	20,953	29,100
Market	68	23%	78,500	111,000
<b>Total</b>	<b>302</b>	<b>100%</b>	<b>336,569</b>	<b>460,499</b>

Affordable Units Only				
% AMI	Count	(%)	SF	Rent
30%	92	30%	100,071	77,475
50%	12	4%	13,848	110,957
60%	112	37%	123,197	99,350
80%	18	6%	20,953	56,690
<b>Total</b>	<b>234</b>	<b>77%</b>	<b>258,069</b>	<b>344,472</b>

Unit Mix Summary				
Unit Mix	Units	% (Unit)	SF/Unit	SF
1 Bedroom	48	16%	707	33,936
2 Bedroom	202	67%	1,151	232,432
3 Bedroom	43	14%	1,273	54,751
4 Bedroom	9	3%	1,717	15,450
<b>Total / Average</b>	<b>302</b>	<b>100%</b>	<b>1,114</b>	<b>336,569</b>
Affordable	234	77%	1,103	258,069
Market	68	23%	1,154	78,500
<b>Total / Average</b>	<b>302</b>	<b>100%</b>	<b>1,114</b>	<b>336,569</b>

## Pro Forma Income Statement

Stabilized (Excludes Growth Factors)		\$/Unit/Month	\$/Unit	Total \$/Year
Potential Rent (net UAs)	100%	\$ 1,468	\$ 17,614	\$ 5,319,504
Vacancy	7.00%	(103)	(1,233)	(372,365)
Concessions	0.00%	-	-	-
Other Income	2.20%	30	360	108,720
<b>Effective Gross Income</b>		<b>\$ 1,395</b>	<b>\$ 16,741</b>	<b>\$ 5,055,859</b>

Baseline Operating Expense Schedule	
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		\$/Unit/Month	\$/Unit/Year	Total \$/Year
General & Administrative		\$ 50	\$ 596	\$ 179,888
Misc / Services / TDHCA Compliance Fee		3	40	12,080
Advertising & Marketing		-	-	-
Payroll & Payroll Tax		133	1,600	483,200
Repair & Maintenance		54	650	196,300
Electric / Gas		33	400	120,800
Water, Sewer, & Trash		58	700	211,400
Insurance		75	900	271,800
Property Mgmt. Fee (% of EGI)	3.00%	42	502	151,676
Franchise Taxes		5	55	16,735
<b>Total Op Ex</b>		<b>\$ 454</b>	<b>\$ 5,443</b>	<b>\$ 1,643,878</b>
Replacement Reserves		21	250	75,500

<b>Stabilized NOI (% of Cost)</b>	<b>\$</b>	<b>921</b>	<b>\$</b>	<b>11,048</b>	<b>\$</b>	<b>3,336,480</b>
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Partnership Level Fees	\$/Unit/Month	\$/Unit/Year	Total \$/Year
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Partnership Level Fees	\$/Unit/Month	\$/Unit/Year	Total \$/Year
Public Partner Fee (Issuer "Advisory Fee")	3	33	10,000
<u>Equity LP Annual Fee</u>	<u>3</u>	<u>33</u>	<u>10,000</u>
<b>Total Partnership Expenses</b>	<b>\$ 6</b>	<b>\$ 66</b>	<b>\$ 20,000</b>

<b>Net Cash Flow from Operations</b>	<b>\$</b>	<b>915</b>	<b>\$</b>	<b>10,982</b>	<b>\$</b>	<b>3,316,480</b>
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Hughes House II Model				
4% LIHTC Pro Forma				Total Cost
Net Rentable SF		Costs to Cut(?)	336,569	\$ 283,83
Units			302	\$ 316,314
Acquisition Costs:			\$ / SF	\$ / Unit
010	Capitalized Ground Lease		\$ 5.26	\$ 5,866
030	Other Acquisition Costs		-	-
Subtotal Land Costs			\$ 5.26	\$ 5,866
Hard Costs:				
100	Private Work - SV RFQ Bid	\$ 141.80	\$ 141.80	\$ 158,033
101	IPRC #1 & #2 - Moss Quote		13.53	15,076
102	IPRC #3 - Jackson Quote		6.92	7,707
103	Reserved		-	-
104	Reserved		-	-
105	Reserved		-	-
106	Reserved		-	-
107	Reserved		-	-
108	Reserved		-	-
109	General Conditions	6.00%	9.73	10,849
113	Overhead	2.00%	3.24	3,616
120	Profit	6.00%	9.73	10,849
128	Hard Cost Contingency	5.00%	8.11	9,041
Subtotal Hard Costs (See GC Budget)			\$ 193.07	\$ 215,171
Soft Costs:				
Architect / Engineering			11.05	12,314
300	Architect Fee - Design (and TAS/Accessibility Consultant)		6.03	6,721
310	Architect Fee - Contract Administration		1.51	1,680
320	Architect Fee - Reimbursables			
330	Landscape Architect		-	-
340	Interior Design		-	-
360	Civil		1.99	2,214
370	Masterplanning Unrecouped Fees		0.02	20
390	Waterproofing		-	-
400	Franchise Coordination		-	-
410	Atlas Bay - Renderings		-	-
430	Prevailing Wage / Section 3 Compliance		1.34	1,490
440	Utility Allowance (ECM) Consultant		0.02	26
450	Reserved		-	-
Permits & Fees			1.90	2,116
420	Building Permit, Other		0.23	251
Permitting Costs			0.45	497
490	OTHER		0.15	166
500	CFA/IPRC		0.30	331
Municipal Fees			1.23	1,368
470	Park fee		0.37	415
540	Impact & Water		0.86	953
Title / Survey			0.86	964
600	Survey / Wetlands / Topography		0.15	166
570	Title & Closing		0.72	798
Construction Period Expenses			2.79	3,114
630	Capitalized Start-Up Costs		-	-
610	GL / Environmental / Earthquake Premium		0.53	596
680	Builders Risk Insurance		2.26	2,518
690	Property Taxes		-	-
Third Party Reports			2.51	2,794
640	Appraisal / Market Study		0.05	55
650	Special Testing		1.17	1,308
660	Geotech Report		0.09	96
670	CMT Testing		0.25	274
1160	Third Party Inspections		0.24	265
1170	Accounting/Cost Certification/Compliance and Reporting		0.12	132
1180	Environmental Contingency		0.59	662
Legal (All)			2.82	3,146
700	Legal - Owner/ FWHS - Developer		0.30	331
710	Legal - Owner/ FWHS - Contractor		0.15	166
720	Legal - Owner/ FWHS - Issuer (Bond Counsel)		0.74	828
730	Legal - Owner/ FWHS - LPA/Equity		0.30	331
740	Legal Fees - Perm Loan Counsel		0.15	166
750	Legal Fees - LP - Investor		0.30	331
900	Legal Fees - Other		0.30	331
990	Other Legal: HUD/Soft Funds (Contingency)		0.15	166
1190	Other Legal: Partnership, Easements, Real Estate (Legal Contingency)		0.45	497



<b>Start-Up and Reserves</b>		7.09	7,897	<b>2,385,000</b>
760	Marketing/Website/Logo	0.12	132	40,000
800	Travel	-	-	-
810	Management Fee - Lease Up	-	-	-
820	Start Up Reserve (Negative Property Cash Flow - WILL BE USED)	0.89	993	300,000
830	Operating Reserve	4.75	5,298	1,600,000
840	FF&E	1.32	1,474	445,000
<b>Financing Costs</b>				
<b>Bank Loans</b>		<b>3.07</b>	<b>3,426</b>	<b>1,034,654</b>
850	Construction Loan - Origination Fee	0.500%	0.67	746
860	Construction Loan - Lender Admin/Dilligence & Non-Legal		0.14	159
870	Perm Loan - Lender Admin/Dilligence & Non-Legal		0.12	132
880	Perm Loan - Application Deposit	0.100%	0.13	149
890	Perm Loan - Financing Fee (Origination)	0.750%	1.00	1,120
770	Perm Loan - Standby Fee	0.750%	1.00	1,120
<b>Bond Issuance</b>		<b>3.50</b>	<b>3,902</b>	<b>1,178,448</b>
910	Bond Application Fees (App, Counsel Fee, Bond Review Fee, BRB Closing Fee)		0.07	81
920	Department of Aging (Texas Health and Human Services Commission) Fee	0.100%	0.01	11
930	Rating Agency Fee		0.12	132
940	FWHS Commitment Fee		0.03	33
950	Trustee Fees		0.02	23
960	Texas Attorney General (AG) Fees		0.03	31
970	Bond Issuance Fee (TR PFC Closing)	0.750%	1.00	1,120
980	Capitalized Bond Administration Fee (TR PFC)	0.250%	0.33	373
				-
				-
1010	HFC Financial Advisor Fee (20bps plus \$20,000, Hilltop)	0.000%	-	-
1020	Underwriting Fee - LT Bonds	0.800%	1.07	1,194
1030	Underwriting Fee - ST Bonds	0.800%	0.32	357
1040	Underwriter Counsel		0.30	331
1050	Investment Bidding Agent (Hilltop)		-	-
1060	Tax on Investment Income		-	-
1070	Financing Contingency		0.15	166
1080	Misc Underwriting ( Printing, etc)		0.04	50
<b>TDHCA Tax Credit</b>		<b>0.57</b>	<b>638</b>	<b>192,707</b>
1100	TDHCA Determination Notice Commitment Fee	4.000%	0.42	467
1110	Miscellaneous Tax Credit Fees		-	-
1120	Application Fees		0.06	60
1130	Inspection & Amendment Fees		-	-
1140	Consultant		0.09	99
1150	CPA - Cost Cert. & Tax/Consultation Services		-	-
1209	Bond Interest		-	-
1210	Construction Loan Interest		12.54	13,975
1220	NOT USED - Negative (Positive) Arbitrage - Capitalized Interest		-	-
<b>Soft Cost Contingency</b>			0.45	497
1230	Development Fee	15.0%	36.33	40,493
<b>Subtotal Soft Costs</b>			<b>\$ 85.49</b>	<b>\$ 95,276</b>
<b>Total Project Budget</b>			<b>\$ 283.83</b>	<b>\$ 316,314</b>
				<b>\$ 95,526,777</b>
				MBS MODEL TDC
				110,797,398
				DELTA
				\$ (15,270,621)
				Public Works Basis Adjustment
				1,744,987
				Actual Delta
				\$ (17,015,608)

Unit Mix Breakdown								
LIHTC	LIHTC			Non-LIHTC				Total
AMI	30.0%	50.0%	60.0%	80.0%			Market	Total
Voucher	PBV	PBV	Non-PBV	Non-PBV	PBV	Total	Non-PBV	Total
1	24	2	9	2	1	3	10	48
2	37	5	99	8	3	11	50	202
3	26	4	4	2	1	3	6	43
4	5	1	0	1	0	1	2	9
Total	92	12	112	13	5	18	68	302
LIHTC / Non-LIHTC		71.5%	216			34.4%	104	

LIHTC Units	30.0%	50.0%	60.0%	Total
1	24	2	9	35
2	37	5	99	141
3	26	4	4	34
4	5	1	0	6
Total	92	12	112	216

Non-LIHTC Units	80.0%	Market	Total
1	3	10	13
2	11	50	61
3	3	6	9
4	1	2	3
Total	18	68	86

PBV Units	30.0%	50.0%	80.0%	Total
1	24	2	1	27
2	37	5	3	45
3	26	4	1	31
4	5	1	0	6
Total	92	12	5	109

Non-PBV Units	60.0%	80.0%	Market	Total
1	9	2	10	21
2	99	8	50	157
3	4	2	6	12
4	0	1	2	3
Total	112	13	68	193

		rate	Closing	0	1	2	3
					4/1/26	5/1/26	6/1/26
Tax Exempt Bond (CF)	\$ 52,000,000	3.50%		\$	151,667	\$ 151,667	\$ 151,667
Taxable Bond (Bridge Loan)	\$ 12,244,543	4.50%		\$	45,917	\$ 45,917	\$ 45,917
<b>Bond Interest</b>	<b>\$ 6,717,846</b>		<b>\$ -</b>	<b>\$ 197,584</b>	<b>\$ 197,584</b>	<b>\$ 197,584</b>	
Construction Draws	\$ (58,554,637)		\$ -	\$ (2,492,911)	\$ (2,502,295)	\$ (2,511,714)	
Investment Balance (start)	\$ 64,244,543		\$ 64,244,543	\$ 64,244,543	\$ 61,751,632	\$ 59,249,337	
Ending			\$ 64,244,543	\$ 61,751,632	\$ 59,249,337	\$ 56,737,623	
Reinvestment Rate	\$ 2,597,251	3.60%	\$ -	\$ 188,994	\$ 181,501	\$ 173,980	
Net Bond Interest	\$ 4,120,595						
Margin of Error	\$ 100,000						
Interest Reserve	\$ 4,220,595						

	4		5		6		7		8		9		10		11
	7/1/26		8/1/26		9/1/26		10/1/26		11/1/26		12/1/26		1/1/27		2/1/27
\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667
\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917
<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>

\$ (2,521,168) \$ (2,530,658) \$ (2,540,184) \$ (2,549,746) \$ (2,559,343) \$ (2,568,977) \$ (2,578,647) \$ (2,588,353)

\$ 56,737,623 \$ 54,216,455 \$ 51,685,796 \$ 49,145,612 \$ 46,595,867 \$ 44,036,524 \$ 41,467,547 \$ 38,888,900

\$ 54,216,455 \$ 51,685,796 \$ 49,145,612 \$ 46,595,867 \$ 44,036,524 \$ 41,467,547 \$ 38,888,900 \$ 36,300,547

\$ 166,431 \$ 158,853 \$ 151,247 \$ 143,612 \$ 135,949 \$ 128,256 \$ 120,535 \$ 112,784

	12		13		14		15		16		17		18		19
	3/1/27		4/1/27		5/1/27		6/1/27		7/1/27		8/1/27		9/1/27		10/1/27
\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667
\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917
<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>

\$ (2,598,096) \$ (2,715,046) \$ (2,669,000) \$ (2,622,595) \$ (2,575,828) \$ (2,528,698) \$ (2,483,563) \$ (2,483,563)

\$ 36,300,547 \$ 33,702,451 \$ 30,987,405 \$ 28,318,405 \$ 25,695,810 \$ 23,119,982 \$ 20,591,284 \$ 18,107,721

\$ 33,702,451 \$ 30,987,405 \$ 28,318,405 \$ 25,695,810 \$ 23,119,982 \$ 20,591,284 \$ 18,107,721 \$ 15,624,158

\$ 105,004 \$ 97,035 \$ 88,959 \$ 81,021 \$ 73,224 \$ 65,567 \$ 58,049 \$ 50,598

	20		21		22		23		24		25		26		27		28
	11/1/27		12/1/27		1/1/28		2/1/28		3/1/28		4/1/28		5/1/28		6/1/28		7/1/28
\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667
\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917
<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>

\$ (2,483,563) \$ (2,483,563) \$ (2,483,563) \$ (2,483,563) \$ - \$ - \$ - \$ - \$ -

\$ 15,624,158 \$ 13,140,595 \$ 10,657,032 \$ 8,173,469 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906

\$ 13,140,595 \$ 10,657,032 \$ 8,173,469 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906 \$ 5,689,906

\$ 43,147 \$ 35,696 \$ 28,246 \$ 20,795 \$ 17,070 \$ 17,070 \$ 17,070 \$ 17,070 \$ 17,070

	29		30		31		32		33		34
	8/1/28		9/1/28		10/1/28		11/1/28		12/1/28		1/1/29
\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667	\$	151,667
\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917	\$	45,917
<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>	<b>\$</b>	<b>197,584</b>

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\$ 17,070 \$ 17,070 \$ 17,070 \$ 17,070 \$ 17,070 \$ 17,070



Source and Use Of Funds				
<b>Sources of Funds:</b>		<b>Construction</b>		<b>Permanent</b>
Permanent Financing		\$ -	\$	45,078,785
Tax Credit Equity Installment #1	20.0%	5,694,259		5,694,259
FWHS CNI		7,500,000		7,500,000
FWHFC PSH & Match		1,850,000		1,850,000
City HOME, UDAG, ARPA		4,116,279		4,116,279
HUD CPF		1,050,000		1,050,000
Construction Loan		52,000,000		-
Equity Bridge Loan		12,244,543		-
Bond Investment Earnings & Interim Cash Flow		-		2,158,424
LIHTC Equity (TC) - 2nd Installment	60.0%	-		17,082,778
LIHTC Equity (TC) - 3rd Installment	15.0%	-		4,270,694
LIHTC Equity (TC) - 4th Installment	5.0%	-		1,423,565
Deferred Developer Fee		-		5,159,476
Total Source of Funds		\$ 84,455,082	\$	95,384,260
<b>Uses of Funds:</b>		<b>Construction</b>		<b>Permanent</b>
Acquisition Costs:		\$ 1,771,667	\$	1,771,667
Hard Costs:		64,981,665		64,981,665
Soft Costs:		14,644,518		14,644,518
Reserves		-		1,757,483
Sponsor Fees		3,057,232		12,228,927
Total Use of Funds		\$ 84,455,082		95,384,260

Hughes House II Model  
15 Year Cash Flow Summary

Year	Rent Growth	Expense Growth	PSF Rents	Potential Rent	Vacancy & Concessions	Effective Gross Income (EGI)	Controllable Expenses	Property Tax	Non-Control Expenses	Net Operating Income (NOI)	Loan Interest	Loan Amortization	Compliance & Related	Net Cash Flow (NCF)	Developer Fee		Remaining Cash Flow
															Current	Deferred	
0	0.0%	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,767,363	\$ -	\$ -
1	2.0%	3.0%	-	-	-	-	-	-	(135,763)	(135,763)	-	-	(6,015,994)	(6,151,757)	-	-	-
2	2.0%	3.0%	1.24	5,023,296	(1,859,102)	3,164,194	(1,153,419)	(16,036)	(595,825)	1,398,915	-	-	168,097	1,567,012	-	1,567,012	-
3	2.0%	3.0%	1.38	5,584,963	(276,802)	5,308,161	(1,294,436)	(17,997)	(541,587)	3,454,141	(1,739,536)	(208,992)	(4,481)	1,501,132	5,302,088	-	-
4	2.0%	3.0%	1.41	5,696,662	(282,338)	5,414,324	(1,333,269)	(18,537)	(556,237)	3,506,281	(2,593,793)	(328,999)	(10,887)	572,602	-	572,602	-
5	2.0%	3.0%	1.44	5,810,595	(287,985)	5,522,610	(1,373,267)	(19,093)	(571,294)	3,558,956	(2,574,196)	(348,597)	(10,619)	625,545	-	625,545	-
6	2.0%	3.0%	1.47	5,926,807	(293,744)	5,633,063	(1,414,465)	(19,666)	(586,771)	3,612,161	(2,553,431)	(369,361)	(10,343)	679,025	-	679,025	-
7	2.0%	3.0%	1.50	6,045,343	(299,619)	5,745,724	(1,456,899)	(20,256)	(602,679)	3,665,891	(2,531,429)	(391,363)	(10,059)	733,039	-	733,039	-
8	2.0%	3.0%	1.53	6,166,250	(305,612)	5,860,638	(1,500,606)	(20,863)	(619,030)	3,720,140	(2,508,117)	(414,676)	(9,766)	787,581	-	787,581	-
9	2.0%	3.0%	1.56	6,289,575	(311,724)	5,977,851	(1,545,624)	(21,489)	(635,837)	3,774,902	(2,483,416)	(439,376)	(9,465)	842,644	-	842,644	-
10	2.0%	3.0%	1.59	6,415,367	(317,958)	6,097,408	(1,591,993)	(22,134)	(653,112)	3,830,169	(2,457,244)	(465,549)	(9,155)	898,222	-	898,222	-
11	2.0%	3.0%	1.62	6,543,674	(324,318)	6,219,356	(1,639,752)	-	(693,668)	3,885,936	(2,429,513)	(493,280)	(8,836)	954,307	-	20,819	933,488
12	2.0%	3.0%	1.65	6,674,547	(330,804)	6,343,743	(1,688,945)	-	(712,606)	3,942,192	(2,400,129)	(522,663)	(8,507)	1,010,892	-	-	1,010,892
13	2.0%	3.0%	1.69	6,808,038	(337,420)	6,470,618	(1,739,613)	-	(732,075)	3,998,930	(2,368,996)	(553,797)	(8,169)	1,067,969	-	-	1,067,969
14	2.0%	3.0%	1.72	6,944,199	(344,168)	6,600,031	(1,791,802)	-	(752,090)	4,056,139	(2,336,008)	(586,785)	(7,820)	1,125,526	-	-	1,125,526
15	2.0%	3.0%	1.61	6,487,454	(321,531)	6,165,923	(1,689,667)	-	(772,652)	3,703,604	(2,110,685)	(361,462)	(45,270)	1,186,186	-	-	1,186,186
															\$ 7,069,451	\$ 6,726,488	\$ 5,324,062

## **EXHIBIT B: Market Study**

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Market Study [Dropbox]: [Link](#)

**EXHIBIT C: Tax Credit Application**

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Please see LIHTC application and developer Market Study on TDHCA website at the addresses below:

LIHTC Application [TDHCA]: [Link \(24475\)](#)

**EXHIBIT D: FWHS Audit**

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Here is a link to the FWHS 2024 audit: <https://fwhs.org/wp-content/uploads/2025/10/FWHS-Signed-Final-Report-and-Financial-Statements.pdf>