



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1162

Agenda Date: 10/9/2025

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Gatesville Crossing (HTC #24224)

RECOMMENDED ACTION

WHEREAS, Gatesville Crossing (Development) received an award of 9% Housing Tax Credits (HTCs) in 2024 for the new construction of 32 multifamily units, 28 of which were designated as low-income units, for the general population in Gatesville, Coryell County;

WHEREAS, Gatesville Crossing, LP (Applicant) requests approval for a decrease of six units in the total number of units from 32 to 26, by removing all four market rate units and two low-income units to ensure financial feasibility, representing a reduction of 7.14% in the number of low-income units and a reduction of 18.75% in the overall number of units;

WHEREAS, the reduction in units would result in an 18.75% decrease in residential density, from 5.43 units per acre to 4.41 units per acre;

WHEREAS, the Applicant requests approval for changes to the architectural design of the Development, including a reduction to the Net Rentable Area (NRA) from 32,028 square feet to 25,308 square feet, which is a reduction of 6,720 square feet or 20.98%, and for a reduction in the Common Area from 5,206 square feet to 4,978 feet, representing a reduction of 228 square feet or 4.38%;

WHEREAS, Board approval is required for a modification of the number of Units or bedroom mix of the Units, a reduction of 3% or more in the square footage of the Units or Common Area, a significant modification of the architectural design, and a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(2), (4), (5), and (6) and 10 TAC §10.405(a)(4)(B), (D), (E), and (F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development or negatively impact the viability of the transaction and would not have caused the Application to not be awarded in the competitive round or affect the HTC amount awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Gatesville Crossing is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Gatesville Crossing was approved for a 9% HTC award in 2024 for the construction of 32 units, of which 28 were designated as low-income units, of multifamily housing for the general population in Gatesville, Coryell County. In a letter dated August 25, 2025, Bronte Bejarano, the representative for the Applicant, requested approval for a material amendment to the Application.

The Applicant is requesting approval for a reduction to the number of units from 32 to 26, by removing the four market units and two HTC units, which represents a reduction of 7.14% in the number of low-income units and a reduction of 18.75% in total units. The reduction to the number of units will result in the reduction to the units at 60% of Area Median Income (AMI) from 28 units to 26 units. There are no changes to the square footage of the units. The Net Rentable Area would decrease from 32,028 square feet to 25,308 square feet, a reduction of 6,720 square feet (20.98%). The revised unit mix includes four one-bedroom units, 18 two-bedroom units, and four three-bedroom units instead of the originally proposed four one-bedroom units, 20 two-bedroom units, and eight three-bedroom units. The Development was originally proposed with two residential buildings, and as proposed in this amendment, all units will be in one building. The reduction to the number of units would result in an 18.75% decrease in residential density from 5.43 units per acre to 4.41 units per acre. Additionally, the Applicant requests approval for a reduction to the total Common Area from 5,206 square feet to 4,978 square feet due to a reduction to the breezeways size, a decrease of 228 square feet (4.38%), and to reduce the number of parking spaces, all of which are surface, from 55 to 50. The Applicant states that this redesign is needed to ensure financial feasibility of the Development.

The Applicant indicated that, due to circumstances that were not reasonably foreseeable or preventable by the Applicant at the time the Application was submitted, the initial design of the Development is no longer financially viable. The Applicant provided correspondences from the lender and syndicator which respectively cite an increase in the permanent interest rate from 6.75% anticipated at Application to 7.50% currently, and a decrease in credits price from \$0.84 anticipated at Application to \$0.73 currently. The Applicant states the rural location of the Development is contributing to a particularly steep drop in credit price, and tariffs are contributing to higher construction costs. The provided letter from the syndicator also cites increases in construction costs and property insurance, and changes in the equity markets since their initial underwriting.

Staff confirmed that the revised design plans and parking will continue to meet accessibility requirements. Additionally, staff reviewed the original Application and scoring documentation against this amendment request and has concluded that none of the changes would have affected the selection of the Application in the competitive round. The Development was re-underwritten with the proposed amendment and revised financial information. The analysis supports no change to the HTC allocation and demonstrates the Development remains feasible.

Staff recommends approval of the amendment as presented herein.

**Real Estate Analysis Division**

September 23, 2025

Addendum to Underwriting ReportTDHCA Application #: **24224**Program(s): **9% HTC****Gatesville Crossing**Address/Location: Approx 2909 S Hwy 36City: GatesvilleCounty: CoryellZip: 76528

	APPLICATION HISTORY
Report Date	PURPOSE
09/09/25	Amendment
06/25/24	Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
LIHTC (9% Credit)	\$1,036,766				\$1,036,766						

CONDITIONS STATUS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

PREVIOUS SET-ASIDES

PREVIOUS TDHCA SET-ASIDES FOR HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	28

CURRENT SET-ASIDES

CURRENT TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	26

PREVIOUS SITE PLAN



NEW SITE PLAN



ANALYSIS

The development originally was awarded a 9% HTC allocation of \$1,036,766 in 2024.

The applicant is now requesting a material amendment to reduce the total number of units from 32 to 26. This request resulted from unforeseen financial circumstances. The Applicant is now seeing an increase in construction costs because of tariffs, declining equity pricing and rising interest rates.

The development originally had two buildings with 32 units, which included four Market Rate units and 28 HTC units at 60% AMI. The applicant is now proposing one building with 26 HTC units at 60% AMI.

This reflects a 18.75% decrease in the total number of units and 7.14% decrease in HTC units. The unit sizes will remain the same.

The new unit mix will now be 4 one-bedroom; 18 two-bedroom; and 4 three-bedroom units. The NRA has decreased from 32,208 s.f. to 25,308 s.f. (20.98%).

The common area has also decreased from 5,206 s.f. to 4,978 s.f. (4.38%).

Local parking requirements: 1 spaces for all units and 1 spaces for each 3-BR units;

Total units 26 plus 3 3-BR unit = 29 parking spaces required.

Total parking spaces provided now is 50 spaces. The development meets the local parking requirements.

Operating Pro Forma

2025 rents are being used.

Underwriter chose the comparables with the same property management company and updated the expense with reported year-end 2024 expenses.

Effective Gross Income has decreased from \$355,910 to \$305,339.

Total Expenses decreased by 18k; NOI has decreased by \$32k.

The DCR has increased from 1.15 to 1.31.

Applicant provided insurance quote to support \$862 per unit.

Development Cost

A Schedule of Values or contract bid was not provided, therefore, the Underwriter re-costed out the building using the Architectural Drawings provided in the application with the most current available Marshall and Swift's costs.

Underwriter adjusted the base building costs due to low numbers of units in the development.

Building cost decreased by \$680k; Site work decreased by \$314k; Site Amenities increased by \$23k;

Developer Fee decreased by \$445k.

Total Development Costs decreased by \$1.6M.

Sources of Funds

The Construction to Perm Loan lender has changed from PNC to Sterling Bank.

The construction loan amount and interest remained the same; \$8.5M / 24months / 7.25%.

The permanent phase loan decreased from \$2,204,271 to \$1,465,355 and the interest rate increased from 6.75% to 7.5%. The loan term has been increased from 15 years to 16 years.

The equity investor changed from PNC to Raymond James.

The Capital Contribution decreased from \$8,707,959 to \$7,567,635.

The credit price decreased from \$0.84 to \$0.73.

The Deferred Developer Fee decreased from \$465,113 to \$254,462 and pays off in year 7.

Applicant added a General Partner Promissory Note to be paid through cash flow. The loan amount is \$435k at 2% interest rate with a 30-year term.

The original annual 9% HTC allocation of \$1,036,766 is still recommended.

Underwriter:	<u>Bin Ni</u>
Manager of Real Estate Analysis:	<u>Robert Castillo</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
<i>Gatesville Crossing, Gatesville, 9% HTC #24224</i>

LOCATION DATA	
CITY:	Gatesville
COUNTY:	Coryell
Area Median Income	\$88,900
PROGRAM REGION:	8
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	-	0.0%	0	0	0	0
1	4	15.4%	0	0	0	0
2	18	69.2%	0	0	0	0
3	4	15.4%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	26	100.0%	-	-	-	-

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	973 sf

60%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	-	-	-	26	-	-	-	26
Income	% Total	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 60%	\$925	4	1	1	751	\$925	\$61	\$864	\$0	\$1.15	\$864	\$3,456	\$3,456	\$864	\$1.15	\$0	\$925	\$1.23	\$1,200
TC 60%	\$1,110	18	2	2	974	\$1,110	\$80	\$1,030	\$0	\$1.06	\$1,030	\$18,540	\$18,540	\$1,030	\$1.06	\$0	\$1,110	\$1.14	\$1,300
TC 60%	\$1,282	4	3	2	1,193	\$1,282	\$99	\$1,183	\$0	\$0.99	\$1,183	\$4,732	\$4,732	\$1,183	\$0.99	\$0	\$1,282	\$1.07	\$1,450
TOTALS/AVERAGES:		26			25,308				\$0	\$1.06	\$1,028	\$26,728	\$26,728	\$1,028	\$1.06	\$0	\$1,108	\$1.14	\$1,308

ANNUAL POTENTIAL GROSS RENT:	\$320,736	\$320,736
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*MFDL units float among Unit Types

STABILIZED PRO FORMA

Gatesville Crossing, Gatesville, 9% HTC #24224

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Alpha Barnes Management Co.		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				1.06	\$1,028	\$320,736	\$373,248	\$373,248	\$320,736	\$1,028	\$1.06		0.0%	\$0
late fees, app fees, pet fees, retained deposits, interest income					\$30.00	\$9,360	11,520							
Total Secondary Income					\$30.00			11,520	\$9,360	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$330,096	\$384,768	\$384,768	\$330,096				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(24,757)	(28,858)	(28,858)	(24,757)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$305,339	\$355,910	\$355,910	\$305,339				0.0%	\$0

General & Administrative	\$12,618	\$485/Unit	\$14,425	\$555	3.62%	\$0.44	\$425	\$11,050	\$13,600	\$15,767	\$14,425	\$555	\$0.57	4.72%	-23.4%	(3,375)
Management	\$18,569	8.6% EGI	\$12,687	\$488	5.00%	\$0.60	\$587	\$15,267	\$17,796	\$17,796	\$15,267	\$587	\$0.60	5.00%	0.0%	0
Payroll & Payroll Tax	\$29,667	\$1,141/Unit	\$36,871	\$1,418	10.69%	\$1.29	\$1,256	\$32,650	\$32,800	\$32,800	\$32,650	\$1,256	\$1.29	10.69%	0.0%	-
Repairs & Maintenance	\$22,307	\$858/Unit	\$26,033	\$1,001	5.53%	\$0.67	\$650	\$16,900	\$20,800	\$20,800	\$16,900	\$650	\$0.67	5.53%	0.0%	-
Electric/Gas	\$8,299	\$319/Unit	\$4,015	\$154	2.13%	\$0.26	\$250	\$6,500	\$7,200	\$4,792	\$4,015	\$154	\$0.16	1.32%	61.9%	2,485
Water, Sewer, & Trash	\$17,360	\$668/Unit	\$29,495	\$1,134	5.11%	\$0.62	\$600	\$15,600	\$19,200	\$21,366	\$17,360	\$668	\$0.69	5.69%	-10.1%	(1,760)
Property Insurance	\$15,186	\$0.60 /sf	\$21,892	\$842	7.34%	\$0.89	\$862	\$22,418	\$23,060	\$23,060	\$22,418	\$862	\$0.89	7.34%	0.0%	-
Property Tax (@ 100%) 1.8389	\$12,498	\$481/Unit	\$17,820	\$685	8.52%	\$1.03	\$1,000	\$26,000	\$28,800	\$32,683	\$27,146	\$1,044	\$1.07	8.89%	-4.2%	(1,146)
Reserve for Replacements					2.13%	\$0.26	\$250	\$6,500	\$8,000	\$8,000	\$6,500	\$250	\$0.26	2.13%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.34%	\$0.04	\$40	\$1,040	\$1,120	\$1,120	\$1,040	\$40	\$0.04	0.34%	0.0%	-
TOTAL EXPENSES					50.41%	\$6.08	\$5,920	\$153,925	\$172,376	\$178,184	\$157,721	\$6,066	\$6.23	51.65%	-2.4%	\$ (3,796)
NET OPERATING INCOME ("NOI")					49.59%	\$5.98	\$5,824	\$151,414	\$183,535	\$177,726	\$147,617	\$5,678	\$5.83	48.35%	2.6%	\$ 3,796

CONTROLLABLE EXPENSES							\$3,181/Unit						\$3,283/Unit			
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>Gatesville Crossing, Gatesville, 9% HTC #24224</i>

		DEBT / GRANT SOURCES																				
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE										
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative						
UW	App	Applicant	TDHCA						DCR	LTC												
DEBT (Must Pay)	Fee	1.28	1.31	115,717	7.50%	40	16.0	\$1,465,355	\$2,204,271	\$2,204,271	\$1,465,355	16.0	40.0	7.50%	\$115,717	1.31	15.1%					
CASH FLOW DEBT / GRANTS																						
City of Gatesville		1.28	1.31		0.00%	0	0.0	\$250	\$250	\$250	\$250	0.0	0.0	0.00%		1.31	0.0%					
General Partner Loan "Promissory Note"		1.28	1.31		2.00%	0	30.0	\$435,000			\$435,000	30.0	0.0	2.00%		1.31	4.5%					
				\$115,717	TOTAL DEBT / GRANT SOURCES			\$1,900,605			\$1,900,605	TOTAL DEBT SERVICE			\$115,717	1.31	19.5%					
NET CASH FLOW		\$31,900	\$35,697	APPLICANT														NET OPERATING INCOME		\$151,414	\$35,697	NET CASH FLOW

EQUITY / DEFERRED FEES	EQUITY SOURCES												
	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
								Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
	Prior Underwriting												
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Raymond James	LIHTC Equity	77.8%	\$1,036,766	\$0.73	\$7,567,635	\$8,707,959	\$8,707,959	\$7,567,635	\$0.73	\$1,036,766	77.8%	\$39,876	Applicant Request
0		0.0%			\$0	\$0					0.0%		
0		0.0%			\$0	\$0					0.0%		
Lone Star Development TX, LLC	Deferred Developer Fees	2.6%	(31% Deferred)		\$254,462	\$465,113	\$465,113	\$254,462	(31% Deferred)		2.6%	Total Developer Fee:	\$822,500
0		0.0%			\$0	\$0					0.0%		
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		80.5%			\$7,822,097	\$9,173,072	\$9,173,072	\$7,822,097			80.5%		
TOTAL CAPITALIZATION					\$9,722,702	\$11,377,593	\$11,377,593	\$9,722,702			15-Yr Cash Flow after Deferred Fee:		\$447,229

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE	
Eligible Basis		Total Costs			Prior Underwriting		Total Costs			Eligible Basis		%	\$
Acquisition	New Const. Rehab				Applicant	TDHCA				New Const. Rehab	Acquisition		
Land Acquisition		\$16,731 / Unit	\$435,000		\$435,000	\$435,000	\$435,000	\$16,731 / Unit				0.0%	\$0
Building Acquisition	\$0	\$ / Unit	\$0		\$0	\$0	\$0	\$ / Unit			\$0	0.0%	\$0
Off-Sites	\$0	\$5,769 / Unit	\$150,000		\$150,000	\$150,000	\$150,000	\$5,769 / Unit	\$0			0.0%	\$0
Site Work	\$1,084,686	\$43,093 / Unit	\$1,120,416		\$1,434,715	\$1,434,715	\$1,120,416	\$43,093 / Unit	\$1,084,686			0.0%	\$0
Site Amenities	\$167,000	\$6,423 / Unit	\$167,000		\$143,500	\$143,500	\$167,000	\$6,423 / Unit	\$167,000			0.0%	\$0
Building Cost	\$4,379,126	\$173.03 /sf	\$168,428/Unit	\$4,379,126	\$5,059,405	\$4,555,431	\$4,064,518	\$156,328/Unit	\$160.60 /sf	\$4,064,518		7.7%	\$314,608
Contingency	\$290,827	5.16%	5.00%	\$290,827	\$339,381	\$339,381	\$290,827	5.29%	5.47%	\$290,827		0.0%	\$0
Contractor Fees	\$817,814	13.81%	13.39%	\$817,814	\$997,780	\$927,224	\$810,987	14.00%	14.00%	\$784,984		0.8%	\$6,827
Soft Costs	\$0	\$516.347	\$20,436 / Unit	\$531,347	\$561,020	\$561,020	\$531,347	\$20,436 / Unit		\$516,347	\$0	0.0%	\$0
Financing	\$0	\$784,697	\$33,610 / Unit	\$873,851	\$823,307	\$823,307	\$873,851	\$33,610 / Unit		\$784,697	\$0	0.0%	\$0
Developer Fee	\$0	\$822,500	10.23%	10.00%	\$822,500	\$1,267,500	\$822,500	10.44%	10.69%	\$822,500	\$0	0.0%	\$0
Reserves			6 Months	\$134,821	\$165,986	\$331,971	\$269,642	12 Months				-50.0%	(\$134,821)
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$8,862,997	\$373,950 / Unit	\$9,722,702	\$11,377,593	\$10,969,049	\$9,536,088	\$366,773 / Unit	\$8,515,560	\$0	2.0%	\$186,614
Acquisition Cost	\$0			\$0	\$0								
Contingency		\$0		\$0	\$0								
Contractor's Fee		\$0		\$0	\$0								
Financing Cost		\$0											
Developer Fee	\$0	\$0		\$0	\$0								
Reserves				\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$8,862,997	\$373,950/unit	\$9,722,702	\$11,377,593	\$10,969,049	\$9,536,088	\$366,773/unit	\$8,515,560	\$0	2.0%	\$186,614
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$9,722,702								

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>Gatesville Crossing, Gatesville, 9% HTC #24224</i>

CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$8,862,997	\$0	\$8,515,560
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$8,862,997	\$0	\$8,515,560
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$11,521,896	\$0	\$11,070,228
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$11,521,896	\$0	\$11,070,228
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,036,971	\$0	\$996,320
CREDITS ON QUALIFIED BASIS	\$1,036,971		\$996,320	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS			FINAL ANNUAL LIHTC ALLOCATION		
Method	Annual Credits	Proceeds	Credit Price \$0.7299	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,036,971	\$7,569,129	----	----	----
Needed to Fill Gap	\$1,071,627	\$7,822,097	----	----	----
Applicant Request	\$1,036,766	\$7,567,635	\$1,036,766	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden/Townhome	25,308 SF	\$139.77	3,537,334
Adjustments				
Exterior Wall Finish	3.20%		4.47	\$113,195
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.40%		4.75	120,269
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(5,399)
Floor Cover			3.68	93,133
Breezeways	\$38.92	3,024	4.65	117,695
Balconies	\$38.96	1,931	2.97	75,228
Plumbing Fixtures	\$2,130	66	5.55	140,580
Rough-ins	\$790	52	1.62	41,080
Built-In Appliances	\$3,675	26	3.78	95,550
Exterior Stairs	\$3,550	5	0.70	17,750
Heating/Cooling			3.12	78,961
Storage Space	\$38.92	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$151.63	1,557	9.33	236,091
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	\$3.65	29,889	4.31	109,095
SUBTOTAL			188.50	4,770,561
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			188.50	\$4,770,561
Plans, specs, survey, bldg permits	3.30%		(6.22)	(\$157,429)
Contractor's OH & Profit	11.50%		(21.68)	(\$48,615)
NET BUILDING COSTS		\$156,328/unit	\$160.60/sf	\$4,064,518

Long-Term Pro Forma

Gatesville Crossing, Gatesville, 9% HTC #24224

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$305,339	\$311,446	\$317,674	\$324,028	\$330,509	\$364,908	\$402,888	\$444,821	\$491,118	\$542,234	\$598,670	\$660,981
TOTAL EXPENSES	3.00%	\$153,925	\$158,390	\$162,986	\$167,717	\$172,586	\$199,163	\$229,877	\$265,379	\$306,419	\$353,868	\$408,734	\$472,183
NET OPERATING INCOME ("NOI")		\$151,414	\$153,055	\$154,688	\$156,311	\$157,922	\$165,745	\$173,011	\$179,442	\$184,699	\$188,366	\$189,936	\$188,798
EXPENSE/INCOME RATIO		50.4%	50.9%	51.3%	51.8%	52.2%	54.6%	57.1%	59.7%	62.4%	65.3%	68.3%	71.4%
MUST -PAY DEBT SERVICE													
Sterling Bank		\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717
TOTAL DEBT SERVICE		\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717	\$115,717
DEBT COVERAGE RATIO		1.31	1.32	1.34	1.35	1.36	1.43	1.50	1.55	1.60	1.63	1.64	1.63
ANNUAL CASH FLOW													
Deferred Developer Fee Balance		\$218,765	\$181,426	\$142,455	\$101,861	\$59,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$175,016	\$447,229	\$753,390	\$1,088,334	\$1,444,976	\$1,813,884	\$2,182,787

Aug 25th, 2025
Sussette Kenney
Asset Management
TDHCA
P.O. BOX 13941
Austin, TX 78711-3941

Re: HTC 24224 Gatesville Crossing Material Amendment Request

Dear Ms. Kenney,

This letter concerns a material amendment request for 24224 Gatesville Crossing to reduce the total number of units from 32 units to 26 units (with associated architectural changes). This request is due to financing challenges that are out of the Applicant's control.

At the time of the 2024 application submittal, many of the disruptions caused by COVID-19 in the housing industry had begun to stabilize. However, since then, the developer has faced significant and compounding financial challenges, including new increases in construction costs, declining equity pricing, and rising interest rates, all of which have created a budget gap.

One of the primary drivers of increased construction costs has been the uncertainty concerning tariffs on key building materials. Cost increases due to tariffs have had widespread impact across the construction industry. In response, the developer sought competitive bids from multiple contractors to mitigate costs, but even the most favorable estimates were still significantly higher than those available at the time of the original application.

The most impactful change has been the dramatic decrease in equity pricing. At application equity pricing was \$0.84 per tax credit dollar. Now the most favorable rate the developer could procure for a rural region was \$0.73 per tax credit dollar, a 13% decrease or a \$1.14 million decrease in funds available for the project.

In conjunction with decreasing equity pricing, interest rates have also risen. At application the interest rates for the construction and permanent phase were 7.25% and 6.75% respectively. While the construction loan interest rate has remained the same, the permanent loan interest rate has increased by ~11% to 7.50%.

The developer explored every available, but the rural location of the development limits the number of solutions to address these changes. There are not soft funds in the area nor is the development eligible for a tax exemption. Without a way to raise additional funds to the development, the only viable solution was to modify the scope of the development.

At application the development had 32 units; 4 one bedrooms, 20 two bedrooms and 8 three bedrooms. To address the cost escalation, the developer is proposing reducing the total number of

units to 26 units. The new unit mix will be comprised of 4 one bedrooms, 18 two bedrooms and 4 three bedrooms.

The development originally was 32,028 NRA SF and 5,206 SF of common area. The square footage of the units will remain the same and with the reduction of units the new NRA SF will be 25,308 SF. The common area also decreased from 5,206 SF to 4,978 SF, a ~4.4% reduction. To minimize costs without reducing the quality of common spaces, only the common area attributed to the breezeways was reduced.

The development originally had 32 units, 4 market and 28 units at 60% AMI. The developer is proposing a decrease of 6 units in total; 4 market rate and 2 LI units, or a 7.14% decrease in the number of LI units.

Concurrent with the decrease in units, the number of parking spots has decreased. At application there were 55 stalls in total: 47 standard, 6 standard ADA and 2 van accessible. The proposed changes would yield 50 stalls in total: 43 standard, 5 standard ADA and 2 van accessible.

Please note that even though these proposed changes result in a point decrease, Gatesville Crossing was the only development in its region. Thus, Gatesville Crossing would have still been awarded if it had submitted at the proposed point level.

Please see the attached architectural plans and application forms regarding the unit reduction. Financial letters are provided by Sterling Bank who has reviewed this project and upon approval of this amendment and a force majeure request will allow the developer to close almost immediately after the October board meeting. Please also see the attached from Raymond Jones that elaborates on the need for this amendment and confirms that this development is infeasible without the reduction in units.

Thank you for your attention and consideration of this amendment request. If this amendment is approved, the developer is prepared to close in October 2025 and begin construction shortly thereafter. The good cause for this amendment is to enable this project to move forward and provide much needed affordable units in Athens. This application is also requesting a Credit Return resulting from Force Majeure Events that has been submitted under separate cover.

Please contact me at 512-689-9409 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bronte Bejarano". The script is cursive and fluid, with the first letter of each name being capitalized and prominent.

Bronte Bejarano

S Anderson Consulting



August 25, 2025

*Gatesville Crossing, LP
Attn: J. Ryan Hamilton
3556 S. Culpepper Circle, Suite 4
Springfield, MO 65804*

*RE: Gatesville Crossing
26 LIHTC Units
Gatesville, TX*

Dear Mr. Hamilton:

The Gatesville Crossing project was originally proposed with 32 units. Since that time, equity pricing decreased from \$0.84 to \$0.73, which makes the project completely infeasible. We appreciate Trinity's solution to reduce the unit count from 32 to units to 26, which allows the development to move forward.

Best regards,


*Philip M. Minden
Executive Vice President*

RAYMOND JAMES®

July 20, 2025

Ryan Hamilton
Trinity Housing Development Texas, LLC
3556 S. Culpepper, Suite 7
Springfield, MO

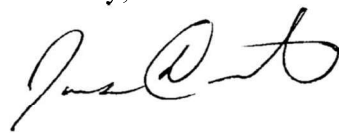
RE: Gatesville Crossing & Athens Trails Unit Count Reduction & Placed In Service Request
TDHCA #24224 & 24215

Dear Mr. Hamilton,

As the proposed syndicator for the abovementioned developments, I need to raise the concerns regarding viability of the underwriting and the Placed In Service date of 12/31/26. After multiple reviews of the underwriting, it has become apparent that the current market conditions do not appear to make these developments viable without an adjustment to the tax credit price. At the time the General Partner submitted these applications, the equity market was noticeably different then where we are today. Based on current market conditions, RJAHI has proposed tax credit pricing of \$0.73 to satisfy current investor return requirements. This adjustment in pricing coupled with the headwinds of the higher construction costs in the development budget and insurance costs in the operating budget make the developments only feasible by reducing the unit count.

Additionally, we plan to diligently work toward a closing with the overall development team, but based on current timing, it seems that a closing date of mid to late October is realistic. It is our typical underwriting guideline to have a 90 day buffer to the construction schedule when compared to the completion date. Given the current construction schedule of 16 months and a closing in mid/late October, we would exceed our underwriting guideline as well as the Placed In Service deadline of 12/31/26. Therefore, please consider this request to grant a force majeure change with a Placed In Service deadline of 12/31/27.

Sincerely,



James Dunton
Managing Director of Acquisitions
Raymond James Affordable Housing Investments, Inc.

Raymond James Affordable Housing Investments
A Subsidiary of Raymond James Financial

880 Carillon Parkway • St. Petersburg, FL 33716
800-438-8088 Toll Free • 727-567-8455 Fax
Visit our Web Site at www.raymondjames/ahi.com

GATESVILLE CROSSING

GATESVILLE, CORYELL COUNTY, TEXAS

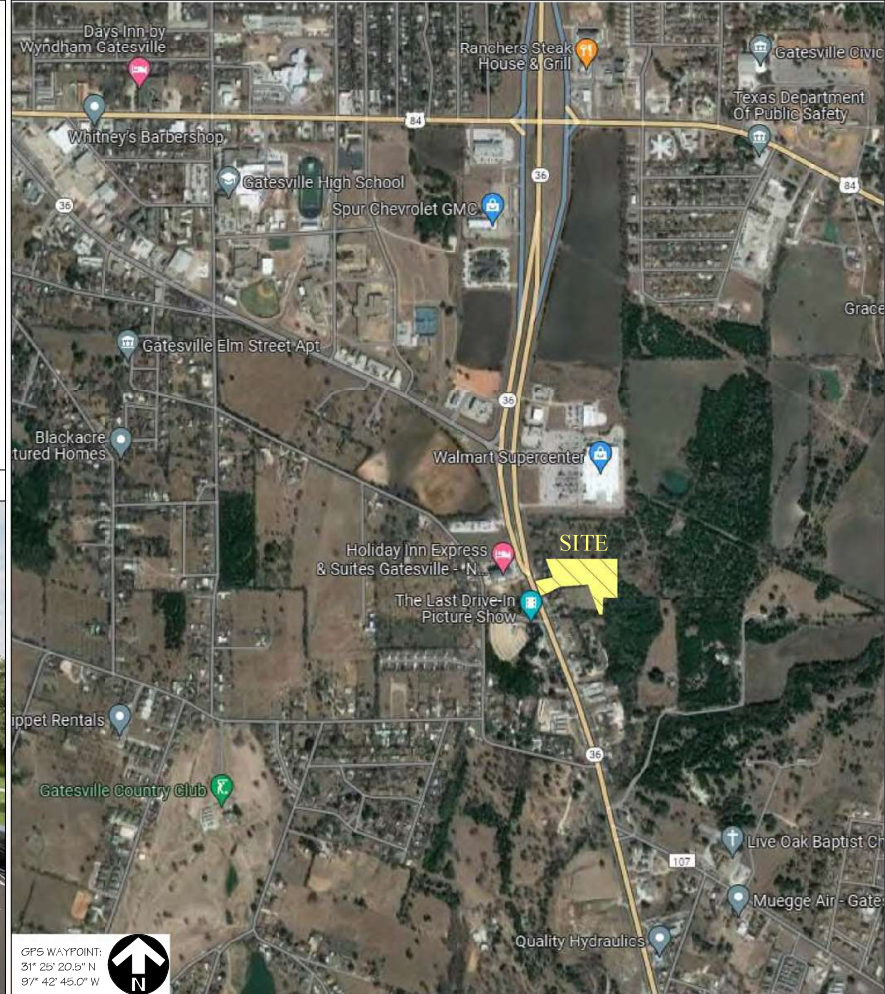
INDEX TO DRAWINGS

AP0	COVER SHEET
AP1	ARCHITECTUAL SITE PLAN
AP2	RESIDENTIAL BUILDING TYPE "A" FLOOR PLANS
AP3	RESIDENTIAL 1-BR UNIT FLOOR PLAN
AP4	RESIDENTIAL 2-BR UNIT FLOOR PLANS
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AP6	RESIDENTIAL BUILDING TYPE "A" EXTERIOR ELEVATIONS
AP7	RESIDENTIAL BUILDING TYPE "A" EXTERIOR ELEVATIONS
AP8	COMMUNITY BUILDING FLOOR PLAN
AP9	COMMUNITY BUILDING EXTERIOR ELEVATIONS
AP10	SAMPLE RENDERINGS

SAMPLE EXTERIOR RENDERING



PROJECT LOCATION



AUGUST 2025

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GATESVILLE CROSSING
GATESVILLE, CORYELL COUNTY, TEXAS
4835

AP0

8/19/2025 9:03:58 AM

TABLE 1: UNITS PER BUILDING TYPE

UNIT LABEL	NRA PER UNIT TYPE	BUILDING / LEVEL IDENTIFICATION			TOTAL NUMBER OF UNITS PER UNIT TYPE
		"A"			
		FIRST	SECOND	THIRD	
		NUMBER OF UNIT(S) PER BUILDING / FLOOR			
TYP. 1-BR	751 SF	-	2	-	2
FHA 1-BR	751 SF	2	-	-	2
TYP. 2-BR	974 SF	-	6	6	12
FHA 2-BR	974 SF	4	-	-	4
FHA HEARING/VISUAL 2-BR	974 SF	1	-	-	1
ADA 2-BR	974 SF	1	-	-	1
TYP. 3-BR	1,193 SF	-	2	-	2
FHA 3-BR	1,193 SF	1	-	-	1
ADA 3-BR	1,193 SF	1	-	-	1
TOTAL NUMBER OF UNITS PER BUILDING / FLOOR:		10	10	6	26

TABLE 2: REQUIRED ACCESSIBLE UNITS

UNIT TYPE	IN COMPLIANCE WITH	BUILDING / LEVEL IDENTIFICATION	
		FIRST	TOTAL
FHA / HVY 2-BR	HEARING/VISUAL	1	1
ADA 2-BR	ADA / MOBILITY	1	1
ADA 3-BR	ADA / MOBILITY	1	1

MOBILITY UNITS REQUIRED (26 X 5% =13)

MOBILITY UNITS PROVIDED = 2

HEARING/VISUAL UNITS REQUIRED (26 X 2% =0.52)

HEARING/VISUAL UNITS PROVIDED = 1

TABLE 3: SQUARE FOOT CALCULATIONS PER BUILDING

NOTE: SQUARE FOOT CALCULATIONS ARE MEASURED FROM OUT TO OUTSIDE FACE OF STUD TO CENTERLINE OF UNIT PARTITION

AREA TYPE	BUILDING / LEVEL IDENTIFICATION				DEV. TOTAL
	"A"			COMM. BLDG.	
	FIRST	SECOND	THIRD		
TOTAL NRA	9,732 SF	9,732 SF	5,844 SF	-	25,308 SF
COMMON AREA - ACCESSIBLE TO TENANT(S)	-	-	-	1,954 SF	1,954 SF
BREEZEWAY(S)	1,566 SF	729 SF	729 SF	-	3,024 SF
UNIT PORCH(ES)/PATIO(S)/BALCONY	590 SF	590 SF	354 SF	-	1,534 SF
UTILITY CLOSETS - RESTRICTED TO EMPLOYEE(S)	69 SF	-	-	148 SF	217 SF
EXTERIOR STORAGE	190 SF	190 SF	114 SF	-	494 SF
TOTAL BUILDING AREA PER BUILDING:	12,147 SF	11,241 SF	7,041 SF	2,102 SF	32,531 SF

SITE LEGEND

--- ACCESSIBLE ROUTE (36" MIN. WIDTH, 2% CROSS SLOPE MAX, 5% RUNNING SLOPE MAX)



ADA ACCESSIBLE



HEARING/VISUAL (H/V) ACCESSIBLE

UNIT TYPE LEGEND

TYP. = TYPICAL UNIT
FHA = FAIR HOUSING ACT
ADA = AMERICANS WITH DISABILITIES ACT
HVY = HEARING/VISUAL

TABLE 4: PARKING PROVIDED

NOTE: ALL PARKING PROVIDED IS UNCOVERED	
TYPE	QUANTITY
STANDARD SPACE(S)	43
STANDARD ACCESSIBLE SPACE(S)	5
VAN ACCESSIBLE SPACE(S)	2
TOTAL PARKING PROVIDED:	50
LOCAL PARKING REQUIREMENTS: (1) SPACE FOR EACH DWELLING UNIT PLUS (1) SPACE FOR EVERY (3) BEDROOMS	
PARKING PROVIDED MEETS ZONING REQUIREMENT	

SITE INFORMATION

LAND AREA:	+/- 5.89 ACRE(S)
EXISTING USE:	UNDEVELOPED
CURRENT ZONING:	BUSINESS / COMMERCIAL
PROPOSED USE:	MULTIFAMILY APARTMENTS
DETENTION/RETENTION POND:	SEE SITE PLAN FOR LOCATION
FLOOD PLAIN:	FLOOD ZONE X, NO MITIGATION REQUIRED



AUGUST 2025

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GATESVILLE CROSSING, LP

GATESVILLE CROSSING

GATESVILLE, CORYELL COUNTY, TEXAS

4835

AP1

8/21/2025 10:06:42 AM