



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1257

Agenda Date: 12/11/2025

Agenda #:

Presentation, discussion, and possible action regarding material amendments to previous 9% Competitive Housing Tax Credit Applications to award State Housing Tax Credits and approval of the waiting list for 2025 State Housing Tax Credit Applications.

RECOMMENDED ACTION

WHEREAS, The Department is authorized to allocate State Housing Tax Credits (SHTC) of which \$13,325,000 million is to supplement 2025 Competitive awards;

WHEREAS, as established in 10 TAC §11.1008, the Department has prioritized applications proposing the most additional low income Units for households at or below 30% of AMGI relative to the State Housing Tax Credit Request; and

WHEREAS, as part of the process of awarding those credits, the affected Development Owners request approval for material amendments to add the State Housing Tax Credit as a source, revise other financing, and increase the number of 30% Units.

NOW, therefore, it is hereby

RESOLVED, that the list of recommended Applications for Final Certifications of State Housing Tax Credits is hereby approved in the form presented at this meeting;

FURTHER RESOLVED, that the requested amendments are approved as presented at this meeting, and the Executive Director and his designees are hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing; and

FURTHER RESOLVED, that the Board's approval is conditioned upon the completion of underwriting and program review, the imposing of all conditions of underwriting, the imposing of the conditions resulting from staff review, the completion of any other reviews required to ensure compliance with the applicable rules and requirements for the State Housing Tax Credit Program, and any other special conditions the Board may consider appropriate.

BACKGROUND

The SHTC award recommendations for December 11, 2025, are presented in the Board materials. To the extent that some applications do not yet have a final underwriting or program assessment, those applications will be considered conditionally recommended, with the condition being the completion of those reviews and recommendation of award or award with conditions. For any awards made by the Board by this item that subsequently are recommended by underwriting with conditions, these conditions will be considered to be the Board's conditions of the award. Some of the Real Estate

Analysis reports also discuss additional material amendments that the Development Owner has requested. The Board is not approving any material amendment other than the conditional award of the State Housing Tax Credits at this time.

REPORTS LOCATED IN THE BOARD BOOK

- Report 1: Recommended Applications
- Report 2: Real Estate Analysis Summaries of all amendment requests, including conditions to be placed on awards.

APPLICATION SUBMISSIONS

Fourteen Applications submitted an "Intent-to-Apply" for SHTCs, seeking a total of \$21,890,361.

There are currently eight Applications eligible for consideration. Two Applicants were not awarded 2025 9% credits at the late July meeting, which means that those Applications are ineligible for consideration for the SHTC. Four additional Applications were withdrawn from consideration. Collectively, the remaining eligible Applicants requested \$17,632,000 SHTCs. Staff has recommended the full request amount for Seven of the Eight Applications. The remaining Application could not be funded in full, and staff has recommended reducing the award to the total remaining credits in the 2025 ceiling.

Eight Applications are recommended for an award as reflected in Report 1, attached. There is no waitlist, as all eligible Applications were funded or withdrew a request of State Housing Tax Credits.

RECOMMENDATION PROCESS

Because more requests were received than can be fully funded, staff was required to determine which Applications were most competitive for these new credits. In making recommendations, staff relied on the priorities outlined in 10 TAC §11.1008, which establishes that priority shall be given to Applications that propose to create the most 30% AMGI Units using the SHTC. These are not additional physical Units that will be constructed - rather, they are Units that were proposed in the initial Application at a higher income and rent level that will be converted to the 30% income and rent level using the SHTC.

Units for households at or below 30% of AMGI proposed in the original application were not considered when determining this priority. The initial SHTC award was made to the Applicant with the lowest request amount per additional Units provided. Subsequent awards were made using the same metric until the Department could no longer fully fund a credit request.

The eight recommendations reflect commitments of \$13,325,000, which leaves \$0 available. Applicants recommended for an award committed a total of 74 additional 30% Units for households at or below 30% of AMGI.

Applicants recommended for an award submitted material amendment requests to add the SHTC as a source, increase the number of low-income Units for households at or below 30% of AMGI, and revised all other necessary exhibits.



Texas Department of Housing and Community Affairs 2025 State Housing Tax Credit ("SHTC") Program Award Log

The list of recommended awards is organized by application priority. Priority is based on the number of new 30% units created relative to the amount requested in State Housing Tax Credits.

Version Date: December 11, 2025

| Application Number | Region | Urban/Rural | Development Name | SHTC Recommended Award | New 30% Units Proposed | 30% Units Per Request Amount |
|-------------------------------------|--------|-------------|--------------------------|------------------------|------------------------|------------------------------|
| 25093 | 8 | Urban | North Crest Apartments | \$1,500,000 | 20 | \$75,000 |
| 25107 | 7 | Urban | St. George's Court | \$1,000,000 | 6 | \$150,000 |
| 25196 | 11 | Urban | Victoria Gardens | \$2,632,000 | 14 | \$188,000 |
| 25088 | 2 | Rural | Early Pioneer Crossing | \$200,000 | 1 | \$200,000 |
| 25201 | 7 | Rural | Pine Creek Apartments | \$2,000,000 | 10 | \$200,000 |
| 25271 | 12 | Rural | Lofts at Birdwell | \$800,000 | 4 | \$200,000 |
| 25177 | 10 | Rural | The Lantern at Robstown | \$500,000 | 2 | \$250,000 |
| 25187 | 7 | Urban | Crossroads Redevelopment | \$4,693,000 | 17 | \$276,059 |
| Total SHTCs Recommended | | | | \$13,325,000 | 74 | |
| <i>Initial Amount Available:</i> | | | | <i>\$12,825,000</i> | | |
| <i>Credit Returns:</i> | | | | <i>\$500,000</i> | | |
| Amount Available to Allocate | | | | \$13,325,000 | | |



Real Estate Analysis Division

November 10, 2025

Addendum to Underwriting Report

TDHCA Application #: **25088**

Program(s): **9% HTC**

Early Pioneer Crossing

Address/Location: ~401 Old Comanche Rd.

City: Early

County: Brown

Zip: 76802

| | APPLICATION HISTORY |
|-------------|-------------------------------|
| Report Date | PURPOSE |
| 11/10/25 | State Housing Tax Credit Memo |
| 06/23/25 | 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 |
| State Housing Tax Credits | \$0 | | | | \$20,000 | | | | | | |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

CONDITIONS STATUS

Receipt and acceptance by 10% test:

Documentation of final Agreement with the City of Early for the proposed dedication of land and ROW, specifying the total amount of land to be dedicated and including storm water run-off/retention pond plans.

Status: Pending

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 5 |
| 50% of AMI | 50% of AMI | 11 |
| 60% of AMI | 60% of AMI | 36 |

ANALYSIS

The underwriting analysis has been revised based on Applicant's new Schedule of Sources including Applicant's request of \$200k in State Housing Tax Credits over the entire credit period. This is in addition to the \$1,125,000 in annual 9% tax credits they were awarded during initial underwriting.

The distribution of units has changed. The 30% AMGI band has increased from 4 to 5 units. The number of 60% AMGI units has decreased from 37 to 36.

Operating Pro Forma

The applicant's revised first year stabilized pro forma shows first year management expenses rising by \$1,097, yet they continue to lag local comps by 25%. Program rents have been updated to 2025, which provides an extra \$27k in gross revenue and \$26k in net operating income.

Development Cost

Total development costs have risen by \$1,245,550. Building Cost increased \$585,970. The applicant provided their Schedule of Values from the GC, Watermark Commercial Contractors, LLC. The single largest driver of cost increases is wood which has more than doubled in cost. The remaining cost increases are spread between Contingency (\$52k), Contractor Fees (\$65k), and Financing Cost (\$54K).

Sources of Funds

All amounts, terms, and sources of funds have changed except for the §11.9(d)(2)LPS Contribution from Early, Texas. The debt and equity investing is now entirely handled by Regions Bank. The permanent interest rate is down to 5.99% from the previous underwriting's 7%. Conversely, FHTC the syndication rate is up from \$0.78 to \$0.81. SHTC syndication is currently at \$0.62 for \$124K in capital on \$20K in annual SHTC.

Underwriter recommends \$20,000 in annual state housing tax credits as requested by the applicant in addition to the recommended \$1,125,000 in annual federal tax credits previously awarded to the applicant.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <u>Beau Fannon</u> |
| Manager of Real Estate Analysis: | <u>Diamond Unique Thompson</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE |
|---|
| <i>Early Pioneer Crossing, Early, 9% HTC #25088</i> |

| LOCATION DATA | |
|--------------------|----------|
| CITY: | Early |
| COUNTY: | Brown |
| Area Median Income | \$76,700 |
| PROGRAM REGION: | 2 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|-----------|---------------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 26 | 50.0% | 0 | 0 | 0 | 0 |
| 2 | 26 | 50.0% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 52 | 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 | 801 sf |

| | | | | | | | | | | |
|----------------|----------------|------|------|------|-------|-------|------|------|---------|---------------|
| 55% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 5 | - | 11 | 36 | - | - | - | 52 |
| Income | % Total | 0.0% | 9.6% | 0.0% | 21.2% | 69.2% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-----------|--------|---------|---------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|---------------|---------------|--------------|----------------|---------------|----------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst | |
| TC 30% | \$463 | 3 | 1 | 1 | 658 | \$463 | \$66 | \$397 | \$0 | \$0.60 | \$397 | \$1,191 | \$1,191 | \$397 | \$0.60 | \$0 | \$1,002 | \$1.52 | \$1,002 |
| TC 50% | \$772 | 5 | 1 | 1 | 658 | \$772 | \$66 | \$706 | \$0 | \$1.07 | \$706 | \$3,530 | \$3,530 | \$706 | \$1.07 | \$0 | \$1,002 | \$1.52 | \$1,002 |
| TC 60% | \$927 | 18 | 1 | 1 | 658 | \$927 | \$66 | \$861 | \$0 | \$1.31 | \$861 | \$15,498 | \$15,498 | \$861 | \$1.31 | \$0 | \$1,002 | \$1.52 | \$1,002 |
| TC 30% | \$555 | 2 | 2 | 2 | 944 | \$555 | \$88 | \$467 | \$0 | \$0.49 | \$467 | \$934 | \$934 | \$467 | \$0.49 | \$0 | \$1,318 | \$1.40 | \$1,318 |
| TC 50% | \$926 | 6 | 2 | 2 | 944 | \$926 | \$88 | \$838 | \$0 | \$0.89 | \$838 | \$5,028 | \$5,028 | \$838 | \$0.89 | \$0 | \$1,318 | \$1.40 | \$1,318 |
| TC 60% | \$1,111 | 16 | 2 | 2 | 944 | \$1,111 | \$88 | \$1,023 | \$0 | \$1.08 | \$1,023 | \$16,368 | \$16,368 | \$1,023 | \$1.08 | \$0 | \$1,318 | \$1.40 | \$1,318 |
| TC 60% | \$1,111 | 2 | 2 | 2 | 953 | \$1,111 | \$88 | \$1,023 | \$0 | \$1.07 | \$1,023 | \$2,046 | \$2,046 | \$1,023 | \$1.07 | \$0 | \$1,329 | \$1.39 | \$1,329 |
| TOTALS/AVERAGES: | | 52 | | | 41,670 | | | | \$0 | \$1.07 | \$858 | \$44,595 | \$44,595 | \$858 | \$1.07 | \$0 | \$1,160 | \$1.45 | \$1,160 |

| | | | |
|-------------------------------------|------------------|------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$535,140 | \$535,140 | |
|-------------------------------------|------------------|------------------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Early Pioneer Crossing, Early, 9% HTC #25088

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | | | |
|---------------------------------|---|------------------------|--|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|-----|--|
| COMPARABLES | | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | | |
| Database | Brown, Liano, & Palo Pinto County Comps | Brown County Snr Comps | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ | |
| POTENTIAL GROSS RENT | | | | | \$1.07 | \$858 | \$535,140 | \$505,500 | \$505,500 | \$535,140 | \$858 | \$1.07 | | 0.0% | \$0 | |
| App Fees, NSF, Vending | | | | | | \$15.00 | \$9,360 | 9,360 | | | | | | | | |
| Total Secondary Income | | | | | | \$15.00 | | | 9,360 | \$9,360 | \$15.00 | | | 0.0% | \$0 | |
| POTENTIAL GROSS INCOME | | | | | | | \$544,500 | \$514,860 | \$514,860 | \$544,500 | | | | 0.0% | \$0 | |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (40,838) | (38,615) | (38,615) | (40,838) | 7.5% PGI | | | 0.0% | - | |
| EFFECTIVE GROSS INCOME | | | | | | | \$503,663 | \$476,246 | \$476,246 | \$503,663 | | | | 0.0% | \$0 | |

| | | | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|----------|-------|--------|--------|---------|-----------|-----------|-----------|-----------|---------|--------|--------|--------|------------|
| General & Administrative | \$28,678 | \$552/Unit | \$18,289 | \$22,283 | \$429 | 5.76% | \$0.70 | \$558 | \$29,000 | \$29,000 | \$28,678 | \$28,678 | \$552 | \$0.69 | 5.69% | 1.1% | 322 |
| Management | \$27,817 | 5.9% EGI | \$26,686 | \$25,156 | \$484 | 4.00% | \$0.48 | \$387 | \$20,147 | \$19,050 | \$19,050 | \$20,147 | \$387 | \$0.48 | 4.00% | 0.0% | 1 |
| Payroll & Payroll Tax | \$71,345 | \$1,372/Unit | \$65,929 | \$43,894 | \$844 | 12.91% | \$1.56 | \$1,250 | \$65,000 | \$65,000 | \$71,345 | \$71,345 | \$1,372 | \$1.71 | 14.17% | -8.9% | (6,345) |
| Repairs & Maintenance | \$40,538 | \$780/Unit | \$31,667 | \$44,951 | \$864 | 7.35% | \$0.89 | \$712 | \$37,000 | \$37,000 | \$33,800 | \$33,800 | \$650 | \$0.81 | 6.71% | 9.5% | 3,200 |
| Electric/Gas | \$12,572 | \$242/Unit | \$18,295 | \$12,953 | \$249 | 2.78% | \$0.34 | \$269 | \$14,000 | \$14,000 | \$12,953 | \$12,953 | \$249 | \$0.31 | 2.57% | 8.1% | 1,047 |
| Water, Sewer, & Trash | \$36,335 | \$699/Unit | \$37,812 | \$38,780 | \$746 | 6.55% | \$0.79 | \$635 | \$33,000 | \$33,000 | \$38,780 | \$38,780 | \$746 | \$0.93 | 7.70% | -14.9% | (5,780) |
| Property Insurance | \$38,058 | \$0.91 /sf | \$26,101 | \$24,290 | \$467 | 7.94% | \$0.96 | \$769 | \$40,000 | \$40,000 | \$38,058 | \$38,058 | \$732 | \$0.91 | 7.56% | 5.1% | 1,942 |
| Property Tax (@ 50%) 2.1987 | \$25,783 | \$496/Unit | \$23,464 | \$13,353 | \$257 | 4.77% | \$0.58 | \$462 | \$24,000 | \$24,000 | \$19,151 | \$21,523 | \$414 | \$0.52 | 4.27% | 11.5% | 2,477 |
| Reserve for Replacements | | | | | | 2.58% | \$0.31 | \$250 | \$13,000 | \$13,000 | \$13,000 | \$13,000 | \$250 | \$0.31 | 2.58% | 0.0% | - |
| Supportive Services | | | | | | 1.19% | \$0.14 | \$115 | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$115 | \$0.14 | 1.19% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | | 0.41% | \$0.05 | \$40 | \$2,080 | \$2,080 | \$2,080 | \$2,080 | \$40 | \$0.05 | 0.41% | 0.0% | - |
| TOTAL EXPENSES | | | | | | 56.23% | \$6.80 | \$5,447 | \$283,227 | \$282,130 | \$282,895 | \$286,363 | \$5,507 | \$6.87 | 56.86% | -1.1% | \$ (3,136) |
| NET OPERATING INCOME ("NOI") | | | | | | 43.77% | \$5.29 | \$4,239 | \$220,436 | \$194,116 | \$193,351 | \$217,299 | \$4,179 | \$5.21 | 43.14% | 1.4% | \$ 3,136 |

| | | |
|-----------------------|-------|-------|
| CONTROLLABLE EXPENSES | ##### | ##### |
|-----------------------|-------|-------|

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS | | | | | | | | | | | | | | | | | |
| Early Pioneer Crossing, Early, 9% HTC #25088 | | | | | | | | | | | | | | | | | |

| | | 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 | | | | |
| DEBT (Must Pay) | Fee | UW | App | | | | | | Applicant | TDHCA | | | | | | DCR | LTC | | | |
| Regions | | 1.27 | 1.29 | 171,449 | 5.99% | 40 | 40.0 | \$2,600,000 | \$2,195,000 | \$2,195,000 | \$2,600,000 | 40.0 | 40.0 | 5.99% | \$171,449 | 1.29 | 20.6% | | | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | | | | |
| City of Early, TX | | 1.27 | 1.29 | | 0.00% | 0 | 0.0 | \$250 | \$250 | \$250 | \$250 | 0.0 | 0.0 | 0.00% | | 1.29 | 0.0% | | | |
| | | | | \$171,449 | TOTAL DEBT / GRANT SOURCES | | | \$2,600,250 | \$2,195,250 | \$2,195,250 | \$2,600,250 | TOTAL DEBT SERVICE | | | \$171,449 | 1.29 | 20.6% | | | |
| NET CASH FLOW | | \$45,850 | \$48,987 | APPLICANT NET OPERATING INCOME | | | | | | | | | | | | | | \$220,436 | \$48,986 | NET CASH FLOW |

| | | EQUITY SOURCES | | | | | | | | | | | | |
|--------------------------|-------------------------|---------------------------------------|----------------|--------------|--------------|-------------|-------------|--------------|----------------------------------|---------------|--------|----------------------------------|-------------------|--------|
| | | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | | | | | | | | | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost |
| EQUITY / DEFERRED FEES | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Applicant | TDHCA | Amount | Credit Price | Annual Credit | | | | |
| Regions | LIHTC Equity | 72.2% | \$1,125,000 | \$0.81 | \$9,110,678 | \$8,773,245 | \$8,773,245 | \$9,110,678 | \$0.8098 | \$1,125,000 | 72.2% | \$21,635 | Applicant Request | |
| Regions | SHTC Equity | 1.0% | \$20,000 | \$0.62 | \$124,000 | \$0 | | \$124,000 | \$0.6200 | \$20,000 | 1.0% | | | |
| Verdite Developments LLC | Deferred Developer Fees | 6.2% | (57% Deferred) | | \$778,680 | \$399,563 | \$399,563 | \$778,680 | (57% Deferred) | | 6.2% | Total Developer Fee: \$1,358,656 | | |
| TOTAL EQUITY SOURCES | | 79.4% | | | \$10,013,358 | \$9,172,808 | \$9,172,808 | \$10,013,358 | | | 79.4% | | | |

| | | | | | | |
|----------------------|--------------|--------------|--------------|--------------|-------------------------------------|-----------|
| TOTAL CAPITALIZATION | \$12,613,608 | \$11,368,058 | \$11,368,058 | \$12,613,608 | 15-Yr Cash Flow after Deferred Fee: | \$118,215 |
|----------------------|--------------|--------------|--------------|--------------|-------------------------------------|-----------|

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | |
|---|--|-----------------------------------|-------------------|------------------|----------------|--------------|--------------------|--------------|--------------------------|----------------|--------|-------------------|-------------|---------------|----------|
| | | APPLICANT COST / BASIS ITEMS | | | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | |
| | | Eligible Basis | | | | | Prior Underwriting | | | | | Eligible Basis | | | |
| | | Acquisition | New Const. Rehab. | | | | Applicant | TDHCA | | | | New Const. Rehab. | Acquisition | | |
| Land Acquisition | | | | \$9,615 / Unit | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$9,615 / Unit | | | | 0.0% | \$0 | |
| Off-Sites | | | | \$3,173 / Unit | \$165,000 | \$100,000 | \$100,000 | \$165,000 | \$3,173 / Unit | | | | 0.0% | \$0 | |
| Site Work | | | \$1,021,957 | \$22,400 / Unit | \$1,164,807 | \$967,000 | \$967,000 | \$1,164,807 | \$22,400 / Unit | \$967,000 | | | 0.0% | \$0 | |
| Site Amenities | | | \$185,250 | \$3,563 / Unit | \$185,250 | \$177,958 | \$177,958 | \$185,250 | \$3,563 / Unit | \$177,958 | | | 0.0% | \$0 | |
| Building Cost | | | \$5,436,938 | \$130.48 /sf | \$104,557/Unit | \$5,436,938 | \$4,850,968 | \$5,413,651 | \$5,413,651 | \$104,109/Unit | | \$129.92 /sf | \$5,413,651 | 0.4% | \$23,287 |
| Contingency | | | \$475,090 | 7.15% | 6.83% | \$475,090 | \$423,215 | \$423,215 | \$475,090 | 6.86% | | 7.00% | \$459,103 | 0.0% | \$0 |
| Contractor Fees | | | \$881,737 | 12.39% | 13.17% | \$978,405 | \$912,680 | \$912,680 | \$978,405 | 13.21% | | 12.56% | \$881,737 | 0.0% | \$0 |
| Soft Costs | | \$0 | \$583,000 | \$11,442 / Unit | \$595,000 | \$606,000 | \$606,000 | \$595,000 | \$11,442 / Unit | \$583,000 | \$0 | 0.0% | \$0 | | |
| Financing | | \$0 | \$1,056,093 | \$25,492 / Unit | \$1,325,565 | \$1,271,446 | \$1,271,446 | \$1,325,565 | \$25,492 / Unit | \$1,056,093 | \$0 | 0.0% | \$0 | | |
| Developer Fee | | \$0 | \$1,349,507 | 14.00% | 13.66% | \$1,358,656 | \$1,358,656 | \$1,358,656 | \$1,358,656 | 13.69% | 14.15% | \$1,349,507 | \$0 | 0.0% | \$0 |
| Reserves | | | | 11 Months | \$428,897 | \$200,135 | \$200,135 | \$428,897 | 11 Months | | | 0.0% | \$0 | | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$10,989,572 | \$242,569 / Unit | \$12,613,608 | \$11,368,058 | \$11,930,741 | \$12,590,321 | \$242,122 / Unit | \$10,888,048 | \$0 | 0.2% | \$23,287 | | |
| Acquisition Cost | | \$0 | (\$10,000) | | \$0 | \$0 | | | | | | | | | |
| Contingency | | | | | \$0 | \$0 | | | | | | | | | |
| Contractor's Fee | | | | | \$0 | \$0 | | | | | | | | | |
| Financing Cost | | | | | \$0 | | | | | | | | | | |
| Developer Fee | | \$0 | | | \$0 | \$0 | | | | | | | | | \$0 |
| Reserves | | | | | \$0 | \$0 | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$10,979,572 | \$242,569/unit | \$12,613,608 | \$11,368,058 | \$11,930,741 | \$12,590,321 | \$242,122/unit | \$10,888,048 | \$0 | 0.2% | \$23,287 | | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | \$12,613,608 | | | | | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Early Pioneer Crossing, Early, 9% HTC #25088

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$10,979,572 | \$0 | \$10,888,048 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$10,979,572 | \$0 | \$10,888,048 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$14,273,444 | \$0 | \$14,154,463 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$14,273,444 | \$0 | \$14,154,463 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,284,610 | \$0 | \$1,273,902 |
| CREDITS ON QUALIFIED BASIS | \$1,284,610 | | \$1,273,902 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|---------------------------|--|--------------|-------------------------------|---------------------|------------|
| | Annual Credits | Proceeds | Credit Price \$0.8098 | Variance to Request | |
| | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,284,610 | \$10,403,260 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,221,153 | \$9,889,358 | ---- | ---- | ---- |
| Applicant Request | \$1,125,000 | \$9,110,678 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|------------------------|----------------|---------------|--------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Garden (Up to 4-story) | 41,670 SF | \$100.66 | 4,194,493 |
| Adjustments | | | | |
| Exterior Wall Finish | 3.20% | | 3.22 | \$134,224 |
| Elderly | 9.00% | | 9.06 | 377,504 |
| 9-Ft. Ceilings | 3.40% | | 3.42 | 142,613 |
| Roof Adjustment(s) | | | 6.46 | 269,188 |
| Subfloor | | | (4.33) | (180,431) |
| Floor Cover | | | 3.75 | 156,263 |
| Breezeways | \$0.00 | 0 | 0.00 | 0 |
| Balconies | \$47.40 | 6,128 | 6.97 | 290,467 |
| Plumbing Fixtures | \$1,460 | 78 | 2.73 | 113,880 |
| Rough-ins | \$715 | 52 | 0.89 | 37,180 |
| Built-In Appliances | \$2,200 | 52 | 2.75 | 114,400 |
| Exterior Stairs | \$4,250 | 0 | 0.00 | 0 |
| Heating/Cooling | | | 4.11 | 171,264 |
| Storage Space | \$0.00 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$141.08 | 2,038 | 6.90 | 287,515 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 43,708 | 4.82 | 201,057 |
| SUBTOTAL | | | 151.42 | 6,309,616 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 151.42 | \$6,309,616 |
| Plans, specs, survey, bldg permits | 3.10% | | (4.69) | (\$195,598) |
| Contractor's OH & Profit | 11.10% | | (16.81) | (700,367) |
| NET BUILDING COSTS | | \$104,109/unit | \$129.92/sf | \$5,413,651 |

Long-Term Pro Forma

Early Pioneer Crossing, Early, 9% HTC #25088

| | 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% | \$503,663 | \$513,736 | \$524,010 | \$534,491 | \$545,180 | \$601,923 | \$664,572 | \$733,741 | \$810,110 | \$894,426 | \$987,519 | \$1,090,301 |
| TOTAL EXPENSES | 3.00% | \$283,227 | \$291,522 | \$300,063 | \$308,855 | \$317,907 | \$367,337 | \$424,516 | \$490,663 | \$567,193 | \$655,743 | \$758,211 | \$876,795 |
| NET OPERATING INCOME ("NOI") | | \$220,436 | \$222,213 | \$223,948 | \$225,636 | \$227,274 | \$234,586 | \$240,056 | \$243,078 | \$242,917 | \$238,683 | \$229,308 | \$213,506 |
| EXPENSE/INCOME RATIO | | 56.2% | 56.7% | 57.3% | 57.8% | 58.3% | 61.0% | 63.9% | 66.9% | 70.0% | 73.3% | 76.8% | 80.4% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | |
| Regions | | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 |
| TOTAL DEBT SERVICE | | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 | \$171,449 |
| DEBT COVERAGE RATIO | | 1.29 | 1.30 | 1.31 | 1.32 | 1.33 | 1.37 | 1.40 | 1.42 | 1.42 | 1.39 | 1.34 | 1.25 |
| ANNUAL CASH FLOW | | | | | | | | | | | | | |
| Deferred Developer Fee Balance | | \$729,694 | \$678,930 | \$626,431 | \$572,244 | \$516,419 | \$214,730 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$118,215 | \$471,433 | \$830,533 | \$1,176,998 | \$1,487,338 | \$1,732,083 |

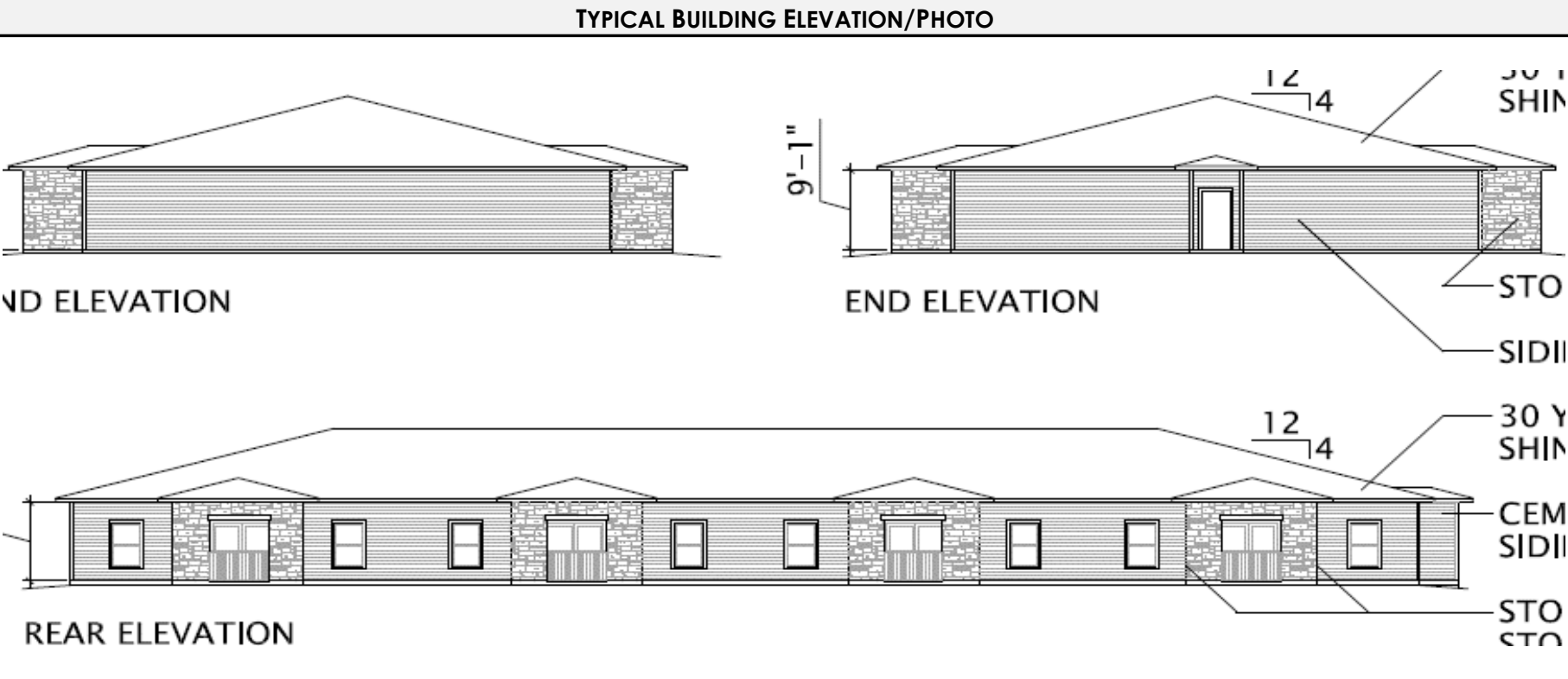
25088 Early Pioneer Crossing - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 23, 2025

| PROPERTY IDENTIFICATION | |
|-------------------------|------------------------|
| Application # | 25088 |
| Development | Early Pioneer Crossing |
| City / County | Early / Brown |
| Region/Area | 2 / Rural |
| Population | Elderly Limitation |
| Set-Aside | General |
| Activity | New Construction |

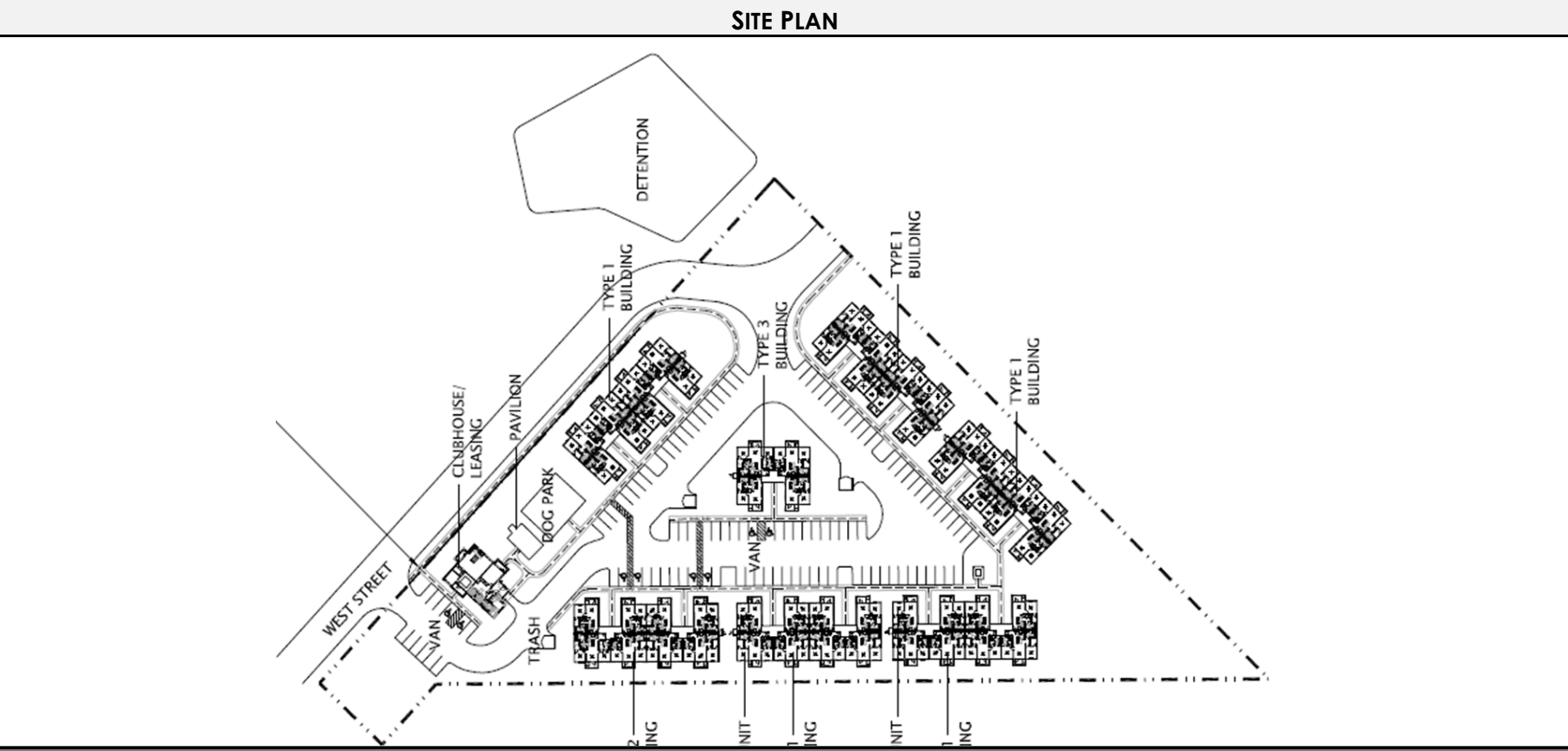
| RECOMMENDATION | | | | | |
|------------------|--|-------------|-------------|---------------|--------|
| TDHCA Program | | Request | Recommended | | |
| FHTC (9% Credit) | | \$1,125,000 | \$1,125,000 | \$21,635/Unit | \$0.78 |

| KEY PRINCIPALS / SPONSOR | | |
|--|-----------------|-------------|
| Karim Jooma of Verdite Developments LLC | | |
| Consulted by Lora Myrick of Betco Housing Lab | | |
| Related Parties | Contractor - No | Seller - No |



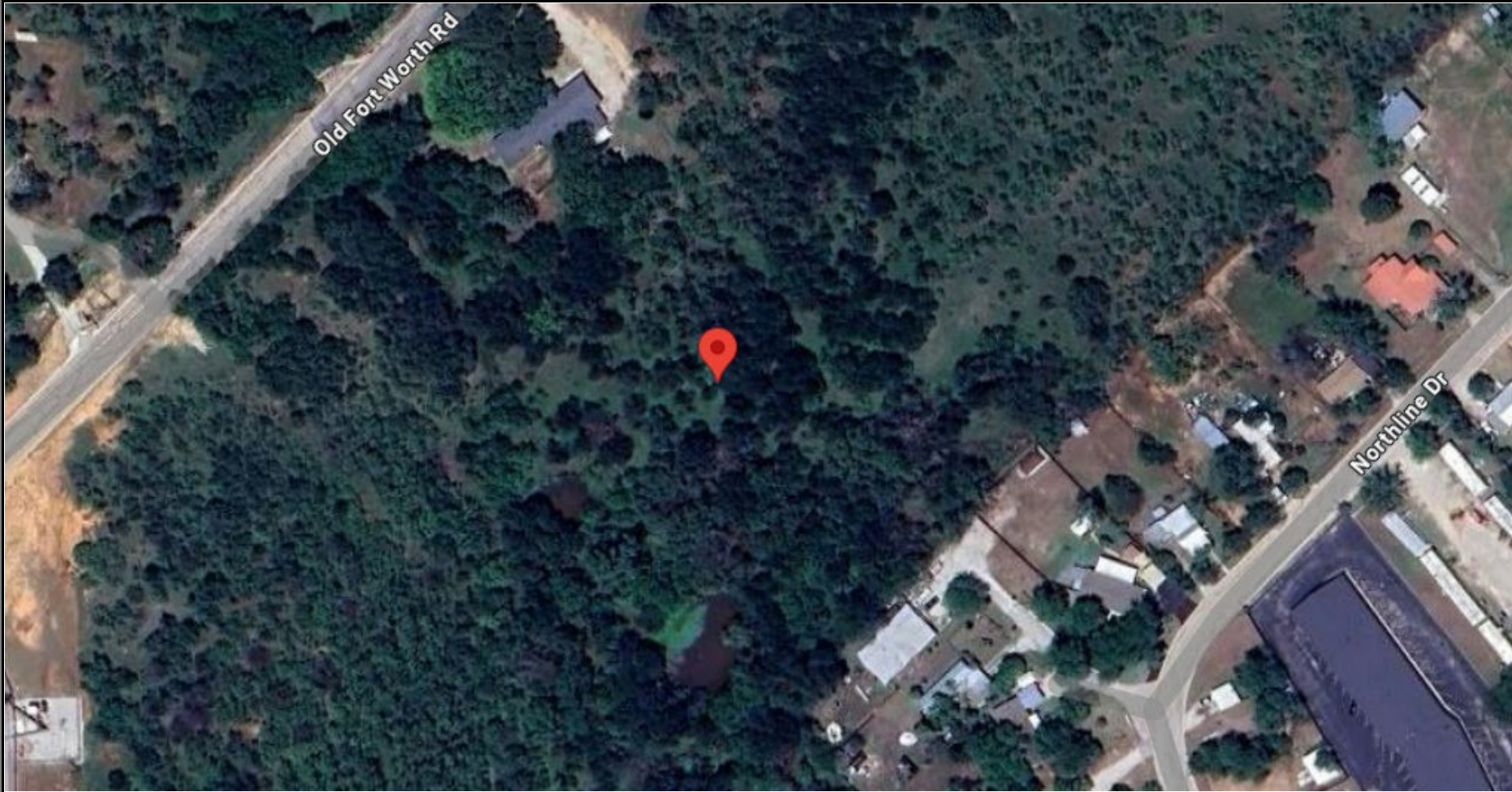
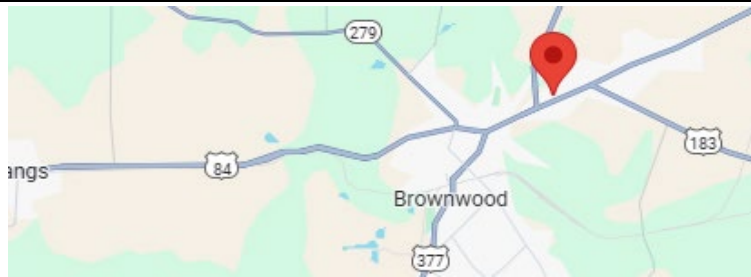
| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | |
|-------------------|---------|---------|---------------------|---------|---------|
| # Beds | # Units | % Total | Income | # Units | % Total |
| Eff | - | 0% | 20% | - | 0% |
| 1 | 26 | 50% | 30% | 4 | 8% |
| 2 | 26 | 50% | 40% | - | 0% |
| 3 | - | 0% | 50% | 11 | 21% |
| 4 | - | 0% | 60% | 37 | 71% |
| | | | 70% | - | 0% |
| | | | 80% | - | 0% |
| | | | MR | - | 0% |
| TOTAL | 52 | 100% | TOTAL | 52 | 100% |

| PRO FORMA FEASIBILITY INDICATORS | | | |
|----------------------------------|--------------|-----------------------|--------------|
| Pro Forma Underwritten | | Applicant's Pro Forma | |
| Debt Coverage | 1.15 | Expense Ratio | 59.2% |
| Breakeven Occ. | 87.5% | Breakeven Rent | \$765 |
| Average Rent | \$810 | B/E Rent Margin | \$45 |
| Property Taxes | \$462/unit | Exemption/PILOT | 50% |
| Total Expense | \$5,426/unit | Controllable | \$3,423/unit |



| MARKET FEASIBILITY INDICATORS | | | |
|----------------------------------|-----|----------|------|
| Gross Capture Rate (10% Maximum) | | | 3.2% |
| Highest Unit Capture Rate | 10% | 2 BR/60% | 18 |
| Dominant Unit Cap. Rate | 7% | 1 BR/60% | 19 |
| Premiums (↑80% Rents) | N/A | | N/A |
| Rent Assisted Units | N/A | | |

| DEVELOPMENT COST SUMMARY | | | |
|--------------------------|-------------|-------------------|---------------|
| Costs Underwritten | | Applicant's Costs | |
| Avg. Unit Size | 801 SF | Density | 9.9/acre |
| Acquisition | | \$10K/unit | \$500K |
| Building Cost | \$116.41/SF | \$93K/unit | \$4,851K |
| Hard Cost | | \$125K/unit | \$6,519K |
| Total Cost | | \$219K/unit | \$11,368K |
| Developer Fee | \$1,359K | (29% Deferred) | Paid Year: 13 |
| Contractor Fee | \$913K | 30% Boost | Yes |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | | |
|--|-------|-------|-------------|------|---|------|-------|--------|------|------------------------|--------------------------|--------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount | |
| KeyBank | 15/35 | 7.00% | \$2,195,000 | 1.15 | City of Early, TX | 0/0 | 0.00% | \$250 | 1.15 | Raymond James | \$8,773,245 | |
| | | | | | | | | | | | Verdite Developments LLC | \$399,563 |
| | | | | | | | | | | | TOTAL EQUITY SOURCES | \$9,172,808 |
| | | | | | | | | | | | TOTAL DEBT SOURCES | \$2,195,250 |
| TOTAL DEBT (Must Pay) | | | \$2,195,000 | | CASH FLOW DEBT / GRANTS | | | \$250 | | | TOTAL CAPITALIZATION | \$11,368,058 |
| CONDITIONS | | | | | | | | | | | | |
| - Receipt and acceptance by 10% test: * Documentation of final Agreement with the City of Early for the proposed dedication of land and ROW, specifying the total amount of land to be dedicated and including storm water run-off/retention pond plans. | | | | | | | | | | | | |
| Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted. | | | | | | | | | | | | |
| RISK PROFILE | | | | | AERIAL PHOTOGRAPH(s) | | | | | | | |
| STRENGTHS/MITIGATING FACTORS | | | | |  | | | | | | | |
| ▫ Developer Experience | | | | | | | | | | | | |
| ▫ Rural Location | | | | | | | | | | | | |
| ▫ Pays 50% of Property Taxes | | | | | | | | | | | | |
| ▫ Low Gross Capture Rate | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| WEAKNESSES/RISKS | | | | | | | | | | | | |
| ▫ DCR 1.15 | | | | | | | | | | | | |
| ▫ Feasibility Dependent on 50% Property Tax Abatement | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| AREA MAP | | | | | | | | | | | | |
|  | | | | | | | | | | | | |



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25088** Program(s): **9% HTC**

Early Pioneer Crossing

Address/Location: ~401 Old Comanche Rd.

City: Early County: Brown Zip: 76802

Population: Elderly Limitation Program Set-Aside: General Area: Rural

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 2

Low-Income: 40% at 60%

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

CONDITIONS

- Receipt and acceptance by 10% test:
 - * Documentation of final Agreement with the City of Early for the proposed dedication of land and ROW, specifying the total amount of land to be dedicated and including storm water run-off/retention pond plans.
- Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 4 |
| 50% of AMI | 50% of AMI | 11 |
| 60% of AMI | 60% of AMI | 37 |

DEVELOPMENT SUMMARY

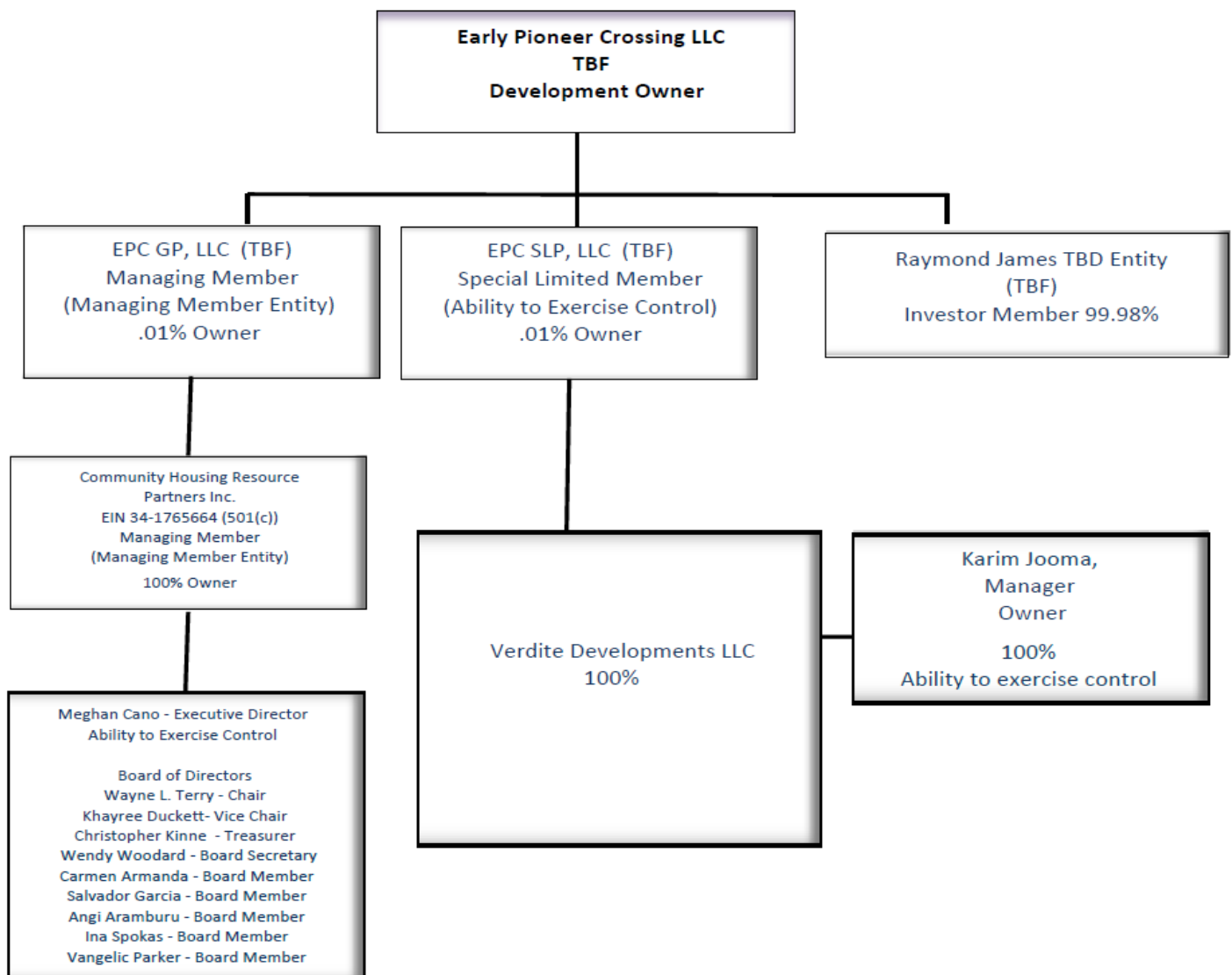
This development will be a single story, garden style development tailored to seniors 55+. It will be comprised of 26 one bedroom units and 26 two bedroom units. It will target persons with incomes of 30%, 50%, and 60% AMI.

RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | | WEAKNESSES/RISKS | |
|------------------------------|----------------------------|------------------|---|
| ▫ | Developer Experience | ▫ | DCR 1.15 |
| ▫ | Rural Location | ▫ | Feasibility Dependent on 50% Property Tax Abatement |
| ▫ | Pays 50% of Property Taxes | ▫ | |
| ▫ | Low Gross Capture Rate | ▫ | |

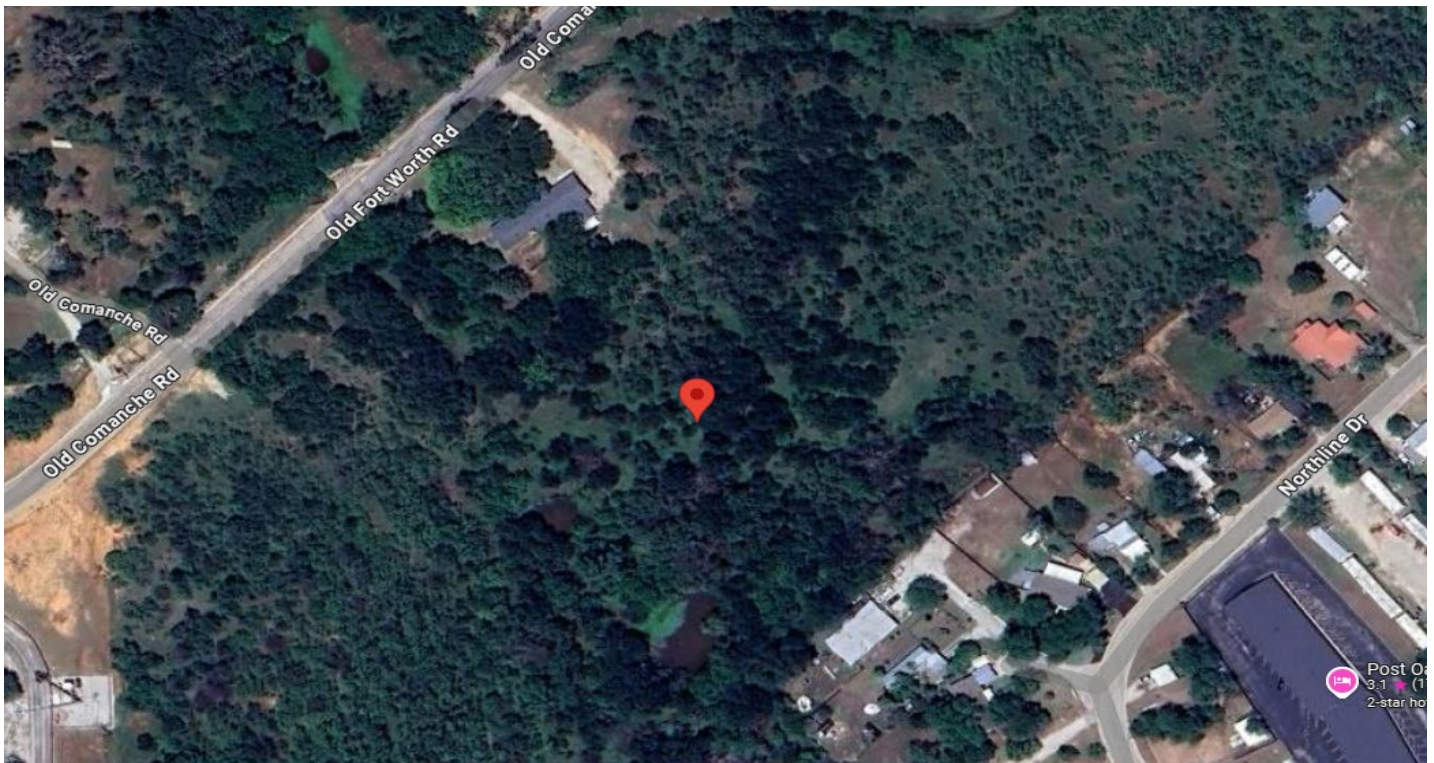
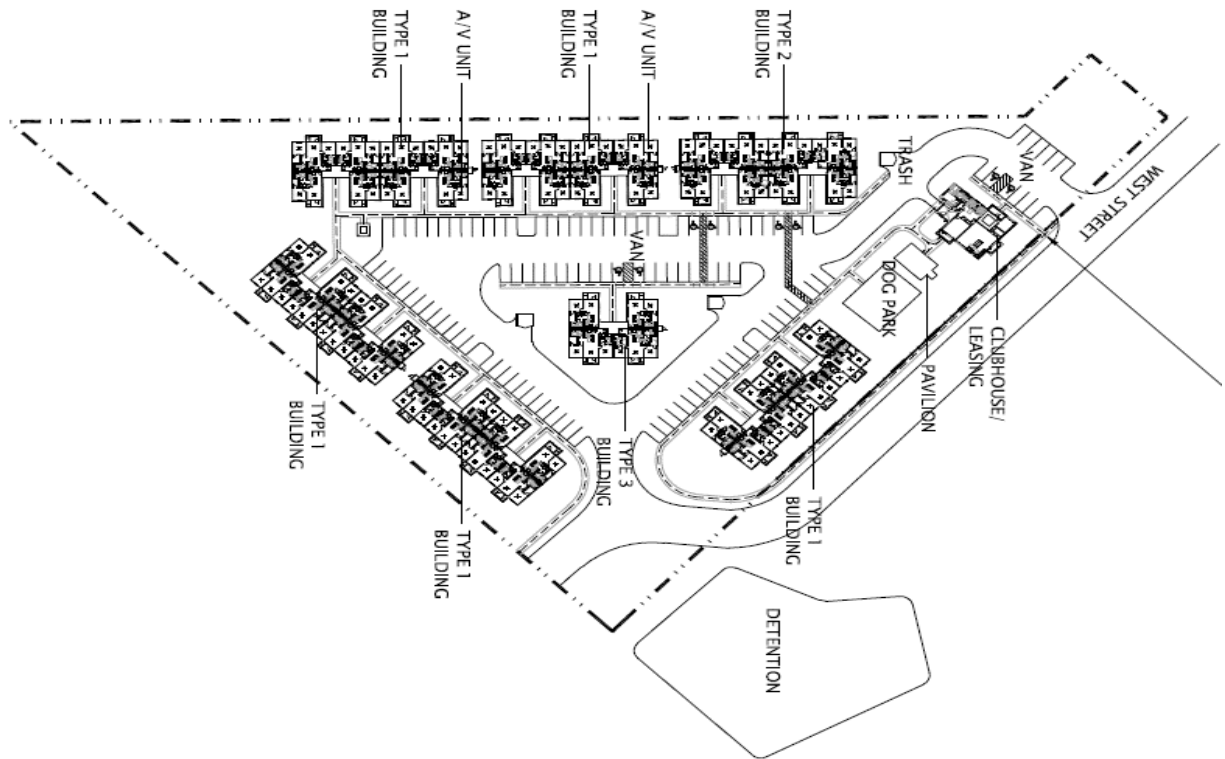
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

Developer is providing 112 parking spots as required by the city

SITE CONTROL INFO

Site Acreage: Development Site: 5.24 acres Density: 9.9 units/acre
Site Control: 21.44 **Site Plan:** 5.24 **Appraisal:** N/A **ESA:** 21.44
Feasibility Report Survey: 21.44 **Feasibility Report Engineer's Plan:** 5.24 **Existing LURA:** N/A

Control Type: Commercial Contract - Unimproved Property

| | | | | |
|--------------------|--------------------|-------|------------------|-------------------------|
| Total Acquisition: | <u>21.44</u> acres | Cost: | <u>\$500,000</u> | |
| Development Site: | <u>5.24</u> acres | Cost: | <u>\$500,000</u> | <u>\$9,615</u> per unit |

Seller: 7 C's Investments LLC

Buyer: Target Builders LLC

Assignee: Verdite Developments, LLC

Related-Party Seller/Identity of Interest: No

Comments:

Applicant plans to dedicate the remaining 16.20 acres to the City of Early, Texas, and encumber 5.24 acres in the LURA. It is anticipated that the city will extend West Ave between Old Comanche Rd and Northline Dr in exchange for the developer being allowed to use existing ponds in the dedicated areas as water retention sites for run-off drainage.

SITE INFORMATION

| | | | |
|---------------------|---------------------------------|---------------------------|------------|
| Flood Zone: | <u>Zone X</u> | Scattered Site? | <u>No</u> |
| Zoning: | <u>GR - General Residential</u> | Within 100-yr floodplain? | <u>No</u> |
| Re-Zoning Required? | <u>No</u> | Utilities at Site? | <u>Yes</u> |
| Year Constructed: | <u>N/A</u> | Title Issues? | <u>No</u> |

Current Uses of Subject Site:

Unimproved land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 2/13/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- The SW corner of the development site is projected to have a 68(db) noise level

Comments:

UW has verified that no buildings will be built in the SW corner of the development site and the developer has already issued an statement pledging to follow all recommendations of the ESA report. Therefore, no condition is required for the completion of this report.

MARKET ANALYSIS

Provider: Apartment Market Data

Date: 3/12/2025

Primary Market Area (PMA): 615 sq. miles 14 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
|--------|------------------|---------|------------------|-------------------|------------|-------------|
| 23152 | Pioneer Crossing | yes | New Construction | Elderly | 45 | 49 |

Stabilized Affordable Developments in PMA

| | |
|--------------------|-----|
| Total Units | 552 |
| Total Developments | 9 |
| Average Occupancy | 98% |

OVERALL DEMAND ANALYSIS

| | | Market Analyst | | | |
|--|--|----------------|----------|--|--|
| | | HTC | Assisted | | |
| Total Households in the Primary Market Area | | 13,285 | | | |
| Senior Households in the Primary Market Area | | 6,773 | | | |
| Potential Demand from the Primary Market Area | | 2,785 | | | |
| 10% External Demand | | 279 | | | |
| Potential Demand from Other Sources | | 0 | | | |
| GROSS DEMAND | | 3,064 | | | |
| Subject Affordable Units | | 52 | | | |
| Unstabilized Competitive Units | | 45 | | | |
| RELEVANT SUPPLY | | 97 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | | 3.2% | | | |

| | | | | | |
|--------------------|---------------------------|---------------------|--------------|------------------------------------|------------|
| Population: | Elderly Limitation | Market Area: | Rural | Maximum Gross Capture Rate: | 10% |
|--------------------|---------------------------|---------------------|--------------|------------------------------------|------------|

| UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND | | | | | | | | | |
|--|--------|---------|---------------|------------|------------------------|--|--|--|--|
| Market Analyst | | | | | | | | | |
| AMGI Band | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | |
| 30% AMGI | 872 | 87 | 4 | 4 | 1% | | | | |
| 50% AMGI | 620 | 62 | 11 | 7 | 3% | | | | |
| 60% AMGI | 1,293 | 129 | 37 | 34 | 5% | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|--------|---------|---------------|------------|-------------------|--|--|--|--|
| Market Analyst | | | | | | | | | |
| Unit Type | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/30% | 382 | 38 | 2 | 2 | 1% | | | | |
| 1 BR/50% | 396 | 40 | 5 | 3 | 2% | | | | |
| 1 BR/60% | 495 | 50 | 19 | 17 | 7% | | | | |
| 2 BR/30% | 145 | 15 | 2 | 2 | 3% | | | | |
| 2 BR/50% | 180 | 18 | 6 | 4 | 5% | | | | |
| 2 BR/60% | 312 | 31 | 18 | 17 | 10% | | | | |

OPERATING PRO FORMA

| SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma) | | | | | |
|--|-----------|----------------|-------|------------------------|---------|
| NOI: | \$194,116 | Avg. Rent: | \$810 | Expense Ratio: | 59.2% |
| Debt Service: | \$168,275 | B/E Rent: | \$765 | Controllable Expenses: | \$3,423 |
| Net Cash Flow: | \$25,841 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$462 |
| Aggregate DCR: | 1.15 | B/E Occupancy: | 87.5% | Program Rent Year: | 2024 |

The applicant is achieving a 50% property tax exemption via their inclusion of a Community Housing Development Organization (CHDO) in the GP.

DEVELOPMENT COST EVALUATION

| SUMMARY- AS UNDERWRITTEN (Applicant's Costs) | | | | | |
|--|----------------|-----------------|---------------------|-----------------------|-------------|
| Acquisition | \$95,420/ac | \$9,615/unit | \$500,000 | Contractor Fee | \$912,680 |
| Off-site + Site Work | | \$23,942/unit | \$1,244,958 | Soft Cost + Financing | \$1,877,446 |
| Building Cost | \$116.41/sf | \$93,288/unit | \$4,850,968 | Developer Fee | \$1,358,656 |
| Contingency | 6.94% | \$8,139/unit | \$423,215 | Reserves | \$200,135 |
| | | | | | |
| Total Development Cost | \$218,616/unit | \$11,368,058 | Rehabilitation Cost | | N/A |
| | | | | | |
| Qualified for 30% Basis Boost? | | Rural [9% only] | | | |

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$11,368,058 | \$10,346,224 | \$1,210,508 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|--------------------------|-----------------------------|---------------------|----------------------|-----|
| KeyBank | Construction Loan | \$9,000,000 | 8.50% | 79% |
| Raymond James | FHTC | \$1,754,649 | \$0.78 | 15% |
| City of Early, TX | §11.9(d)(2)LPS Contribution | \$250 | 0.00% | 0% |
| Verdite Developments LLC | DDF | \$613,159 | 0.00% | 5% |
| | | \$11,368,058 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|-------------------|--------------------|---------------|-------|------|--------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| KeyBank | \$2,195,000 | 7.00% | 35 | 15.0 | \$2,195,000 | 7.00% | 35 | 15.0 | 19% |
| City of Early, TX | \$250 | 0.00% | 0 | 0.0 | \$250 | 0.00% | 0 | 0.0 | 0% |
| Total | \$2,195,250 | | | | \$2,195,250 | | | | |

| Equity & Deferred Fees | PROPOSED | | | UNDERWRITTEN | | | |
|--------------------------|--------------------|--------|-------|---------------------|----------------------|------|-------|
| | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Raymond James | \$8,773,245 | \$0.78 | | \$8,773,245 | \$0.78 | 77% | |
| Verdite Developments LLC | \$399,563 | | 29% | \$399,563 | | 4% | 29% |
| Total | \$9,172,808 | | | \$9,172,808 | | | |
| | | | | \$11,368,058 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.815 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.772 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Recommended Financing Structure:

| Gap Analysis: | |
|---|--------------------|
| Total Development Cost | \$11,368,058 |
| Permanent Sources (debt + non-HTC equity) | \$2,195,250 |
| Gap in Permanent Financing | \$9,172,808 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$9,440,076 | \$1,210,508 |
| Needed to Balance Sources & Uses | \$9,172,808 | \$1,176,236 |
| Requested by Applicant | \$8,773,245 | \$1,125,000 |

| | RECOMMENDATION | |
|------------------------------|--------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$8,773,245 | \$1,125,000 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$399,563 | (29% deferred) |
| Repayable in | 13 years | |

Recommendation:

The underwriter recommends \$1,125,000 in annual tax credits as requested by the applicant.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <i>Beau Fannon</i> |
| Manager of Real Estate Analysis: | <i>Diamond Unique Thompson</i> |
| Director of Real Estate Analysis: | <i>Jeanna Adams</i> |

| UNIT MIX/RENT SCHEDULE | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Early Pioneer Crossing, Early, 9% HTC #25088 | | | | | | | | | |

| LOCATION DATA | |
|--------------------|----------|
| CITY: | Early |
| COUNTY: | Brown |
| Area Median Income | \$71,600 |
| PROGRAM REGION: | 2 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 26 | 50.0% | 0 | 0 | 0 | 0 |
| 2 | 26 | 50.0% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 52 | 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 | 801 sf |

| 56% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
|---------|---------|------|------|------|-------|-------|------|------|---------|--------|
| Average | # Units | - | 4 | - | 11 | 37 | - | - | - | 52 |
| Income | % Total | 0.0% | 7.7% | 0.0% | 21.2% | 71.2% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|--------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst |
| TC 30% | \$435 | 2 | 1 | 1 | 658 | \$435 | \$66 | \$369 | \$0 | \$0.56 | \$369 | \$738 | \$738 | \$369 | \$0.56 | \$0 | \$1,002 | \$1,002 |
| TC 50% | \$726 | 5 | 1 | 1 | 658 | \$726 | \$66 | \$660 | \$0 | \$1.00 | \$660 | \$3,300 | \$3,300 | \$660 | \$1.00 | \$0 | \$1,002 | \$1,002 |
| TC 60% | \$871 | 19 | 1 | 1 | 658 | \$871 | \$66 | \$805 | \$0 | \$1.22 | \$805 | \$15,295 | \$15,295 | \$805 | \$1.22 | \$0 | \$1,002 | \$1,002 |
| TC 30% | \$522 | 2 | 2 | 2 | 944 | \$522 | \$88 | \$434 | \$0 | \$0.46 | \$434 | \$868 | \$868 | \$434 | \$0.46 | \$0 | \$1,318 | \$1,318 |
| TC 50% | \$871 | 6 | 2 | 2 | 944 | \$871 | \$88 | \$783 | \$0 | \$0.83 | \$783 | \$4,698 | \$4,698 | \$783 | \$0.83 | \$0 | \$1,318 | \$1,318 |
| TC 60% | \$1,045 | 16 | 2 | 2 | 944 | \$1,045 | \$88 | \$957 | \$0 | \$1.01 | \$957 | \$15,312 | \$15,312 | \$957 | \$1.01 | \$0 | \$1,318 | \$1,318 |
| TC 60% | \$1,045 | 2 | 2 | 2 | 953 | \$1,045 | \$88 | \$957 | \$0 | \$1.00 | \$957 | \$1,914 | \$1,914 | \$957 | \$1.00 | \$0 | \$1,329 | \$1,329 |
| TOTALS/AVERAGES: | | 52 | | | 41,670 | | | | \$0 | \$1.01 | \$810 | \$42,125 | \$42,125 | \$810 | \$1.01 | \$0 | \$1,160 | \$1,160 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$505,500 | \$505,500 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Early Pioneer Crossing, Early, 9% HTC #25088

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | |
|---------------------------------|---|------------------------|--|-----------|--------|----------|-----------|-----------|----------|--------|-------|----------|-----|
| COMPARABLES | | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
| Database | Brown, Llano, & Palo Pinto County Comps | Brown County Snr Comps | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.01 | \$810 | \$505,500 | \$505,500 | \$810 | \$1.01 | | 0.0% | \$0 |
| App Fees, NSF, Vending | | | | | | \$15.00 | \$9,360 | | | | | | |
| Total Secondary Income | | | | | | \$15.00 | | \$9,360 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$514,860 | \$514,860 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (38,615) | (38,615) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$476,246 | \$476,246 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|----------|-------|--------|--------|---------|-----------|-----------|---------|--------|--------|--------|----------|
| General & Administrative | \$28,678 | \$552/Unit | \$18,289 | \$22,283 | \$429 | 6.09% | \$0.70 | \$558 | \$29,000 | \$28,678 | \$552 | \$0.69 | 6.02% | 1.1% | 322 |
| Management | \$27,817 | 5.9% EGI | \$26,686 | \$25,156 | \$484 | 4.00% | \$0.46 | \$366 | \$19,050 | \$19,050 | \$366 | \$0.46 | 4.00% | 0.0% | - |
| Payroll & Payroll Tax | \$71,345 | \$1,372/Unit | \$65,929 | \$43,894 | \$844 | 13.65% | \$1.56 | \$1,250 | \$65,000 | \$71,345 | \$1,372 | \$1.71 | 14.98% | -8.9% | (6,345) |
| Repairs & Maintenance | \$40,538 | \$780/Unit | \$31,667 | \$44,951 | \$864 | 7.77% | \$0.89 | \$712 | \$37,000 | \$33,800 | \$650 | \$0.81 | 7.10% | 9.5% | 3,200 |
| Electric/Gas | \$12,572 | \$242/Unit | \$18,295 | \$12,953 | \$249 | 2.94% | \$0.34 | \$269 | \$14,000 | \$12,953 | \$249 | \$0.31 | 2.72% | 8.1% | 1,047 |
| Water, Sewer, & Trash | \$36,335 | \$699/Unit | \$37,812 | \$38,780 | \$746 | 6.93% | \$0.79 | \$635 | \$33,000 | \$38,780 | \$746 | \$0.93 | 8.14% | -14.9% | (5,780) |
| Property Insurance | \$38,058 | \$0.91 /sf | \$26,101 | \$24,290 | \$467 | 8.40% | \$0.96 | \$769 | \$40,000 | \$38,058 | \$732 | \$0.91 | 7.99% | 5.1% | 1,942 |
| Property Tax (@ 50%) 2.1987 | \$25,783 | \$496/Unit | \$23,464 | \$13,353 | \$257 | 5.04% | \$0.58 | \$462 | \$24,000 | \$19,151 | \$368 | \$0.46 | 4.02% | 25.3% | 4,849 |
| Reserve for Replacements | | | | | | 2.73% | \$0.31 | \$250 | \$13,000 | \$13,000 | \$250 | \$0.31 | 2.73% | 0.0% | - |
| Supportive Services | | | | | | 1.26% | \$0.14 | \$115 | \$6,000 | \$6,000 | \$115 | \$0.14 | 1.26% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | | 0.44% | \$0.05 | \$40 | \$2,080 | \$2,080 | \$40 | \$0.05 | 0.44% | 0.0% | - |
| TOTAL EXPENSES | | | | | | 59.24% | \$6.77 | \$5,426 | \$282,130 | \$282,895 | \$5,440 | \$6.79 | 59.40% | -0.3% | \$ (765) |
| NET OPERATING INCOME ("NOI") | | | | | | 40.76% | \$4.66 | \$3,733 | \$194,116 | \$193,351 | \$3,718 | \$4.64 | 40.60% | 0.4% | \$ 765 |

| | | | | | |
|-----------------------|--|--------------|--|--------------|--|
| CONTROLLABLE EXPENSES | | \$3,423/Unit | | \$3,568/Unit | |
|-----------------------|--|--------------|--|--------------|--|

| |
|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| Early Pioneer Crossing, Early, 9% HTC #25088 |

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | |
|-------------------------|-----|---|----------|----------|---|----------------------------|------|-----------|--------------------------------------|-------------|--------------------|------|-------|------------|------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | | |
| DEBT (Must Pay) | Fee | UW | App | | | | | | | | | | | DCR | LTC | |
| KeyBank | | | 1.15 | 1.15 | 168,275 | 7.00% | 35 | 15.0 | \$2,195,000 | \$2,195,000 | 15.0 | 35.0 | 7.00% | \$168,275 | 1.15 | 19.3% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | |
| City of Early, TX | | | 1.15 | 1.15 | | 0.00% | 0 | 0.0 | \$250 | \$250 | 0.0 | 0.0 | 0.00% | | 1.15 | 0.0% |
| | | | | | \$168,275 | TOTAL DEBT / GRANT SOURCES | | | \$2,195,250 | \$2,195,250 | TOTAL DEBT SERVICE | | | \$168,275 | 1.15 | 19.3% |
| NET CASH FLOW | | | \$25,076 | \$25,841 | APPLICANT NET OPERATING INCOME \$194,116 \$25,841 NET CASH FLOW | | | | | | | | | | | |

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | |
|--------------------------|---------------------------------------|--------|----------------|--------------|--------------|----------------------------------|----------------|---------------|-------------------------------------|-------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| Raymond James | LIHTC Equity | 77.2% | \$1,125,000 | \$0.78 | \$8,773,245 | \$8,773,245 | \$0.7798 | \$1,125,000 | 77.2% | \$21,635 | Applicant Request |
| Verdite Developments LLC | Deferred Developer Fees | 3.5% | (29% Deferred) | | \$399,563 | \$399,563 | (29% Deferred) | | 3.5% | Total Developer Fee: | \$1,358,656 |
| TOTAL EQUITY SOURCES | | 80.7% | | | \$9,172,808 | \$9,172,808 | | | 80.7% | | |
| TOTAL CAPITALIZATION | | | | | \$11,368,058 | \$11,368,058 | | | 15-Yr Cash Flow after Deferred Fee: | | \$89,789 |

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | |
|---|--|-----------------------------------|------------------|--------------|------------------|--------------|--------------------------|------------------|--------------|------------------|-------------|---------------|-------------|-----|
| | | APPLICANT COST / BASIS ITEMS | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | | |
| | | Eligible Basis | | Total Costs | | | Total Costs | | | Eligible Basis | | % | \$ | |
| | | Acquisition | New Const. Rehab | | | | | | | New Const. Rehab | Acquisition | | | |
| Land Acquisition | | | | | \$9,615 / Unit | \$500,000 | \$500,000 | \$9,615 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | | \$0 | | | \$ / Unit | \$0 | \$0 | \$ / Unit | | | \$0 | 0.0% | \$0 | |
| Off-Sites | | | | | \$1,923 / Unit | \$100,000 | \$100,000 | \$1,923 / Unit | | | | 0.0% | \$0 | |
| Site Work | | | \$967,000 | | \$18,596 / Unit | \$967,000 | \$967,000 | \$18,596 / Unit | | \$967,000 | | 0.0% | \$0 | |
| Site Amenities | | | \$177,958 | | \$3,422 / Unit | \$177,958 | \$177,958 | \$3,422 / Unit | | \$177,958 | | 0.0% | \$0 | |
| Building Cost | | | \$4,850,968 | \$116.41 /sf | \$93,288/Unit | \$4,850,968 | \$5,413,651 | \$104,109/Unit | \$129.92 /sf | \$4,850,968 | | -10.4% | (\$562,683) | |
| Contingency | | | \$419,715 | 7.00% | 6.94% | \$423,215 | \$423,215 | 6.36% | 7.00% | \$419,715 | | 0.0% | \$0 | |
| Contractor Fees | | | \$898,190 | 14.00% | 14.00% | \$912,680 | \$912,680 | 12.89% | 14.00% | \$898,190 | | 0.0% | \$0 | |
| Soft Costs | | \$0 | \$558,000 | | \$11,654 / Unit | \$606,000 | \$606,000 | \$11,654 / Unit | | \$558,000 | \$0 | 0.0% | \$0 | |
| Financing | | \$0 | \$1,124,886 | | \$24,451 / Unit | \$1,271,446 | \$1,271,446 | \$24,451 / Unit | | \$1,124,886 | \$0 | 0.0% | \$0 | |
| Developer Fee | | | \$0 | \$1,349,507 | 15.00% | 14.93% | \$1,358,656 | \$1,358,656 | 14.06% | 15.00% | \$1,349,507 | \$0 | 0.0% | \$0 |
| Reserves | | | | | 5 Months | \$200,135 | \$200,135 | 5 Months | | | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$10,346,224 | | \$218,616 / Unit | \$11,368,058 | \$11,930,741 | \$229,437 / Unit | | \$10,346,224 | \$0 | -4.7% | (\$562,683) | |
| Acquisition Cost | | \$0 | | | | \$0 | | | | | | | | |
| Contingency | | | \$0 | | | \$0 | | | | | | | | |
| Contractor's Fee | | | \$0 | | | \$0 | | | | | | | | |
| Financing Cost | | | \$0 | | | | | | | | | | | |
| Developer Fee | | | \$0 | | | \$0 | | | | | | | | |
| Reserves | | | | | \$0 | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$10,346,224 | | \$218,616/unit | \$11,368,058 | \$11,930,741 | \$229,437/unit | | \$10,346,224 | \$0 | -4.7% | (\$562,683) | |
| | | | | | | | | | | | | | | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | \$11,368,058 | | | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Early Pioneer Crossing, Early, 9% HTC #25088

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|--------------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$10,346,224 | \$0 | \$10,346,224 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$10,346,224 | \$0 | \$10,346,224 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$13,450,091 | \$0 | \$13,450,091 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$13,450,091 | \$0 | \$13,450,091 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,210,508 | \$0 | \$1,210,508 |
| CREDITS ON QUALIFIED BASIS | \$1,210,508 | | \$1,210,508 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|---|-------------|-------------------------------|---------------------|----------|
| | | | Credit Price | Variance to Request | |
| | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,210,508 | \$9,440,076 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,176,236 | \$9,172,808 | ---- | ---- | ---- |
| Applicant Request | \$1,125,000 | \$8,773,245 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|------------------------|----------------|-------------|-------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Garden (Up to 4-story) | 41,670 SF | \$100.66 | 4,194,493 |
| Adjustments | | | | |
| Exterior Wall Finish | 3.20% | | 3.22 | \$134,224 |
| Elderly | 9.00% | | 9.06 | 377,504 |
| 9-Ft. Ceilings | 3.40% | | 3.42 | 142,613 |
| Roof Adjustment(s) | | | 6.46 | 269,188 |
| Subfloor | | | (4.33) | (180,431) |
| Floor Cover | | | 3.75 | 156,263 |
| Breezeways | \$0.00 | 0 | 0.00 | 0 |
| Balconies | \$47.40 | 6,128 | 6.97 | 290,467 |
| Plumbing Fixtures | \$1,460 | 78 | 2.73 | 113,880 |
| Rough-ins | \$715 | 52 | 0.89 | 37,180 |
| Built-In Appliances | \$2,200 | 52 | 2.75 | 114,400 |
| Exterior Stairs | \$4,250 | 0 | 0.00 | 0 |
| Heating/Cooling | | | 4.11 | 171,264 |
| Storage Space | \$0.00 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$141.08 | 2,038 | 6.90 | 287,515 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 43,708 | 4.82 | 201,057 |
| SUBTOTAL | | | 151.42 | 6,309,616 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 151.42 | \$6,309,616 |
| Plans, specs, survey, bldg permits | 3.10% | | (4.69) | (\$195,598) |
| Contractor's OH & Profit | 11.10% | | (16.81) | (700,367) |
| NET BUILDING COSTS | | \$104,109/unit | \$129.92/sf | \$5,413,651 |

Long-Term Pro Forma

Early Pioneer Crossing, Early, 9% HTC #25088

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$476,246 | \$485,770 | \$495,486 | \$505,396 | \$515,503 | \$569,157 | \$628,396 | \$693,800 | \$766,011 | \$845,738 | \$933,763 |
| TOTAL EXPENSES | 3.00% | \$282,130 | \$290,403 | \$298,921 | \$307,690 | \$316,719 | \$366,026 | \$423,068 | \$489,064 | \$565,428 | \$653,795 | \$756,060 |
| NET OPERATING INCOME ("NOI") | | \$194,116 | \$195,367 | \$196,565 | \$197,705 | \$198,784 | \$203,131 | \$205,328 | \$204,735 | \$200,583 | \$191,943 | \$177,703 |
| EXPENSE/INCOME RATIO | | 59.2% | 59.8% | 60.3% | 60.9% | 61.4% | 64.3% | 67.3% | 70.5% | 73.8% | 77.3% | 81.0% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| KeyBank | | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 |
| TOTAL DEBT SERVICE | | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 | \$168,275 |
| DEBT COVERAGE RATIO | | 1.15 | 1.16 | 1.17 | 1.17 | 1.18 | 1.21 | 1.22 | 1.22 | 1.19 | 1.14 | 1.06 |
| ANNUAL CASH FLOW | | | | | | | | | | | | |
| Deferred Developer Fee Balance | | \$373,722 | \$346,630 | \$318,340 | \$288,909 | \$258,400 | \$92,063 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$89,789 | \$274,536 | \$445,979 | \$583,604 | \$661,715 |



Real Estate Analysis Division

October 28, 2025

Addendum to Underwriting Report

TDHCA Application #: 25093

Program(s): 9% HTC

North Crest Apartments

Address/Location: 4200 N 19th St & 2005 Steward Dr

City: Waco

County: McLennan

Zip: 76708

| | APPLICATION HISTORY |
|-------------|---------------------------|
| Report Date | PURPOSE |
| 10/28/25 | State Credit Award Update |
| 06/03/25 | Original LIHTC Award |

ALLOCATION

| | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|------------|------------|-------------|-------------|
| TDHCA Program | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm. Lien | Const. Term | Const. Lien |
| State Housing Tax Credits | \$0 | | | | \$150,000 | | | | | | |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS STATUS

- 1 Receipt and acceptance by Carryover:
 - * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if
 - b: Architect certification that buildings were tested for the presence of radon and any recommended
 - c: Certification that leaking pad-mounted transformer was evaluated and subsurface environmentalShould any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 60 |
| 50% of AMI | 50% of AMI | 60 |
| 60% of AMI | 60% of AMI | 76 |

ANALYSIS

North Crest Waco was awarded a 9% HTC allocation of \$2,000,000. The Applicant has applied for an additional \$150,000 in annual State Housing Tax Credits. Applicant has reduced 50% units by 20 and increased 30% units by 20. 12 60% units at North Crest Court have been moved to 30% and 1 60% has been moved to 50%. 8 60% units at North Crest Creekside have been moved to 30%.

Operating Pro Forma

The property has received preliminary approval for a HUD rent increase on 75 units at North Crest Creekside in the amount of \$239 per month increasing the EGI of the property from \$2,334,060 to \$2,389,848.

Development Cost

The Applicant hasn't made any changes to the development cost schedule from the original submission.

Sources of Funds

National Church Residences has reduced DDF to \$767,396. National Equity Fund is contributing an additional \$749,925k in equity to purchase the State Credits. NCR is acquiring an additional \$132,386 in reserves from R4R. NCR is projecting an increase to construction period income of \$42,000. Construction period FHTC income has been reduced to \$5,099,490. This translates to a reduction in Total Sources of Construction Period Funds of \$179,981. Perm funding remains the same at \$36,430,556.

Underwriter recommends \$2,000,000 in 9% Housing Tax Credits and \$150,000 in annual State Housing Tax Credits per the Applicant's request.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <u>Jake Schmid</u> |
| Manager of Real Estate Analysis: | <u>Diamond Unique Thompson</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

UNIT MIX/RENT SCHEDULE

North Crest Apartments , Waco, 9% HTC #25093

LOCATION DATA

| | |
|--------------------|----------|
| CITY: | Waco |
| COUNTY: | McLennan |
| Area Median Income | \$89,600 |
| PROGRAM REGION: | 8 |
| PROGRAM RENT YEAR: | 2025 |

UNIT DISTRIBUTION

| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
|--------|---------|---------|----------|-----|------|-------|
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 194 | 99.0% | 194 | 0 | 0 | 0 |
| 2 | 2 | 1.0% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 196 | 100.0% | 194 | - | - | - |

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 | 602 sf |

| 48% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
|---------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| Average | # Units | - | 60 | - | 60 | 74 | - | - | 2 | 196 |
| Income | % Total | 0.0% | 30.6% | 0.0% | 30.6% | 37.8% | 0.0% | 0.0% | 1.0% | 100.0% |

UNIT MIX / MONTHLY RENT SCHEDULE

| FEDERAL HTC | | RENT ASSISTED UNIT | | | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | | |
|------------------|------------|--------------------|------------|---------|--------|---------|---------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------------|---------|--|
| Type | Gross Rent | 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 | | |
| EO | | 0 | | 1 | 2 | 1 | 841 | \$0 | \$0 | \$0 | | \$0.00 | \$0 | \$0 | | | | | NA | \$0 | \$0.00 | |
| TC 50% | \$833 | PBRA - Creekside | \$1,036 | 18 | 1 | 1 | 563 | \$1,036 | \$72 | \$964 | \$0 | \$1.71 | \$964 | \$17,352 | \$17,352 | \$964 | \$1.71 | \$0 | \$1,050 | \$1.87 | \$1,050 | |
| TC 30% | \$499 | PBRA - Creekside | \$1,036 | 24 | 1 | 1 | 563 | \$1,036 | \$72 | \$964 | \$0 | \$1.71 | \$964 | \$23,136 | \$23,136 | \$964 | \$1.71 | \$0 | \$1,050 | \$1.87 | \$1,050 | |
| TC 60% | \$999 | PBRA - Creekside | \$1,036 | 33 | 1 | 1 | 563 | \$1,036 | \$72 | \$964 | \$0 | \$1.71 | \$964 | \$31,812 | \$31,812 | \$964 | \$1.71 | \$0 | \$1,050 | \$1.87 | \$1,050 | |
| TC 30% | \$499 | PBRA - Court | \$1,144 | 36 | 1 | 1 | 621 | \$1,144 | \$78 | \$1,066 | \$0 | \$1.72 | \$1,066 | \$38,376 | \$38,376 | \$1,066 | \$1.72 | \$0 | \$1,075 | \$1.73 | \$1,075 | |
| TC 60% | \$999 | PBRA - Court | \$1,144 | 41 | 1 | 1 | 621 | \$1,144 | \$78 | \$1,066 | \$0 | \$1.72 | \$1,066 | \$43,706 | \$43,706 | \$1,066 | \$1.72 | \$0 | \$1,075 | \$1.73 | \$1,075 | |
| TC 50% | \$833 | PBRA - Court | \$1,144 | 42 | 1 | 1 | 621 | \$1,144 | \$78 | \$1,066 | \$0 | \$1.72 | \$1,066 | \$44,772 | \$44,772 | \$1,066 | \$1.72 | \$0 | \$1,075 | \$1.73 | \$1,075 | |
| EO | | 0 | | 1 | 2 | 1 | 1,038 | \$0 | \$0 | \$0 | | \$0.00 | \$0 | \$0 | | | | | NA | \$0 | \$0.00 | |
| TOTALS/AVERAGES: | | | | 196 | | | 118,003 | | | | \$0 | \$1.69 | \$1,016 | \$199,154 | \$199,154 | \$1,016 | \$1.69 | \$0 | \$1,054 | \$1.75 | \$1,054 | |

ANNUAL POTENTIAL GROSS RENT:

\$2,389,848

\$2,389,848

*MFDL units float among Unit Types

STABILIZED PRO FORMA

North Crest Apartments , Waco, 9% HTC #25093

STABILIZED FIRST YEAR PRO FORMA

| | COMPARABLES | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
|---------------------------|-------------|---------------|-----------|--------|----------|-------------|--------------|-------------|-------------|----------|--------|-------|----------|-----------|
| | Database | 12M Operating | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| | | | | | | | | | | | | | | |
| POTENTIAL GROSS RENT | | | | \$1.69 | \$1,016 | \$2,389,848 | \$2,334,060 | \$2,334,060 | \$2,389,848 | \$1,016 | \$1.69 | | 0.0% | \$0 |
| laundry and vending | | | | | \$1.28 | \$3,000 | 3,000 | | | | | | | |
| Total Secondary Income | | | | | \$1.28 | | | 11,760 | \$11,760 | \$5.00 | | | -74.5% | (\$8,760) |
| POTENTIAL GROSS INCOME | | | | | | \$2,392,848 | \$2,337,060 | \$2,345,820 | \$2,401,608 | | | | -0.4% | (\$8,760) |
| Vacancy & Collection Loss | | | | | 5.0% PGI | (119,642) | (116,853) | (117,291) | (120,080) | 5.0% PGI | | | -0.4% | 438 |
| EFFECTIVE GROSS INCOME | | | | | | \$2,273,206 | \$2,220,207 | \$2,228,529 | \$2,281,528 | | | | -0.4% | (\$8,322) |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|---------|---------|-------------|-------------|-------------|-------------|---------|---------|--------|--------|-------------|
| General & Administrative | \$64,807 | \$331/Unit | \$122,943 | \$627 | 4.95% | \$0.95 | \$574 | \$112,500 | \$112,500 | \$122,943 | \$122,943 | \$627 | \$1.04 | 5.39% | -8.5% | (10,443) |
| Management | \$62,953 | 4.6% EGI | \$112,732 | \$575 | 4.95% | \$0.95 | \$574 | \$112,600 | \$112,600 | \$111,426 | \$114,076 | \$582 | \$0.97 | 5.00% | -1.3% | (1,476) |
| Payroll & Payroll Tax | \$235,100 | \$1,199/Unit | \$419,603 | \$2,141 | 15.20% | \$2.93 | \$1,763 | \$345,535 | \$345,535 | \$345,535 | \$345,535 | \$1,763 | \$2.93 | 15.14% | 0.0% | - |
| Repairs & Maintenance | \$163,185 | \$833/Unit | \$128,782 | \$657 | 5.37% | \$1.03 | \$623 | \$122,110 | \$122,110 | \$137,200 | \$137,200 | \$700 | \$1.16 | 6.01% | -11.0% | (15,090) |
| Electric/Gas | \$42,793 | \$218/Unit | \$93,879 | \$479 | 3.99% | \$0.77 | \$462 | \$90,630 | \$90,630 | \$93,879 | \$93,879 | \$479 | \$0.80 | 4.11% | -3.5% | (3,249) |
| Water, Sewer, & Trash | \$131,972 | \$673/Unit | \$315,243 | \$1,608 | 7.45% | \$1.43 | \$864 | \$169,270 | \$169,270 | \$169,270 | \$169,270 | \$864 | \$1.43 | 7.42% | 0.0% | - |
| Property Insurance | \$140,531 | \$1.19 /sf | \$158,284 | \$808 | 6.77% | \$1.31 | \$786 | \$154,000 | \$154,000 | \$154,000 | \$154,000 | \$786 | \$1.31 | 6.75% | 0.0% | - |
| Property Tax (@ 100%) 2.2557 | \$107,314 | \$548/Unit | \$1,101 | \$6 | 8.80% | \$1.69 | \$1,020 | \$200,000 | \$200,000 | \$175,710 | \$184,977 | \$944 | \$1.57 | 8.11% | 8.1% | 15,023 |
| Reserve for Replacements | | | | | 2.59% | \$0.50 | \$300 | \$58,800 | \$58,800 | \$58,800 | \$58,800 | \$300 | \$0.50 | 2.58% | 0.0% | - |
| Security | | | | | 0.49% | \$0.09 | \$57 | \$11,124 | \$11,124 | \$11,124 | \$11,124 | \$57 | \$0.09 | 0.49% | 0.0% | - |
| Supportive Services | | | | | 2.72% | \$0.52 | \$316 | \$61,930 | \$61,930 | \$61,930 | \$61,930 | \$316 | \$0.52 | 2.71% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.34% | \$0.07 | \$40 | \$7,760 | \$7,760 | \$7,760 | \$7,760 | \$40 | \$0.07 | 0.34% | 0.0% | - |
| TOTAL EXPENSES | | | | | 63.62% | \$12.26 | \$7,379 | \$1,446,259 | \$1,446,259 | \$1,449,577 | \$1,461,494 | \$7,457 | \$12.39 | 64.06% | -1.0% | \$ (15,235) |
| NET OPERATING INCOME ("NOI") | | | | | 36.38% | \$7.01 | \$4,219 | \$826,947 | \$773,948 | \$778,952 | \$820,034 | \$4,184 | \$6.95 | 35.94% | 0.8% | \$ 6,913 |

| | | | | |
|-----------------------|--------------|--|--------------|--|
| CONTROLLABLE EXPENSES | \$4,286/Unit | | \$4,433/Unit | |
|-----------------------|--------------|--|--------------|--|

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|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS <i>North Crest Apartments , Waco, 9% HTC #25093</i> |
|--|

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | | | | | | | | |
|--|-------|---|-----------|-----------|----------------------------|-------|------|--------------|--------------------|--------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|----------------------|--|-----------|-----------|---------------|--|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Prior Underwriting | | Principal | Term | Amort | Rate | Pmt | Cumulative | | | | | | | |
| | | UW | App | | | | | | Applicant | TDHCA | | | | | | DCR | LTC | | | | | | |
| HUD Loan Assumption | 0.25% | 2.29 | 2.31 | \$357,500 | 2.40% | 31 | 31.0 | \$7,367,873 | \$7,367,873 | \$7,367,873 | \$7,367,873 | 31.0 | 31.0 | 2.40% | \$355,598 | 2.33 | 20.2% | | | | | | |
| HUD | 0.25% | 1.25 | 1.26 | \$300,472 | 6.40% | 40 | 40.0 | \$4,200,000 | \$4,200,000 | \$4,200,000 | \$4,200,000 | 40.0 | 40.0 | 6.40% | \$301,987 | 1.26 | 11.5% | | | | | | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | | | | | | | |
| National Church Residences - Court | | 1.25 | 1.26 | | 7.00% | 50 | 50.0 | \$3,325,000 | \$3,325,000 | \$3,325,000 | \$3,325,000 | 50.0 | 50.0 | 7.00% | \$0 | 1.26 | 9.1% | | | | | | |
| National Church Residences - Creekside | | 1.25 | 1.26 | | 7.00% | 50 | 50.0 | \$1,900,000 | \$1,900,000 | \$1,900,000 | \$1,900,000 | 50.0 | 50.0 | 7.00% | \$0 | 1.26 | 5.2% | | | | | | |
| CMF Note Assumed from NCR | | 1.25 | 1.26 | | 0.00% | 46 | 46.0 | \$270,000 | \$270,000 | \$270,000 | \$270,000 | 46.0 | 46.0 | 0.00% | \$0 | 1.26 | 0.7% | | | | | | |
| City of Waco | | 1.25 | 1.26 | | 0.00% | 0 | 0.0 | \$500 | \$500 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | 1.26 | 0.0% | | | | | | |
| Construction Period Income | | 1.25 | 1.26 | | 0.00% | 0 | 0.0 | \$375,000 | \$333,000 | \$333,000 | \$375,000 | 0.0 | 0.0 | 0.00% | | 1.26 | 1.0% | | | | | | |
| Acquired R4R 8.2025 | | 1.25 | 1.26 | | 0.00% | 0 | 0.0 | \$476,562 | \$344,176 | \$344,176 | \$476,562 | 0.0 | 0.0 | 0.00% | | 1.26 | 1.3% | | | | | | |
| | | | | \$657,972 | TOTAL DEBT / GRANT SOURCES | | | \$17,914,935 | \$17,740,549 | \$17,740,549 | \$17,914,935 | TOTAL DEBT SERVICE | | | \$657,585 | 1.26 | 49.2% | | | | | | |
| NET CASH FLOW | | \$162,062 | \$168,975 | APPLICANT | | | | | | | | | | | | | | NET OPERATING INCOME | | \$826,947 | \$169,362 | NET CASH FLOW | |

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | | | |
|-------------------------------|---------------------------------------|-------|----------------|--------|--------------|--------------|--------------|----------------------------------|----------------|-------------|-------------------------------------|----------------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | | | | | | | | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost |
| | Applicant | TDHCA | | | | | | | | | | | |
| National Equity Fund | LIHTC Equity | 46.7% | \$2,000,000 | \$0.85 | \$16,998,300 | \$17,598,240 | \$17,598,240 | \$16,998,300 | \$0.85 | \$2,000,000 | 46.7% | \$10,204 | Applicant Request |
| National Equity Fund (\$0.50) | SHTC Equity | 2.1% | \$150,000 | \$0.50 | \$749,925 | \$0 | | \$749,925 | \$0.50 | \$150,000 | 2.1% | | |
| National Church Residences | Deferred Developer Fees | 2.1% | (30% Deferred) | | \$767,396 | \$1,091,767 | \$1,091,767 | \$767,396 | (30% Deferred) | | 2.1% | Total Developer Fee: \$2,573,000 | |
| TOTAL EQUITY SOURCES | | 50.8% | | | \$18,515,621 | \$18,690,007 | \$18,690,007 | \$18,515,621 | | | 50.8% | | |
| TOTAL CAPITALIZATION | | | | | \$36,430,556 | \$36,430,556 | \$36,430,556 | \$36,430,556 | | | 15-Yr Cash Flow after Deferred Fee: | | \$1,975,853 |

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | |
|--|--|-----------------------------------|------------------|------------------|---------------|--------------------|--------------|--------------|--------------------------|------------------|------------------|--------------|-------|---------------|-----|
| | | APPLICANT COST / BASIS ITEMS | | | | | | | 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 | | | | \$5,306 / Unit | | \$1,040,000 | \$1,040,000 | \$1,040,000 | \$1,040,000 | \$5,306 / Unit | | | 0.0% | \$0 | |
| Building Acquisition | | \$0 | | \$66,633 / Unit | | \$13,060,000 | \$13,060,000 | \$13,060,000 | \$13,060,000 | \$66,633 / Unit | | \$0 | 0.0% | \$0 | |
| Off-Sites | | | | \$ / Unit | | \$0 | \$0 | \$0 | \$0 | \$ / Unit | | | 0.0% | \$0 | |
| Site Work | | | \$479,020 | \$2,444 / Unit | | \$479,020 | \$479,020 | \$485,510 | \$485,510 | \$2,477 / Unit | \$485,510 | | -1.3% | (\$6,490) | |
| Site Amenities | | | \$165,560 | \$845 / Unit | | \$165,560 | \$165,560 | \$159,070 | \$159,070 | \$812 / Unit | \$159,070 | | 4.1% | \$6,490 | |
| Building Cost | | | \$12,149,420 | \$102.96 /sf | \$61,987/Unit | \$12,149,420 | \$12,149,420 | \$12,149,420 | \$12,149,420 | \$61,987/Unit | \$102.96 /sf | \$12,149,420 | 0.0% | \$0 | |
| Contingency | | | \$1,279,400 | 10.00% | 10.00% | \$1,279,400 | \$1,279,400 | \$1,279,400 | \$1,279,400 | 10.00% | 10.00% | \$1,279,400 | 0.0% | \$0 | |
| Contractor Fees | | | \$1,791,160 | 12.73% | 12.73% | \$1,791,160 | \$1,791,160 | \$1,791,160 | \$1,791,160 | 12.73% | 12.73% | \$1,791,160 | 0.0% | \$0 | |
| Soft Costs | | \$0 | \$1,349,500 | \$9,147 / Unit | | \$1,792,750 | \$1,792,750 | \$1,792,750 | \$1,792,750 | \$9,147 / Unit | | \$1,349,500 | \$0 | 0.0% | \$0 |
| Financing | | \$0 | \$758,166 | \$6,170 / Unit | | \$1,209,246 | \$1,209,246 | \$1,209,246 | \$1,209,246 | \$6,170 / Unit | | \$758,166 | \$0 | 0.0% | \$0 |
| Developer Fee | | \$0 | \$2,573,000 | 14.32% | 14.32% | \$2,573,000 | \$2,573,000 | \$2,573,000 | \$2,573,000 | 14.32% | 14.32% | \$2,573,000 | \$0 | 0.0% | \$0 |
| Reserves | | | | 5 Months | | \$891,000 | \$891,000 | \$891,000 | \$891,000 | 5 Months | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$20,545,226 | \$185,870 / Unit | | \$36,430,556 | \$36,430,556 | \$36,430,556 | \$36,430,556 | \$185,870 / Unit | | \$20,545,226 | \$0 | 0.0% | \$0 |
| Acquisition Cost | | \$0 | | | | \$0 | | | | | | | | | |
| Contingency | | | \$0 | | | \$0 | | | | | | | | | |
| Contractor's Fee | | | \$0 | | | \$0 | | | | | | | | | |
| Financing Cost | | | \$0 | | | | | | | | | | | | |
| Developer Fee | | 0.00% | \$0 | | | \$0 | | | | | | | | | |
| Reserves | | | | | | \$0 | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$20,545,226 | \$185,870/unit | | \$36,430,556 | | | \$36,430,556 | \$185,870/unit | | \$20,545,226 | \$0 | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA | | | | | | \$36,430,556 | | | | | | | | | |

| |
|---|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| <i>North Crest Apartments , Waco, 9% HTC #25093</i> |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$20,545,226 | \$0 | \$20,545,226 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$20,545,226 | \$0 | \$20,545,226 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$26,708,793 | \$0 | \$26,708,793 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$26,708,793 | \$0 | \$26,708,793 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$2,403,791 | \$0 | \$2,403,791 |
| CREDITS ON QUALIFIED BASIS | \$2,403,791 | | \$2,403,791 | |

| | ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | Annual Credits | Proceeds | Credit Price \$0.8499 | Variance to Request | |
| Method | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$2,403,791 | \$20,430,184 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,090,291 | \$17,765,696 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$16,998,300 | \$2,000,000 | \$0 | \$0 |

Long-Term Pro Forma

North Crest Apartments , Waco, 9% HTC #25093

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 | Year 40 |
|--------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$2,273,206 | \$2,318,670 | \$2,365,043 | \$2,412,344 | \$2,460,591 | \$2,716,691 | \$2,999,447 | \$3,311,631 | \$3,656,309 | \$4,036,860 | \$4,457,020 | \$4,920,910 |
| TOTAL EXPENSES | 3.00% | \$1,446,259 | \$1,488,521 | \$1,532,028 | \$1,576,817 | \$1,622,927 | \$1,874,690 | \$2,165,852 | \$2,502,616 | \$2,892,164 | \$3,342,814 | \$3,864,202 | \$4,467,484 |
| NET OPERATING INCOME ("NOI") | | \$826,947 | \$830,149 | \$833,015 | \$835,527 | \$837,664 | \$842,002 | \$833,595 | \$809,016 | \$764,145 | \$694,046 | \$592,818 | \$453,426 |
| EXPENSE/INCOME RATIO | | 63.6% | 64.2% | 64.8% | 65.4% | 66.0% | 69.0% | 72.2% | 75.6% | 79.1% | 82.8% | 86.7% | 90.8% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | |
| HUD Loan Assumption | | \$355,598 | \$355,193 | \$354,778 | \$354,352 | \$353,917 | \$351,575 | \$348,936 | \$345,960 | \$342,605 | \$338,823 | \$337,178 | \$337,178 |
| Adjustment to Debt Per §11.302(c)(2) | | | | | | | | | | | | | |
| HUD | | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 |
| TOTAL DEBT SERVICE | | \$657,585 | \$657,180 | \$656,765 | \$656,339 | \$655,904 | \$653,562 | \$650,923 | \$647,947 | \$644,592 | \$640,810 | \$639,165 | \$639,165 |
| DEBT COVERAGE RATIO | | 1.26 | 1.26 | 1.27 | 1.27 | 1.28 | 1.29 | 1.28 | 1.25 | 1.19 | 1.08 | 0.93 | 0.71 |
| ANNUAL CASH FLOW | | \$169,362 | \$172,969 | \$176,251 | \$179,188 | \$181,760 | \$188,439 | \$182,672 | \$161,069 | \$119,553 | \$53,236 | (\$46,347) | (\$185,739) |
| Deferred Developer Fee Balance | | \$598,034 | \$425,065 | \$248,814 | \$69,626 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$112,134 | \$1,045,350 | \$1,975,853 | \$2,831,498 | \$3,521,172 | \$3,930,999 | \$3,914,654 | \$3,281,576 |

25093 North Crest Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 3, 2025

| PROPERTY IDENTIFICATION | | | RECOMMENDATION | | | | | KEY PRINCIPALS / SPONSOR | | | |
|-------------------------|------------------------|-------------|------------------|-------------|-------------|---------------|--------|--|------------------|----------|-----|
| Application # | 25093 | | TDHCA Program | Request | Recommended | | | Tracey Fine / Developer / National Church Residences | | | |
| Development | North Crest Apartments | | FHTC (9% Credit) | \$2,000,000 | \$2,000,000 | \$10,204/Unit | \$0.88 | | | | |
| City / County | Waco / McLennan | | | | | | | | | | |
| Region/Area | 8 / Urban | | | | | | | | | | |
| Population | Elderly Preference | | | | | | | | | | |
| Set-Aside | Non-Profit | | | | | | | | | | |
| Activity | Acquisition/Rehab | 1997 / 1982 | | | | | | Related Parties | Contractor - TBD | Seller - | Yes |

TYPICAL BUILDING ELEVATION/PHOTO

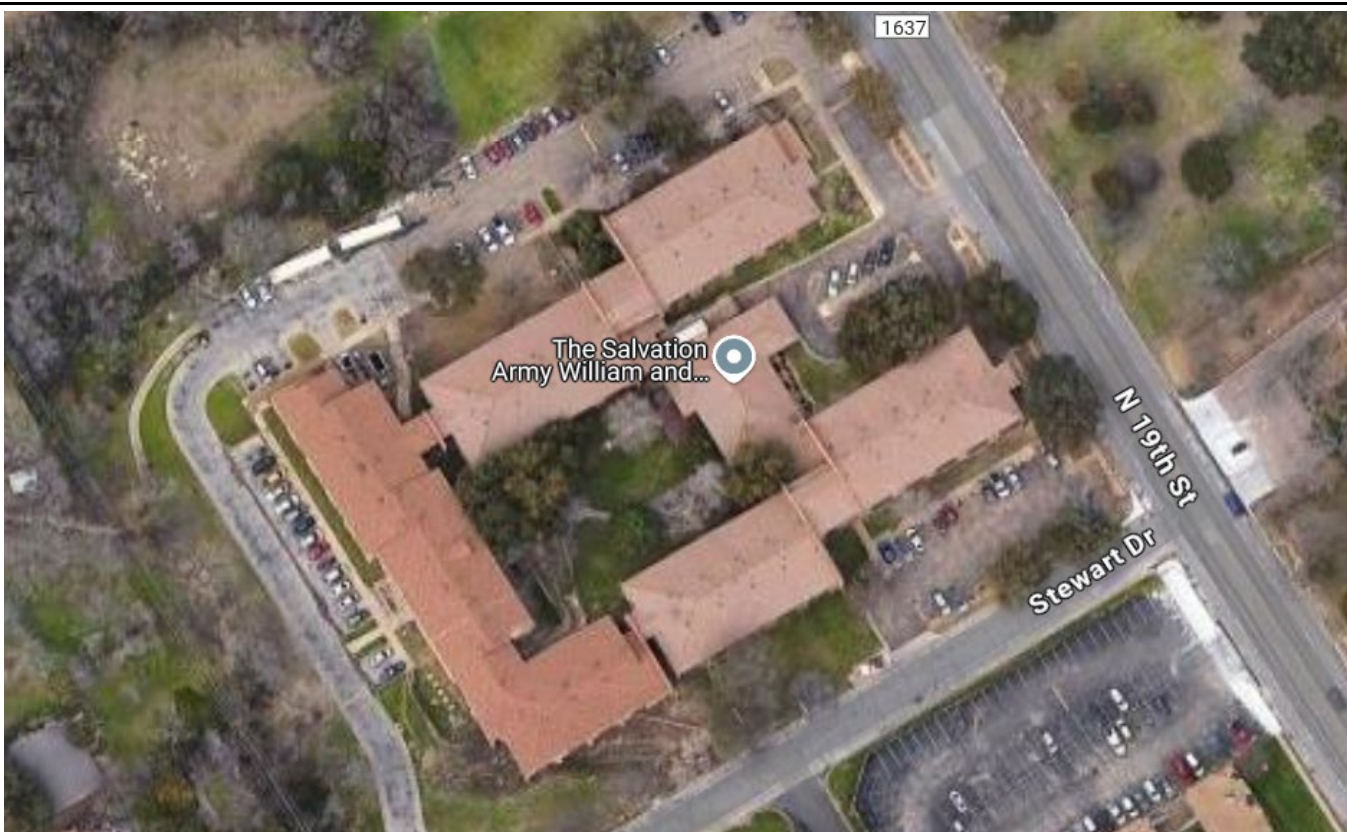


| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | |
|-------------------|---------|----------------------------|---------------------|---------|-----------------------------|
| # Beds | # Units | % Total | Income | # Units | % Total |
| Eff | - | <div><div></div></div> 0% | 20% | - | <div><div></div></div> 0% |
| 1 | 194 | <div><div></div></div> 99% | 30% | 40 | <div><div></div></div> 20% |
| 2 | 2 | <div><div></div></div> 1% | 40% | - | <div><div></div></div> 0% |
| 3 | - | <div><div></div></div> 0% | 50% | 80 | <div><div></div></div> 41% |
| 4 | - | <div><div></div></div> 0% | 60% | 74 | <div><div></div></div> 38% |
| | | | 70% | - | <div><div></div></div> 0% |
| | | | 80% | - | <div><div></div></div> 0% |
| | | | MR | 2 | <div><div></div></div> 1% |
| | | | TOTAL | 196 | <div><div></div></div> 100% |

PRO FORMA FEASIBILITY INDICATORS

| Pro Forma Underwritten | | Applicant's Pro Forma | |
|------------------------|--------------|-----------------------|--------------|
| Debt Coverage | 🟡 1.18 | Expense Ratio | 🔴 65.1% |
| Breakeven Occ. | 🟡 90.0% | Breakeven Rent | \$940 |
| Average Rent | \$992 | B/E Rent Margin | 🟡 \$52 |
| Property Taxes | \$1,020/unit | Exemption/PILOT | 0% |
| Total Expense | \$7,379/unit | Controllable | \$4,286/unit |

SITE PLAN



MARKET FEASIBILITY INDICATORS

| | | | |
|----------------------------------|------|-----------------|------|
| Gross Capture Rate (10% Maximum) | | ✓ | 6.0% |
| Highest Unit Capture Rate | ✓ 0% | N/A | N/A |
| Dominant Unit Cap. Rate | | 0 BR/20% | 0 |
| Premiums (↑80% Rents) | N/A | N/A | |
| Rent Assisted Units | 194 | 99% Total Units | |

DEVELOPMENT COST SUMMARY

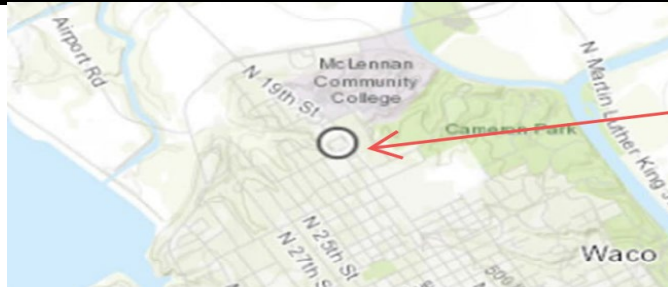
| Costs Underwritten | | TDHCA's Costs - Based on SCR | |
|--------------------|-------------|------------------------------|--------------|
| Avg. Unit Size | 602 SF | Density | 63.0/acre |
| Acquisition | | \$72K/unit | \$14,100K |
| Building Cost | \$102.96/SF | \$62K/unit | \$12,149K |
| Hard Cost | | \$72K/unit | \$14,073K |
| Total Cost | | \$186K/unit | \$36,431K |
| Developer Fee | \$2,573K | (42% Deferred) | Paid Year: 9 |
| Contractor Fee | \$1,791K | 30% Boost | Yes |


REHABILITATION COSTS / UNIT

| | | | | | |
|----------------|-------|-----|------------------|-------|-----|
| Site Work | \$2K | 3% | Finishes/Fixture | \$26K | 36% |
| Building Shell | \$21K | 29% | Amenities | \$1K | 1% |
| HVAC | \$7K | 9% | Total Exterior | \$24K | 40% |
| Appliances | \$3K | 4% | Total Interior | \$36K | 60% |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | |
|------------------------------|-------|-------|---------------------|------|--|------|-------|--------------------|------|-----------------------------|---------------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount |
| HUD Loan Assumption | 31/31 | 2.40% | \$7,367,873 | 2.18 | | | | | | National Equity Fund | \$17,598,240 |
| | | | | | National Church Residences - Court | 50/0 | 7.00% | \$3,325,000 | 1.18 | 0 | \$0 |
| | | | | | National Church Residences - Creekside | 50/0 | 7.00% | \$1,900,000 | 1.18 | 0 | \$0 |
| | | | | | Capital Magnet Fund | 46/0 | 0.00% | \$270,000 | 1.18 | National Church Residences | \$1,091,767 |
| HUD | 40/40 | 6.40% | \$4,200,000 | 1.18 | | | | | | 0 | \$0 |
| | | | | | City of Waco | 0/0 | 0.00% | \$500 | 1.18 | | |
| | | | | | Construction Period Income | 0/0 | 0.00% | \$333,000 | 1.18 | TOTAL EQUITY SOURCES | \$18,690,007 |
| | | | | | Acquired R4R 1.2025 | 0/0 | 0.00% | \$344,176 | 1.18 | TOTAL DEBT SOURCES | \$17,740,549 |
| TOTAL DEBT (Must Pay) | | | \$11,567,873 | | CASH FLOW DEBT / GRANTS | | | \$6,172,676 | | TOTAL CAPITALIZATION | \$36,430,556 |

| CONDITIONS | |
|---|--|
| 1 Receipt and acceptance by Carryover: * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside | |
| 2 Receipt and acceptance by Cost Certification: a: Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if necessary, a certification that any appropriate abatement procedures were implemented. b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented. c: Certification that leaking pad-mounted transformer was evaluated and subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented. | |
| Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted. | |

| RISK PROFILE | |
|---|--|
| STRENGTHS/MITIGATING FACTORS | |
| ▫ Lack of up to date supply in submarket | |
| ▫ Experienced Non-profit developer | |
| WEAKNESSES/RISKS | |
| ▫ High expense ratio | |
| ▫ Aging property may come with unforeseen costs | |
| AREA MAP | |
|  | |

| AERIAL PHOTOGRAPH(s) | |
|--|--|
|  | |

**Real Estate Analysis Division****Underwriting Report****June 3, 2025****DEVELOPMENT IDENTIFICATION**TDHCA Application #: **25093**Program(s): **9% HTC****North Crest Apartments**Address/Location: **4200 N 19th St & 2005 Steward Dr**City: **Waco**County: **McLennan**Zip: **76708**Population: **Elderly Preference**Program Set-Aside: **Non-Profit**Area: **Urban**Activity: **Acquisition/Rehab**Building Type: **Garden/Townhome**Region: **8**Low-Income: **20% at 50%**Analysis Purpose: **New Application - Initial Underwriting**

HUD Section 202 Program (Court), HUD

(*) **PRAC/Capital Advance (Creekside)****ALLOCATION**

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|-------------------------|--------------------|-----------|-------|------|--------------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS

1 Receipt and acceptance by Carryover:

- * Documentation of approval of proposed HAP Rent increase for 75 units at Creekside

2 Receipt and acceptance by Cost Certification:

- a: Certification that testing for asbestos was performed on suspect ACMs prior to renovation, and if necessary, a certification that any appropriate abatement procedures were implemented.
- b: Architect certification that buildings were tested for the presence of radon and any recommended mitigation measures were implemented.
- c: Certification that leaking pad-mounted transformer was evaluated and subsurface environmental investigation was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 40 |
| 50% of AMI | 50% of AMI | 80 |
| 60% of AMI | 60% of AMI | 76 |

DEVELOPMENT SUMMARY

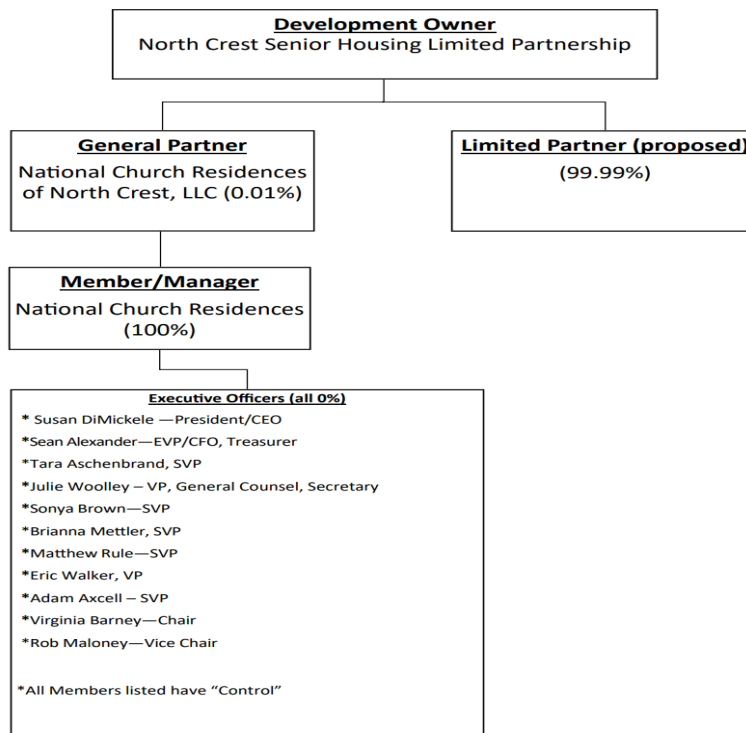
North Crest Creekside is comprised of 2 adjacent buildings (North Crest Court and North Crest Creekside) built in separate years on one single site. North Crest Court was built in 1982 with the HUD 202 Direct Loan program and includes 120 senior units. North Crest Creekside includes 76 senior units, built in 1997 using the HUD PRAC Capital Program. If funded with LIHTC, they will be combined into 1 single ownership LP. National Church Residences purchased these properties from the Salvation Army in 2022 in hopes of finding a path for preservation. The NC Creekside portion of the property will go through the RAD for PRAC process and receive a rent boost along with a new 20 year HAP contract at closing. The NC Court side has an existing HAP contract that expires in 2042. If required by the lenders, a new HAP contract will be entered into at closing. The properties are in fair condition and will undergo critical and cosmetic repairs in order to extend its useful life.

RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | | WEAKNESSES/RISKS | |
|------------------------------|--|------------------|---|
| ▫ | Lack of up to date supply in submarket | ▫ | High expense ratio |
| ▫ | Experienced Non-profit developer | ▫ | Aging property may come with unforeseen costs |

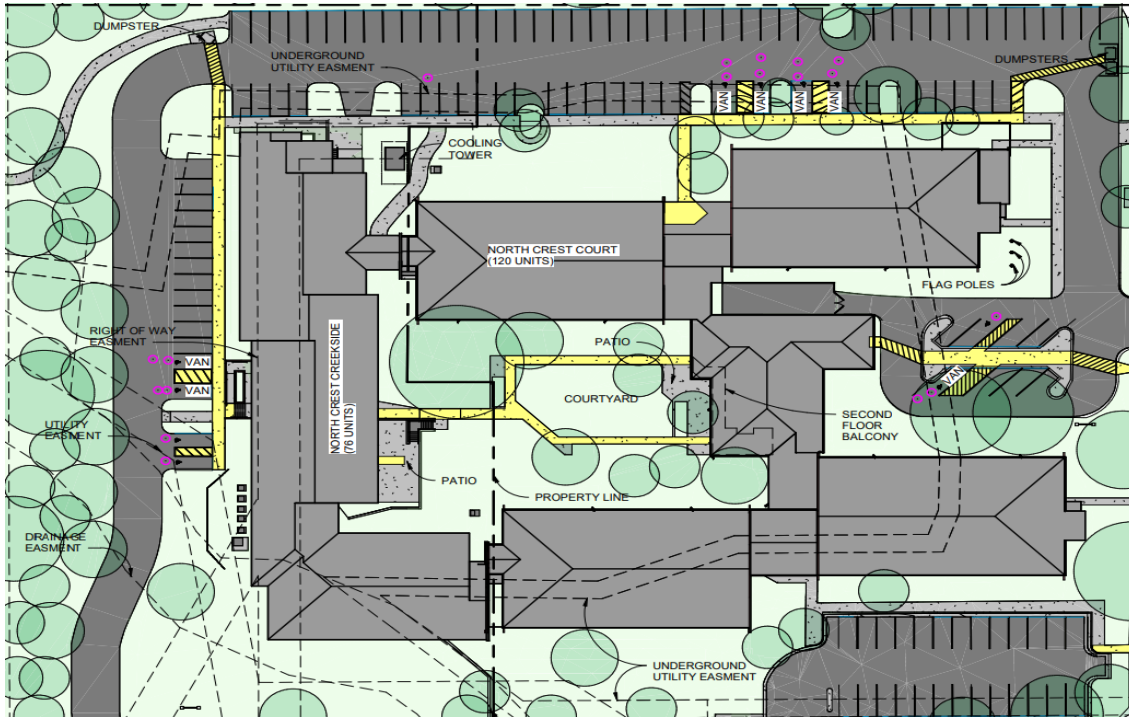
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



| Parking | No Fee | | Tenant-Paid | | Total | |
|----------------------|------------|-----------------|-------------|-----------|------------|-----------------|
| Open Surface | 122 | 0.6/unit | 0 | -- | 122 | 0.6/unit |
| Carport | 0 | -- | 0 | -- | 0 | -- |
| Garage | 0 | -- | 0 | -- | 0 | -- |
| Total Parking | 122 | 0.6/unit | 0 | -- | 122 | 0.6/unit |

Comments:

Fewer parking spaces than # of units, 5 accessible parking spaces provided. Architect certified this meets standards.

BUILDING ELEVATION



BUILDING CONFIGURATION

| | | | | | | | | | | | | | | |
|----------------------------|---------------|-----------|--|-----------------------|--|----------------|--|--|--------------------------|--|--|--|---------------|-----------------|
| Building Type | Weekside | Courtside | | | | | | | | | | | | Total Buildings |
| Floors/Stories | 3 | 3 | | | | | | | | | | | | |
| Number of Bldgs | 1 | 1 | | | | | | | | | | | | 2 |
| Units per Bldg | 76 | 120 | | | | | | | | | | | | |
| Total Units | 76 | 120 | | | | | | | | | | | | 196 |
| | | | | | | | | | | | | | | |
| Avg. Unit Size (SF) | 602 sf | | | Total NRA (SF) | | 118,003 | | | Common Area (SF)* | | | | 36,669 | |

*Common Area Square Footage as specified on Architect Certification

| | |
|-------------------|--|
| SITE CONTROL INFO | |
|-------------------|--|

| |
|--|
| |
|--|

| | | | | | | |
|----------------------|-----------------------------------|------|--|----------|-----------------------|------------|
| Site Acreage: | Development Site: | 3.11 | acres | Density: | 63.0 | units/acre |
| | Site Control: | 3.11 | Site Plan: | 3.11 | Appraisal: | 3.11 |
| | | | | | ESA: | 3.11 |
| | Feasibility Report Survey: | 3.11 | Feasibility Report Engineer's Plan: | NA | Existing LURA: | NA |

Control Type: Contract for Sale

Development Site: 3.11 acres Cost: \$14,100,000 \$71,939 per unit

Seller: National Church Residences of WB Waco

| | |
|--------|----------------------------|
| Buyer: | National Church Residences |
|--------|----------------------------|

| | |
|--|------------|
| Related-Party Seller/Identity of Interest: | <u>Yes</u> |
|--|------------|

| | |
|--|---------------------|
| Date of Most Recent Arms Length Settlement Statement: | <u>1/13/2022</u> |
| Sales Price in Most Recent Arms Length Settlement Statement: | <u>\$11,501,548</u> |

Comments:

The project is not claiming credit on acquisition, however, it is eligible since Developer/Owner/Buyer/Seller is a non-profit.

The total estimated price in the contracts is \$15K less than the amount included in the Development Cost Schedule. However, the contracts specifically state that the purchase price shall equal the appraised value. Therefore, the Underwriter has included the full \$14.1M appraised value as the total purchase price.

The total estimated price in the contracts is \$15K less than the amount included in the Development Cost Schedule. However, the contracts specifically state that the purchase price shall equal the appraised value. Therefore, the Underwriter has included the full \$14.1M appraised value as the total purchase price.

| APPRAISED VALUE | | | |
|---|-------------------------------------|---------------------------|--|
| Appraiser: | BBG Real Estate | Date: | 1/29/2025 |
| Land as Vacant: | 3.11 acres | \$1,040,000 | Per Unit: \$5,306 |
| Existing Buildings: (as-is) | | \$13,060,000 | Per Unit: \$66,633 |
| Total Development: (as-is) | | \$14,100,000 | Per Unit: \$71,939 |
| SITE INFORMATION | | | |
| Flood Zone: X- Not in Flood Zone | | Scattered Site? | No |
| Zoning: | R-3E MF | Within 100-yr floodplain? | No |
| Re-Zoning Required? | No | Utilities at Site? | Yes |
| Year Constructed: | 1997 / 1982 | Title Issues? | No |
| <p>Current Uses of Subject Site:</p> <p style="margin-left: 20px;">Subject property is currently used as elderly housing</p> | | | |
| TENANT RELOCATION PLAN | | | |
| <p>The relocation plan will impact all residents and will unfold over 7 phases throughout the duration of the construction period. Each phase will consist of approximately 18 units. In an effort to minimize resident displacement, National Church Residences will stop leasing vacant units to try to gain up to 18 units to use for residents during the construction period. Residents will move to these vacant units. National Church Residences will move each resident out to a vacant unit onsite during construction in their apartment. Once construction is complete, we will move our residents back to their original units. Construction will finalize 18 units simultaneously, with each phase expected to last 4-6 weeks. North Crest Court has budgeted \$214,600 for the moves, \$10,200 for utility transfers, \$2,550 for laundry, \$5,000 for resident services while elevators are down, and \$22,500 for cleaning and storage. The total is \$254,850 for a cost of \$1,665/unit. North Crest Creekside has budgeted \$138,600 for the moves, \$6,400 for utility transfers, \$1,600 for laundry, \$5,000 for resident services, and \$16,800 for cleaning and storage for a total of \$168,400 for a cost of \$1,100 per unit.</p> | | | |
| HIGHLIGHTS of ENVIRONMENTAL REPORTS | | | |
| Provider: | DG3 (Dominion Due Dilligence Group) | Date: | 2/25/2025 |
| <p>Recognized Environmental Conditions (RECs) and Other Concerns:</p> <ul style="list-style-type: none"> ▫ Recommends evaluation of leaking pad-mounted transformer ▫ Recommends asbestos survey prior to renovation activities ▫ Recommends radon gas testing at subject property | | | |

MARKET ANALYSIS

Provider: VSI (Vogt Strategic Insights)

Date: 2/21/2025

Primary Market Area (PMA): 28.4 sq. miles 3 mile equivalent radius

| AFFORDABLE HOUSING INVENTORY | | | | | | |
|---|------------------------|---------|--------------|--------------------|--------------------|-------------|
| Competitive Supply (Proposed, Under Construction, and Unstabilized) | | | | | | |
| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
| 20171 | Avanti Viking Hills | Yes | New | General | 0 | 82 |
| 21024 | Freedom's Path at Waco | Yes | Adapt Re-Use | Supportive Housing | 0 | 34 |
| Stabilized Affordable Developments in PMA | | | | | Total Units | 178 |
| | | | | | Total Developments | 3 |
| | | | | | Average Occupancy | 96% |

Comments:

Rehab or reconstruction projects where: (i) 100% of units are covered by an existing project based rental assistance that will continue for at least the Compliance Period, an existing Department LURA, or the subject rents are at or below 50% AMGI rents, (ii) is 80% occupied, and (iii) gives existing tenants leasing preference or the right to return, do not require a full market study. The subject property is 98% occupied.

OPERATING PRO FORMA

| SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma) | | | | | |
|--|-----------|----------------|-------|------------------------|---------|
| NOI: | \$773,948 | Avg. Rent: | \$992 | Expense Ratio: | 65.1% |
| Debt Service: | \$657,585 | B/E Rent: | \$940 | Controllable Expenses: | \$4,286 |
| Net Cash Flow: | \$116,363 | UW Occupancy: | 95.0% | Property Taxes/Unit: | \$1,020 |
| Aggregate DCR: | 1.18 | B/E Occupancy: | 90.0% | Program Rent Year: | 2024 |

1) Subject property receives rental assistance from Section 8 for 100% of the tax credit units. Currently, National Church Residences is renegotiating the contract for an increase on the 75 Creekside units.

2) Applicant exceeds 65% expense ratio rule, however, per 11.302(i)(5)(B)(i), the infeasibility conclusions will not apply if the development "will receive Project-based Section 8 Rental Assistance or the HUD Rental Assistance Demonstration Program for at least 50% of the Units and a firm commitment, with terms including Contract Rent and number of Units, is submitted at Application"

3) Water, sewer, trash utilities were abnormally high for 2024 due to a large leak on the property. Applicant's expense included in the Application is consistent with comparable developments in the region and reflects a more normalized estimate of water, sewer and trash.

DEVELOPMENT COST EVALUATION

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

| | | | | | |
|---------------------------------------|--------------|---|---------------------|----------------------------|----------------------|
| Acquisition | \$334,405/ac | \$71,939/unit | \$14,100,000 | Contractor Fee | \$1,791,160 |
| Off-site + Site Work | | \$3,289/unit | \$644,580 | Soft Cost + Financing | \$3,001,996 |
| Building Cost | \$102.96/sf | \$61,987/unit | \$12,149,420 | Developer Fee | \$2,573,000 |
| Contingency | 10.00% | \$6,528/unit | \$1,279,400 | Reserves | \$891,000 |
| Total Development Cost | | \$185,870/unit | \$36,430,556 | Rehabilitation Cost | \$65,276/unit |
| Qualified for 30% Basis Boost? | | Add'l 10% of units restricted at or below 30% AMI | | | |

REHABILITATION COSTS / UNIT / % HARD COST

| | | | | | | | |
|-----------------------|--------------------|----------------------|------------|-----------------------|--------------------|----------------------|------------|
| Site Work | \$485,510 | \$2,477/unit | 3% | Finishes/Fixtures | \$5,068,462 | \$25,860/unit | 36% |
| Building Shell | \$4,079,608 | \$20,814/unit | 29% | HVAC | \$1,301,650 | \$6,641/unit | 9% |
| Amenities | \$159,070 | \$812/unit | 1% | Appliances | \$606,000 | \$3,092/unit | 4% |
| Total Exterior | \$4,724,188 | \$24,103/unit | 40% | Total Interior | \$6,976,112 | \$35,592/unit | 60% |

SCOPE & COST REVIEW

Provider: DG3 (Dominion Due Dilligence Group)

Date: 2/25/2025

Scope of Work:

The proposed rehabilitation will address both structural and aesthetic improvements across the property, including significant correction to deferred maintenance and modernization of the building.

The exterior scope includes replacement of roofing systems, repair and replacement of certain building façade elements, structural repairs where needed, updated exterior painting of railings and balcones, replacement of aged signage, installation of updated site and building lighting, and resurfacing of all parking and drive areas.

Common areas and community spaces will be renovated to improve functionality and compliance with current standards. This includes updates to finishes, flooring, and fixtures in community rooms, corridors, and other shared spaces.

Interior unit renovations will consist of replacement of flooring, interior paint, installation of new window blinds, bathroom modifications, electrical panels, switches, and other improvements.

Building systems, including dwelling unit and common area HVAC systems will be replaced. Additional building system upgrades and deferred maintenance will be undertaken.

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$36,430,556 | \$20,545,226 | \$2,403,791 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|--|-----------------------|---------------------|----------------------|-----|
| HUD Loan Assumption | HUD Insured 223f Loan | \$7,367,873 | 2.65% | 31% |
| HUD | 241a Loan | \$4,200,000 | 6.40% | 17% |
| National Equity Fund | FHTC | \$5,279,472 | \$0.88 | 22% |
| National Church Residences - Court | Seller Note | \$3,325,000 | 7.00% | 14% |
| National Church Residences - Creekside | Seller Note | \$1,900,000 | 7.00% | 8% |
| Capital Magnet Fund | Loan Assumption | \$270,000 | 0.00% | 1% |
| National Church Residences | Fee | \$1,091,767 | 0.00% | 5% |
| City of Waco | In-Kind | \$500 | 0.00% | 0% |
| Construction Period Income | Property Income | \$333,000 | 0.00% | 1% |
| Acquired R4R 1.2025 | Acquired Reserves | \$344,176 | 0.00% | 1% |
| | | \$24,111,788 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|----------------------------|---------------------|---------------|-------|------|---------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| HUD Loan Assumption | \$7,367,873 | 2.40% | 31 | 31.0 | \$7,367,873 | 2.40% | 31 | 31.0 | 20% |
| HUD | \$4,200,000 | 6.40% | 40 | 40.0 | \$4,200,000 | 6.40% | 40 | 40.0 | 12% |
| City of Waco | \$500 | 0.00% | 0 | 0.0 | \$500 | 0.00% | 0 | 0.0 | 0% |
| Construction Period Income | \$333,000 | 0.00% | 0 | 0.0 | \$333,000 | 0.00% | 0 | 0.0 | 1% |
| Acquired R4R 1.2025 | \$344,176 | 0.00% | 0 | 0.0 | \$344,176 | 0.00% | 0 | 0.0 | 1% |
| Total | \$17,740,549 | | | | \$17,740,549 | | | | |

| Equity & Deferred Fees | PROPOSED | | | UNDERWRITTEN | | | |
|----------------------------|---------------------|--------|-------|---------------------|----------------------|------|-------|
| | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| National Equity Fund | \$17,598,240 | \$0.88 | | \$17,598,240 | \$0.88 | 48% | |
| National Church Residences | \$1,091,767 | | 42% | \$1,091,767 | | 3% | 42% |
| Total | \$18,690,007 | | | \$18,690,007 | | | |
| | | | | \$36,430,556 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.935 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.843 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Gap Analysis:

| | |
|---|---------------------|
| Total Development Cost | \$36,430,556 |
| Permanent Sources (debt + non-HTC equity) | \$17,740,549 |
| Gap in Permanent Financing | \$18,690,007 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$21,151,249 | \$2,403,791 |
| Needed to Balance Sources & Uses | \$18,690,007 | \$2,124,077 |
| Requested by Applicant | \$17,598,240 | \$2,000,000 |

| | RECOMMENDATION | |
|------------------------------|---------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$17,598,240 | \$2,000,000 |

| | | |
|-------------------------------|--------------------|-----------------|
| Deferred Developer Fee | \$1,091,767 | (42% deferred) |
| Repayable in | 9 years | |

Recommendation:

Underwriter recommends \$2,000,000 in annual credits based on the Applicant's request.

Underwriter: Jake Schmid

Manager of Real Estate Analysis: Diamond Unique Thompson

Director of Real Estate Analysis: Jeanna Adams

| UNIT MIX/RENT SCHEDULE | |
|--|--|
| North Crest Apartments , Waco, 9% HTC #25093 | |

| LOCATION DATA | |
|--------------------|----------|
| CITY: | Waco |
| COUNTY: | McLennan |
| Area Median Income | \$83,800 |
| PROGRAM REGION: | 8 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 194 | 99.0% | 194 | 0 | 0 | 0 |
| 2 | 2 | 1.0% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 196 | 100.0% | 194 | - | - | - |

| 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 | 602 sf |

| | | | | | | | | | | |
|---------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| 50% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 40 | - | 80 | 74 | - | - | 2 | 196 |
| Income | % Total | 0.0% | 20.4% | 0.0% | 40.8% | 37.8% | 0.0% | 0.0% | 1.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|--------------------|------------|---------|--------|---------|---------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------|--------------|
| FEDERAL HTC | | RENT ASSISTED UNIT | | | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$457 | PBRA - Creekside | \$1,047 | 16 | 1 | 1 | 563 | \$1,047 | \$72 | \$975 | \$0 | \$1.73 | \$975 | \$15,600 | \$15,600 | \$975 | \$1.73 | \$0 | \$1,050 | \$1.87 | \$1,050 |
| TC 30% | \$457 | PBRA- Court | \$1,066 | 24 | 1 | 1 | 621 | \$1,066 | \$46 | \$1,020 | \$0 | \$1.64 | \$1,020 | \$24,480 | \$24,480 | \$1,020 | \$1.64 | \$0 | \$1,075 | \$1.73 | \$1,075 |
| TC 50% | \$762 | PBRA - Creekside | \$1,047 | 26 | 1 | 1 | 563 | \$1,047 | \$72 | \$975 | \$0 | \$1.73 | \$975 | \$25,350 | \$25,350 | \$975 | \$1.73 | \$0 | \$1,050 | \$1.87 | \$1,050 |
| TC 50% | \$762 | PBRA- Court | \$1,066 | 54 | 1 | 1 | 621 | \$1,066 | \$46 | \$1,020 | \$0 | \$1.64 | \$1,020 | \$55,080 | \$55,080 | \$1,020 | \$1.64 | \$0 | \$1,075 | \$1.73 | \$1,075 |
| TC 60% | \$915 | PBRA - Creekside | \$1,047 | 33 | 1 | 1 | 563 | \$1,047 | \$72 | \$975 | \$0 | \$1.73 | \$975 | \$32,175 | \$32,175 | \$975 | \$1.73 | \$0 | \$1,050 | \$1.87 | \$1,050 |
| TC 60% | \$915 | PBRA- Court | \$1,066 | 41 | 1 | 1 | 621 | \$1,066 | \$46 | \$1,020 | \$0 | \$1.64 | \$1,020 | \$41,820 | \$41,820 | \$1,020 | \$1.64 | \$0 | \$1,075 | \$1.73 | \$1,075 |
| EO | | 0 | \$0 | 1 | 2 | 1 | 841 | \$0 | \$0 | \$0 | | \$0.00 | \$0 | \$0 | | | | NA | \$0 | \$0.00 | |
| EO | | 0 | \$0 | 1 | 2 | 1 | 1,038 | \$0 | \$0 | \$0 | | \$0.00 | \$0 | \$0 | | | | NA | \$0 | \$0.00 | |
| TOTALS/AVERAGES: | | | | 196 | | | 118,003 | | | | \$0 | \$1.65 | \$992 | \$194,505 | \$194,505 | \$992 | \$1.65 | \$0 | \$1,054 | \$1.75 | \$1,054 |

| | | | |
|------------------------------|-------------|-------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$2,334,060 | \$2,334,060 | |
|------------------------------|-------------|-------------|--|

*MFDL units float among Unit Types

| |
|---|
| STABILIZED PRO FORMA |
| <i>North Crest Apartments , Waco, 9% HTC #25093</i> |

| | STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | |
|---------------------------|---------------------------------|---------------|--|-----------|----------|-----------|-------------|-------------|----------|--------|-----------|-----------|-----|
| | COMPARABLES | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
| | Database | 12M Operating | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.65 | \$992 | \$2,334,060 | \$2,334,060 | \$992 | \$1.65 | | 0.0% | \$0 |
| laundry and vending | | | | | \$1.28 | \$3,000 | | | | | | | |
| Total Secondary Income | | | | | \$1.28 | | \$11,760 | \$5.00 | | -74.5% | (\$8,760) | | |
| POTENTIAL GROSS INCOME | | | | | | | \$2,337,060 | \$2,345,820 | | -0.4% | (\$8,760) | | |
| Vacancy & Collection Loss | | | | | 5.0% PGI | (116,853) | (117,291) | 5.0% PGI | | | -0.4% | 438 | |
| EFFECTIVE GROSS INCOME | | | | | | | \$2,220,207 | \$2,228,529 | | | -0.4% | (\$8,322) | |

| | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|---------|---------|-------------|-------------|---------|---------|--------|--------|------------|
| General & Administrative | \$64,807 | \$331/Unit | \$122,943 | \$627 | 5.07% | \$0.95 | \$574 | \$112,500 | \$122,943 | \$627 | \$1.04 | 5.52% | -8.5% | (10,443) |
| Management | \$62,953 | 4.6% EGI | \$112,732 | \$575 | 5.07% | \$0.95 | \$574 | \$112,600 | \$111,426 | \$569 | \$0.94 | 5.00% | 1.1% | 1,174 |
| Payroll & Payroll Tax | \$235,100 | \$1,199/Unit | \$419,603 | \$2,141 | 15.56% | \$2.93 | \$1,763 | \$345,535 | \$345,535 | \$1,763 | \$2.93 | 15.51% | 0.0% | - |
| Repairs & Maintenance | \$163,185 | \$833/Unit | \$128,782 | \$657 | 5.50% | \$1.03 | \$623 | \$122,110 | \$137,200 | \$700 | \$1.16 | 6.16% | -11.0% | (15,090) |
| Electric/Gas | \$42,793 | \$218/Unit | \$93,879 | \$479 | 4.08% | \$0.77 | \$462 | \$90,630 | \$93,879 | \$479 | \$0.80 | 4.21% | -3.5% | (3,249) |
| Water, Sewer, & Trash | \$131,972 | \$673/Unit | \$315,243 | \$1,608 | 7.62% | \$1.43 | \$864 | \$169,270 | \$169,270 | \$864 | \$1.43 | 7.60% | 0.0% | - |
| Property Insurance | \$140,531 | \$1.19 /sf | \$158,284 | \$808 | 6.94% | \$1.31 | \$786 | \$154,000 | \$154,000 | \$786 | \$1.31 | 6.91% | 0.0% | - |
| Property Tax (@ 100%) 2.2557 | \$107,314 | \$548/Unit | \$1,101 | \$6 | 9.01% | \$1.69 | \$1,020 | \$200,000 | \$175,710 | \$896 | \$1.49 | 7.88% | 13.8% | 24,290 |
| Reserve for Replacements | | | | | 2.65% | \$0.50 | \$300 | \$58,800 | \$58,800 | \$300 | \$0.50 | 2.64% | 0.0% | - |
| Security | | | | | 0.50% | \$0.09 | \$57 | \$11,124 | \$11,124 | \$57 | \$0.09 | 0.50% | 0.0% | - |
| Supportive Services | | | | | 2.79% | \$0.52 | \$316 | \$61,930 | \$61,930 | \$316 | \$0.52 | 2.78% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.35% | \$0.07 | \$40 | \$7,760 | \$7,760 | \$40 | \$0.07 | 0.35% | 0.0% | - |
| TOTAL EXPENSES | | | | | 65.14% | \$12.26 | \$7,379 | \$1,446,259 | \$1,449,577 | \$7,396 | \$12.28 | 65.05% | -0.2% | \$ (3,318) |
| NET OPERATING INCOME ("NOI") | | | | | 34.86% | \$6.56 | \$3,949 | \$773,948 | \$778,952 | \$3,974 | \$6.60 | 34.95% | -0.6% | \$ (5,004) |

| | | | | | |
|-----------------------|--|--------------|--|--------------|--|
| CONTROLLABLE EXPENSES | | \$4,286/Unit | | \$4,433/Unit | |
|-----------------------|--|--------------|--|--------------|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

North Crest Apartments , Waco, 9% HTC #25093

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|--|-------|---|-----------|--|----------------------------|--------------|--------------|--------------|--------------------------------------|--------------------|--------|-------------------------------------|-------------------|-------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| UW | App | DCR | LTC | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | | | | | | | | | | | | | | |
| HUD Loan Assumption | 0.25% | 2.18 | 2.16 | 357,500 | 2.40% | 31 | 31.0 | \$7,367,873 | \$7,367,873 | 31.0 | 31.0 | 2.40% | \$355,598 | 2.18 | 20.2% |
| HUD | 0.25% | 1.18 | 1.17 | \$301,900 | 6.40% | 40 | 40.0 | \$4,200,000 | \$4,200,000 | 40.0 | 40.0 | 6.40% | \$301,987 | 1.18 | 11.5% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | |
| National Church Residences - Court | | 1.18 | 1.17 | | 7.00% | 0 | 50.0 | \$3,325,000 | \$3,325,000 | 50.0 | 0.0 | 7.00% | | 1.18 | 9.1% |
| National Church Residences - Creekside | | 1.18 | 1.17 | | 7.00% | 0 | 50.0 | \$1,900,000 | \$1,900,000 | 50.0 | 0.0 | 7.00% | | 1.18 | 5.2% |
| Capital Magnet Fund | | 1.18 | 1.17 | | 0.00% | 0 | 46.0 | \$270,000 | \$270,000 | 46.0 | 0.0 | 0.00% | | 1.18 | 0.7% |
| City of Waco | | 1.18 | 1.17 | | 0.00% | 0 | 0.0 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | 1.18 | 0.0% |
| Construction Period Income | | 1.18 | 1.17 | | 0.00% | 0 | 0.0 | \$333,000 | \$333,000 | 0.0 | 0.0 | 0.00% | | 1.18 | 0.9% |
| Acquired R4R 1.2025 | | 1.18 | 1.17 | | 0.00% | 0 | 0.0 | \$344,176 | \$344,176 | 0.0 | 0.0 | 0.00% | | 1.18 | 0.9% |
| | | | | \$659,400 | TOTAL DEBT / GRANT SOURCES | | | \$17,740,549 | \$17,740,549 | TOTAL DEBT SERVICE | | | \$657,585 | 1.18 | 48.7% |
| NET CASH FLOW | | \$119,552 | \$114,548 | APPLICANT NET OPERATING INCOME \$773,948 \$116,363 NET CASH FLOW | | | | | | | | | | | |
| | | EQUITY SOURCES | | | | | | | | | | | | | |
| | | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | | |
| | | DESCRIPTION | | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method | | |
| EQUITY / DEFERRED FEES | | LIHTC Equity | | 48.3% | \$2,000,000 | \$0.88 | \$17,598,240 | \$17,598,240 | \$0.88 | \$2,000,000 | 48.3% | \$10,204 | Applicant Request | | |
| National Church Residences | | Deferred Developer Fees | | 3.0% | (42% Deferred) | | \$1,091,767 | \$1,091,767 | (42% Deferred) | | 3.0% | Total Developer Fee: | | \$2,573,000 | |
| TOTAL EQUITY SOURCES | | | | 51.3% | | | \$18,690,007 | \$18,690,007 | | | 51.3% | | | | |
| TOTAL CAPITALIZATION | | | | | | | | \$36,430,556 | \$36,430,556 | | | 15-Yr Cash Flow after Deferred Fee: | | \$734,955 | |

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | | | |
|--|--|-----------------------------------|------------------|------------------|--------------|----------------|--------------------------|-----------------|------------------|------------------|----------------|--------------|--------------|-------------|------|------|-----|
| | | APPLICANT COST / BASIS ITEMS | | | | | TDHCA COST / BASIS ITEMS | | | | COST VARIANCE | | | | | | |
| | | Eligible Basis | | | | | | | | Eligible Basis | | | | | | | |
| | | Acquisition | New Const. Rehab | | | | | | | New Const. Rehab | Acquisition | | | % | \$ | | |
| | | | Total Costs | | | Total Costs | | | | | | | | | | | |
| Land Acquisition | | | \$5,306 / Unit | | | \$1,040,000 | \$1,040,000 | \$5,306 / Unit | | | | 0.0% | \$0 | | | | |
| Building Acquisition | | \$0 | \$66,633 / Unit | | | \$13,060,000 | \$13,060,000 | \$66,633 / Unit | | | \$0 | 0.0% | \$0 | | | | |
| Off-Sites | | | \$ / Unit | | | \$0 | \$0 | \$ / Unit | | | | 0.0% | \$0 | | | | |
| Site Work | | | \$479,020 | | | \$2,444 / Unit | \$479,020 | \$485,510 | \$2,477 / Unit | | \$485,510 | -1.3% | (\$6,490) | | | | |
| Site Amenities | | | \$165,560 | | | \$845 / Unit | \$165,560 | \$159,070 | \$812 / Unit | | \$159,070 | 4.1% | \$6,490 | | | | |
| Building Cost | | | \$12,149,420 | | | \$102.96 /sf | \$61,987/Unit | \$12,149,420 | \$12,149,420 | | \$61,987/Unit | \$102.96 /sf | \$12,149,420 | 0.0% | \$0 | | |
| Contingency | | | \$1,279,400 | | | 10.00% | 10.00% | \$1,279,400 | \$1,279,400 | | 10.00% | 10.00% | \$1,279,400 | 0.0% | \$0 | | |
| Contractor Fees | | | \$1,791,160 | | | 12.73% | 12.73% | \$1,791,160 | \$1,791,160 | | 12.73% | 12.73% | \$1,791,160 | 0.0% | \$0 | | |
| Soft Costs | | \$0 | \$1,349,500 | | | \$9,147 / Unit | | | \$1,792,750 | \$1,792,750 | \$9,147 / Unit | | | \$1,349,500 | \$0 | 0.0% | \$0 |
| Financing | | \$0 | \$758,166 | | | \$6,170 / Unit | | | \$1,209,246 | \$1,209,246 | \$6,170 / Unit | | | \$758,166 | \$0 | 0.0% | \$0 |
| Developer Fee | | | \$0 | \$2,573,000 | | | 14.32% | 14.32% | \$2,573,000 | \$2,573,000 | 14.32% | 14.32% | \$2,573,000 | \$0 | 0.0% | \$0 | |
| Reserves | | | | | | 5 Months | | | \$891,000 | \$891,000 | 5 Months | | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$20,545,226 | \$185,870 / Unit | | | \$36,430,556 | \$36,430,556 | \$185,870 / Unit | | | \$20,545,226 | \$0 | 0.0% | \$0 | | |
| Acquisition Cost | | \$0 | | | | | | | \$0 | | | | | | | | |
| Contingency | | | | | | | | | \$0 | | | | | | \$0 | | |
| Contractor's Fee | | | | | | | | | \$0 | | | | | | \$0 | | |
| Financing Cost | | | | | | | | | \$0 | | | | | | | | |
| Developer Fee | | | 0.00% | \$0 | \$0 | | | \$0 | | | | | | | | | |
| Reserves | | | | | | | \$0 | | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$20,545,226 | \$185,870/unit | | | \$36,430,556 | \$36,430,556 | \$185,870/unit | | | \$20,545,226 | \$0 | 0.0% | \$0 | | |
| TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA | | | | | \$36,430,556 | | | | | | | | | | | | |

| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS | | | | |
|--|--|--|--|--|
| North Crest Apartments , Waco, 9% HTC #25093 | | | | |

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|--------------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$20,545,226 | \$0 | \$20,545,226 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$20,545,226 | \$0 | \$20,545,226 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$26,708,793 | \$0 | \$26,708,793 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$26,708,793 | \$0 | \$26,708,793 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$2,403,791 | \$0 | \$2,403,791 |
| CREDITS ON QUALIFIED BASIS | \$2,403,791 | | \$2,403,791 | |

| | ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | Annual Credits | Proceeds | Credit Price \$0.8799 | Variance to Request | |
| Method | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$2,403,791 | \$21,151,249 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,124,077 | \$18,690,007 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$17,598,240 | \$2,000,000 | \$0 | \$0 |

Long-Term Pro Forma

North Crest Apartments , Waco, 9% HTC #25093

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 | Year 40 |
|--------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$2,220,207 | \$2,264,611 | \$2,309,903 | \$2,356,101 | \$2,403,223 | \$2,653,353 | \$2,929,516 | \$3,234,422 | \$3,571,064 | \$3,942,743 | \$4,353,107 | \$4,806,181 |
| TOTAL EXPENSES | 3.00% | \$1,446,259 | \$1,488,521 | \$1,532,028 | \$1,576,817 | \$1,622,927 | \$1,874,690 | \$2,165,852 | \$2,502,616 | \$2,892,164 | \$3,342,814 | \$3,864,202 | \$4,467,484 |
| NET OPERATING INCOME ("NOI") | | \$773,948 | \$776,091 | \$777,876 | \$779,284 | \$780,297 | \$778,663 | \$763,664 | \$731,807 | \$678,900 | \$599,928 | \$488,905 | \$338,698 |
| EXPENSE/INCOME RATIO | | 65.1% | 65.7% | 66.3% | 66.9% | 67.5% | 70.7% | 73.9% | 77.4% | 81.0% | 84.8% | 88.8% | 93.0% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | |
| HUD Loan Assumption | | \$355,598 | \$355,193 | \$354,778 | \$354,352 | \$353,917 | \$351,575 | \$348,936 | \$345,960 | \$342,605 | \$338,823 | \$337,178 | \$337,178 |
| Adjustment to Debt Per §11.302(c)(2) | | | | | | | | | | | | | |
| HUD | | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 | \$301,987 |
| TOTAL DEBT SERVICE | | \$657,585 | \$657,180 | \$656,765 | \$656,339 | \$655,904 | \$653,562 | \$650,923 | \$647,947 | \$644,592 | \$640,810 | \$639,165 | \$639,165 |
| DEBT COVERAGE RATIO | | 1.18 | 1.18 | 1.18 | 1.19 | 1.19 | 1.19 | 1.17 | 1.13 | 1.05 | 0.94 | 0.76 | 0.53 |
| ANNUAL CASH FLOW | | \$116,363 | \$118,911 | \$121,111 | \$122,945 | \$124,393 | \$125,101 | \$112,741 | \$83,860 | \$34,308 | (\$40,881) | (\$150,260) | (\$300,467) |
| Deferred Developer Fee Balance | | \$975,403 | \$856,493 | \$735,382 | \$612,437 | \$488,044 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$140,659 | \$734,955 | \$1,219,401 | \$1,499,240 | \$1,456,576 | \$940,645 | (\$244,016) |



Real Estate Analysis Division

October 24, 2025

Addendum to Underwriting Report

TDHCA Application #: 25107

Program(s): 9% HTC

St. George's Court

Address/Location: 1443 Coronado Hills

City: Austin

County: Travis

Zip: 78752

| | APPLICATION HISTORY |
|-------------|---------------------------|
| Report Date | PURPOSE |
| 10/24/25 | State Credit Award Update |
| 06/10/25 | Original LIHTC Award |

ALLOCATION

| | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|------------|------------|-------------|-------------|
| TDHCA Program | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm. Lien | Const. Term | Const. Lien |
| State Housing Tax Credits | \$0 | | | | \$100,000 | | | | | | |
| FHTC (9% Credit) | \$1,022,755 | | | | \$1,022,755 | | | | | | |

CONDITIONS STATUS

- 1 Receipt and acceptance by Carryover:
 - a: Documentation of approval of proposed HAP Rent increase.
 - b: Formal approval for \$1,700,000 loan from AHFC clearly stating all terms, conditions and source of funding.
- 2 Receipt and acceptance by Cost Certification:
 - * Certification of comprehensive testing for asbestos, radon gas and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials, radon gas, and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 12 |
| 50% of AMI | 50% of AMI | 24 |
| 60% of AMI | 60% of AMI | 24 |

ANALYSIS

St. George was awarded a 9% HTC allocation of \$1,023,464. The Applicant has applied for an additional \$100,000 in annual State Housing Tax Credits. The number of 30% 1bd units have been increased by 6, and the number of 60% 1bd units have been reduced by 6. This has no affect on income/pro forma due to no change in RA rents.

Operating Pro Forma

No change

Development Cost

\$5,600 increase to total housing development costs and a \$12,900 decrease to housing development cost eligible basis.

Sources of Funds

Removal of construction period income (\$285,000). \$5,600 increase to perm period funding due to addition of SHTC and downward adjustment to FHTC and DDF. The equity investment letter for the State Tax Credits from NEF indicates a total capital contribution of \$499,950 with annual tax credits of \$100,000. The investor will purchase the forecasted tax credits at a rate of \$0.50 per allocated tax credit dollar credit.

Underwriter recommends \$1,022,755 in annual 9% Housing Tax Credits as previously awarded and \$100,000 in annual State Housing Tax Credits per Applicant's request.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <u>Jake Schmid</u> |
| Manager of Real Estate Analysis: | <u>Diamond Unique Thompson</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

UNIT MIX/RENT SCHEDULE
St. George's Court, Austin, 9% HTC #25107

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Austin |
| COUNTY: | Travis |
| Area Median Income | \$133,800 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 56 | 93.3% | 56 | 0 | 0 | 0 |
| 2 | 4 | 6.7% | 4 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 60 | 100.0% | 60 | - | - | - |

| 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 | 600 sf |

| | | | | | | | | | | |
|---------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| 50% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 12 | - | 24 | 24 | - | - | - | 60 |
| Income | % Total | 0.0% | 20.0% | 0.0% | 40.0% | 40.0% | 0.0% | 0.0% | 0.0% | 100.0% |

UNIT MIX / MONTHLY RENT SCHEDULE

| FEDERAL HTC | | RENT ASSISTED UNIT | | | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | | |
|------------------|------------|--------------------|------------|---------|--------|---------|-----|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------------|---------|---------|
| Type | Gross Rent | Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst | | |
| TC 30% | \$753 | PBRA | \$1,404 | 12 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$15,600 | \$15,600 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 | |
| TC 50% | \$1,255 | PBRA | \$1,404 | 23 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$29,900 | \$29,900 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 | |
| TC 60% | \$1,506 | PBRA | \$1,404 | 21 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$27,300 | \$27,300 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 | |
| TC 50% | \$1,506 | PBRA | \$1,725 | 1 | 2 | 1 | 774 | \$1,725 | \$150 | \$1,575 | \$0 | \$2.04 | \$1,575 | \$1,575 | \$1,575 | \$1,575 | \$2.04 | \$0 | \$1,550 | \$2.00 | \$1,550 | |
| TC 60% | \$1,807 | PBRA | \$1,725 | 3 | 2 | 1 | 774 | \$1,725 | \$150 | \$1,575 | \$0 | \$2.04 | \$1,575 | \$4,725 | \$4,725 | \$1,575 | \$2.04 | \$0 | \$1,550 | \$2.00 | \$1,550 | |
| TOTALS/AVERAGES: | | | | 60 | | | | 35,995 | | | | \$0 | \$2.20 | \$1,318 | \$79,100 | \$79,100 | \$1,318 | \$2.20 | \$0 | \$1,223 | \$2.04 | \$1,223 |

| | | |
|------------------------------|-----------|-----------|
| ANNUAL POTENTIAL GROSS RENT: | \$949,200 | \$949,200 |
|------------------------------|-----------|-----------|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

St. George's Court, Austin, 9% HTC #25107

STABILIZED FIRST YEAR PRO FORMA

| | COMPARABLES | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
|---------------------------|-------------|--------------------|--|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|---------|
| | Database | 12 Month Operating | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| | | | | | | | | | | | | | | | |
| POTENTIAL GROSS RENT | | | | | \$2.20 | \$1,318 | \$949,200 | \$949,200 | \$949,200 | \$949,200 | \$1,318 | \$2.20 | | 0.0% | \$0 |
| Laundry and Vending | | | | | | \$4.17 | \$3,000 | 3,000 | | | | | | | |
| Total Secondary Income | | | | | | \$4.17 | | | 3,600 | \$3,600 | \$5.00 | | | -16.7% | (\$600) |
| POTENTIAL GROSS INCOME | | | | | | | \$952,200 | \$952,200 | \$952,800 | \$952,800 | | | | -0.1% | (\$600) |
| Vacancy & Collection Loss | | | | | | 5.0% PGI | (47,610) | (47,610) | (47,640) | (47,640) | 5.0% PGI | | | -0.1% | 30 |
| EFFECTIVE GROSS INCOME | | | | | | | \$904,590 | \$904,590 | \$905,160 | \$905,160 | | | | -0.1% | (\$570) |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|-----------|---------|--------|---------|---------|-----------|-----------|-----------|-----------|---------|---------|--------|--------|------------|
| General & Administrative | \$31,044 | \$517/Unit | \$44,398 | \$740 | 5.04% | \$1.27 | \$760 | \$45,599 | \$45,599 | \$44,398 | \$44,398 | \$740 | \$1.23 | 4.90% | 2.7% | 1,201 |
| Management | \$32,517 | 4.7% EGI | \$38,404 | \$640 | 4.20% | \$1.06 | \$633 | \$38,000 | \$38,000 | \$38,017 | \$38,017 | \$634 | \$1.06 | 4.20% | 0.0% | (17) |
| Payroll & Payroll Tax | \$71,586 | \$1,193/Unit | \$152,702 | \$2,545 | 14.62% | \$3.67 | \$2,204 | \$132,229 | \$132,229 | \$152,702 | \$152,702 | \$2,545 | \$4.24 | 16.87% | -13.4% | (20,473) |
| Repairs & Maintenance | \$59,993 | \$1,000/Unit | \$62,101 | \$1,035 | 7.33% | \$1.84 | \$1,105 | \$66,283 | \$66,283 | \$42,000 | \$42,000 | \$700 | \$1.17 | 4.64% | 57.8% | 24,283 |
| Electric/Gas | \$18,001 | \$300/Unit | \$26,033 | \$434 | 3.23% | \$0.81 | \$487 | \$29,232 | \$29,232 | \$26,033 | \$26,033 | \$434 | \$0.72 | 2.88% | 12.3% | 3,199 |
| Water, Sewer, & Trash | \$53,679 | \$895/Unit | \$43,425 | \$724 | 5.12% | \$1.29 | \$772 | \$46,335 | \$46,335 | \$43,425 | \$43,425 | \$724 | \$1.21 | 4.80% | 6.7% | 2,909 |
| Property Insurance | \$34,065 | \$0.95 /sf | \$51,282 | \$855 | 5.01% | \$1.26 | \$756 | \$45,332 | \$45,332 | \$51,282 | \$51,282 | \$855 | \$1.42 | 5.67% | -11.6% | (5,950) |
| Property Tax (@ 100%) 1.9818 | \$35,174 | \$586/Unit | N/A | N/A | 14.15% | \$3.56 | \$2,133 | \$128,000 | \$128,000 | \$128,000 | \$128,000 | \$2,133 | \$3.56 | 14.14% | 0.0% | - |
| Reserve for Replacements | | | | | 1.99% | \$0.50 | \$300 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$300 | \$0.50 | 1.99% | 0.0% | - |
| Security | | | | | 0.99% | \$0.25 | \$150 | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$150 | \$0.25 | 0.99% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.27% | \$0.07 | \$40 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$40 | \$0.07 | 0.27% | 0.0% | - |
| TOTAL EXPENSES | | | | | 61.95% | \$15.57 | \$9,340 | \$560,409 | \$560,409 | \$555,257 | \$555,257 | \$9,254 | \$15.43 | 61.34% | 0.9% | \$ 5,152 |
| NET OPERATING INCOME ("NOI") | | | | | 38.05% | \$9.56 | \$5,736 | \$344,181 | \$344,181 | \$349,903 | \$349,903 | \$5,832 | \$9.72 | 38.66% | -1.6% | \$ (5,722) |

| | | | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--|--|--------------|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$5,328/Unit | | | | | | \$5,143/Unit | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--|--|--------------|--|--|--|

| |
|---|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| <i>St. George's Court, Austin, 9% HTC #25107</i> |

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | | |
|--------------------------------------|-------|---|----------|---|----------------------------|---------|-----------|-------------|-------------|-------------|--------------------------------------|--------------------|-------|-------|-----------|-----------|-----------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | | | | | | | | | | Cumulative | | Pmt | Rate | Amort | Term | Principal |
| DEBT (Must Pay) | Fee | UW | App | Prior Underwriting | Applicant | TDHCA | Principal | Term | Amort | Rate | Pmt | | | | | | |
| | | Key Bank | | 1.24 | 1.22 | 281,352 | 7.00% | 35 | 16.0 | \$3,670,000 | \$3,670,000 | \$3,670,000 | 16.0 | 35.0 | 7.00% | \$281,352 | 1.22 |
| Adjustment to Debt Per §11.302(c)(2) | 0.00% | | | | | | | | | | 16.0 | 35.0 | 7.00% | | 1.22 | 0.0% | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | |
| AHFC/RHDA | | 1.24 | 1.22 | | 0.00% | 40 | 40.0 | \$1,700,000 | \$1,700,000 | \$1,700,000 | \$1,700,000 | 40.0 | 40.0 | 0.00% | \$0 | 1.22 | 11.3% |
| City of Austin | | 1.24 | 1.22 | | 0.00% | 0 | 0.0 | \$500 | \$500 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | 1.22 | 0.0% |
| Construction Period Income | | 1.24 | 1.22 | | 0.00% | 0 | 0.0 | \$0 | \$285,000 | \$285,000 | \$0 | 0.0 | 0.0 | 0.00% | | 1.22 | 0.0% |
| | | | | \$281,352 | TOTAL DEBT / GRANT SOURCES | | | \$5,370,500 | \$5,655,500 | \$5,655,500 | \$5,370,500 | TOTAL DEBT SERVICE | | | \$281,352 | 1.22 | 35.7% |
| NET CASH FLOW | | \$68,550 | \$62,828 | APPLICANT NET OPERATING INCOME \$344,181 \$62,828 NET CASH FLOW | | | | | | | | | | | | | |

| |
|---|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| <i>St. George's Court, Austin, 9% HTC #25107</i> |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$2,322,624 | \$7,961,804 | \$2,322,624 | \$7,961,804 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$2,322,624 | \$7,961,804 | \$2,322,624 | \$7,961,804 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$2,322,624 | \$10,350,345 | \$2,322,624 | \$10,350,345 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$2,322,624 | \$10,350,345 | \$2,322,624 | \$10,350,345 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$92,905 | \$931,531 | \$92,905 | \$931,531 |
| CREDITS ON QUALIFIED BASIS | \$1,024,436 | | \$1,024,436 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|-------------|-------------------------------|---------------------|----------|
| | | | Credit Price \$0.85 | Variance to Request | |
| | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,024,436 | \$8,706,835 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,080,941 | \$9,187,078 | ---- | ---- | ---- |
| Applicant Request | \$1,022,755 | \$8,692,548 | \$1,022,755 | \$0 | \$0 |



Long-Term Pro Forma

St. George's Court, Austin, 9% HTC #25107

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$904,590 | \$922,682 | \$941,135 | \$959,958 | \$979,157 | \$1,081,069 | \$1,102,690 | \$1,124,744 | \$1,147,239 | \$1,170,184 | \$1,193,587 | \$1,217,459 | \$1,241,808 | \$1,266,644 | \$1,291,977 | \$1,317,817 | \$1,454,976 | \$1,606,411 | \$1,773,608 |
| TOTAL EXPENSES | 3.00% | \$560,409 | \$576,842 | \$593,759 | \$611,177 | \$629,109 | \$727,039 | \$748,396 | \$770,385 | \$793,024 | \$816,333 | \$840,331 | \$865,040 | \$890,480 | \$916,672 | \$943,640 | \$971,407 | \$1,123,071 | \$1,298,574 | \$1,501,679 |
| NET OPERATING INCOME ("NOI") | | \$344,181 | \$345,840 | \$347,376 | \$348,781 | \$350,049 | \$354,030 | \$354,294 | \$354,359 | \$354,215 | \$353,851 | \$353,256 | \$352,419 | \$351,329 | \$349,972 | \$348,337 | \$346,410 | \$331,905 | \$307,837 | \$271,929 |
| EXPENSE/INCOME RATIO | | 62.0% | 62.5% | 63.1% | 63.7% | 64.3% | 67.3% | 67.9% | 68.5% | 69.1% | 69.8% | 70.4% | 71.1% | 71.7% | 72.4% | 73.0% | 73.7% | 77.2% | 80.8% | 84.7% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | | | | | | | | |
| Key Bank | | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 |
| TOTAL DEBT SERVICE | | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 |
| DEBT COVERAGE RATIO | | 1.22 | 1.23 | 1.23 | 1.24 | 1.24 | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 | 1.25 | 1.25 | 1.24 | 1.24 | 1.23 | 1.18 | 1.09 | 0.97 |
| ANNUAL CASH FLOW | | | | | | | | | | | | | | | | | | | | |
| ANNUAL CASH FLOW | | \$62,828 | \$64,488 | \$66,024 | \$67,429 | \$68,696 | \$72,677 | \$72,942 | \$73,007 | \$72,862 | \$72,498 | \$71,904 | \$71,067 | \$69,976 | \$68,620 | \$66,985 | \$65,058 | \$50,553 | \$26,485 | (\$9,423) |
| Deferred Developer Fee Balance | | \$431,702 | \$367,214 | \$301,190 | \$233,761 | \$165,065 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$192,028 | \$264,969 | \$337,976 | \$410,838 | \$483,337 | \$555,241 | \$626,308 | \$696,284 | \$764,904 | \$831,888 | \$896,946 | \$1,182,138 | \$1,366,950 | \$1,396,896 |

25107 St. George's Court - Application Summary

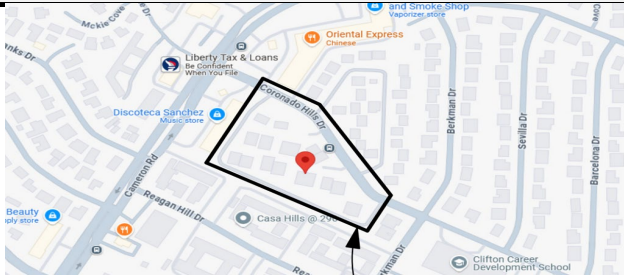
REAL ESTATE ANALYSIS DIVISION
June 10, 2025

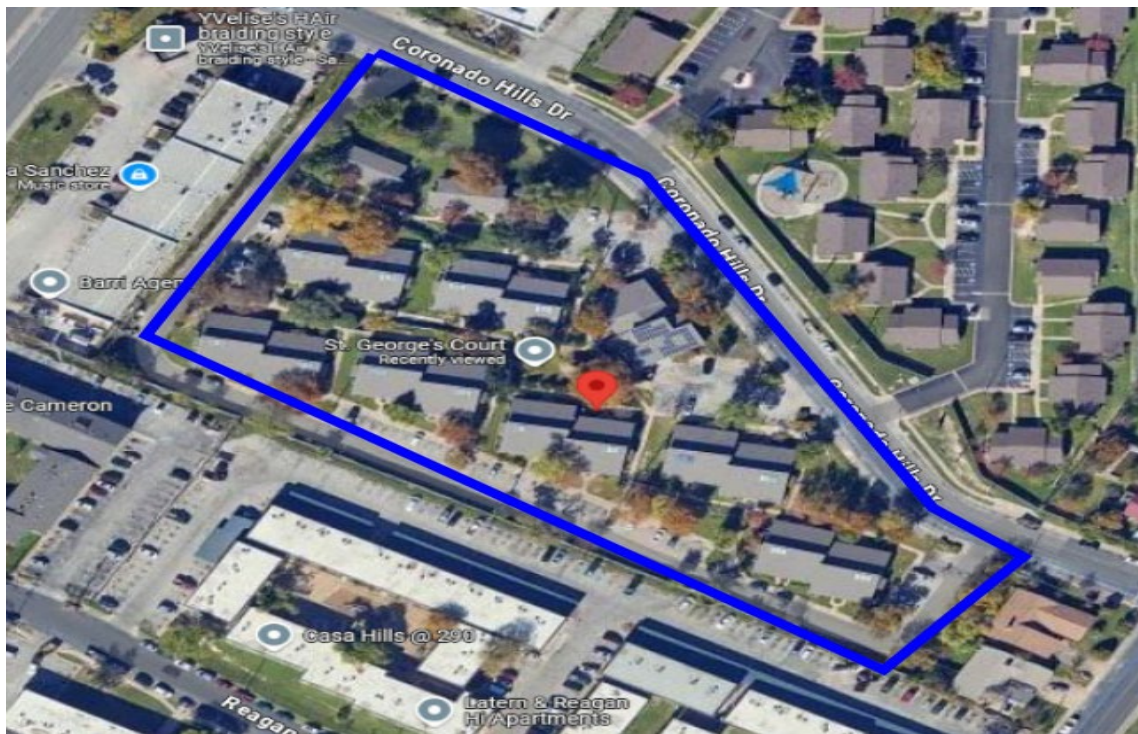
| PROPERTY IDENTIFICATION | | RECOMMENDATION | | | | | KEY PRINCIPALS / SPONSOR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------|------------------------------|---------------------|-------------|---------------|---|--|-----------------|------------------|------------------------|--|-----------------------|--|---------------|------|---------------|-------|----------------|-------|----------------|---------|--------------|---------|-----------------|------|----------------|--------------|-----------------|----|---------------|--------------|--------------|--------------|----------------------------------|--|------|--|---------------------------|----|-----|-----|-------------------------|--|----------|---|-----------------------|-----|-----|--|---------------------|----|------------------|--|--------------------|--|------------------------------|--|----------------|--------|---------|-----------|-------------|--|------------|----------|---------------|------------|------------|----------|-----------|--|------------|----------|------------|--|-------------|-----------|---------------|----------|----------------|--------------|----------------|--------|-----------|-----|-----------|-------|-----|------------------|-------|-----|----------------|-------|-----|-----------|------|----|------|------|----|----------------|-------|-----|------------|------|----|----------------|-------|-----|
| Application # | 25107 | TDHCA Program | Request | Recommended | | | Tracey Fine / Developer / National Church Residences | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development | St. George's Court | FHTC (9% Credit) | \$1,023,464 | \$1,022,755 | \$17,046/Unit | \$0.87 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City / County | Austin / Travis | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region/Area | 7 / Urban | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Population | Elderly Preference | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Set-Aside | Non-Profit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Activity | Acquisition/Rehab | (Built in 1983) | | | | | | Related Parties | Contractor - TBD | Seller - No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TYPICAL BUILDING ELEVATION/PHOTO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SITE PLAN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | | <div>PRO FORMA FEASIBILITY INDICATORS</div> <table><tr><td colspan="2">Pro Forma Underwritten</td><td colspan="2">Applicant's Pro Forma</td></tr><tr><td>Debt Coverage</td><td>1.22</td><td>Expense Ratio</td><td>62.0%</td></tr><tr><td>Breakeven Occ.</td><td>88.4%</td><td>Breakeven Rent</td><td>\$1,226</td></tr><tr><td>Average Rent</td><td>\$1,318</td><td>B/E Rent Margin</td><td>\$92</td></tr><tr><td>Property Taxes</td><td>\$2,133/unit</td><td>Exemption/PILOT</td><td>0%</td></tr><tr><td>Total Expense</td><td>\$9,340/unit</td><td>Controllable</td><td>\$5,328/unit</td></tr></table> <div>MARKET FEASIBILITY INDICATORS</div> <table><tr><td colspan="2">Gross Capture Rate (10% Maximum)</td><td colspan="2">6.8%</td></tr><tr><td>Highest Unit Capture Rate</td><td>0%</td><td>N/A</td><td>N/A</td></tr><tr><td>Dominant Unit Cap. Rate</td><td></td><td>0 BR/20%</td><td>0</td></tr><tr><td>Premiums (↑80% Rents)</td><td>N/A</td><td colspan="2">N/A</td></tr><tr><td>Rent Assisted Units</td><td>60</td><td colspan="2">100% Total Units</td></tr></table> <div>DEVELOPMENT COST SUMMARY</div> <table><tr><td colspan="2">Costs Underwritten</td><td colspan="2">TDHCA's Costs - Based on SCR</td></tr><tr><td>Avg. Unit Size</td><td>600 SF</td><td>Density</td><td>12.8/acre</td></tr><tr><td>Acquisition</td><td></td><td>\$97K/unit</td><td>\$5,800K</td></tr><tr><td>Building Cost</td><td>\$86.24/SF</td><td>\$52K/unit</td><td>\$3,104K</td></tr><tr><td>Hard Cost</td><td></td><td>\$77K/unit</td><td>\$4,642K</td></tr><tr><td>Total Cost</td><td></td><td>\$251K/unit</td><td>\$15,053K</td></tr><tr><td>Developer Fee</td><td>\$1,341K</td><td>(37% Deferred)</td><td>Paid Year: 8</td></tr><tr><td>Contractor Fee</td><td>\$591K</td><td>30% Boost</td><td>Yes</td></tr></table> <div>REHABILITATION COSTS / UNIT</div> <table><tr><td>Site Work</td><td>\$12K</td><td>15%</td><td>Finishes/Fixture</td><td>\$26K</td><td>34%</td></tr><tr><td>Building Shell</td><td>\$16K</td><td>21%</td><td>Amenities</td><td>\$7K</td><td>9%</td></tr><tr><td>HVAC</td><td>\$7K</td><td>8%</td><td>Total Exterior</td><td>\$35K</td><td>50%</td></tr><tr><td>Appliances</td><td>\$2K</td><td>2%</td><td>Total Interior</td><td>\$35K</td><td>50%</td></tr></table> | | | | Pro Forma Underwritten | | Applicant's Pro Forma | | Debt Coverage | 1.22 | Expense Ratio | 62.0% | Breakeven Occ. | 88.4% | Breakeven Rent | \$1,226 | Average Rent | \$1,318 | B/E Rent Margin | \$92 | Property Taxes | \$2,133/unit | Exemption/PILOT | 0% | Total Expense | \$9,340/unit | Controllable | \$5,328/unit | Gross Capture Rate (10% Maximum) | | 6.8% | | Highest Unit Capture Rate | 0% | N/A | N/A | Dominant Unit Cap. Rate | | 0 BR/20% | 0 | Premiums (↑80% Rents) | N/A | N/A | | Rent Assisted Units | 60 | 100% Total Units | | Costs Underwritten | | TDHCA's Costs - Based on SCR | | Avg. Unit Size | 600 SF | Density | 12.8/acre | Acquisition | | \$97K/unit | \$5,800K | Building Cost | \$86.24/SF | \$52K/unit | \$3,104K | Hard Cost | | \$77K/unit | \$4,642K | Total Cost | | \$251K/unit | \$15,053K | Developer Fee | \$1,341K | (37% Deferred) | Paid Year: 8 | Contractor Fee | \$591K | 30% Boost | Yes | Site Work | \$12K | 15% | Finishes/Fixture | \$26K | 34% | Building Shell | \$16K | 21% | Amenities | \$7K | 9% | HVAC | \$7K | 8% | Total Exterior | \$35K | 50% | Appliances | \$2K | 2% | Total Interior | \$35K | 50% |
| Pro Forma Underwritten | | Applicant's Pro Forma | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt Coverage | 1.22 | Expense Ratio | 62.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Breakeven Occ. | 88.4% | Breakeven Rent | \$1,226 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Rent | \$1,318 | B/E Rent Margin | \$92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Taxes | \$2,133/unit | Exemption/PILOT | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Expense | \$9,340/unit | Controllable | \$5,328/unit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Capture Rate (10% Maximum) | | 6.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highest Unit Capture Rate | 0% | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dominant Unit Cap. Rate | | 0 BR/20% | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premiums (↑80% Rents) | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent Assisted Units | 60 | 100% Total Units | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs Underwritten | | TDHCA's Costs - Based on SCR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. Unit Size | 600 SF | Density | 12.8/acre | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Acquisition | | \$97K/unit | \$5,800K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Cost | \$86.24/SF | \$52K/unit | \$3,104K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hard Cost | | \$77K/unit | \$4,642K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Cost | | \$251K/unit | \$15,053K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Developer Fee | \$1,341K | (37% Deferred) | Paid Year: 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contractor Fee | \$591K | 30% Boost | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Site Work | \$12K | 15% | Finishes/Fixture | \$26K | 34% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Shell | \$16K | 21% | Amenities | \$7K | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HVAC | \$7K | 8% | Total Exterior | \$35K | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Appliances | \$2K | 2% | Total Interior | \$35K | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| # Beds | # Units | % Total | Income | # Units | % Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Eff | - | 0% | 20% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 56 | 93% | 30% | 6 | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 4 | 7% | 40% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | - | 0% | 50% | 24 | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | - | 0% | 60% | 30 | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 70% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 80% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | MR | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 60 | 100% | TOTAL | 60 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | | | | | |
|-----------------------|-------|-------|-------------|------|------------------------------|------|-------|-------------|------|----------------------------|-------------|--------------|------|--|--|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount | | | | |
| Key Bank | 16/35 | 7.00% | \$3,670,000 | 1.22 | AHFC/RHDA | 42/0 | 0.00% | \$1,700,000 | 1.22 | NEF | \$8,897,078 | | | | |
| | | | | | | | | | | National Church Residences | \$500,174 | | | | |
| | | | | | City of Austin | | | | | 0/0 | 0.00% | \$500 | 1.22 | | |
| | | | | | Construction Period Income | | | | | 0/0 | 0.00% | \$285,000 | 1.22 | | |
| | | | | | | | | | | | | | | | |
| TOTAL DEBT (Must Pay) | | | \$3,670,000 | | CASH FLOW DEBT / GRANTS | | | \$1,985,500 | | TOTAL EQUITY SOURCES | | \$9,397,252 | | | |
| | | | | | | | | | | TOTAL DEBT SOURCES | | \$5,655,500 | | | |
| | | | | | | | | | | TOTAL CAPITALIZATION | | \$15,052,752 | | | |

| CONDITIONS | |
|---|--|
| 1 Receipt and acceptance by Carryover: | |
| a: Documentation of approval of proposed HAP Rent increase. | |
| b: Formal approval for \$1,700,000 loan from AHFC clearly stating all terms, conditions and source of funding. | |
| 2 Receipt and acceptance by Cost Certification: | |
| * Certification of comprehensive testing for asbestos, radon gas and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials, radon gas, and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program. | |
| Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted. | |

| RISK PROFILE | |
|---|--|
| STRENGTHS/MITIGATING FACTORS | |
| Favorable DCR | |
| Strong cash flows | |
| Substantial grant funding | |
| WEAKNESSES/RISKS | |
| Aging property with high maintenance expenses | |

| AREA MAP | |
|---|--|
|  | |

| AERIAL PHOTOGRAPH(s) | |
|--|--|
|  | |



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25107** Program(s): **9% HTC**

St. George's Court

Address/Location: 1443 Coronado Hills

City: Austin County: Travis Zip: 78752

Population: Elderly Preference Program Set-Aside: Non-Profit Area: Urban

Activity: Acquisition/Rehab Building Type: Garden/Townhome Region: 7

Low-Income: 40% at 60%

Analysis Purpose: New Application - Initial Underwriting

(*) HuD 202s Direct Debt Program for the Aging

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$1,023,464 | | | | \$1,022,755 | | | | | | |

CONDITIONS

- Receipt and acceptance by Carryover:
 - Documentation of approval of proposed HAP Rent increase.
 - Formal approval for \$1,700,000 loan from AHFC clearly stating all terms, conditions and source of funding.
 - Receipt and acceptance by Cost Certification:
 - * Certification of comprehensive testing for asbestos, radon gas and lead-based paint; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials, radon gas, and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
- Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 6 |
| 50% of AMI | 50% of AMI | 24 |
| 60% of AMI | 60% of AMI | 30 |

DEVELOPMENT SUMMARY

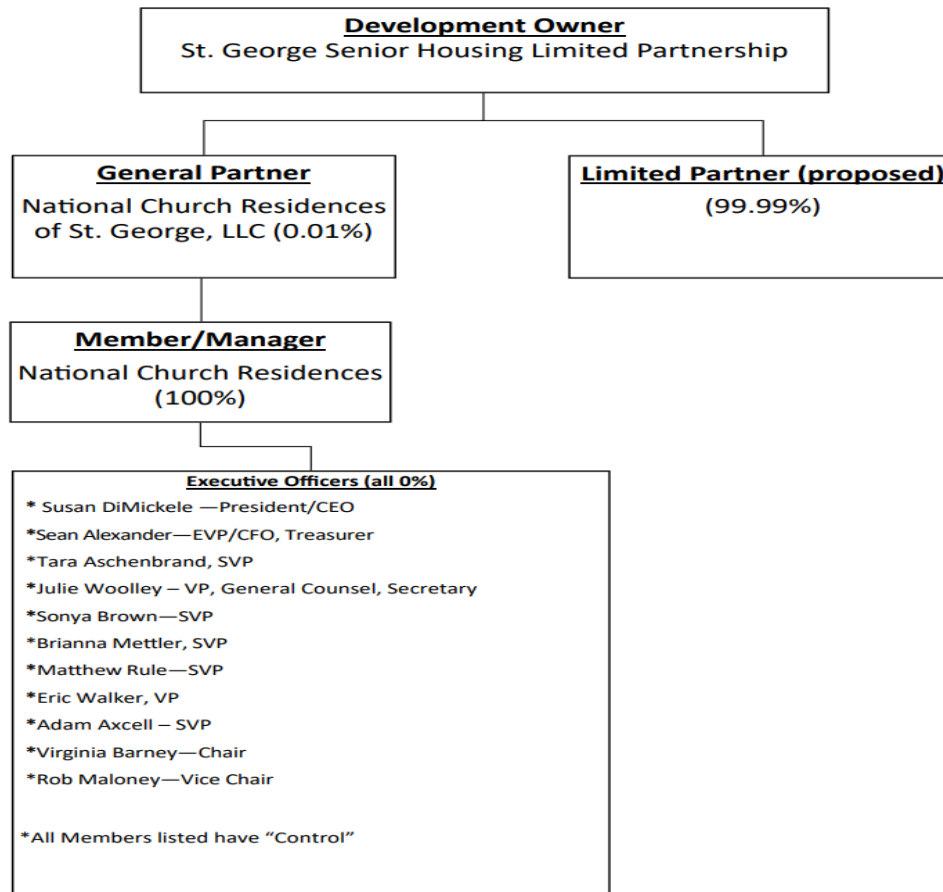
St. George's Court was originally built in 1983 under HUD 202s Direct Debt Program for the Aging and is 100% covered by a rental contract. National Church Residences is under contract to acquire the property from the Seller, and will likely acquire the property regardless of the LIHTC award, as discussed in the purchase option. NCR's primary goal in purchasing St. George is to renovate and preserve the property.

RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | WEAKNESSES/RISKS |
|------------------------------|---|
| ▫ Favorable DCR | ▫ Aging property with high maintenance expenses |
| ▫ Strong cash flows | ▫ |
| ▫ Substantial grant funding | ▫ |

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



| Parking | No Fee | | Tenant-Paid | | Total | |
|----------------------|-----------|-----------------|-------------|-----------|-----------|-----------------|
| Open Surface | 82 | 1.4/unit | 0 | -- | 82 | 1.4/unit |
| Total Parking | 82 | 1.4/unit | 0 | -- | 82 | 1.4/unit |

Comments:

No local parking requirement, parking spaces per TDHCA 2025 QAP is 60 (1 space per unit for Elderly Development). Developer is providing 82 spaces (1.4 spaces per unit)

BUILDING ELEVATION



BUILDING CONFIGURATION

| | | | | | | | | | | | | | | |
|---------------------|--------|---|---|----------------|--|--------|--|-------------------|--|--|-------|--|--|-----------------|
| Building Type | A | B | C | D | | | | | | | | | | Total Buildings |
| Floors/Stories | 1 | 1 | 1 | 1 | | | | | | | | | | 9 |
| Number of Bldgs | 6 | 1 | 1 | 1 | | | | | | | | | | |
| Units per Bldg | 8 | 8 | 2 | 2 | | | | | | | | | | |
| Total Units | 48 | 8 | 2 | 2 | | | | | | | | | | 60 |
| | | | | | | | | | | | | | | |
| Avg. Unit Size (SF) | 600 sf | | | Total NRA (SF) | | 35,995 | | Common Area (SF)* | | | 3,016 | | | |

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 4.697 acres Density: 12.8 units/acre
Site Control: 4.697 **Site Plan:** 4.697 **Appraisal:** 4.697 **ESA:** 4.697
Feasibility Report Survey: 4.697 **Feasibility Report Engineer's Plan:** na **Existing LURA:** na

Control Type: Contract for Sale

Development Site: 4.697 acres Cost: \$5,550,000 \$92,500 per unit

Seller: St. George Senior Housing, Inc.
 Buyer: Natioal Church Residences Investment Corporation

Related-Party Seller/Identity of Interest: No

Comments:
 In lieu of extension fees, Seller is allowing postponement of closing date for \$250,000 contingent upon the property receiving 9% LIHTC tax credits.

APPRAISED VALUE

| | | | |
|-----------------------------------|------------|--------------------|---------------------------|
| Appraiser: | Gill Group | Date: | 10/29/2024 |
| Land as Vacant: | 4.69 acres | \$840,000 | Per Unit: \$14,000 |
| Existing Buildings: (as-is) | | \$3,960,000 | Per Unit: \$66,000 |
| Total Development: (as-is) | | \$4,800,000 | Per Unit: \$80,000 |

SITE INFORMATION

| | | | |
|---------------------|------------------|---------------------------|-----|
| Flood Zone: | X | Scattered Site? | No |
| Zoning: | MF-1-NP, MF-3-NP | Within 100-yr floodplain? | No |
| Re-Zoning Required? | No | Utilities at Site? | Yes |
| Year Constructed: | 1983 | Title Issues? | No |

Current Uses of Subject Site:

The subject is improved with nine one-story garden-style buildings containing 60 units and an accessory building.

TENANT RELOCATION PLAN

A Tenant Relocation Survey will be sent to residents if financial support is secured for building renovations. After the surveys are distributed and collected, the data will be analyzed, and the relocation plan will be revised to incorporate residents' feedback, ensuring that any specific accommodation requests or needs are addressed. In an effort to minimize resident displacement, National Church Residences will stop leasing vacant units to try to gain up to 8 units to use for resident relocation during construction period. Residents will move to these vacant units. We Residents will be moved out to a vacant unit onsite during construction in their apartment. Once construction is complete, residents will be moved back to their original units. We will call these units, "swing units." Construction will complete 8 units at a time and will take approximately 5 6 weeks per phase for a total of 8 phases. Once all units are complete, the property can lease the vacant units through their waitlist and marketing efforts. All relocation efforts will be solely temporary relocations, lasting no more than 12 months as stated in the URA regulations. Execution of the relocation plan will be done in tandem with the General Contractor as the work schedule often dictates the timing of these relocations. National Church Residences will work with the General Contractor so that the relocation can occur with minimal disruptions to the lives of the residents. Current budget for relocation is \$141,400.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

| | | | |
|-----------|----------------------------------|-------|------------|
| Provider: | D3G (Domain Due Diligence Group) | Date: | 10/30/2024 |
|-----------|----------------------------------|-------|------------|

Recognized Environmental Conditions (RECs) and Other Concerns:

- Suspected Asbestos Containing Materials require testing prior to renovations
- Radon Gas testing and mitigation recommended
- Testing for Lead in drinking water is recommended post renovation

Comments:

Applicant certified they will perform the recommendations outlined above

MARKET ANALYSIS

Comments:

Rehab or reconstruction projects where: (i) 100% of units are covered by an existing project based rental assistance that will continue for at least the Compliance Period, an existing Department LURA, or the subject rents are at or below 50% AMGI rents, (ii) is 80% occupied, and (iii) gives existing tenants leasing preference or the right to return, do not require a full market study. The subject property is 100% occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

| | | | | | |
|----------------|-----------|----------------|---------|------------------------|---------|
| NOI: | \$344,181 | Avg. Rent: | \$1,318 | Expense Ratio: | 62.0% |
| Debt Service: | \$281,352 | B/E Rent: | \$1,226 | Controllable Expenses: | \$5,328 |
| Net Cash Flow: | \$62,828 | UW Occupancy: | 95.0% | Property Taxes/Unit: | \$2,133 |
| Aggregate DCR: | 1.22 | B/E Occupancy: | 88.4% | Program Rent Year: | 2024 |

Applicant has received approval from Southwest Housing Compliance Corporation for HAP rent increases in the amount of \$1,300 contract rent and \$104 utility allowance for 1 bedrooms and \$1,575 contract rent and \$150 utility allowance for 2 bedrooms. Increases are subject to final approval by HUD.

Underwritten at 5% vacancy rate for 100% project based rental vouchered units per 2025 QAP.

DEVELOPMENT COST EVALUATION

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

| | | | | | |
|---------------------------------------|--------------|---|---------------------|----------------------------|----------------------|
| Acquisition | \$178,838/ac | \$96,667/unit | \$5,800,000 | Contractor Fee | \$590,800 |
| Off-site + Site Work | | \$18,597/unit | \$1,115,845 | Soft Cost + Financing | \$2,335,128 |
| Building Cost | \$86.24/sf | \$51,736/unit | \$3,104,155 | Developer Fee | \$1,340,824 |
| Contingency | 10.00% | \$7,033/unit | \$422,000 | Reserves | \$344,000 |
| Total Development Cost | | \$250,879/unit | \$15,052,752 | Rehabilitation Cost | \$70,333/unit |
| Qualified for 30% Basis Boost? | | Rehabilitation Development located in QCT | | | |

REHABILITATION COSTS / UNIT / % HARD COST

| | | | | | | | |
|-----------------------|--------------------|----------------------|------------|-----------------------|--------------------|----------------------|------------|
| Site Work | \$706,000 | \$11,767/unit | 15% | Finishes/Fixtures | \$1,583,710 | \$26,395/unit | 34% |
| Building Shell | \$972,695 | \$16,212/unit | 21% | HVAC | \$394,000 | \$6,567/unit | 8% |
| Amenities | \$409,845 | \$6,831/unit | 9% | Appliances | \$106,500 | \$1,775/unit | 2% |
| Total Exterior | \$2,088,540 | \$34,809/unit | 50% | Total Interior | \$2,084,210 | \$34,737/unit | 50% |

SCOPE & COST REVIEW

Provider: Dominion (DG3)

Date: 2/21/2025

Scope of Work:

Storm Water Drainage: Repairs for site grading and landscaping improvements to improve drainage.

Roofing/Roof Drainage: Replacement of roof decking, shingles, gutters, and downspout assemblies

Building Entrance Doors: Replacement of entrance doors.

Windows: Installation of Energystar windows with window screens and blinds

Sidewall Systems: Repair and replacement and re-painting of wood siding with fiber cement siding and trim

Supply and Water Piping: Scoping sewer mains to investigate for potential repairs

Heating and Cooling: Replacement of common area and unit HVAC systems as well as duct repair and cleaning

Electrical System: Replacement and lowering of accessible unit breaker panels, install GFCI outlets in dwelling unit kitchens, cover plates, and Energystar lighting.

Alarm and Notification System: Installation of 10 yr smoke alarms, carbon monoxide detectors and audio visual alarms in 2% of units.

Common Spaces: Renovation of community building and Energystar fixtures

Interior Dwelling Units: Repair and renovation of unit interiors and installation of Energystar fixtures

Developer Fee:

Developer fee overstated by \$19,500. Has been adjusted downward to meet 15% max fee.

Comments:

Due to overstatement of Developer Fee, credits are adjusted by -\$709 annually.

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$15,052,752 | \$10,270,307 | \$1,022,755 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|----------------------------|------------------------|---------------------|----------------------|-----|
| Key Bank | Conventional | \$10,000,000 | 7.00% | 72% |
| NEF | FHTC | \$1,335,487 | \$0.87 | 10% |
| National Church Residences | Deferred Developer Fee | \$493,181 | 0.00% | 4% |
| City of Austin | Gap Funding | \$500 | 0.00% | 0% |
| Construction Period Income | Occupied Rehab | \$285,000 | 0.00% | 2% |
| | | \$13,814,168 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|----------------------------|--------------------|---------------|-------|------|--------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| Key Bank | \$3,670,000 | 7.00% | 35 | 16.0 | \$3,670,000 | 7.00% | 35 | 16.0 | 24% |
| City of Austin | \$500 | 0.00% | 0 | 0.0 | \$500 | 0.00% | 0 | 0.0 | 0% |
| Construction Period Income | \$285,000 | 0.00% | 0 | 0.0 | \$285,000 | 0.00% | 0 | 0.0 | 2% |
| Total | \$5,655,500 | | | | \$5,655,500 | | | | |

| Equity & Deferred Fees | PROPOSED | | | UNDERWRITTEN | | | |
|----------------------------|--------------------|--------|-------|---------------------|----------------------|------|-------|
| | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| NEF | \$8,903,247 | \$0.87 | | \$8,897,078 | \$0.87 | 59% | |
| National Church Residences | \$493,181 | | 37% | \$500,174 | | 3% | 37% |
| Total | \$9,396,428 | | | \$9,397,252 | | | |
| | | | | \$15,052,752 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.918 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.816 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Gap Analysis:

| | |
|---|--------------------|
| Total Development Cost | \$15,052,752 |
| Permanent Sources (debt + non-HTC equity) | \$5,655,500 |
| Gap in Permanent Financing | \$9,397,252 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$8,897,078 | \$1,022,755 |
| Needed to Balance Sources & Uses | \$9,397,252 | \$1,080,252 |
| Requested by Applicant | \$8,903,248 | \$1,023,464 |

| | RECOMMENDATION | |
|------------------------------|--------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$8,897,078 | \$1,022,755 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$500,174 | (37% deferred) |
| Repayable in | 8 years | |

Recommendation:

Underwriter recommends \$1,022,755 in annual tax credits based on eligible basis.

Underwriter: Jake Schmid

Manager of Real Estate Analysis: Diamond Unique Thompson

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE

St. George's Court, Austin, 9% HTC #25107

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Austin |
| COUNTY: | Travis |
| Area Median Income | \$126,000 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 56 | 93.3% | 56 | 0 | 0 | 0 |
| 2 | 4 | 6.7% | 4 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 60 | 100.0% | 60 | - | - | - |

| 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 | 600 sf |

| | | | | | | | | | | |
|----------------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| 53% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average Income | # Units | - | 6 | - | 24 | 30 | - | - | - | 60 |
| | % Total | 0.0% | 10.0% | 0.0% | 40.0% | 50.0% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-----------------------------|------------|---------|--------|---------|--------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------|--------------|
| FEDERAL HTC | | RENT ASSISTED UNIT UNIT MIX | | | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$708 | PBRA | \$1,404 | 6 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$7,800 | \$7,800 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 |
| TC 50% | \$1,181 | PBRA | \$1,404 | 23 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$29,900 | \$29,900 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 |
| TC 60% | \$1,417 | PBRA | \$1,404 | 27 | 1 | 1 | 588 | \$1,404 | \$104 | \$1,300 | \$0 | \$2.21 | \$1,300 | \$35,100 | \$35,100 | \$1,300 | \$2.21 | \$0 | \$1,200 | \$2.04 | \$1,200 |
| TC 50% | \$1,417 | PBRA | \$1,725 | 1 | 2 | 1 | 774 | \$1,725 | \$150 | \$1,575 | \$0 | \$2.04 | \$1,575 | \$1,575 | \$1,575 | \$1,575 | \$2.04 | \$0 | \$1,550 | \$2.00 | \$1,550 |
| TC 60% | \$1,701 | PBRA | \$1,725 | 3 | 2 | 1 | 774 | \$1,725 | \$150 | \$1,575 | \$0 | \$2.04 | \$1,575 | \$4,725 | \$4,725 | \$1,575 | \$2.04 | \$0 | \$1,550 | \$2.00 | \$1,550 |
| TOTALS/AVERAGES: | | | | 60 | | | 35,995 | | | | \$0 | \$2.20 | \$1,318 | \$79,100 | \$79,100 | \$1,318 | \$2.20 | \$0 | \$1,223 | \$2.04 | \$1,223 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$949,200 | \$949,200 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

St. George's Court, Austin, 9% HTC #25107

| | | STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | |
|---------------------------|--|---------------------------------|--------------------|--|-----------|----------|-----------|-----------|-----------|-----------|-----------|-------|----------|-----|--------|---------|
| | | COMPARABLES | | | APPLICANT | | | | TDHCA | | | | VARIANCE | | | |
| | | Database | 12 Month Operating | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ | | |
| POTENTIAL GROSS RENT | | | | | | \$2.20 | \$1,318 | \$949,200 | \$949,200 | \$1,318 | \$2.20 | | 0.0% | \$0 | | |
| Laundry and Vending | | | | | | | \$4.17 | \$3,000 | | | | | | | | |
| 0 | | | | | | | \$0.00 | \$0 | | | | | | | | |
| 0 | | | | | | | \$0.00 | \$0 | | | | | | | | |
| Total Secondary Income | | | | | | | \$4.17 | | | \$3,600 | \$5.00 | | | | -16.7% | (\$600) |
| POTENTIAL GROSS INCOME | | | | | | | | | | \$952,200 | \$952,800 | | | | -0.1% | (\$600) |
| Vacancy & Collection Loss | | | | | | 5.0% PGI | (47,610) | (47,640) | 5.0% PGI | | | -0.1% | 30 | | | |
| EFFECTIVE GROSS INCOME | | | | | | | \$904,590 | \$905,160 | | | | -0.1% | (\$570) | | | |

| | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|-----------|---------|--------|---------|---------|-----------|-----------|---------|---------|--------|--------|------------|
| General & Administrative | \$31,044 | \$517/Unit | \$44,398 | \$740 | 5.04% | \$1.27 | \$760 | \$45,599 | \$44,398 | \$740 | \$1.23 | 4.90% | 2.7% | 1,201 |
| Management | \$32,517 | 4.7% EGI | \$38,404 | \$640 | 4.20% | \$1.06 | \$633 | \$38,000 | \$38,017 | \$634 | \$1.06 | 4.20% | 0.0% | (17) |
| Payroll & Payroll Tax | \$71,586 | \$1,193/Unit | \$152,702 | \$2,545 | 14.62% | \$3.67 | \$2,204 | \$132,229 | \$152,702 | \$2,545 | \$4.24 | 16.87% | -13.4% | (20,473) |
| Repairs & Maintenance | \$59,993 | \$1,000/Unit | \$62,101 | \$1,035 | 7.33% | \$1.84 | \$1,105 | \$66,283 | \$42,000 | \$700 | \$1.17 | 4.64% | 57.8% | 24,283 |
| Electric/Gas | \$18,001 | \$300/Unit | \$26,033 | \$434 | 3.23% | \$0.81 | \$487 | \$29,232 | \$26,033 | \$434 | \$0.72 | 2.88% | 12.3% | 3,199 |
| Water, Sewer, & Trash | \$53,679 | \$895/Unit | \$43,425 | \$724 | 5.12% | \$1.29 | \$772 | \$46,335 | \$43,425 | \$724 | \$1.21 | 4.80% | 6.7% | 2,909 |
| Property Insurance | \$34,065 | \$0.95 /sf | \$51,282 | \$855 | 5.01% | \$1.26 | \$756 | \$45,332 | \$51,282 | \$855 | \$1.42 | 5.67% | -11.6% | (5,950) |
| Property Tax (@ 100%) 1.9818 | \$35,174 | \$586/Unit | N/A | N/A | 14.15% | \$3.56 | \$2,133 | \$128,000 | \$128,000 | \$2,133 | \$3.56 | 14.14% | 0.0% | - |
| Reserve for Replacements | | | | | 1.99% | \$0.50 | \$300 | \$18,000 | \$18,000 | \$300 | \$0.50 | 1.99% | 0.0% | - |
| Security | | | | | 0.99% | \$0.25 | \$150 | \$9,000 | \$9,000 | \$150 | \$0.25 | 0.99% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.27% | \$0.07 | \$40 | \$2,400 | \$2,400 | \$40 | \$0.07 | 0.27% | 0.0% | - |
| TOTAL EXPENSES | | | | | 61.95% | \$15.57 | \$9,340 | \$560,409 | \$555,257 | \$9,254 | \$15.43 | 61.34% | 0.9% | \$ 5,152 |
| NET OPERATING INCOME ("NOI") | | | | | 38.05% | \$9.56 | \$5,736 | \$344,181 | \$349,903 | \$5,832 | \$9.72 | 38.66% | -1.6% | \$ (5,722) |

| | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--------------|--|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$5,328/Unit | | | \$5,143/Unit | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--------------|--|--|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

St. George's Court, Austin, 9% HTC #25107

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|----------------------------|-----|---|----------|---|----------------------------|-------|------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| UW | App | DCR | LTC | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | 1.24 | 1.22 | 281,352 | 7.00% | 35 | 16.0 | \$3,670,000 | \$3,670,000 | 16.0 | 35.0 | 7.00% | \$281,352 | 1.22 | 24.4% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | |
| AHFC/RHDA | | 1.24 | 1.22 | | 0.00% | 0 | 42.0 | \$1,700,000 | \$1,700,000 | 42.0 | 0.0 | 0.00% | | 1.22 | 11.3% |
| City of Austin | | 1.24 | 1.22 | | 0.00% | 0 | 0.0 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | 1.22 | 0.0% |
| Construction Period Income | | 1.24 | 1.22 | | 0.00% | 0 | 0.0 | \$285,000 | \$285,000 | 0.0 | 0.0 | 0.00% | | 1.22 | 1.9% |
| | | | | \$281,352 | TOTAL DEBT / GRANT SOURCES | | | \$5,655,500 | \$5,655,500 | TOTAL DEBT SERVICE | | | \$281,352 | 1.22 | 37.6% |
| NET CASH FLOW | | \$68,550 | \$62,828 | APPLICANT NET OPERATING INCOME \$344,181 \$62,828 NET CASH FLOW | | | | | | | | | | | |

| | | EQUITY SOURCES | | | | | | | | | | | |
|---------------------------------|--|---------------------------------------|--------|----------------|--------------|--------------|----------------------------------|----------------|---------------|-------------------------------------|-------------------------|-------------------|-------------|
| | | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | | |
| | | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method | |
| EQUITY / DEFERRED FEES | | LIHTC Equity | 59.1% | \$1,023,464 | \$0.87 | \$8,903,247 | \$8,897,078 | \$0.87 | \$1,022,755 | 59.1% | \$17,046 | Eligible Basis | |
| National Church Residences | | Deferred Developer Fees | 3.3% | (37% Deferred) | | \$493,181 | \$500,174 | (37% Deferred) | | 3.3% | Total Developer Fee: | | \$1,340,000 |
| Additional (Excess) Funds Req'd | | | 0.0% | | | | \$0 | | | 0.0% | | | |
| TOTAL EQUITY SOURCES | | | 62.4% | | | \$9,396,428 | \$9,397,252 | | | 62.4% | | | |
| TOTAL CAPITALIZATION | | | | | | \$15,051,928 | \$15,052,752 | | | 15-Yr Cash Flow after Deferred Fee: | | \$549,597 | |

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | |
|--|--|-----------------------------------|------------------|------------------|---------------|--------------|--------------------------|------------------|-------------|------------------|-------------|---------------|------------|---------|
| | | APPLICANT COST / BASIS ITEMS | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | | |
| | | Eligible Basis | | Total Costs | | | Total Costs | | | Eligible Basis | | % | \$ | |
| | | Acquisition | New Const. Rehab | | | | | | | New Const. Rehab | Acquisition | | | |
| Land Acquisition | | | | \$14,000 / Unit | | \$840,000 | \$840,000 | \$14,000 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | | \$2,020,000 | | \$78,500 / Unit | | \$4,710,000 | \$4,710,000 | \$78,500 / Unit | | | \$2,020,000 | 0.0% | \$0 | |
| Add'l per Option | | | | | | \$250,000 | \$250,000 | | | | | 0.0% | \$0 | |
| Off-Sites | | | | \$ / Unit | | \$0 | \$0 | \$ / Unit | | | | 0.0% | \$0 | |
| Site Work | | | \$682,500 | \$11,375 / Unit | | \$682,500 | \$706,000 | \$11,767 / Unit | | \$706,000 | | -3.3% | (\$23,500) | |
| Site Amenities | | | \$392,000 | \$6,533 / Unit | | \$392,000 | \$409,845 | \$6,831 / Unit | | \$409,845 | | -4.4% | (\$17,845) | |
| Building Cost | | | \$3,145,500 | \$87.39 /sf | \$52,425/Unit | \$3,145,500 | \$3,104,155 | \$51,736/Unit | \$86.24 /sf | \$3,104,155 | | 1.3% | \$41,345 | |
| Contingency | | | \$422,000 | 10.00% | 10.00% | \$422,000 | \$422,000 | 10.00% | 10.00% | \$422,000 | | 0.0% | \$0 | |
| Contractor Fees | | | \$590,800 | 12.73% | 12.73% | \$590,800 | \$590,800 | 12.73% | 12.73% | \$590,800 | | 0.0% | \$0 | |
| Voluntary Eligible "Hard Costs" (After 11.9(e)(2)) | | | (\$8,127) | | | | | 0.00% | | (\$8,127) | | 0.0% | \$0 | |
| Soft Costs | | \$0 | \$678,500 | \$13,665 / Unit | | \$819,900 | \$819,900 | \$13,665 / Unit | | \$678,500 | \$0 | 0.0% | \$0 | |
| Financing | | \$0 | \$1,007,528 | \$25,254 / Unit | | \$1,515,228 | \$1,515,228 | \$25,254 / Unit | | \$1,007,528 | \$0 | 0.0% | \$0 | |
| Developer Fee | | 15.97% | \$322,500 | \$1,036,000 | 14.99% | 14.99% | \$1,340,000 | \$1,340,824 | 15.00% | 15.00% | \$1,036,605 | \$303,000 | -0.1% | (\$824) |
| Reserves | | | | 5 Months | | \$344,000 | \$344,000 | 5 Months | | | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$2,342,500 | \$7,946,701 | \$250,865 / Unit | | \$15,051,928 | \$15,052,752 | \$250,879 / Unit | | \$7,947,307 | \$2,323,000 | 0.0% | (\$824) | |
| Acquisition Cost | | \$0 | | | | \$0 | | | | | | | | |
| Contingency | | | \$0 | | | \$0 | | | | | | | | |
| Contractor's Fee | | | \$0 | | | \$0 | | | | | | | | |
| Financing Cost | | | \$0 | | | | | | | | | | | |
| Developer Fee | | 15.00% | (\$19,500) | \$605 | 15.00% | | | | | | | | | \$0 |
| Reserves | | | | | | \$0 | | | | | | | | |
| ADJUSTED BASIS / COST | | \$2,323,000 | \$7,947,307 | \$250,865/unit | | \$15,051,928 | \$15,052,752 | \$250,879/unit | | \$7,947,307 | \$2,323,000 | 0.0% | (\$824) | |
| TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA | | | | | | | \$15,052,752 | | | | | | | |

| |
|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| St. George's Court, Austin, 9% HTC #25107 |

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$2,323,000 | \$7,947,307 | \$2,323,000 | \$7,947,307 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$2,323,000 | \$7,947,307 | \$2,323,000 | \$7,947,307 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$2,323,000 | \$10,331,499 | \$2,323,000 | \$10,331,499 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$2,323,000 | \$10,331,499 | \$2,323,000 | \$10,331,499 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$92,920 | \$929,835 | \$92,920 | \$929,835 |
| CREDITS ON QUALIFIED BASIS | \$1,022,755 | | \$1,022,755 | |

| | ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|-------------|-------------------------------|---------------------|-----------|
| | | | Credit Price \$0.87 | Variance to Request | |
| Method | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,022,755 | \$8,897,078 | \$1,022,755 | (\$709) | (\$6,169) |
| Needed to Fill Gap | \$1,080,252 | \$9,397,252 | ---- | ---- | ---- |
| Applicant Request | \$1,023,464 | \$8,903,248 | ---- | ---- | ---- |

Long-Term Pro Forma

St. George's Court, Austin, 9% HTC #25107

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Year 25 | Year 30 | Year 35 |
|--------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$904,590 | \$922,682 | \$941,135 | \$959,958 | \$979,157 | \$1,081,069 | \$1,102,690 | \$1,124,744 | \$1,147,239 | \$1,170,184 | \$1,193,587 | \$1,217,459 | \$1,241,808 | \$1,266,644 | \$1,291,977 | \$1,317,817 | \$1,454,976 | \$1,606,411 | \$1,773,608 |
| TOTAL EXPENSES | 3.00% | \$560,409 | \$576,842 | \$593,759 | \$611,177 | \$629,109 | \$727,039 | \$748,396 | \$770,385 | \$793,024 | \$816,333 | \$840,331 | \$865,040 | \$890,480 | \$916,672 | \$943,640 | \$971,407 | \$1,123,071 | \$1,298,574 | \$1,501,679 |
| NET OPERATING INCOME ("NOI") | | \$344,181 | \$345,840 | \$347,376 | \$348,781 | \$350,049 | \$354,030 | \$354,294 | \$354,359 | \$354,215 | \$353,851 | \$353,256 | \$352,419 | \$351,329 | \$349,972 | \$348,337 | \$346,410 | \$331,905 | \$307,837 | \$271,929 |
| EXPENSE/INCOME RATIO | | 62.0% | 62.5% | 63.1% | 63.7% | 64.3% | 67.3% | 67.9% | 68.5% | 69.1% | 69.8% | 70.4% | 71.1% | 71.7% | 72.4% | 73.0% | 73.7% | 77.2% | 80.8% | 84.7% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | | | | | | | | |
| Key Bank | | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 |
| TOTAL DEBT SERVICE | | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 | \$281,352 |
| DEBT COVERAGE RATIO | | 1.22 | 1.23 | 1.23 | 1.24 | 1.24 | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 | 1.25 | 1.25 | 1.24 | 1.24 | 1.23 | 1.18 | 1.09 | 0.97 |
| ANNUAL CASH FLOW | | \$62,828 | \$64,488 | \$66,024 | \$67,429 | \$68,696 | \$72,677 | \$72,942 | \$73,007 | \$72,862 | \$72,498 | \$71,904 | \$71,067 | \$69,976 | \$68,620 | \$66,985 | \$65,058 | \$50,553 | \$26,485 | (\$9,423) |
| Deferred Developer Fee Balance | | \$437,346 | \$372,858 | \$306,834 | \$239,405 | \$170,709 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$186,384 | \$259,325 | \$332,332 | \$405,194 | \$477,693 | \$549,597 | \$620,664 | \$690,640 | \$759,260 | \$826,244 | \$891,302 | \$1,176,494 | \$1,361,306 | \$1,391,252 |



Real Estate Analysis Division

November 20, 2025

Addendum to Underwriting Report

TDHCA Application #: 25177 Program(s): 9% HTC

The Lantern at Robstown

Address/Location: NWC of CR 44 and CR 69

City: Robstown County: Nueces Zip: 78380

| | APPLICATION HISTORY |
|-------------|--|
| Report Date | PURPOSE |
| 11/20/25 | State Credit Award Update and Material Amendment Request |
| 07/09/25 | Original LIHTC Award |

ALLOCATION

| TDHCA Program | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|-----------|-----------|------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm Term | Perm Lien | Const Term | Const Lien |
| State Housing Tax Credits | \$0 | | | | \$50,000 | | | | | | |
| FHTC (9% Credit) | \$1,258,361 | | | | \$1,258,361 | | | | | | |

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.

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 6 |
| 50% of AMI | 50% of AMI | 7 |
| 60% of AMI | 60% of AMI | 33 |

ANALYSIS

In July 2025, the Development was awarded \$1,258,361 in annual 9% Housing Tax Credits. Now Applicant has applied for an additional \$50,000 in annual State Housing Tax Credits ("SHTC").

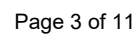
In conjunction with their application for SHTC, they are also requesting a Material Amendment. The reason for the material amendment is the result of value engineering to offset price increases caused by inflation and to accommodate for flooding concerns that were raised by the County Commissioner regarding the original site entrance (both of which occurred post application submission). The amendment reflects the following changes:

- Update to the site plan to reflect a new building configuration. The updated site plan shows relocating the entrance away from flooding concerns and changing from a single-story garden-style design to a three-story single-building design.
- Update to the unit mix to 34 2-BR and 15-1BR units, which allows for higher gross potential rents at the development. The redesign also includes an increase in affordable units from 39 to 46, with an addition of 3 market rate units as well. This results in a total of 49 units for rent to Seniors 55+.
- Redesigned parking lot eliminates garages and reconfigures the lot to 81 open surface spaces (1.7/unit), with all parking provided at no additional charge to the residents. For comparison, local Code only requires 1 space per unit for senior developments.
- An Increase to the development site from 7.164 acres to 7.5 acres has increased the acquisition costs from \$247,311 to \$350,000, after accounting for additional extension fees incurred on the contract amendment.
- A 9% increase in the total NRA, from 36,084 SF to 39,336 SF.
- A 385% increase in total common area, from 1,888 SF to 9,151 SF. The increase in common area is due to the change in design from single-story buildings to one three-story building. Also, Applicant is including the interior corridor and stair areas in the common area calculation.
- Update to the financial exhibits to account for the application for SHTC as well as for the changes in costs, interest rates, program rent limits, and expenses.

Site Plan

Site Control was amended so that the boundaries of the parcel being sold are farther away from flooding areas. The site plan has been modified to accommodate the new boundaries and to reduce costs through value engineering in an effort to mitigate cost increases caused by inflation and to reflect the revised unit mix. Additionally, Applicant included the updated PSA (site control) amendment and title commitment accounting for the closing extension and revised location of land under contract. A copy of the updated survey and Phase I ESA were provided by the Applicant as well as reflecting the new site boundary location. New Architectural Drawings were also provided to document the proposed changes.

25177 The Lantern at Robstown



New Site Plan



Operating Pro Forma

The Rent Schedule was updated with current 2025 Program Rents.

The expanded unit mix has an increase in affordable units from 39 to 46, with an addition of 3 market rate units as well. The increase in units and updated rents resulted in a 34% increase in budgeted income from \$377,278 to \$506,038.

Changes in operating expenses reflect a reconciliation to feedback received from insurance providers for the area, removal of supportive services since there is no contract or agreement required by the City of Robstown, inclusion of elevator maintenance costs triggered from the redesign, as well as additional due diligence in market conditions performed by the Partnership since original application submission. The change in operating expenses are more specifically detailed below.

Total budgeted expenses increased by 36% from \$138,988 to \$188,661. The changes in expenses were primarily in the following categories:

- Management expense increased by 34%, from \$15,091 to \$20,241.
- Payroll expenses rose by 61%, from \$65,000 to \$104,500.
- Repairs & Maintenance increased by 75%, from \$27,000 to \$47,300. That increase is partially due to the inclusion of elevator maintenance costs triggered by the redesign of the property.
- Electric/Gas increased by 33%, from \$8,500 to \$11,308.
- Property Insurance increased by 32%, from \$39,000 to \$51,459.
- Property tax expense increased by 33%, from \$16,389 to \$21,731.
- Supportive Services decreased from \$6,000 to \$0.

As underwritten, the long-term Pro Forma exhibits a 15-year residual cash flow of \$84K after repayment of deferred developer fee in year 14.

Development Cost

The development site increased from 7.164 acres to 7.5 acres, which has increased the acquisition cost from \$247,311 to \$350,000 after accounting for additional extension fees incurred on the contract amendment.

The number of units increased from 39 units to 49 units, with NRA increasing by 9%, from 36,084 SF to 39,336 SF.

Building Cost increased by 18%, from \$3,828,461 to \$4,530,153.

Total Housing Development Cost has increased by 10%, from \$11,539,913 to \$12,668,437.

Sources of Funds

In order to cover the additional development costs, proposed capitalization has been increased 10%, by \$1,128,528.

The permanent lender was changed from Key Bank to Stellar Bank. Permanent debt was increased by \$642,000, but the interest rate decreased from 7.00% to 6.75%. The 15 year term and 35 year amortization remain unchanged.

Applicant changed equity providers from Raymond James to RBC. The primary LIHTC equity contribution remained the same.

Applicant added State Housing Credit equity of \$299,940 for an annual State Housing Tax Credit request of \$50K at a credit price of \$0.60.

Deferred developed Fee increased by \$186,588, from \$376,410 to \$562,998.

Recommendation

Underwriter recommends an annual allocation of \$50,000 in State Housing Tax Credits as requested by Applicant. Furthermore, the original annual allocation of \$1,258,361 in annual 9% Housing Tax Credits is still being recommended.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <u>Georgia Simmons</u> |
| Manager of Real Estate Analysis: | <u>Gregg Kazak</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| The Lantern at Robstown, Robstown, 9% HTC #25177 | | | | | | | | | |

| LOCATION DATA | |
|--------------------|----------|
| CITY: | Robstown |
| COUNTY: | Nueces |
| Area Median Income | \$82,700 |
| PROGRAM REGION: | 10 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 15 | 30.6% | 0 | 0 | 0 | 0 |
| 2 | 34 | 69.4% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 49 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|--------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 93.37% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 803 sf |

| | | | | | | | | | | |
|----------------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| 55% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average Income | # Units | - | 6 | - | 7 | 33 | - | - | 3 | 49 |
| | % Total | 0.0% | 12.2% | 0.0% | 14.3% | 67.3% | 0.0% | 0.0% | 6.1% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|-----|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst |
| TC 30% | \$465 | 2 | 1 | 1 | 652 | \$465 | \$71 | \$394 | \$0 | \$0.60 | \$394 | \$788 | \$788 | \$394 | \$0.60 | \$0 | \$1,175 | \$1.80 |
| TC 50% | \$775 | 3 | 1 | 1 | 652 | \$775 | \$71 | \$704 | \$0 | \$1.08 | \$704 | \$2,112 | \$2,112 | \$704 | \$1.08 | \$0 | \$1,175 | \$1.80 |
| TC 60% | \$930 | 8 | 1 | 1 | 652 | \$930 | \$71 | \$859 | \$0 | \$1.32 | \$859 | \$6,872 | \$6,872 | \$859 | \$1.32 | \$0 | \$1,175 | \$1.80 |
| TC 60% | \$930 | 2 | 1 | 1 | 657 | \$930 | \$71 | \$859 | \$0 | \$1.31 | \$859 | \$1,718 | \$1,718 | \$859 | \$1.31 | \$0 | \$1,175 | \$1.79 |
| TC 30% | \$558 | 4 | 2 | 1 | 869 | \$558 | \$88 | \$470 | \$0 | \$0.54 | \$470 | \$1,880 | \$1,880 | \$470 | \$0.54 | \$0 | \$1,325 | \$1.52 |
| TC 50% | \$931 | 4 | 2 | 1 | 869 | \$931 | \$88 | \$843 | \$0 | \$0.97 | \$843 | \$3,372 | \$3,372 | \$843 | \$0.97 | \$0 | \$1,325 | \$1.52 |
| TC 60% | \$1,117 | 23 | 2 | 1 | 869 | \$1,117 | \$88 | \$1,029 | \$0 | \$1.18 | \$1,029 | \$23,667 | \$23,667 | \$1,029 | \$1.18 | \$0 | \$1,325 | \$1.52 |
| MR | | 3 | 2 | 1 | 869 | \$0 | \$88 | | NA | \$1.52 | \$1,325 | \$3,975 | \$3,975 | \$1,325 | \$1.52 | NA | \$1,325 | \$1.52 |
| TOTALS/AVERAGES: | | 49 | | | | 39,336 | | | | \$0 | \$1.13 | \$906 | \$44,384 | \$44,384 | \$906 | \$1.13 | \$0 | \$1,279 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$532,608 | \$532,608 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

The Lantern at Robstown, Robstown, 9% HTC #25177

| | STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | |
|---------------------------|---------------------------------|-------|--|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|-----|
| | COMPARABLES | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
| | Database | Other | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.13 | \$906 | \$532,608 | \$398,508 | \$398,508 | \$532,608 | \$906 | \$1.13 | | 0.0% | \$0 |
| App Fees, NSF, Vending | | | | | | \$24.59 | \$14,460 | 9,360 | | | | | | | |
| Total Secondary Income | | | | | | \$24.59 | | | 9,360 | \$14,460 | \$24.59 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$547,068 | \$407,868 | \$407,868 | \$547,068 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (41,030) | (30,590) | (30,590) | (41,030) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$506,038 | \$377,278 | \$377,278 | \$506,038 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|---------|--------|--------|---------|-----------|-----------|-----------|-----------|---------|--------|--------|--------|------------|
| General & Administrative | \$27,891 | \$569/Unit | \$25,932 | \$529 | 4.67% | \$0.60 | \$483 | \$23,650 | \$22,000 | \$20,640 | \$25,932 | \$529 | \$0.66 | 5.12% | -8.8% | (2,282) |
| Management | \$27,788 | 4.6% EGI | \$30,842 | \$629 | 4.00% | \$0.51 | \$413 | \$20,241 | \$15,091 | \$18,864 | \$25,302 | \$516 | \$0.64 | 5.00% | -20.0% | (5,061) |
| Payroll & Payroll Tax | \$70,666 | \$1,442/Unit | \$87,318 | \$1,782 | 20.65% | \$2.66 | \$2,133 | \$104,500 | \$65,000 | \$62,832 | \$87,318 | \$1,782 | \$2.22 | 17.26% | 19.7% | 17,182 |
| Repairs & Maintenance | \$46,173 | \$942/Unit | \$57,584 | \$1,175 | 9.35% | \$1.20 | \$965 | \$47,300 | \$27,000 | \$25,350 | \$31,850 | \$650 | \$0.81 | 6.29% | 48.5% | 15,450 |
| Electric/Gas | \$10,411 | \$212/Unit | \$12,745 | \$260 | 2.23% | \$0.29 | \$231 | \$11,308 | \$8,500 | \$10,144 | \$12,745 | \$260 | \$0.32 | 2.52% | -11.3% | (1,437) |
| Water, Sewer, & Trash | \$46,371 | \$946/Unit | \$36,433 | \$744 | 4.56% | \$0.59 | \$471 | \$23,098 | \$28,000 | \$28,997 | \$46,371 | \$946 | \$1.18 | 9.16% | -50.2% | (23,273) |
| Property Insurance | \$50,170 | \$1.28 /sf | \$79,169 | \$1,616 | 10.17% | \$1.31 | \$1,050 | \$51,459 | \$39,000 | \$39,931 | \$50,170 | \$1,024 | \$1.28 | 9.91% | 2.6% | 1,289 |
| Property Tax (@ 50%) 2.1280 | \$26,336 | \$537/Unit | \$15,757 | \$322 | 4.29% | \$0.55 | \$443 | \$21,731 | \$16,389 | \$13,441 | \$18,622 | \$380 | \$0.47 | 3.68% | 16.7% | 3,109 |
| Reserve for Replacements | | | | | 2.42% | \$0.31 | \$250 | \$12,250 | \$9,750 | \$9,750 | \$12,250 | \$250 | \$0.31 | 2.42% | 0.0% | - |
| Supportive Services | | | | | 0.00% | \$0.00 | \$0 | \$0 | \$6,000 | \$6,000 | \$0 | \$0 | \$0.00 | 0.00% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.36% | \$0.05 | \$38 | \$1,840 | \$1,560 | \$1,560 | \$1,840 | \$38 | \$0.05 | 0.36% | 0.0% | - |
| TOTAL EXPENSES | | | | | 62.72% | \$8.07 | \$6,477 | \$317,377 | \$238,290 | \$237,510 | \$312,400 | \$6,376 | \$7.94 | 61.73% | 1.6% | \$ 4,977 |
| NET OPERATING INCOME ("NOI") | | | | | 37.28% | \$4.80 | \$3,850 | \$188,661 | \$138,988 | \$139,768 | \$193,638 | \$3,952 | \$4.92 | 38.27% | -2.6% | \$ (4,977) |

| | | | | |
|-----------------------|--------------|--|--------------|--|
| CONTROLLABLE EXPENSES | \$4,283/Unit | | \$4,168/Unit | |
|-----------------------|--------------|--|--------------|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Lantern at Robstown, Robstown, 9% HTC #25177

| | | 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 | 1.30 | 1.27 | 148,543 | 6.75% | 35 | 15 | \$1,992,000 | \$1,350,000 | \$1,350,000 | \$1,992,000 | 15 | 35 | 6.75% | \$148,543 | 1.27 | 15.7% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | |
| City of Robstown | | 1.30 | 1.27 | | 0.00% | 0 | 0 | \$250 | \$250 | \$250 | \$250 | 0 | 0 | 0.00% | | 1.27 | 0.0% |
| | | | | \$148,543 | TOTAL DEBT / GRANT SOURCES | | | \$1,992,250 | \$1,350,250 | \$1,350,250 | \$1,992,250 | TOTAL DEBT SERVICE | | | \$148,543 | 1.27 | 15.7% |
| NET CASH FLOW | | \$45,095 | \$40,118 | APPLICANT NET OPERATING INCOME \$188,661 \$40,117 NET CASH FLOW | | | | | | | | | | | | | |

| | | EQUITY SOURCES | | | | | | | | | | | |
|---------------------------------|-------------------------|---------------------------------------|----------------|--------------|--------------|--------------------|--------------|--------------|-------------------------------------|---------------|--------|-------------------------|-------------------|
| | | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | |
| EQUITY / DEFERRED FEES | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| | | | | | | Applicant | TDHCA | | | | | | |
| RBC | LIHTC Equity | 77.5% | \$1,258,361 | \$0.78 | \$9,813,253 | \$9,813,253 | \$9,813,253 | \$9,813,253 | \$0.78 | \$1,258,361 | 77.5% | \$25,681 | Applicant Request |
| RBC | SHTC Equity | 2.4% | \$50,000 | \$0.60 | \$299,940 | \$0 | | \$299,940 | \$0.60 | \$50,000 | 2.4% | | |
| G2 Equity Inc. | Deferred Developer Fees | 4.4% | (33% Deferred) | | \$562,998 | \$376,410 | \$376,410 | \$562,993 | (33% Deferred) | | 4.4% | Total Developer Fee: | \$1,730,000 |
| Additional (Excess) Funds Req'd | | 0.0% | | | | | \$0 | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 84.3% | | | \$10,676,191 | \$10,189,663 | \$10,189,663 | \$10,676,186 | | | 84.3% | | |
| TOTAL CAPITALIZATION | | | | | \$12,668,441 | \$11,539,913 | \$11,539,913 | \$12,668,436 | 15-Yr Cash Flow after Deferred Fee: | | | \$83,537 | |

| DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | | |
|---|------------------|-------------|-----------------|------------------|--------------------|--------------|--------------------------|-----------------|------------------|------------------|-------------|---------------|-------------|-----|
| APPLICANT COST / BASIS ITEMS | | | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | | |
| Eligible Basis | | | | | Prior Underwriting | | | | | Eligible Basis | | | | |
| Acquisition | New Const. Rehab | | | | Applicant | TDHCA | | | | New Const. Rehab | Acquisition | | | |
| Total Costs | | | | | | | Total Costs | | | | | % | \$ | |
| Land Acquisition | | | \$7,143 / Unit | \$350,000 | \$247,311 | \$247,311 | \$350,000 | \$7,143 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | \$0 | | \$ / Unit | \$0 | \$0 | \$0 | \$0 | \$ / Unit | | | \$0 | 0.0% | \$0 | |
| Off-Sites | | \$572,000 | \$11,673 / Unit | \$572,000 | \$572,000 | \$572,000 | \$572,000 | \$11,673 / Unit | \$572,000 | | | 0.0% | \$0 | |
| Site Work | | \$1,286,607 | \$27,640 / Unit | \$1,354,360 | \$1,442,529 | \$1,442,529 | \$1,354,360 | \$27,640 / Unit | \$1,286,607 | | | 0.0% | \$0 | |
| Site Amenities | | \$164,304 | \$3,353 / Unit | \$164,304 | \$175,000 | \$175,000 | \$164,304 | \$3,353 / Unit | \$164,304 | | | 0.0% | \$0 | |
| Building Cost | | \$4,530,153 | \$115.17 /sf | \$92,452/Unit | \$4,530,153 | \$3,828,461 | \$4,410,250 | \$5,088,876 | \$103,855/Unit | \$129.37 /sf | \$4,530,153 | -11.0% | (\$558,723) | |
| Contingency | | \$330,440 | 5.04% | 5.00% | \$331,041 | \$372,851 | \$372,851 | \$331,041 | 4.61% | 5.04% | \$330,440 | 0.0% | \$0 | |
| Contractor Fees | | \$963,690 | 14.00% | 14.00% | \$973,261 | \$894,718 | \$894,718 | \$973,261 | 12.96% | 14.00% | \$963,690 | 0.0% | \$0 | |
| Soft Costs | \$0 | \$1,190,779 | \$25,274 / Unit | \$1,238,425 | \$929,500 | \$929,500 | \$1,238,425 | \$25,274 / Unit | \$1,190,779 | \$0 | | 0.0% | \$0 | |
| Financing | \$0 | \$931,282 | \$23,947 / Unit | \$1,173,393 | \$1,176,651 | \$1,176,651 | \$1,173,393 | \$23,947 / Unit | \$931,282 | \$0 | | 0.0% | \$0 | |
| Developer Fee | | \$0 | \$1,730,000 | 17.35% | 17.24% | \$1,730,000 | \$1,730,000 | \$1,730,000 | 16.33% | 17.35% | \$1,730,000 | \$0 | 0.0% | \$0 |
| Reserves | | | 6 Months | \$233,000 | \$170,892 | \$170,892 | \$233,000 | 6 Months | | | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$11,699,255 | \$258,540 / Unit | \$12,668,437 | \$11,539,913 | \$12,121,702 | \$13,227,160 | \$269,942 / Unit | \$11,699,255 | \$0 | -4.2% | (\$558,723) | |
| Acquisition Cost | \$0 | | | \$0 | \$0 | | | | | | | | | |
| Contingency | | \$0 | | \$0 | \$0 | | | | | | | | | |
| Contractor's Fee | | \$0 | | (\$1) | \$0 | | | | | | | | | |
| Financing Cost | | \$0 | | | | | | | | | | | | |
| Developer Fee | | \$0 | \$0 | | | \$0 | \$0 | | | | | | | |
| Reserves | | | | \$0 | \$0 | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$11,699,255 | \$258,540/unit | \$12,668,436 | \$11,539,913 | \$12,121,702 | \$13,227,160 | \$269,942/unit | \$11,699,255 | \$0 | -4.2% | (\$558,724) | |

| | | |
|---|--------------|--|
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | \$12,668,436 | |
|---|--------------|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Lantern at Robstown, Robstown, 9% HTC #25177

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$11,699,255 | \$0 | \$11,699,255 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$11,699,255 | \$0 | \$11,699,255 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$15,209,032 | \$0 | \$15,209,032 |
| Applicable Fraction | 93.37% | 93.37% | 93% | 93% |
| TOTAL QUALIFIED BASIS | \$0 | \$14,201,050 | \$0 | \$14,201,050 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,278,095 | \$0 | \$1,278,095 |
| CREDITS ON QUALIFIED BASIS | \$1,278,095 | | \$1,278,095 | |

| | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | | | Credit Price | Variance to Request | |
| | Annual Credits | Proceeds | \$0.7798 | | |
| Method | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,278,095 | \$9,967,144 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,330,554 | \$10,376,246 | ---- | ---- | ---- |
| Applicant Request | \$1,258,361 | \$9,813,253 | \$1,258,361 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | | |
|------------------------------------|----------|-----------|----------------|-------------|-------------|
| CATEGORY | | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Six-Plex | | 39,336 SF | \$96.57 | 3,798,742 |
| Adjustments | | | | | |
| Exterior Wall Finish | | 3.44% | | 3.32 | \$130,677 |
| Elderly | | 9.00% | | 8.69 | 341,887 |
| 9-Ft. Ceilings | | 3.43% | | 3.31 | 130,297 |
| Roof Adjustment(s) | | | | 1.25 | 49,000 |
| Subfloor | | | | (0.23) | (9,047) |
| Floor Cover | | | | 3.75 | 147,510 |
| Breezeways | | \$54.35 | 6,612 | 9.14 | 359,357 |
| Balconies | | \$47.40 | 553 | 0.67 | 26,212 |
| Plumbing Fixtures | | \$1,460 | 0 | 0.00 | 0 |
| Rough-ins | | \$715 | 98 | 1.78 | 70,070 |
| Built-In Appliances | | \$2,200 | 49 | 2.74 | 107,800 |
| Exterior Stairs | | \$4,250 | 4 | 0.43 | 17,000 |
| Heating/Cooling | | | | 4.11 | 161,671 |
| Storage Space | | \$54.35 | 0 | 0.00 | 0 |
| Carports | | \$21.40 | 0 | 0.00 | 0 |
| Garages | | \$27.00 | 0 | 0.00 | 0 |
| Common/Support Area | | \$134.65 | 1,986 | 6.80 | 267,419 |
| Elevators | | \$112,000 | 1 | 2.85 | 112,000 |
| Other: | | | | 0.00 | 0 |
| Fire Sprinklers | | \$4.60 | 47,934 | 5.61 | 220,496 |
| SUBTOTAL | | | | 150.78 | 5,931,091 |
| Current Cost Multiplier | | 1.00 | | 0.00 | 0 |
| Local Multiplier | | 1.00 | | 0.00 | 0 |
| Reserved | | | | | 0 |
| TOTAL BUILDING COSTS | | | | 150.78 | \$5,931,091 |
| Plans, specs, survey, bldg permits | | 3.10% | | (4.67) | (\$183,864) |
| Contractor's OH & Profit | | 11.10% | | (16.74) | (658,351) |
| NET BUILDING COSTS | | | \$103,855/unit | \$129.37/sf | \$5,088,876 |

Long-Term Pro Forma

The Lantern at Robstown, Robstown, 9% HTC #25177

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$506,038 | \$516,159 | \$526,482 | \$537,011 | \$547,752 | \$604,762 | \$667,706 | \$737,202 | \$813,930 | \$898,645 | \$992,176 |
| TOTAL EXPENSES | 3.00% | \$317,377 | \$326,696 | \$336,290 | \$346,168 | \$356,339 | \$411,885 | \$476,152 | \$550,517 | \$636,573 | \$736,165 | \$851,433 |
| NET OPERATING INCOME ("NOI") | | \$188,661 | \$189,463 | \$190,192 | \$190,843 | \$191,413 | \$192,877 | \$191,554 | \$186,685 | \$177,358 | \$162,479 | \$140,743 |
| EXPENSE/INCOME RATIO | | 62.7% | 63.3% | 63.9% | 64.5% | 65.1% | 68.1% | 71.3% | 74.7% | 78.2% | 81.9% | 85.8% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| Stellar Bank | | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 |
| TOTAL DEBT SERVICE | | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 | \$148,543 |
| DEBT COVERAGE RATIO | | 1.27 | 1.28 | 1.28 | 1.28 | 1.29 | 1.30 | 1.29 | 1.26 | 1.19 | 1.09 | 0.95 |
| ANNUAL CASH FLOW | | \$40,117 | \$40,919 | \$41,648 | \$42,300 | \$42,870 | \$44,334 | \$43,010 | \$38,141 | \$28,814 | \$13,936 | (\$7,800) |
| Deferred Developer Fee Balance | | \$522,876 | \$481,956 | \$440,308 | \$398,009 | \$355,139 | \$135,418 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$83,537 | \$285,570 | \$450,282 | \$552,183 | \$559,689 |

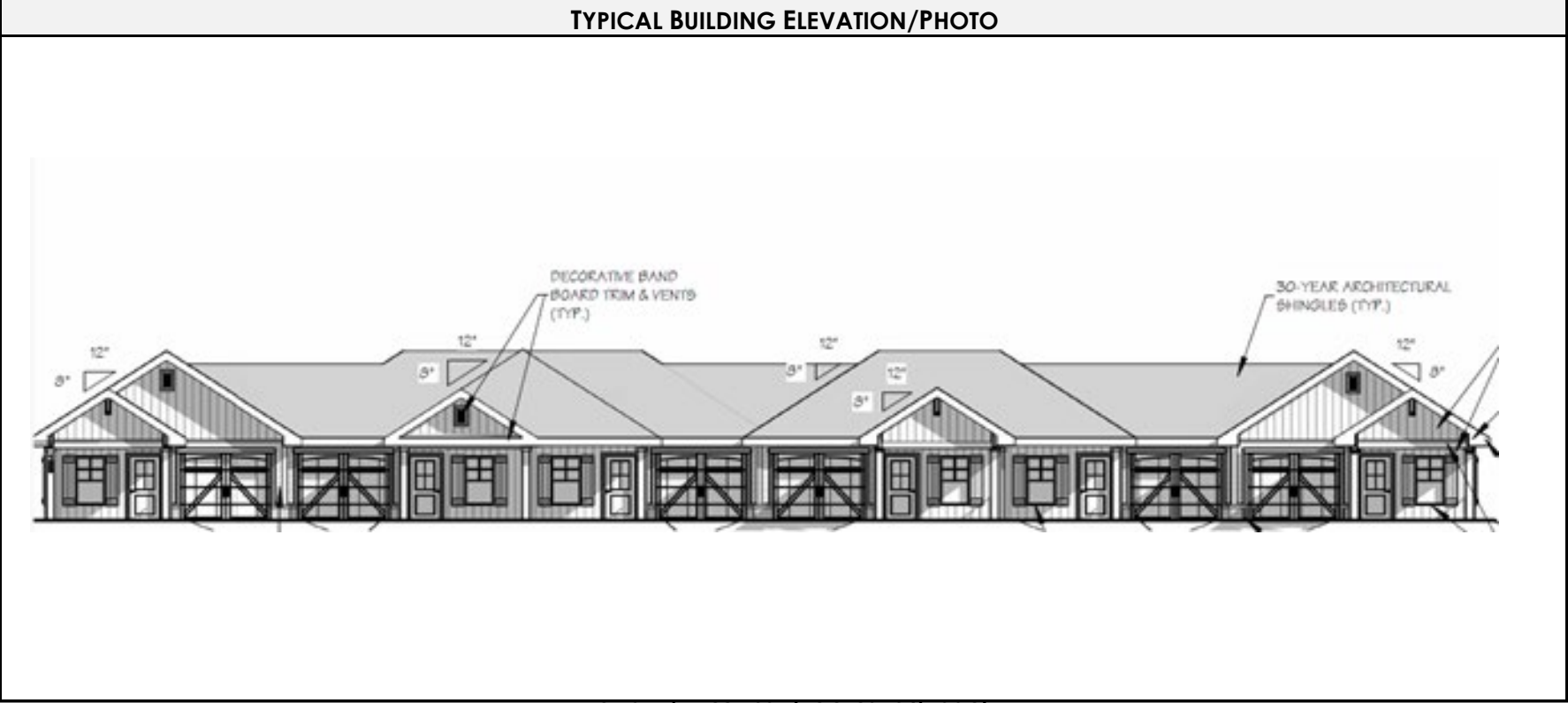
25177 The Lantern at Robstown - Application Summary

REAL ESTATE ANALYSIS DIVISION
July 9, 2025

| PROPERTY IDENTIFICATION | |
|-------------------------|-------------------------|
| Application # | 25177 |
| Development | The Lantern at Robstown |
| City / County | Robstown / Nueces |
| Region/Area | 10 / Rural |
| Population | Elderly Limitation |
| Set-Aside | General |
| Activity | New Construction |

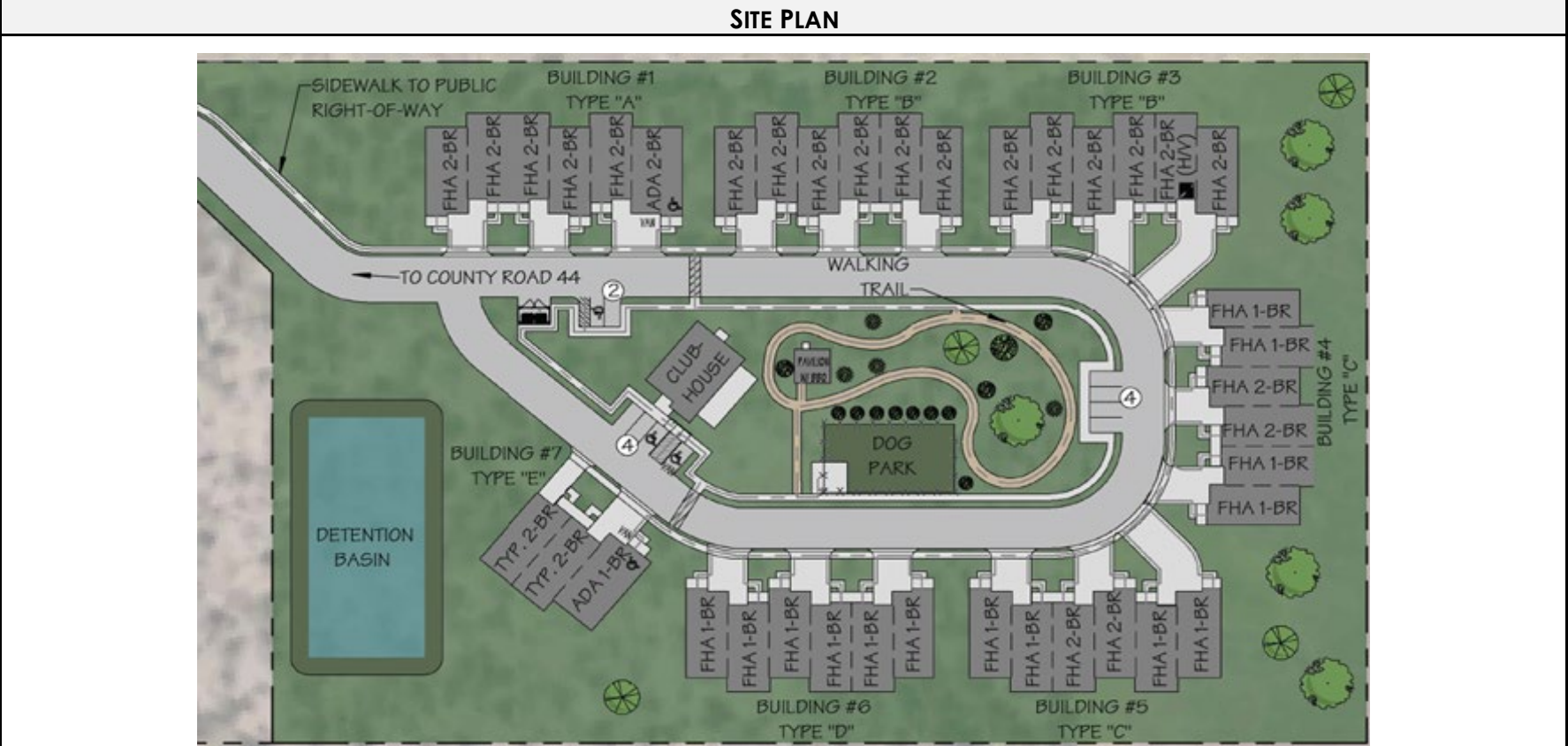
| RECOMMENDATION | | | | |
|------------------|--|-------------|-------------|---------------|
| TDHCA Program | | Request | Recommended | |
| FHTC (9% Credit) | | \$1,258,361 | \$1,258,361 | \$32,266/Unit |
| | | | \$0.78 | |

| KEY PRINCIPALS / SPONSOR | | |
|---|------------------|-------------|
| • G2 Equity Inc. Kanwarjit Ronnie Gyani-100% Owner | | |
| Related Parties | Contractor - Yes | Seller - No |



| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | |
|-------------------|---------|---------|---------------------|---------|---------|
| # Beds | # Units | % Total | Income | # Units | % Total |
| Eff | - | 0% | 20% | - | 0% |
| 1 | 15 | 38% | 30% | 3 | 8% |
| 2 | 24 | 62% | 40% | - | 0% |
| 3 | - | 0% | 50% | 6 | 15% |
| 4 | - | 0% | 60% | 30 | 77% |
| | | | 70% | - | 0% |
| | | | 80% | - | 0% |
| | | | MR | - | 0% |
| TOTAL | 39 | 100% | TOTAL | 39 | 100% |

| PRO FORMA FEASIBILITY INDICATORS | | | |
|----------------------------------|--------------|-----------------------|--------------|
| Pro Forma Underwritten | | Applicant's Pro Forma | |
| Debt Coverage | ✓ 1.34 | Expense Ratio | ⚠ 63.2% |
| Breakeven Occ. | ✓ 83.8% | Breakeven Rent | \$770 |
| Average Rent | \$852 | B/E Rent Margin | ✓ \$82 |
| Property Taxes | \$420/unit | Exemption/PILOT | 50% |
| Total Expense | \$6,110/unit | Controllable | \$3,859/unit |



| MARKET FEASIBILITY INDICATORS | | | |
|----------------------------------|------|----------|--------|
| Gross Capture Rate (10% Maximum) | | | ✓ 0.9% |
| Highest Unit Capture Rate | ✓ 2% | 1 BR/60% | 12 |
| Dominant Unit Cap. Rate | ✓ 2% | 2 BR/60% | 18 |
| Premiums (↑80% Rents) | N/A | | |
| Rent Assisted Units | N/A | | |

| DEVELOPMENT COST SUMMARY | | | |
|--------------------------|-------------|-------------------|---------------|
| Costs Underwritten | | Applicant's Costs | |
| Avg. Unit Size | 925 SF | Density | 5.4/acre |
| Acquisition | | \$06K/unit | \$247K |
| Building Cost | \$106.10/SF | \$98K/unit | \$3,828K |
| Hard Cost | | \$164K/unit | \$6,391K |
| Total Cost | | \$296K/unit | \$11,540K |
| Developer Fee | \$1,730K | (22% Deferred) | Paid Year: 11 |
| Contractor Fee | \$895K | 30% Boost | Yes |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | |
|-----------------------|-------|-------|-------------|------|------------------------------|------|-------|--------|------|------------------------|--------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount |
| KeyBank | 15/35 | 7.00% | \$1,350,000 | 1.34 | City of Robstown | 0/0 | 0.00% | \$250 | 1.34 | Raymond James | \$9,813,253 |
| | | | | | | | | | | G2 Equity Inc. | \$376,410 |
| TOTAL DEBT (Must Pay) | | | \$1,350,000 | | CASH FLOW DEBT / GRANTS | | | \$250 | | TOTAL EQUITY SOURCES | \$10,189,663 |
| | | | | | | | | | | TOTAL DEBT SOURCES | \$1,350,250 |
| | | | | | | | | | | TOTAL CAPITALIZATION | \$11,539,913 |

CONDITIONS

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

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

▫ Low gross capture rate of 0.9%

▫ 1.34 DCR

▫ New development and attractive design should enhance leasing

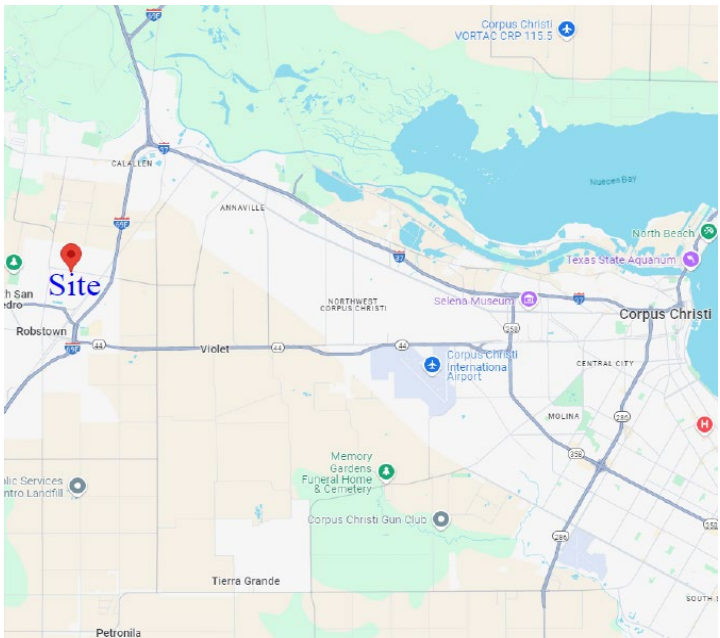
WEAKNESSES/RISKS

▫ Construction Cost Risk

▫ High expense ratio

▫ Interest rate risk

AREA MAP







DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25177** Program(s): **9% HTC**

The Lantern at Robstown

Address/Location: NWC of CR 44 and CR 69

City: Robstown County: Nueces Zip: 78380

Population: Elderly Limitation Program Set-Aside: General Area: Rural

Activity: New Construction Building Type: Six-Plex Region: 10

Low-Income: 40% at 60%

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$1,258,361 | | | | \$1,258,361 | | | | | | |

CONDITIONS

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 3 |
| 50% of AMI | 50% of AMI | 6 |
| 60% of AMI | 60% of AMI | 30 |

DEVELOPMENT SUMMARY

The development will be a 55+ LIHTC community, comprised of 15 one-bedroom units and 24 two-bedroom units, with incomes at 30%, 50%, and 60% AMIs. The developer will be partnering with Crossroads Housing Development Corporation as the CHDO in order to achieve a 50% property tax exemption. Property amenities include a dog park, walking trail and a stand-alone clubhouse.

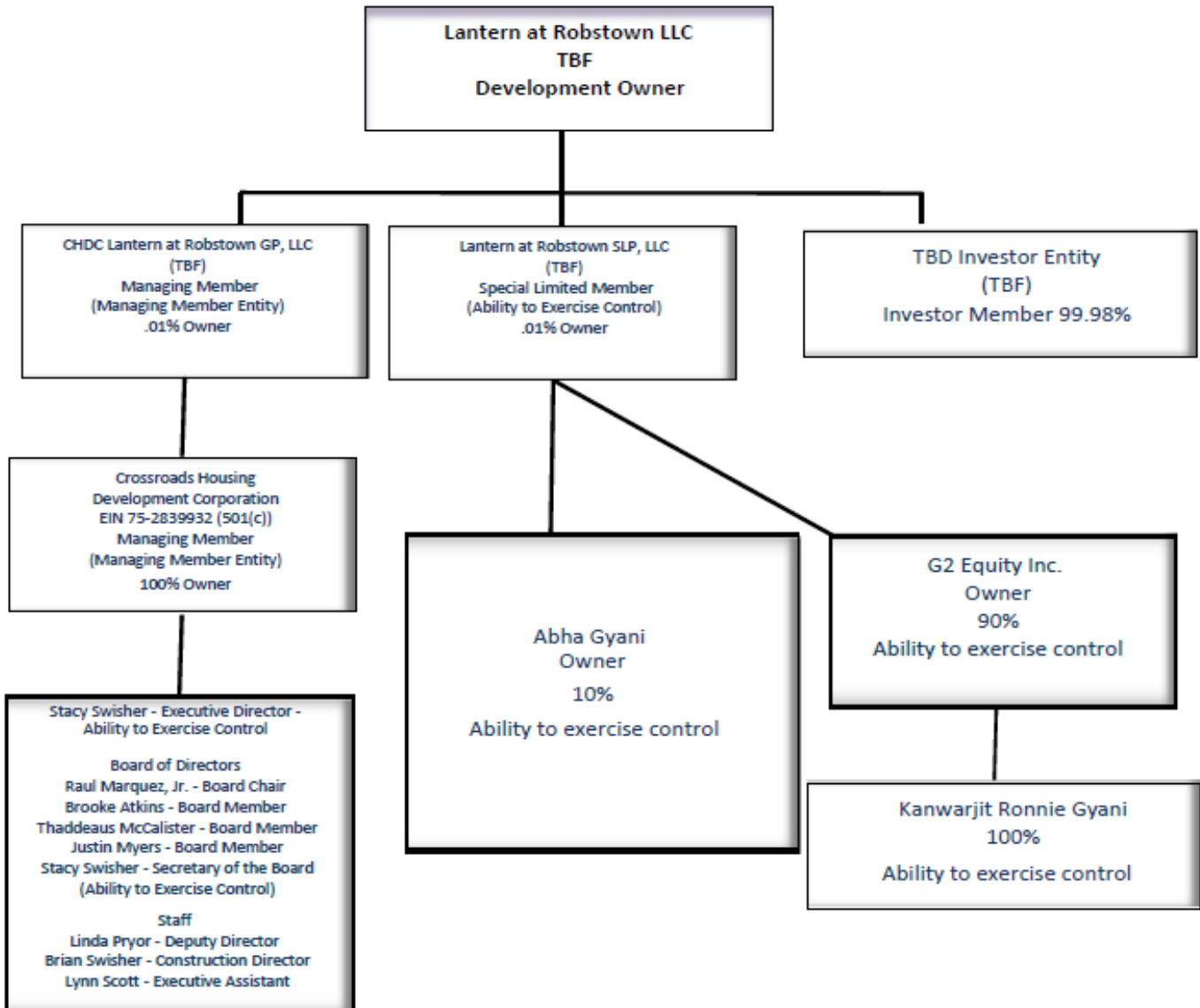
RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | |
|------------------------------|--|
| ▫ | Low gross capture rate of 0.9% |
| ▫ | 1.34 DCR |
| ▫ | New development and attractive design should enhance leasing |

| WEAKNESSES/RISKS | |
|------------------|------------------------|
| ▫ | Construction Cost Risk |
| ▫ | High expense ratio |
| ▫ | Interest rate risk |

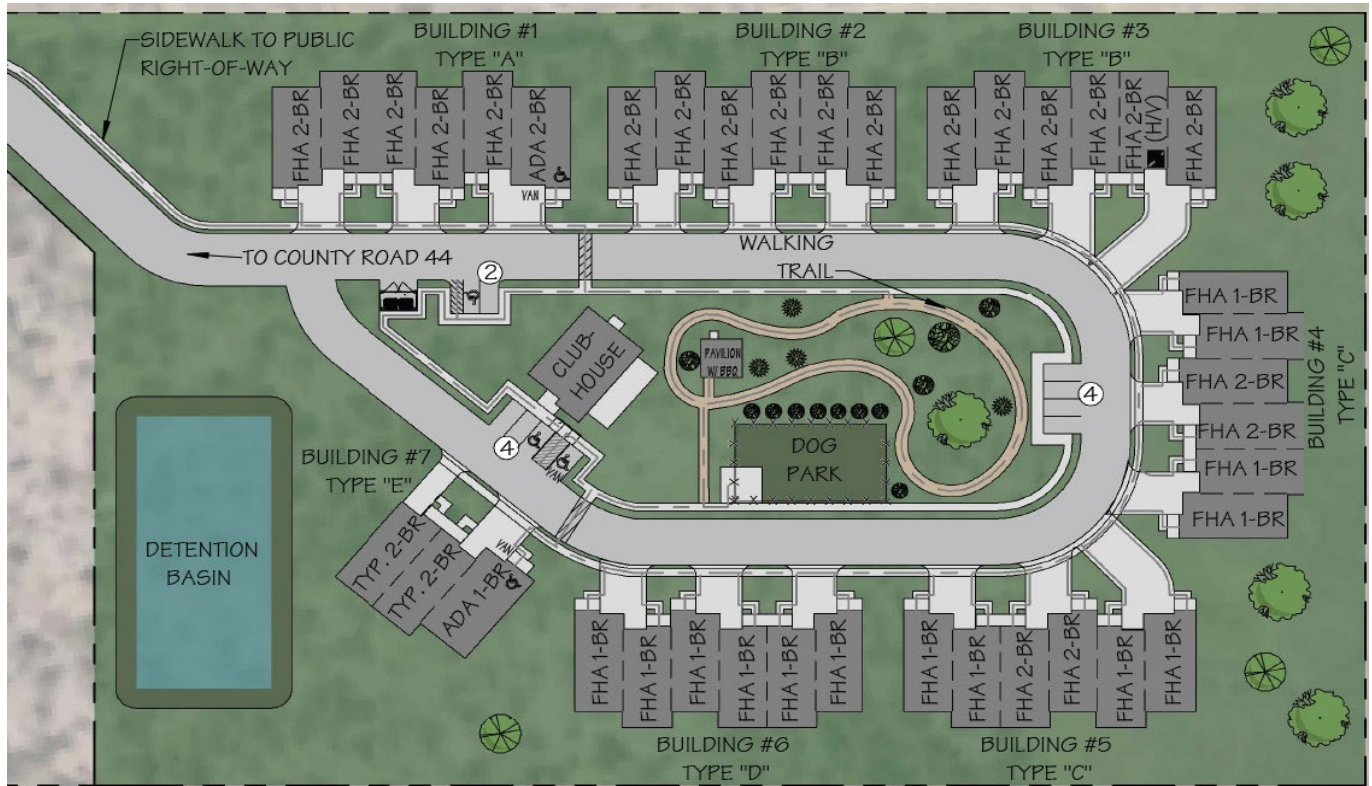
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

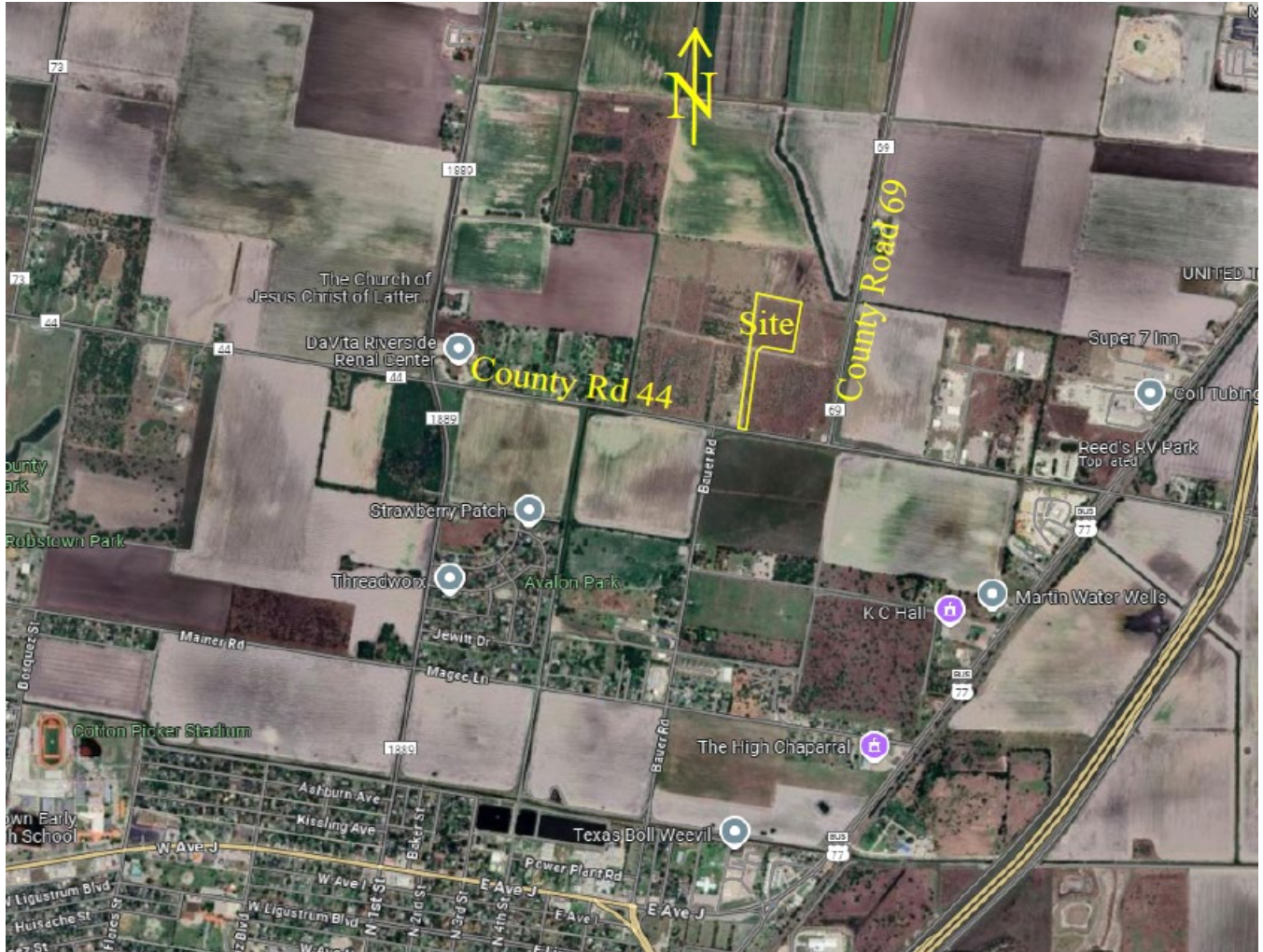


DEVELOPMENT SUMMARY

SITE PLAN



AERIAL

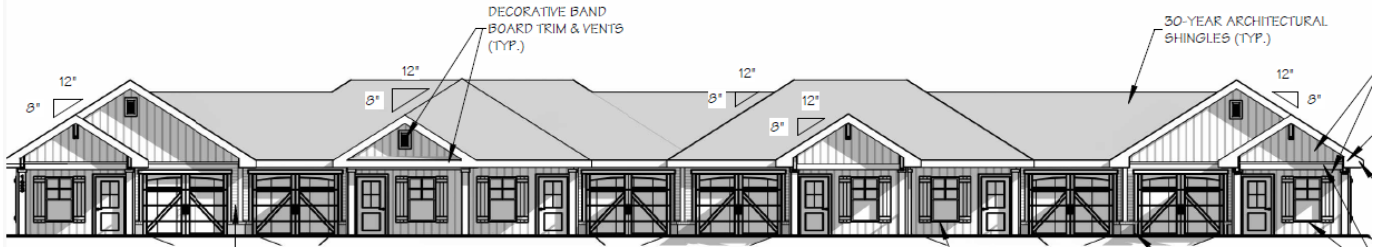


| Parking | No Fee | | Tenant-Paid | | Total | |
|----------------------|-----------|-----------------|-------------|-----------|-----------|-----------------|
| Open Surface | 49 | 1.3/unit | 0 | -- | 49 | 1.3/unit |
| Carport | 0 | -- | 0 | -- | 0 | -- |
| Garage | 39 | 1.0/unit | 0 | -- | 39 | 1.0/unit |
| Total Parking | 88 | 2.3/unit | 0 | -- | 88 | 2.3/unit |

Comments:

Local parking requirement is 1 parking space per unit. The development is in compliance with the local code and will provide 49 surface parking spaces and 39 garage parking spaces for a total of 88 parking spaces (2.3/unit). All parking will be free of charge to the tenants.

BUILDING ELEVATION



BUILDING CONFIGURATION

| Building Type | A | B | C | D | E | | | | | | | | | Total Buildings |
|----------------------------|---------------|----|-----------------------|---|---------------|--|--------------------------|--|--------------|--|--|--|--|-----------------|
| Floors/Stories | 1 | 1 | 1 | 1 | 1 | | | | | | | | | |
| Number of Bldgs | 1 | 2 | 2 | 1 | 1 | | | | | | | | | 7 |
| Units per Bldg | 6 | 6 | 6 | 6 | 3 | | | | | | | | | |
| Total Units | 6 | 12 | 12 | 6 | 3 | | | | | | | | | 39 |
| | | | | | | | | | | | | | | |
| Avg. Unit Size (SF) | 925 sf | | Total NRA (SF) | | 36,084 | | Common Area (SF)* | | 1,888 | | | | | |

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 7.164 acres Density: 5.4 units/acre

Site Control: 15.2 AL **Site Plan:** 7.2 AL **Appraisal:** n/a **ESA:** 15.2 AL

Feasibility Report Survey: 7.164 AL **Feasibility Report Engineer's Plan:** 164 acr **Existing LURA:** n/a

Control Type: Commercial Contract - Unimproved Property

Tract 1: 15.208 acres **Cost:** \$525,000 **Seller:** Fox Tree & Landscape Nursery

Development Site: 7.164 acres **Cost:** \$247,311 \$6,341 per unit

Seller: Fox Tree and Landscape Nursery

Buyer: G2 Equity, Inc., or Assigns

Related-Party Seller/Identity of Interest: No

Comments:

The PSA contract is currently with G2 Equity Inc., which is the Developer and a proposed owner of the LIHTC development. Upon successful award of 9% LIHTCs, G2 Equity Inc. will assign the PSA to Lantern at Robstown LLC, which is currently a to-be-formed entity.

Site control is for 15.208 acres, but the planned development site is 7.164 acres (that will be encumbered by the LURA). The pro-rata allocation of 47.11% (based on acreage) was applied to the total purchase price to calculate the cost of the development site.

The ESA was performed on the entire 15.208 acres under contract.

The ownership entity will have Crossroads Housing Development Corporation (a CHDO) as the GP, which should facilitate a 50% property tax exemption.

SITE INFORMATION

| | | | |
|---------------------|--------|---------------------------|-----|
| Flood Zone: | Zone X | Scattered Site? | No |
| Zoning: | R-1 | Within 100-yr floodplain? | No |
| Re-Zoning Required? | Yes | Utilities at Site? | Yes |
| Year Constructed: | N/A | Title Issues? | No |

Current Uses of Subject Site:

The property is currently used as agricultural land with a palm tree farm.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Aspen Environmental, Inc. Date: 2/14/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- No recognized environmental conditions (RECs) were identified at the subject property.

MARKET ANALYSIS

Provider: Novogradac Date: 3/17/2025

Primary Market Area (PMA): 201 sq. miles 8 mile equivalent radius

| AFFORDABLE HOUSING INVENTORY | | | | | | |
|---|----------------------|---------|------------|-------------------|------------|--------------------|
| Competitive Supply (Proposed, Under Construction, and Unstabilized) | | | | | | |
| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
| 22211 | MillPond at Robstown | Y | New Const. | General | 18 | 72 |
| Other Affordable Developments in PMA since 2020 | | | | | | |
| | #N/A | #N/A | #N/A | N/A | #N/A | |
| Stabilized Affordable Developments in PMA | | | | | | |
| | | | | | | Total Units |
| | | | | | | 456 |
| | | | | | | Total Developments |
| | | | | | | 6 |
| | | | | | | Average Occupancy |
| | | | | | | 97.5% |

Comments:

Market study indicates that the comparable properties reported vacancy rates ranging from zero to 14.5 percent, with an overall weighted average of 5.4 percent. Managers at three of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.5 percent, well below the 8.7 percent weighted average reported by the market rate properties. Based on the performance of the comparables, market study expects the Subject will operate with vacancy and collection losses of approximately five percent over a typical investment period. (p.126)

The Subject will offer larger unit sizes, similar in-unit amenities, and slightly superior common area amenities relative to the LIHTC comparables. Given the Subject's overall comparison to the most similar properties in the area, maximum allowable rents reported at all of the comparables located in Robstown, Corpus Christi, and Kingsville and the rent level comparison between the LIHTC and market rate rents, market analyst believes the Subject would be able to achieve maximum allowable rents at the 30, 50, and 60 percent AMI levels, which are in line with the developer's proposed rents. (p.126)

| OVERALL DEMAND ANALYSIS | | | | |
|--|----------------|----------|--|--|
| | Market Analyst | | | |
| | HTC | Assisted | | |
| Total Households in the Primary Market Area | 49,510 | | | |
| Senior Households in the Primary Market Area | | | | |
| Potential Demand from the Primary Market Area | 3,951 | | | |
| 10% External Demand | 395 | | | |
| Potential Demand from Other Sources | | | | |
| GROSS DEMAND | 4,346 | | | |
| Subject Affordable Units | 39 | | | |
| Unstabilized Competitive Units | | | | |
| RELEVANT SUPPLY | 39 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | | | | |
| | 0.9% | | | |

| | | | | | |
|--------------------|---------------------------|---------------------|--------------|------------------------------------|------------|
| Population: | Elderly Limitation | Market Area: | Rural | Maximum Gross Capture Rate: | 10% |
|--------------------|---------------------------|---------------------|--------------|------------------------------------|------------|

| UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND | | | | | | | | | |
|--|----------------|---------|---------------|------------|------------------------|--|--|--|--|
| AMGI Band | Market Analyst | | | | | | | | |
| | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | |
| 30% AMGI | 742 | 74 | 3 | 0 | 0.4% | | | | |
| 50% AMGI | 342 | 34 | 6 | 0 | 1.6% | | | | |
| 60% AMGI | 2,867 | 287 | 30 | 0 | 1.0% | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|----------------|---------|---------------|------------|-------------------|--|--|--|--|
| Unit Type | Market Analyst | | | | | | | | |
| | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/30% | 284 | 28 | 1 | 0 | 0.3% | | | | |
| 1 BR/50% | 154 | 15 | 2 | 0 | 1.2% | | | | |
| 1 BR/60% | 495 | 50 | 12 | 0 | 2.2% | | | | |
| 2 BR/30% | 445 | 45 | 2 | 0 | 0.4% | | | | |
| 2 BR/50% | 206 | 21 | 4 | 0 | 1.8% | | | | |
| 2 BR/60% | 872 | 87 | 18 | 0 | 1.9% | | | | |

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

| | | | | | |
|----------------|-----------|----------------|-------|------------------------|---------|
| NOI: | \$138,988 | Avg. Rent: | \$852 | Expense Ratio: | 63.2% |
| Debt Service: | \$103,495 | B/E Rent: | \$770 | Controllable Expenses: | \$3,859 |
| Net Cash Flow: | \$35,493 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$420 |
| Aggregate DCR: | 1.34 | B/E Occupancy: | 83.8% | Program Rent Year: | 2024 |

The ownership structure will have Crossroads Housing Development Corporation (a CHDO) as the GP in order to achieve a 50% property tax exemption.

Underwriter utilized local comps for G&A expenses, Payroll, Utility and WST expenses. Applicant's expenses were used in the analysis since there is less than 1% variance with Underwriter's expense assumptions

As underwritten, residual 15-year cash flow is \$183K after deferred developer fee is paid off in year 11.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

| | | | | | |
|----------------------|-------------|---------------|--------------------|-----------------------|--------------------|
| Acquisition | \$34,521/ac | \$6,341/unit | \$247,311 | Contractor Fee | \$894,718 |
| Off-site + Site Work | | \$56,142/unit | \$2,189,529 | Soft Cost + Financing | \$2,106,151 |
| Building Cost | \$106.10/sf | \$98,166/unit | \$3,828,461 | Developer Fee | \$1,730,000 |
| Contingency | 6.20% | \$9,560/unit | \$372,851 | Reserves | \$170,892 |

| | | | | |
|-------------------------------|-----------------------|---------------------|----------------------------|------------|
| Total Development Cost | \$295,895/unit | \$11,539,913 | Rehabilitation Cost | N/A |
|-------------------------------|-----------------------|---------------------|----------------------------|------------|

Qualified for 30% Basis Boost?

Rural [9% only]

Acquisition:

The development site is 7.164 acres, which is 47.11% of the total 15.208 acre parcel being acquired. Applicant confirmed that they had inadvertently used the allocated percentage on a \$625,000 land purchase price instead of using the allocated percentage on the actual contract purchase price of \$525,000. Their originally presented land acquisition cost was \$294,417. This has been corrected to \$247,311. In any event, the correction has no effect on the credit allocation.

Building Cost:

Underwriter estimated building cost using Marshall and Swift's "Average Quality" Base Cost. This resulted in an estimate of \$113K/unit (\$122/sf) as compared to Applicant's budget of \$98K/unit (\$106/sf). The difference equates to a 13.2% variance. However, the respective estimates of Total Housing Development Cost vary by 4.8%, so Applicant's budget is being used in the analysis.

Credit Allocation Supported by Costs:

| | | |
|-------------------------------|-------------------------------|--|
| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
| \$11,539,913 | \$10,836,927 | \$1,267,920 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|------------------|-----------------------------|---------------------|----------------------|-----|
| KeyBank | Construction Loan | \$8,200,000 | 8.00% | 71% |
| Raymond James | FHTC | \$1,962,651 | \$0.78 | 17% |
| City of Robstown | §11.9(d)(2)LPS Contribution | \$250 | 0.00% | 0% |
| G2 Equity Inc. | Fee | \$1,377,012 | 0.00% | 12% |
| | | \$11,539,913 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|------------------|--------------------|---------------|-------|------|--------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| KeyBank | \$1,350,000 | 7.00% | 35 | 15 | \$1,350,000 | 7.00% | 35 | 15 | 12% |
| City of Robstown | \$250 | 0.00% | 0 | 0 | \$250 | 0.00% | 0 | 0 | 0% |
| Total | \$1,350,250 | | | | \$1,350,250 | | | | |

| | | PROPOSED | | | UNDERWRITTEN | | | |
|------------------------|--|--------------|--------|-------|--------------|--------|---------------|-------|
| Equity & Deferred Fees | | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Raymond James | | \$9,813,253 | \$0.78 | | \$9,813,253 | \$0.78 | 85% | |
| G2 Equity Inc. | | \$376,410 | | 22% | \$376,410 | | 3% | 22% |
| Total | | \$10,189,663 | | | \$10,189,663 | | | |
| | | | | | \$11,539,913 | | Total Sources | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.810 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.765 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

| Gap Analysis: | |
|---|---------------------|
| Total Development Cost | \$11,539,913 |
| Permanent Sources (debt + non-HTC equity) | \$1,350,250 |
| Gap in Permanent Financing | \$10,189,663 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$9,887,802 | \$1,267,920 |
| Needed to Balance Sources & Uses | \$10,189,663 | \$1,306,628 |
| Requested by Applicant | \$9,813,253 | \$1,258,361 |

| | RECOMMENDATION | |
|------------------------------|--------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$9,813,253 | \$1,258,361 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$376,410 | (22% deferred) |
| Repayable in | 11 years | |

Recommendation:

Underwriter recommends Applicant's request of \$1,258,361 in annual 9% Housing Tax Credits.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <i>Georgia Simmons</i> |
| Manager of Real Estate Analysis: | <i>Gregg Kazak</i> |
| Director of Real Estate Analysis: | <i>Jeanna Adams</i> |

| UNIT MIX/RENT SCHEDULE | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| The Lantern at Robstown, Robstown, 9% HTC #25177 | | | | | | | | | |

| LOCATION DATA | |
|--------------------|----------|
| CITY: | Robstown |
| COUNTY: | Nueces |
| Area Median Income | \$0 |
| PROGRAM REGION: | 10 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 15 | 38.5% | 0 | 0 | 0 | 0 |
| 2 | 24 | 61.5% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 39 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|---------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 100.00% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 925 sf |

| | | | | | | | | | | |
|----------------|---------|------|------|------|-------|-------|------|------|---------|--------|
| 56% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average Income | # Units | - | 3 | - | 6 | 30 | - | - | - | 39 |
| | % Total | 0.0% | 7.7% | 0.0% | 15.4% | 76.9% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|-------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst |
| TC 30% | \$444 | 1 | 1 | 1 | 918 | \$444 | \$71 | \$373 | \$0 | \$0.41 | \$373 | \$373 | \$373 | \$373 | \$0.41 | \$0 | \$1,175 | \$1.28 |
| TC 50% | \$740 | 2 | 1 | 1 | 918 | \$740 | \$71 | \$669 | \$0 | \$0.73 | \$669 | \$1,338 | \$1,338 | \$669 | \$0.73 | \$0 | \$1,175 | \$1.28 |
| TC 60% | \$888 | 11 | 1 | 1 | 918 | \$888 | \$71 | \$817 | \$0 | \$0.89 | \$817 | \$8,987 | \$8,987 | \$817 | \$0.89 | \$0 | \$1,175 | \$1.28 |
| TC 60% | \$888 | 1 | 1 | 1 | 1,059 | \$888 | \$71 | \$817 | \$0 | \$0.77 | \$817 | \$817 | \$817 | \$817 | \$0.77 | \$0 | \$1,175 | \$1.11 |
| TC 30% | \$533 | 2 | 2 | 2 | 918 | \$533 | \$88 | \$445 | \$0 | \$0.48 | \$445 | \$890 | \$890 | \$445 | \$0.48 | \$0 | \$1,325 | \$1.44 |
| TC 50% | \$888 | 4 | 2 | 2 | 918 | \$888 | \$88 | \$800 | \$0 | \$0.87 | \$800 | \$3,200 | \$3,200 | \$800 | \$0.87 | \$0 | \$1,325 | \$1.44 |
| TC 60% | \$1,066 | 15 | 2 | 2 | 918 | \$1,066 | \$88 | \$978 | \$0 | \$1.07 | \$978 | \$14,670 | \$14,670 | \$978 | \$1.07 | \$0 | \$1,325 | \$1.44 |
| TC 60% | \$1,066 | 1 | 2 | 2 | 1,059 | \$1,066 | \$88 | \$978 | \$0 | \$0.92 | \$978 | \$978 | \$978 | \$978 | \$0.92 | \$0 | \$1,325 | \$1.25 |
| TC 60% | \$1,066 | 2 | 2 | 2 | 918 | \$1,066 | \$88 | \$978 | \$0 | \$1.07 | \$978 | \$1,956 | \$1,956 | \$978 | \$1.07 | \$0 | \$1,325 | \$1.44 |
| TOTALS/AVERAGES: | | 39 | | | | 36,084 | | | | \$0 | \$0.92 | \$852 | \$33,209 | \$33,209 | \$852 | \$0.92 | \$0 | \$1,267 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$398,508 | \$398,508 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

| |
|---|
| STABILIZED PRO FORMA |
| <i>The Lantern at Robstown, Robstown, 9% HTC #25177</i> |

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | |
|---------------------------------|-------|--|--|-----------|--------|----------|-----------|-----------|----------|--------|-------|----------|-----|
| COMPARABLES | | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
| Database | Other | | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$0.92 | \$852 | \$398,508 | \$398,508 | \$852 | \$0.92 | | 0.0% | \$0 |
| App Fees, NSF, Vending | | | | | | \$20.00 | \$9,360 | | | | | | |
| Total Secondary Income | | | | | | \$20.00 | | \$9,360 | \$20.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$407,868 | \$407,868 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (30,590) | (30,590) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$377,278 | \$377,278 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|---------|--------|--------|---------|-----------|-----------|---------|--------|--------|--------|----------|
| General & Administrative | \$23,862 | \$612/Unit | \$20,640 | \$529 | 5.83% | \$0.61 | \$564 | \$22,000 | \$20,640 | \$529 | \$0.57 | 5.47% | 6.6% | 1,360 |
| Management | \$23,771 | 4.6% EGI | \$24,547 | \$629 | 4.00% | \$0.42 | \$387 | \$15,091 | \$18,864 | \$484 | \$0.52 | 5.00% | -20.0% | (3,773) |
| Payroll & Payroll Tax | \$56,244 | \$1,442/Unit | \$62,832 | \$1,611 | 17.23% | \$1.80 | \$1,667 | \$65,000 | \$62,832 | \$1,611 | \$1.74 | 16.65% | 3.4% | 2,168 |
| Repairs & Maintenance | \$36,750 | \$942/Unit | \$45,832 | \$1,175 | 7.16% | \$0.75 | \$692 | \$27,000 | \$25,350 | \$650 | \$0.70 | 6.72% | 6.5% | 1,650 |
| Electric/Gas | \$8,888 | \$228/Unit | \$10,144 | \$260 | 2.25% | \$0.24 | \$218 | \$8,500 | \$10,144 | \$260 | \$0.28 | 2.69% | -16.2% | (1,644) |
| Water, Sewer, & Trash | \$36,908 | \$946/Unit | \$28,997 | \$744 | 7.42% | \$0.78 | \$718 | \$28,000 | \$28,997 | \$744 | \$0.80 | 7.69% | -3.4% | (997) |
| Property Insurance | \$39,931 | \$1.11 /sf | \$53,687 | \$1,377 | 10.34% | \$1.08 | \$1,000 | \$39,000 | \$39,931 | \$1,024 | \$1.11 | 10.58% | -2.3% | (931) |
| Property Tax (@ 50%) 2.1280 | \$22,483 | \$576/Unit | \$15,373 | \$394 | 4.34% | \$0.45 | \$420 | \$16,389 | \$13,441 | \$345 | \$0.37 | 3.56% | 21.9% | 2,948 |
| Reserve for Replacements | | | | | 2.58% | \$0.27 | \$250 | \$9,750 | \$9,750 | \$250 | \$0.27 | 2.58% | 0.0% | - |
| Supportive Services | | | | | 1.59% | \$0.17 | \$154 | \$6,000 | \$6,000 | \$154 | \$0.17 | 1.59% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.41% | \$0.04 | \$40 | \$1,560 | \$1,560 | \$40 | \$0.04 | 0.41% | 0.0% | - |
| TOTAL EXPENSES | | | | | 63.16% | \$6.60 | \$6,110 | \$238,290 | \$237,510 | \$6,090 | \$6.58 | 62.95% | 0.3% | \$ 780 |
| NET OPERATING INCOME ("NOI") | | | | | 36.84% | \$3.85 | \$3,564 | \$138,988 | \$139,768 | \$3,584 | \$3.87 | 37.05% | -0.6% | \$ (780) |

| | | | | | |
|-----------------------|--|--------------|--|--------------|--|
| CONTROLLABLE EXPENSES | | \$3,859/Unit | | \$3,794/Unit | |
|-----------------------|--|--------------|--|--------------|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Lantern at Robstown, Robstown, 9% HTC #25177

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|-------------------------|-----|---|----------|---|----------------------------|-------|------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| UW | App | DCR | LTC | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | 1.35 | 1.34 | 103,495 | 7.00% | 35 | 15 | \$1,350,000 | \$1,350,000 | 15 | 35 | 7.00% | \$103,495 | 1.34 | 11.7% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | |
| City of Robstown | | 1.35 | 1.34 | | 0.00% | 0 | 0 | \$250 | \$250 | 0 | 0 | 0.00% | | 1.34 | 0.0% |
| | | | | \$103,495 | TOTAL DEBT / GRANT SOURCES | | | \$1,350,250 | \$1,350,250 | TOTAL DEBT SERVICE | | | \$103,495 | 1.34 | 11.7% |
| NET CASH FLOW | | \$36,273 | \$35,493 | APPLICANT NET OPERATING INCOME \$138,988 \$35,493 NET CASH FLOW | | | | | | | | | | | |

| | EQUITY SOURCES | | | | | | | | | | | |
|---------------------------------|---------------------------------------|--------|----------------|--------------|--------------|----------------------------------|----------------|---------------|-------------------------------------|-------------------------|-------------------|-----------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method | |
| EQUITY / DEFERRED FEES | | | | | | | | | | | | |
| Raymond James | LIHTC Equity | 85.0% | \$1,258,361 | \$0.78 | \$9,813,253 | \$9,813,253 | \$0.7798 | \$1,258,361 | 85.0% | \$32,266 | Applicant Request | |
| G2 Equity Inc. | Deferred Developer Fees | 3.3% | (22% Deferred) | | \$376,410 | \$376,410 | (22% Deferred) | | 3.3% | Total Developer Fee: | \$1,730,000 | |
| Additional (Excess) Funds Req'd | | 0.0% | | | | \$0 | | | 0.0% | | | |
| TOTAL EQUITY SOURCES | | 88.3% | | | \$10,189,663 | \$10,189,663 | | | 88.3% | | | |
| TOTAL CAPITALIZATION | | | | | \$11,539,913 | \$11,539,913 | | | 15-Yr Cash Flow after Deferred Fee: | | | \$183,357 |

| | | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | |
|---|--|--|-----------------------------------|------------------|------------------|---------------|--------------|--------------------------|------------------|-----------------|------------------|---------------|--------|-------------|
| | | | APPLICANT COST / BASIS ITEMS | | | | | TDHCA COST / BASIS ITEMS | | | | COST VARIANCE | | |
| | | | Eligible Basis | | Total Costs | | | Total Costs | | | Eligible Basis | | | |
| | | | Acquisition | New Const. Rehab | | | | | | | New Const. Rehab | Acquisition | | |
| Land Acquisition | | | | | \$6,341 / Unit | \$247,311 | \$247,311 | \$6,341 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | | | \$0 | | \$ / Unit | \$0 | \$0 | \$ / Unit | | \$0 | | 0.0% | \$0 | |
| Off-Sites | | | | \$572,000 | \$14,667 / Unit | \$572,000 | \$572,000 | \$14,667 / Unit | | \$572,000 | | 0.0% | \$0 | |
| Site Work | | | | \$1,322,986 | \$36,988 / Unit | \$1,442,529 | \$1,442,529 | \$36,988 / Unit | | \$1,322,986 | | 0.0% | \$0 | |
| Site Amenities | | | | \$175,000 | \$4,487 / Unit | \$175,000 | \$175,000 | \$4,487 / Unit | | \$175,000 | | 0.0% | \$0 | |
| Building Cost | | | | \$3,828,461 | \$106.10 /sf | \$98,166/Unit | \$3,828,461 | \$4,410,250 | \$113,083/Unit | \$122.22 /sf | | \$3,828,461 | -13.2% | (\$581,789) |
| Contingency | | | | \$372,851 | 6.32% | 6.20% | \$372,851 | \$372,851 | 5.65% | 6.32% | | \$372,851 | 0.0% | \$0 |
| Contractor Fees | | | | \$877,982 | 14.00% | 14.00% | \$894,718 | \$894,718 | 12.83% | 14.00% | | \$877,982 | 0.0% | \$0 |
| Soft Costs | | | \$0 | \$921,000 | \$23,833 / Unit | | \$929,500 | \$929,500 | | \$23,833 / Unit | \$921,000 | \$0 | 0.0% | \$0 |
| Financing | | | \$0 | \$1,036,647 | \$30,171 / Unit | | \$1,176,651 | \$1,176,651 | | \$30,171 / Unit | \$1,036,647 | \$0 | 0.0% | \$0 |
| Developer Fee | | | \$0 | \$1,730,000 | 19.00% | 18.75% | \$1,730,000 | \$1,730,000 | 17.64% | 19.00% | \$1,730,000 | \$0 | 0.0% | \$0 |
| Reserves | | | | | 6 Months | | \$170,892 | \$170,892 | 6 Months | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | | \$0 | \$10,836,927 | \$295,895 / Unit | | \$11,539,913 | \$12,121,702 | \$310,813 / Unit | | \$10,836,927 | \$0 | -4.8% | (\$581,789) |
| Acquisition Cost | | | \$0 | | | | | \$0 | | | | | | |
| Contingency | | | | \$0 | | | | \$0 | | | | | | |
| Contractor's Fee | | | | \$0 | | | | \$0 | | | | | | |
| Financing Cost | | | | \$0 | | | | | | | | | | |
| Developer Fee | | | \$0 | \$0 | | | \$0 | | | | | | | |
| Reserves | | | | | | | | \$0 | | | | | | |
| ADJUSTED BASIS / COST | | | \$0 | \$10,836,927 | \$295,895/unit | | \$11,539,913 | \$12,121,702 | \$310,813/unit | | \$10,836,927 | \$0 | -4.8% | (\$581,789) |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | | \$11,539,913 | | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

The Lantern at Robstown, Robstown, 9% HTC #25177

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|--------------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$10,836,927 | \$0 | \$10,836,927 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$10,836,927 | \$0 | \$10,836,927 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$14,088,005 | \$0 | \$14,088,005 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$14,088,005 | \$0 | \$14,088,005 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,267,920 | \$0 | \$1,267,920 |
| CREDITS ON QUALIFIED BASIS | \$1,267,920 | | \$1,267,920 | |

| | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|---|--------------|-------------------------------|---------------------|----------|
| | | | Credit Price | Variance to Request | |
| | Annual Credits | Proceeds | \$0.7798 | | |
| Method | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,267,920 | \$9,887,802 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,306,628 | \$10,189,663 | ---- | ---- | ---- |
| Applicant Request | \$1,258,361 | \$9,813,253 | \$1,258,361 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|----------|----------------|-------------|-------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Six-Plex | 36,084 SF | \$97.10 | 3,503,584 |
| Adjustments | | | | |
| Exterior Wall Finish | 0.84% | | 0.82 | \$29,482 |
| Elderly | 9.00% | | 8.74 | 315,323 |
| 9-Ft. Ceilings | 3.11% | | 3.01 | 108,793 |
| Roof Adjustment(s) | | | 6.52 | 235,268 |
| Subfloor | | | (4.33) | (156,244) |
| Floor Cover | | | 3.75 | 135,315 |
| Breezeways | \$0.00 | 0 | 0.00 | 0 |
| Balconies | \$47.40 | 609 | 0.80 | 28,867 |
| Plumbing Fixtures | \$1,460 | 0 | 0.00 | 0 |
| Rough-ins | \$715 | 78 | 1.55 | 55,770 |
| Built-In Appliances | \$2,200 | 39 | 2.38 | 85,800 |
| Exterior Stairs | \$4,250 | 0 | 0.00 | 0 |
| Heating/Cooling | | | 4.11 | 148,305 |
| Storage Space | \$0.00 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$27.00 | 10,676 | 7.99 | 288,248 |
| Common/Support Area | \$141.52 | 1,339 | 5.25 | 189,495 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 37,423 | 4.77 | 172,146 |
| SUBTOTAL | | | 142.45 | 5,140,152 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 142.45 | \$5,140,152 |
| Plans, specs, survey, bldg permits | 3.10% | | (4.42) | (\$159,345) |
| Contractor's OH & Profit | 11.10% | | (15.81) | (570,557) |
| NET BUILDING COSTS | | \$113,083/unit | \$122.22/sf | \$4,410,250 |

Long-Term Pro Forma

The Lantern at Robstown, Robstown, 9% HTC #25177

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$377,278 | \$384,823 | \$392,520 | \$400,370 | \$408,378 | \$450,882 | \$497,810 | \$549,623 | \$606,828 | \$669,987 | \$739,720 |
| TOTAL EXPENSES | 3.00% | \$238,290 | \$245,288 | \$252,493 | \$259,910 | \$267,548 | \$309,259 | \$357,521 | \$413,366 | \$477,991 | \$552,783 | \$639,347 |
| NET OPERATING INCOME ("NOI") | | \$138,988 | \$139,536 | \$140,027 | \$140,460 | \$140,830 | \$141,623 | \$140,289 | \$136,257 | \$128,837 | \$117,204 | \$100,372 |
| EXPENSE/INCOME RATIO | | 63.2% | 63.7% | 64.3% | 64.9% | 65.5% | 68.6% | 71.8% | 75.2% | 78.8% | 82.5% | 86.4% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| KeyBank | | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 |
| TOTAL DEBT SERVICE | | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 | \$103,495 |
| DEBT COVERAGE RATIO | | 1.34 | 1.35 | 1.35 | 1.36 | 1.36 | 1.37 | 1.36 | 1.32 | 1.24 | 1.13 | 0.97 |
| ANNUAL CASH FLOW | | \$35,493 | \$36,041 | \$36,533 | \$36,965 | \$37,335 | \$38,128 | \$36,795 | \$32,762 | \$25,342 | \$13,710 | (\$3,122) |
| Deferred Developer Fee Balance | | \$340,917 | \$304,876 | \$268,344 | \$231,378 | \$194,043 | \$4,240 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$183,357 | \$356,441 | \$499,502 | \$593,185 | \$613,537 |



Real Estate Analysis Division

November 10, 2025

Addendum to Underwriting Report

TDHCA Application #: 25187

Program(s): 9% HTC

Crossroads Redevelopment

Address/Location: 8801 McCann Dr.

City: Austin

County: Travis

Zip: 78757

| | APPLICATION HISTORY |
|-------------|----------------------|
| Report Date | PURPOSE |
| 11/10/25 | SHTC amendment |
| 06/26/25 | 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 |
| State Housing Tax Credits | \$0 | | | | \$469,300 | | | | | | |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS STATUS

Receipt and acceptance by Carryover:

- Formal approval for \$13,000,000 loan from Austin Housing Finance Corporation (AHFC) clearly stating all terms and conditions, and source of funds.

Status: Condition is clear. AHFC has provided formal approval of \$11.7M in funding.

Receipt and acceptance by Cost Certification:

- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 39 |
| 50% of AMI | 50% of AMI | 66 |
| 60% of AMI | 60% of AMI | 5 |

ANALYSIS

The underwriting analysis has been revised based on Applicant's new Schedule of Sources including Applicant's request of \$4.693M in State Housing Tax Credits over the entire credit period. This is in addition to the \$2M in annual 9% tax credits they were awarded during initial underwriting.

The distribution of units has changed. The 30% AMGI band has increased from 22 to 39 units. The number of 50% AMGI units has decreased from 83 to 66.

Operating Pro Forma

The applicant's revised first year stabilized pro forma shows first year management expenses decreasing by \$600 with all other expenses forecasted to remain the same as reported in the initial underwriting. Program rents have been updated to 2025, but due to the 17 units being shifted from 50% to 30% AMGI net operating income is reduced by \$12k.

Development Cost

Development Costs remain unchanged.

Sources of Funds

Sources and Uses changes include National Equity Fund (NEF) acquiring the \$4.693M SHTC. NEF is contributing \$2.7M in capital for a syndication rate of \$0.58 on \$469,300 in annual SHTC.

The following funding sources have changed:

- The City of Austin has issued formal approval supporting this project for \$11.7M down from \$13M initially
- Foundation Communities has reduced its sponsor loan from \$6.5M to \$4.5M
- Foundation Communities has reduced its deferred developer fee from \$3.9M to \$3.7M

Underwriter recommends \$469,300 in annual state housing tax credits as requested by the applicant in addition to the recommended \$2,000,000 in annual federal tax credits previously awarded to the applicant.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <u>Beau Fannon</u> |
| Manager of Real Estate Analysis: | <u>Diamond Unique Thompson</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE |
|--|
| <i>Crossroads Redevelopment, Austin, 9% HTC/MDL #25187</i> |

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Austin |
| COUNTY: | Travis |
| Area Median Income | \$133,800 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|------------|---------------|----------|----------|----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 50 | 45.5% | 0 | 0 | 0 | 0 |
| 2 | 42 | 38.2% | 0 | 0 | 0 | 0 |
| 3 | 18 | 16.4% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 110 | 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 | 1,041 sf |

| | | | | | | | | | | |
|----------------|----------------|------|-------|------|-------|------|------|------|---------|---------------|
| 43% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 39 | - | 66 | 5 | - | - | - | 110 |
| Income | % Total | 0.0% | 35.5% | 0.0% | 60.0% | 4.5% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|------------|--------|---------|----------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|----------------|---------------|--------------|----------------|---------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst |
| TC 30% | \$753 | 10 | 1 | 1 | 890 | \$753 | \$74 | \$679 | \$0 | \$0.76 | \$679 | \$6,790 | \$6,790 | \$679 | \$0.76 | \$0 | \$1,754 | \$1.97 |
| TC 50% | \$1,255 | 30 | 1 | 1 | 890 | \$1,255 | \$74 | \$1,181 | \$0 | \$1.33 | \$1,181 | \$35,430 | \$35,430 | \$1,181 | \$1.33 | \$0 | \$1,754 | \$1.97 |
| TC 60% | \$1,506 | 2 | 1 | 1 | 890 | \$1,506 | \$74 | \$1,432 | \$0 | \$1.61 | \$1,432 | \$2,864 | \$2,864 | \$1,432 | \$1.61 | \$0 | \$1,754 | \$1.97 |
| TC 30% | \$903 | 8 | 2 | 2 | 1,109 | \$903 | \$96 | \$807 | \$0 | \$0.73 | \$807 | \$6,456 | \$6,456 | \$807 | \$0.73 | \$0 | \$2,135 | \$1.93 |
| TC 50% | \$1,506 | 26 | 2 | 2 | 1,109 | \$1,506 | \$96 | \$1,410 | \$0 | \$1.27 | \$1,410 | \$36,660 | \$36,660 | \$1,410 | \$1.27 | \$0 | \$2,135 | \$1.93 |
| TC 60% | \$1,807 | 2 | 2 | 2 | 1,109 | \$1,807 | \$96 | \$1,711 | \$0 | \$1.54 | \$1,711 | \$3,422 | \$3,422 | \$1,711 | \$1.54 | \$0 | \$2,135 | \$1.93 |
| TC 30% | \$1,044 | 4 | 3 | 2 | 1,299 | \$1,044 | \$119 | \$925 | \$0 | \$0.71 | \$925 | \$3,700 | \$3,700 | \$925 | \$0.71 | \$0 | \$2,482 | \$1.91 |
| TC 50% | \$1,740 | 10 | 3 | 2 | 1,299 | \$1,740 | \$119 | \$1,621 | \$0 | \$1.25 | \$1,621 | \$16,210 | \$16,210 | \$1,621 | \$1.25 | \$0 | \$2,482 | \$1.91 |
| TC 60% | \$2,088 | 1 | 3 | 2 | 1,299 | \$2,088 | \$119 | \$1,969 | \$0 | \$1.52 | \$1,969 | \$1,969 | \$1,969 | \$1,969 | \$1.52 | \$0 | \$2,482 | \$1.91 |
| TC 30% | \$753 | 8 | 1 | 1 | 890 | \$753 | \$74 | \$679 | \$0 | \$0.76 | \$679 | \$5,432 | \$5,432 | \$679 | \$0.76 | \$0 | \$1,754 | \$1.97 |
| TC 30% | \$903 | 6 | 2 | 2 | 1,109 | \$903 | \$96 | \$807 | \$0 | \$0.73 | \$807 | \$4,842 | \$4,842 | \$807 | \$0.73 | \$0 | \$2,135 | \$1.93 |
| TC 30% | \$1,044 | 3 | 3 | 2 | 1,299 | \$1,044 | \$119 | \$925 | \$0 | \$0.71 | \$925 | \$2,775 | \$2,775 | \$925 | \$0.71 | \$0 | \$2,482 | \$1.91 |
| TOTALS/AVERAGES: | | 110 | | | 114,460 | | | | \$0 | \$1.11 | \$1,150 | \$126,550 | \$126,550 | \$1,150 | \$1.11 | \$0 | \$2,019 | \$1.94 |

| | | | |
|-------------------------------------|--------------------|--------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$1,518,600 | \$1,518,600 | |
|-------------------------------------|--------------------|--------------------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | |
|-------------------------------------|--------------------------------------|--|-----------|--------|----------|-------------|--------------|-------------|-------------|----------|--------|-------|----------|-----|
| COMPARABLES | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
| Database | Travis County Foundation Communities | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | \$1.11 | \$1,150 | \$1,518,600 | \$1,531,812 | \$1,531,812 | \$1,518,600 | \$1,150 | \$1.11 | | 0.0% | \$0 |
| Late fees, NSF fees, laundry income | | | | | \$20.00 | \$26,400 | 26,400 | | | | | | | |
| Total Secondary Income | | | | | \$20.00 | | | 26,400 | \$26,400 | \$20.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | \$1,545,000 | \$1,558,212 | \$1,558,212 | \$1,545,000 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | 7.5% PGI | (115,875) | (116,866) | (116,866) | (115,875) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | \$1,429,125 | \$1,441,346 | \$1,441,346 | \$1,429,125 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|--------|---------|-----------|-----------|-----------|-----------|---------|--------|--------|--------|-------------|
| General & Administrative | \$78,607 | \$715/Unit | \$77,266 | \$702 | 5.60% | \$0.70 | \$728 | \$80,037 | \$80,037 | \$78,607 | \$78,607 | \$715 | \$0.69 | 5.50% | 1.8% | 1,430 |
| Management | \$68,913 | 3.3% EGI | \$67,641 | \$615 | 5.00% | \$0.62 | \$649 | \$71,416 | \$72,067 | \$72,067 | \$71,456 | \$650 | \$0.62 | 5.00% | -0.1% | (40) |
| Payroll & Payroll Tax | \$169,730 | \$1,543/Unit | \$281,557 | \$2,560 | 18.27% | \$2.28 | \$2,373 | \$261,060 | \$261,060 | \$281,557 | \$281,557 | \$2,560 | \$2.46 | 19.70% | -7.3% | (20,497) |
| Repairs & Maintenance | \$110,411 | \$1,004/Unit | \$159,828 | \$1,453 | 14.56% | \$1.82 | \$1,892 | \$208,077 | \$208,077 | \$71,500 | \$71,500 | \$650 | \$0.62 | 5.00% | 191.0% | 136,577 |
| Electric/Gas | \$36,549 | \$332/Unit | \$71,719 | \$652 | 2.14% | \$0.27 | \$279 | \$30,650 | \$30,650 | \$71,719 | \$71,719 | \$652 | \$0.63 | 5.02% | -57.3% | (41,069) |
| Water, Sewer, & Trash | \$95,748 | \$870/Unit | \$83,982 | \$763 | 6.95% | \$0.87 | \$903 | \$99,276 | \$99,276 | \$95,748 | \$95,748 | \$870 | \$0.84 | 6.70% | 3.7% | 3,528 |
| Property Insurance | \$75,354 | \$0.66 /sf | \$43,543 | \$396 | 4.69% | \$0.59 | \$609 | \$66,973 | \$66,973 | \$75,354 | \$75,354 | \$685 | \$0.66 | 5.27% | -11.1% | (8,381) |
| Property Tax (@ 50%) 1.9818 | \$105,103 | \$955/Unit | \$45,635 | \$415 | 2.80% | \$0.35 | \$364 | \$40,000 | \$40,000 | \$54,822 | \$53,861 | \$490 | \$0.47 | 3.77% | -25.7% | (13,861) |
| Reserve for Replacements | | | | | 1.92% | \$0.24 | \$250 | \$27,500 | \$27,500 | \$27,500 | \$27,500 | \$250 | \$0.24 | 1.92% | 0.0% | - |
| Supportive Services | | | | | 0.00% | \$0.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | 0.00% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.31% | \$0.04 | \$40 | \$4,400 | \$4,400 | \$4,400 | \$4,400 | \$40 | \$0.04 | 0.31% | 0.0% | - |
| TOTAL EXPENSES | | | | | 62.23% | \$7.77 | \$8,085 | \$889,389 | \$890,040 | \$833,274 | \$831,703 | \$7,561 | \$7.27 | 58.20% | 6.9% | \$ 57,686 |
| NET OPERATING INCOME ("NOI") | | | | | 37.77% | \$4.72 | \$4,907 | \$539,736 | \$551,306 | \$608,072 | \$597,422 | \$5,431 | \$5.22 | 41.80% | -9.7% | \$ (57,686) |

| | | | | | | | |
|-----------------------|--|--------------|--|--|--|--------------|--|
| CONTROLLABLE EXPENSES | | \$6,174/Unit | | | | \$5,447/Unit | |
|-----------------------|--|--------------|--|--|--|--------------|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

| | | 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 | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | |
| City of Austin | | | | 0.00% | 0 | 0.0 | \$500 | \$500 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | | 0.0% | |
| City of Austin | | | | 2.00% | 0 | 40.0 | \$11,700,000 | \$13,000,000 | \$13,000,000 | \$11,700,000 | 40.0 | 0.0 | 2.00% | | | 29.2% | |
| Foundation Communities | | | | 2.00% | 0 | 40.0 | \$4,545,523 | \$6,585,983 | \$6,585,983 | \$4,545,523 | 40.0 | 0.0 | 2.00% | | | 11.3% | |
| Crossroads Mutual Housing | | | | 2.00% | 0 | 40.0 | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$2,700,000 | 40.0 | 0.0 | 2.00% | | | 6.7% | |
| | | | | \$0 | TOTAL DEBT / GRANT SOURCES | | | \$18,946,023 | \$22,286,483 | \$22,286,483 | \$18,946,023 | TOTAL DEBT SERVICE | | | \$0 | N/A | 47.2% |

| | | | | | | | | | |
|---------------|-----------|-----------|-------|--|--|----------------------|-----------|-----------|---------------|
| NET CASH FLOW | \$597,422 | \$539,736 | TDHCA | | | NET OPERATING INCOME | \$597,422 | \$597,422 | NET CASH FLOW |
|---------------|-----------|-----------|-------|--|--|----------------------|-----------|-----------|---------------|

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | | | |
|---------------------------------|---------------------------------------|--------|----------------|--------------|--------------|--------------------|--------------|----------------------------------|----------------|---------------|--------|----------------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| Applicant | | | | | | TDHCA | | | | | | | |
| Bank of America | LIHTC Equity | 43.3% | \$2,000,000 | \$0.87 | \$17,378,262 | \$17,378,262 | \$17,378,262 | \$17,378,262 | \$0.8689 | \$2,000,000 | 43.3% | \$18,182 | Applicant Request |
| NEF | SHTC Equity | 6.8% | \$469,300 | \$0.58 | \$2,721,940 | \$0 | \$0 | \$2,721,940 | \$0.5800 | \$469,300 | 6.8% | | |
| Foundation Communities | Deferred Developer Fees | 2.7% | (25% Deferred) | | \$1,087,456 | \$468,937 | \$468,937 | \$1,087,457 | (25% Deferred) | | 2.7% | Total Developer Fee: \$4,379,822 | |
| Additional (Excess) Funds Req'd | | 0.0% | | | | | | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 52.8% | | | \$21,187,658 | \$17,847,199 | \$17,847,199 | \$21,187,659 | | | 52.8% | | |

| | | | | | | | | | |
|----------------------|--|--|--------------|--------------|--------------|--------------|--|-------------------------------------|-------------|
| TOTAL CAPITALIZATION | | | \$40,133,681 | \$40,133,682 | \$40,133,682 | \$40,133,682 | | 15-Yr Cash Flow after Deferred Fee: | \$8,251,520 |
|----------------------|--|--|--------------|--------------|--------------|--------------|--|-------------------------------------|-------------|

| | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | |
|---|-----------------------------------|------------------|-----------------|------------------|--------------|--------------|--------------------------|--------------|------------------|--------------|------------------|-------------|---------------|-----------|
| | APPLICANT COST / BASIS ITEMS | | | | | | TDHCA COST / BASIS ITEMS | | | | | | COST VARIANCE | |
| | Eligible Basis | | Total Costs | | | | Total Costs | | | | Eligible Basis | | | |
| | Acquisition | New Const. Rehab | | | | | | | | | New Const. Rehab | Acquisition | | |
| Land Acquisition | | | \$24,545 / Unit | \$2,700,000 | | \$2,700,000 | \$2,700,000 | \$2,700,000 | \$24,545 / Unit | | | | 0.0% | \$0 |
| Closing costs & acq. legal fees | | | | \$100,000 | | \$100,000 | \$100,000 | \$100,000 | | | | | 0.0% | \$0 |
| Off-Sites | | | \$2,688 / Unit | \$295,718 | | \$295,718 | \$295,718 | \$295,718 | \$2,688 / Unit | | | | 0.0% | \$0 |
| Site Work | | \$1,920,387 | \$25,487 / Unit | \$2,803,515 | | \$2,803,515 | \$2,803,515 | \$2,803,515 | \$25,487 / Unit | \$1,920,387 | | | 0.0% | \$0 |
| Site Amenities | | \$687,273 | \$6,248 / Unit | \$687,273 | | \$687,273 | \$687,273 | \$687,273 | \$6,248 / Unit | \$687,273 | | | 0.0% | \$0 |
| Building Cost | | \$19,013,494 | \$166.11 /sf | \$172,850/Unit | \$19,013,494 | \$19,013,494 | \$18,261,713 | \$18,261,713 | \$166,016/Unit | \$159.55 /sf | \$18,261,713 | | 4.1% | \$751,781 |
| Contingency | | \$1,163,552 | 5.38% | 5.35% | \$1,220,208 | \$1,220,208 | \$1,220,208 | \$1,220,208 | 5.53% | 5.58% | \$1,163,552 | | 0.0% | \$0 |
| Contractor Fees | | \$3,178,310 | 13.95% | 13.95% | \$3,351,280 | \$3,351,280 | \$3,257,580 | \$3,257,580 | 14.00% | 14.00% | \$3,084,610 | | 2.9% | \$93,700 |
| Soft Costs | \$0 | \$2,015,076 | | \$31,512 / Unit | \$3,466,326 | \$3,466,326 | \$3,466,326 | \$3,466,326 | \$31,512 / Unit | | \$2,015,076 | \$0 | 0.0% | \$0 |
| Financing | \$0 | \$1,220,725 | | \$12,423 / Unit | \$1,366,525 | \$1,366,525 | \$1,366,525 | \$1,366,525 | \$12,423 / Unit | | \$1,220,725 | \$0 | 0.0% | \$0 |
| Developer Fee | \$0 | \$4,172,744 | 14.29% | 14.39% | \$4,379,822 | \$4,379,822 | \$4,438,326 | \$4,379,822 | 14.80% | 14.72% | \$4,172,744 | \$0 | 0.0% | \$0 |
| Reserves | | | | 10 Months | \$749,520 | \$749,520 | \$749,520 | \$749,520 | 11 Months | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | \$0 | \$33,371,561 | | \$364,852 / Unit | \$40,133,682 | \$40,133,682 | \$39,346,704 | \$39,288,201 | \$357,165 / Unit | | \$32,526,080 | \$0 | 2.2% | \$845,481 |
| 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 | \$33,371,561 | | \$364,852/unit | \$40,133,682 | \$40,133,682 | \$39,346,704 | \$39,288,201 | \$357,165/unit | | \$32,526,080 | \$0 | 2.2% | \$845,481 |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | \$40,133,682 | | | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-----------------------------|--------------|--------------|--------------|
| Applicant | | TDHCA | | |
| Acquisition | Construction Rehabilitation | Acquisition | Construction | |
| ADJUSTED BASIS | \$0 | \$33,371,561 | \$0 | \$32,526,080 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$33,371,561 | \$0 | \$32,526,080 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$43,383,029 | \$0 | \$42,283,904 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$43,383,029 | \$0 | \$42,283,904 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$3,904,473 | \$0 | \$3,805,551 |
| CREDITS ON QUALIFIED BASIS | \$3,904,473 | | \$3,805,551 | |

| ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--|----------------|--------------|-------------------------------|---------------------|----------|
| Method | Annual Credits | Proceeds | Credit Price \$0.8689 | Variance to Request | |
| | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$3,904,473 | \$33,926,474 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,125,151 | \$18,465,719 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$17,378,262 | \$2,000,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|-----------------|----------------|---------------|---------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Elevator Served | 114,460 SF | \$115.83 | 13,258,192 |
| Adjustments | | | | |
| Exterior Wall Finish | 0.80% | | 0.93 | \$106,066 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.10% | | 3.59 | 411,004 |
| Roof Adjustment(s) | | | 1.44 | 165,000 |
| Subfloor | | | 0.28 | 32,335 |
| Floor Cover | | | 3.75 | 429,225 |
| Enclosed Corridors | \$104.48 | 31,056 | 28.35 | 3,244,810 |
| Balconies | \$47.40 | 951 | 0.39 | 45,077 |
| Plumbing Fixtures | \$2,130 | 180 | 3.35 | 383,400 |
| Rough-ins | \$790 | 220 | 1.52 | 173,800 |
| Built-In Appliances | \$3,675 | 110 | 3.53 | 404,250 |
| Exterior Stairs | \$4,250 | 4 | 0.15 | 17,000 |
| Heating/Cooling | | | 4.11 | 470,431 |
| Storage Space | \$104.48 | 1,782 | 1.63 | 186,188 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$125.69 | 7,283 | 8.00 | 915,399 |
| Elevators | \$165,400 | 2 | 2.89 | 330,800 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 154,581 | 6.21 | 711,073 |
| SUBTOTAL | | | 185.95 | 21,284,048 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 185.95 | \$21,284,048 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.76) | (\$659,805) |
| Contractor's OH & Profit | 11.10% | | (20.64) | (2,362,529) |
| NET BUILDING COSTS | | \$166,016/unit | \$159.55/sf | \$18,261,713 |

Long-Term Pro Forma

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 |
|-------------------------------------|----------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$1,429,125 | \$1,457,708 | \$1,486,862 | \$1,516,599 | \$1,546,931 | \$1,707,937 | \$1,885,700 | \$2,081,965 | \$2,298,658 | \$2,537,904 |
| TOTAL EXPENSES | 3.00% | \$831,703 | \$855,939 | \$880,888 | \$906,572 | \$933,010 | \$1,077,346 | \$1,244,226 | \$1,437,195 | \$1,660,357 | \$1,918,465 |
| NET OPERATING INCOME ("NOI") | | \$597,422 | \$601,768 | \$605,973 | \$610,027 | \$613,920 | \$630,591 | \$641,474 | \$644,771 | \$638,301 | \$619,439 |
| EXPENSE/INCOME RATIO | | 58.2% | 58.7% | 59.2% | 59.8% | 60.3% | 63.1% | 66.0% | 69.0% | 72.2% | 75.6% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | |
| TOTAL DEBT SERVICE | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| DEBT COVERAGE RATIO | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | | | |
| ANNUAL CASH FLOW | | \$597,422 | \$601,768 | \$605,973 | \$610,027 | \$613,920 | \$630,591 | \$641,474 | \$644,771 | \$638,301 | \$619,439 |
| Deferred Developer Fee Balance | | \$490,034 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$111,734 | \$717,707 | \$1,327,735 | \$1,941,655 | \$5,063,265 | \$8,251,520 | \$11,472,220 | \$14,681,059 | \$17,821,523 |

25187 Crossroads Redevelopment - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 26, 2025

| PROPERTY IDENTIFICATION | | RECOMMENDATION | | | | | | KEY PRINCIPALS / SPONSOR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------------------|-------------------|---------------------|--------------|---------------|--------|---|--------------------------|-------------------|--|--|---------------------|--|--|--------|---------|---------|--------|---------|---------|-----|---|----|-----|---|----|---|----|-----|-----|----|-----|---|----|-----|-----|---|----|---|----|-----|-----|----|-----|---|---|----|-----|---|----|--|--|--|-----|---|----|--|--|--|-----|---|----|--|--|--|----|---|----|-------|-----|------|-------|-----|------|
| Application # | 25187 | TDHCA Program | Request | Recommended | | | Developed by Walter Moreau of Foundation Communités | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development | Crossroads Redevelopment | FHTC (9% Credit) | \$2,000,000 | \$2,000,000 | \$18,182/Unit | \$0.87 | Consulted by Lora Myrick of Belco Housing Lab | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City / County | Austin / Travis | | | | | | | Related Parties | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region/Area | 7 / Urban | | | | | | | Contractor - No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Population | Supportive Housing | | | | | | | Seller - Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Set-Aside | Non-Profit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Activity | Reconstruction (Built in 1973) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TYPICAL BUILDING ELEVATION/PHOTO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="3">UNIT DISTRIBUTION</th> <th colspan="3">INCOME DISTRIBUTION</th> </tr> <tr> <th># Beds</th> <th># Units</th> <th>% Total</th> <th>Income</th> <th># Units</th> <th>% Total</th> </tr> </thead> <tbody> <tr> <td>Eff</td> <td>-</td> <td>0%</td> <td>20%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>1</td> <td>50</td> <td>45%</td> <td>30%</td> <td>22</td> <td>20%</td> </tr> <tr> <td>2</td> <td>42</td> <td>38%</td> <td>40%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>3</td> <td>18</td> <td>16%</td> <td>50%</td> <td>83</td> <td>75%</td> </tr> <tr> <td>4</td> <td>-</td> <td>0%</td> <td>60%</td> <td>5</td> <td>5%</td> </tr> <tr> <td colspan="3"></td> <td>70%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>80%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>MR</td> <td>-</td> <td>0%</td> </tr> <tr> <td>TOTAL</td> <td>110</td> <td>100%</td> <td>TOTAL</td> <td>110</td> <td>100%</td> </tr> </tbody> </table> | | | | | | | | | UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | | # Beds | # Units | % Total | Income | # Units | % Total | Eff | - | 0% | 20% | - | 0% | 1 | 50 | 45% | 30% | 22 | 20% | 2 | 42 | 38% | 40% | - | 0% | 3 | 18 | 16% | 50% | 83 | 75% | 4 | - | 0% | 60% | 5 | 5% | | | | 70% | - | 0% | | | | 80% | - | 0% | | | | MR | - | 0% | TOTAL | 110 | 100% | TOTAL | 110 | 100% |
| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| # Beds | # Units | % Total | Income | # Units | % Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Eff | - | 0% | 20% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 50 | 45% | 30% | 22 | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 42 | 38% | 40% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 18 | 16% | 50% | 83 | 75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | - | 0% | 60% | 5 | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 70% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 80% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | MR | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 110 | 100% | TOTAL | 110 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRO FORMA FEASIBILITY INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pro Forma Underwritten | | | TDHCA's Pro Forma | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt Coverage | NA | Expense Ratio | ✓ | 57.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Breakeven Occ. | ✓ 53.5% | Breakeven Rent | | \$662 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Rent | \$1,160 | B/E Rent Margin | ✓ | \$498 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Taxes | \$498/unit | Exemption/PILOT | | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Expense | \$7,575/unit | Controllable | | \$5,447/unit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MARKET FEASIBILITY INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Capture Rate (30% Maximum) | | | ✓ | 1.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highest Unit Capture Rate | ✓ 7% | 1 BR/50% | | 38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dominant Unit Cap. Rate | ✓ 7% | 1 BR/50% | | 38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premiums (↑80% Rents) | N/A | | | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent Assisted Units | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DEVELOPMENT COST SUMMARY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs Underwritten | | Applicant's Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. Unit Size | 1,041 SF | Density | | 30.3/acre | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Acquisition | \$25K/unit | | | \$2,800K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Cost | \$166.11/SF | \$173K/unit | | \$19,013K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hard Cost | | \$218K/unit | | \$24,020K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Cost | | \$365K/unit | | \$40,134K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Developer Fee | \$4,380K | (11% Deferred) | | Paid Year: 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contractor Fee | \$3,351K | 30% Boost | | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | |
|-----------------------|------|------|--------|-----|------------------------------|------|-------|--------------|-----|------------------------|--------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount |
| | | | | | City of Austin | 0/0 | 0.00% | \$500 | | Bank of America | \$17,378,262 |
| | | | | | City of Austin | 40/0 | 2.00% | \$13,000,000 | | 0 | \$0 |
| | | | | | Foundation Communities | 40/0 | 2.00% | \$6,585,983 | | 0 | \$0 |
| | | | | | Crossroads Mutual Housing | 40/0 | 2.00% | \$2,700,000 | | Foundation Communities | \$468,937 |
| TOTAL DEBT (Must Pay) | | | \$0 | | CASH FLOW DEBT / GRANTS | | | \$22,286,483 | | TOTAL EQUITY SOURCES | \$17,847,199 |
| | | | | | | | | | | TOTAL DEBT SOURCES | \$22,286,483 |
| | | | | | | | | | | TOTAL CAPITALIZATION | \$40,133,682 |

CONDITIONS

Receipt and acceptance by Carryover:

- Formal approval for \$13,000,000 loan from Austin Housing Finance Corporation (AHFC) clearly stating all terms and conditions, and source of funds.

Receipt and acceptance by Cost Certification:

- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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

| RISK PROFILE | AERIAL PHOTOGRAPH(s) |
|--|----------------------|
| STRENGTHS/MITIGATING FACTORS <ul style="list-style-type: none">Developer ExperienceNo Long-term DebtLow Gross Capture Rate | |
| WEAKNESSES/RISKS <ul style="list-style-type: none">Feasibility depend on Supportive Housing exceptions | |
| AREA MAP | |

**Real Estate Analysis Division****Underwriting Report****June 26, 2025****DEVELOPMENT IDENTIFICATION**

| | | | | | |
|---------------------------------|---|--------------------|------------------------|---------|--------------|
| TDHCA Application #: | 25187 | Program(s): | 9% HTC/MDL | | |
| Crossroads Redevelopment | | | | | |
| Address/Location: | 8801 McCann Dr. | | | | |
| City: | Austin | County: | Travis | Zip: | 78757 |
| Population: | Supportive Housing | Program Set-Aside: | Non-Profit | Area: | Urban |
| Activity: | Reconstruction | Building Type: | Elevator Served | Region: | 7 |
| Low-Income: | 40% at 60% | | | | |
| Analysis Purpose: | New Application - Initial Underwriting | | | | |

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|-------------------------|--------------------|-----------|-------|------|--------------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS

Receipt and acceptance by Carryover:

- Formal approval for \$13,000,000 loan from Austin Housing Finance Corporation (AHFC) clearly stating all terms and conditions, and source of funds.

Receipt and acceptance by Cost Certification:

- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 22 |
| 50% of AMI | 50% of AMI | 83 |
| 60% of AMI | 60% of AMI | 5 |

DEVELOPMENT SUMMARY

Built in 1973, Crossroads has operated supportive housing for homeless families with children for 15 years, with most units serving households earning below 30% of the area median income. The 50-year-old complex has a failing plumbing system and requires full redevelopment. The proposed project will replace the 92 existing units with 110 newly constructed affordable homes. Current tenants will have the option to return and will receive relocation assistance and compensation.

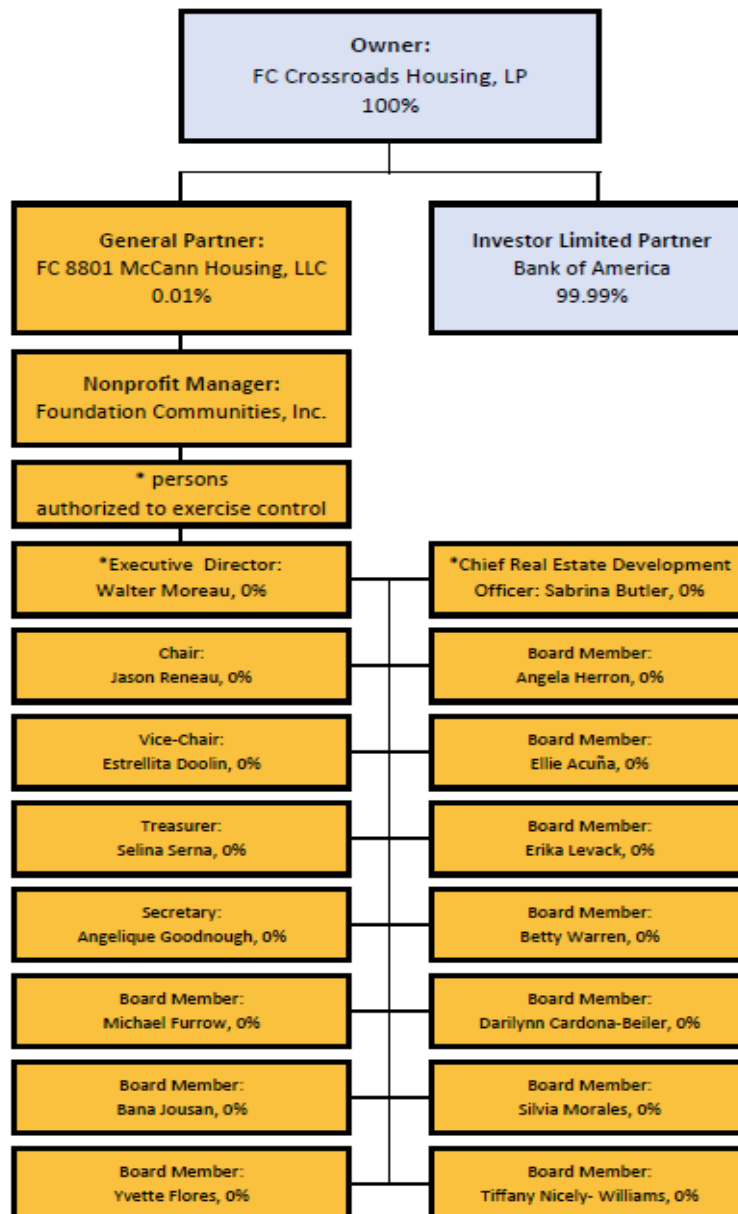
RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | |
|------------------------------|------------------------|
| ▫ | Developer Experience |
| ▫ | No Long-term Debt |
| ▫ | Low Gross Capture Rate |

| WEAKNESSES/RISKS | |
|------------------|---|
| ▫ | Feasibility depend on Supportive Housing exceptions |
| ▫ | |
| ▫ | |

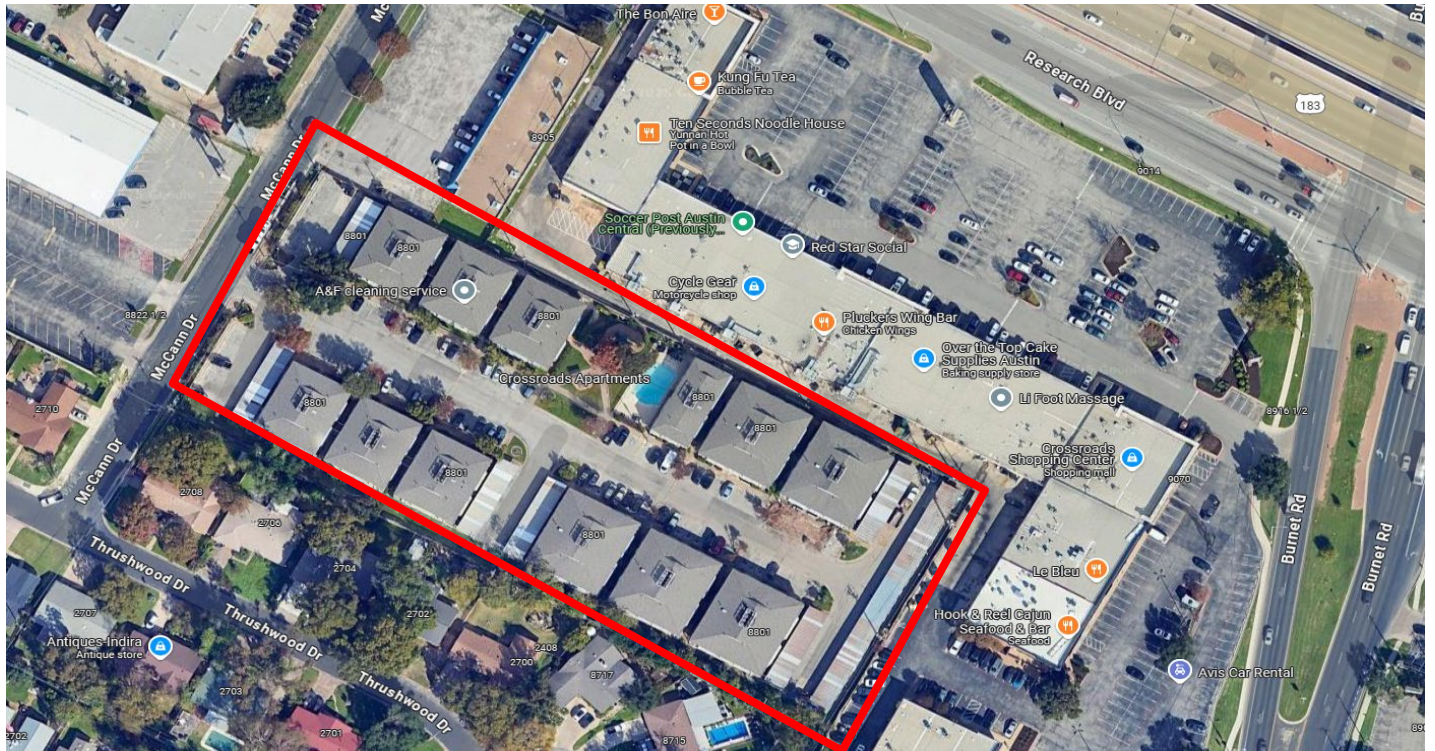
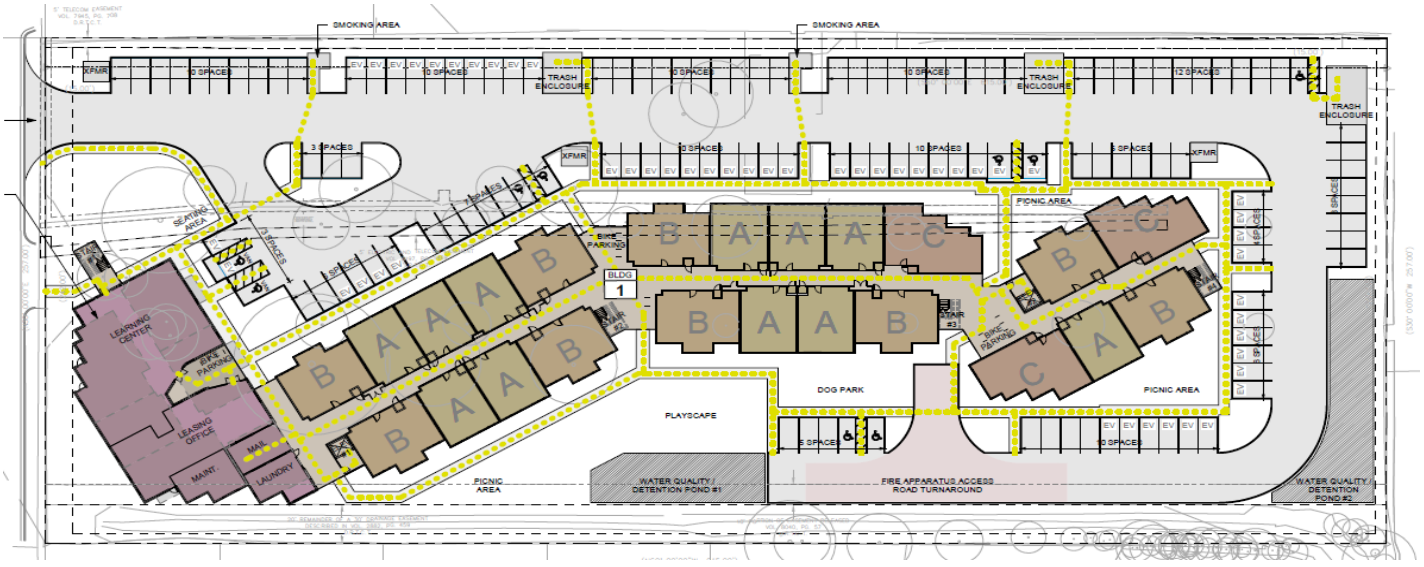
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



| Parking | No Fee | | Tenant-Paid | | Total | |
|---------------|--------|----------|-------------|----|-------|----------|
| Total Parking | 130 | 1.2/unit | 0 | -- | 130 | 1.2/unit |

Comments:

130 spaces are required and provided.

SITE INFORMATION

| | |
|--|---|
| Flood Zone: <u> X </u> | Scattered Site? <u> No </u> |
| Zoning: <u> MF-3 </u> | Within 100-yr floodplain? <u> No </u> |
| Re-Zoning Required? <u> Yes </u> | Utilities at Site? <u> Yes </u> |
| Year Constructed: <u> 1973 </u> | Title Issues? <u> No </u> |

Current Uses of Subject Site:

Existing Foundation Communities low income multifamily property

TENANT RELOCATION PLAN

The Project site currently has 81 households residing within the redevelopment area residing in four (4) separate multi family structures. The proposed plan will necessitate the demolition of all existing structures to accommodate the new construction and therefore the current tenants will be treated as permanently displaced. The Applicant is assuming all tenants may be eligible to receive the fullest extent of the applicable relocation assistance and benefits. All terms of the relocation will be reasonably consistent with the URA and the Applicant will be responsible for insuring that the relocation is carried out appropriately. All tenants included in this plan will be offered relocation assistance and may be eligible for moving expense reimbursement in accordance with the Uniform Relocation Assistance (URA) guidelines. While the Project is being redeveloped, they will be provided with housing in non-Project units, with the opportunity to return to the newly redeveloped property if they meet eligibility requirements. The Applicant will be working with CVR Relocation Consultants to ensure all households are taken care of under URA. The total estimated relocation cost is \$1,451,250.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 2/13/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- The calculated noise values fall within the range of 65-75 dB, and considered "Normally Unacceptable" based on the HUD guidelines. The results of the assessment found the greatest contributor of noise to the subject property is US-183, located just to the north.

The current buildings were constructed in the 1973 and likely contain asbestos.

The remaining recommended actions in the ESA are irrelevant based on the impending demolition of the existing structures and the planned plumbing upgrades for the property.

MARKET ANALYSIS

Provider: Apartment Market Data

Date: 2/28/2025

Primary Market Area (PMA): 12 sq. miles 2 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Other Affordable Developments in PMA since 2020

| | | | | | |
|-------|--------------|---------|------------------|-----|----|
| 21070 | Saison North | General | New Construction | N/A | 82 |
| 21075 | June West | General | New Construction | N/A | 80 |

Stabilized Affordable Developments in PMA

| | |
|--------------------|-----|
| Total Units | 203 |
| Total Developments | 7 |
| Average Occupancy | 96% |

OVERALL DEMAND ANALYSIS

| | Market Analyst | | | |
|--|----------------|----------|--|--|
| | HTC | Assisted | | |
| Total Households in the Primary Market Area | 31,444 | | | |
| Senior Households in the Primary Market Area | 9,419 | | | |
| Potential Demand from the Primary Market Area | 9,556 | | | |
| 10% External Demand | 956 | | | |
| Potential Demand from Other Sources | 0 | | | |
| GROSS DEMAND | 10,512 | | | |
| Subject Affordable Units | 110 | | | |
| Unstabilized Competitive Units | 0 | | | |
| RELEVANT SUPPLY | 110 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | 1.0% | | | |

Population:

Supportive Housing

Market Area:

Urban

Maximum Gross Capture Rate:

30%

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

| AMGI Band | Market Analyst | | | | | | | | | |
|-----------|----------------|---------|---------------|------------|------------------------|--|--|--|--|--|
| | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | | |
| 30% AMGI | 2,100 | 210 | 22 | 0 | 1% | | | | | |
| 50% AMGI | 2,235 | 224 | 83 | 0 | 3% | | | | | |
| 60% AMGI | 5,221 | 522 | 5 | 0 | 0% | | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|----------------|---------|---------------|------------|-------------------|--|--|--|--|
| Unit Type | Market Analyst | | | | | | | | |
| | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/30% | 414 | 41 | 10 | 0 | 2% | | | | |
| 1 BR/50% | 529 | 53 | 38 | 0 | 7% | | | | |
| 1 BR/60% | 824 | 82 | 2 | 0 | 0% | | | | |
| 2 BR/30% | 412 | 41 | 8 | 0 | 2% | | | | |
| 2 BR/50% | 582 | 58 | 32 | 0 | 5% | | | | |
| 2 BR/60% | 1,003 | 100 | 2 | 0 | 0% | | | | |
| 3 BR/30% | 230 | 23 | 4 | 0 | 2% | | | | |
| 3 BR/50% | 221 | 22 | 13 | 0 | 5% | | | | |
| 3 BR/60% | 331 | 33 | 1 | 0 | 0% | | | | |

OPERATING PRO FORMA

| SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma) | | | | | |
|--|-----------|----------------|---------|------------------------|---------|
| NOI: | \$608,072 | Avg. Rent: | \$1,160 | Expense Ratio: | 57.8% |
| Debt Service: | \$0 | B/E Rent: | \$662 | Controllable Expenses: | \$5,447 |
| Net Cash Flow: | \$608,072 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$498 |
| Aggregate DCR: | NA | B/E Occupancy: | 53.5% | Program Rent Year: | 2024 |

We are using TDHCA's Pro Forma. Underwriter used comparable Foundation Communities properties in Travis County to estimate expenses.

DEVELOPMENT COST EVALUATION

| SUMMARY- AS UNDERWRITTEN (Applicant's Costs) | | | | | |
|--|--------------|-----------------------------------|--------------|-----------------------|-------------|
| Acquisition | \$743,945/ac | \$25,455/unit | \$2,800,000 | Contractor Fee | \$3,351,280 |
| Off-site + Site Work | | \$34,423/unit | \$3,786,506 | Soft Cost + Financing | \$4,832,851 |
| Building Cost | \$166.11/sf | \$172,850/unit | \$19,013,494 | Developer Fee | \$4,379,822 |
| Contingency | 5.35% | \$11,093/unit | \$1,220,208 | Reserves | \$749,520 |
| Total Development Cost | | \$364,852/unit | \$40,133,682 | Rehabilitation Cost | N/A |
| Qualified for 30% Basis Boost? | | 100% Supportive Housing [9% only] | | | |

Contingency:

Contingency cost were increased by \$82.5k.

Soft Costs:

Soft costs were reduced by \$82.5k.

Developer Fee:

The Developer Fee has been reduced by \$12,374.

Comments:

Applicant voluntarily limited hard costs for scoring purposes.

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$40,133,682 | \$31,896,171 | \$3,731,852 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|------------------------|------------------------------|---------------------|----------------------|-----|
| Bank of America | Construction Loan | \$12,250,000 | 6.75% | 31% |
| Bank of America | FHTC | \$1,737,826 | \$0.87 | 4% |
| City of Austin | \$11.9(d)(2)LPS Contribution | \$500 | 0.00% | 0% |
| Foundation Communities | Deferred Developer Fee | \$3,899,822 | 0.00% | 10% |
| | | \$40,133,682 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|----------------|---------------------|---------------|-------|------|---------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| City of Austin | \$500 | 0.00% | 0 | 0.0 | \$500 | 0.00% | 0 | 0.0 | 0% |
| Total | \$22,286,483 | | | | \$22,286,483 | | | | |

| | PROPOSED | | | UNDERWRITTEN | | | |
|------------------------|--------------|---------------------|-------|---------------------|----------------------|------|-------|
| Equity & Deferred Fees | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Bank of America | \$17,378,262 | \$0.87 | | \$17,378,262 | \$0.87 | 43% | |
| Foundation Communities | \$468,937 | | 11% | \$468,937 | | 1% | 11% |
| | Total | \$17,847,199 | | \$17,847,199 | | | |
| | | | | \$40,133,682 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.892 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.673 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Recommended Financing Structure:

| Gap Analysis: | |
|---|---------------------|
| Total Development Cost | \$40,133,682 |
| Permanent Sources (debt + non-HTC equity) | \$22,286,483 |
| Gap in Permanent Financing | \$17,847,199 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$32,426,551 | \$3,731,852 |
| Needed to Balance Sources & Uses | \$17,847,199 | \$2,053,968 |
| Requested by Applicant | \$17,378,262 | \$2,000,000 |

| | RECOMMENDATION | |
|------------------------------|---------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$17,378,262 | \$2,000,000 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$468,937 | (11% deferred) |
| Repayable in | 1 years | |

Recommendation:

The underwriter recommends the allocation of \$2,000,000 in annual tax credits as requested by the applicant.

| | |
|-----------------------------------|--------------------------------|
| Underwriter: | <i>Beau Fannon</i> |
| Manager of Real Estate Analysis: | <i>Diamond Unique Thompson</i> |
| Director of Real Estate Analysis: | <i>Jeanna Adams</i> |

| UNIT MIX/RENT SCHEDULE |
|--|
| <i>Crossroads Redevelopment, Austin, 9% HTC/MDL #25187</i> |

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Austin |
| COUNTY: | Travis |
| Area Median Income | \$126,000 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|------------|---------------|----------|----------|----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 50 | 45.5% | 0 | 0 | 0 | 0 |
| 2 | 42 | 38.2% | 0 | 0 | 0 | 0 |
| 3 | 18 | 16.4% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 110 | 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 | 1,041 sf |

| | | | | | | | | | | |
|----------------|----------------|------|-------|------|-------|------|------|------|---------|---------------|
| 46% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 22 | - | 83 | 5 | - | - | - | 110 |
| Income | % Total | 0.0% | 20.0% | 0.0% | 75.5% | 4.5% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|------------|--------|---------|----------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|----------------|---------------|--------------|----------------|---------------|----------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst | |
| TC 30% | \$708 | 10 | 1 | 1 | 890 | \$708 | \$74 | \$634 | \$0 | \$0.71 | \$634 | \$6,340 | \$6,340 | \$634 | \$0.71 | \$0 | \$1,754 | \$1.97 | \$1,754 |
| TC 50% | \$1,181 | 38 | 1 | 1 | 890 | \$1,181 | \$74 | \$1,107 | \$0 | \$1.24 | \$1,107 | \$42,066 | \$42,066 | \$1,107 | \$1.24 | \$0 | \$1,754 | \$1.97 | \$1,754 |
| TC 60% | \$1,417 | 2 | 1 | 1 | 890 | \$1,417 | \$74 | \$1,343 | \$0 | \$1.51 | \$1,343 | \$2,686 | \$2,686 | \$1,343 | \$1.51 | \$0 | \$1,754 | \$1.97 | \$1,754 |
| TC 30% | \$850 | 8 | 2 | 2 | 1,109 | \$850 | \$96 | \$754 | \$0 | \$0.68 | \$754 | \$6,032 | \$6,032 | \$754 | \$0.68 | \$0 | \$2,135 | \$1.93 | \$2,135 |
| TC 50% | \$1,417 | 32 | 2 | 2 | 1,109 | \$1,417 | \$96 | \$1,321 | \$0 | \$1.19 | \$1,321 | \$42,272 | \$42,272 | \$1,321 | \$1.19 | \$0 | \$2,135 | \$1.93 | \$2,135 |
| TC 60% | \$1,701 | 2 | 2 | 2 | 1,109 | \$1,701 | \$96 | \$1,605 | \$0 | \$1.45 | \$1,605 | \$3,210 | \$3,210 | \$1,605 | \$1.45 | \$0 | \$2,135 | \$1.93 | \$2,135 |
| TC 30% | \$982 | 4 | 3 | 2 | 1,299 | \$982 | \$119 | \$863 | \$0 | \$0.66 | \$863 | \$3,452 | \$3,452 | \$863 | \$0.66 | \$0 | \$2,482 | \$1.91 | \$2,482 |
| TC 50% | \$1,638 | 13 | 3 | 2 | 1,299 | \$1,638 | \$119 | \$1,519 | \$0 | \$1.17 | \$1,519 | \$19,747 | \$19,747 | \$1,519 | \$1.17 | \$0 | \$2,482 | \$1.91 | \$2,482 |
| TC 60% | \$1,965 | 1 | 3 | 2 | 1,299 | \$1,965 | \$119 | \$1,846 | \$0 | \$1.42 | \$1,846 | \$1,846 | \$1,846 | \$1,846 | \$1.42 | \$0 | \$2,482 | \$1.91 | \$2,482 |
| TOTALS/AVERAGES: | | 110 | | | 114,460 | | | | \$0 | \$1.12 | \$1,160 | \$127,651 | \$127,651 | \$1,160 | \$1.12 | \$0 | \$2,019 | \$1.94 | \$2,019 |

| | | | |
|-------------------------------------|--------------------|--------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$1,531,812 | \$1,531,812 | |
|-------------------------------------|--------------------|--------------------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

STABILIZED FIRST YEAR PRO FORMA

| | COMPARABLES | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
|-------------------------------------|-------------|--------------------------------------|--|-----------|----------|----------|-------------|-------------|----------|--------|-------|----------|-----|
| | Database | Travis County Foundation Communities | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.12 | \$1,160 | \$1,531,812 | \$1,531,812 | \$1,160 | \$1.12 | | 0.0% | \$0 |
| Late fees, NSF fees, laundry income | | | | | | \$20.00 | \$26,400 | | | | | | |
| Total Secondary Income | | | | | | \$20.00 | | \$26,400 | \$20.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$1,558,212 | \$1,558,212 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | 7.5% PGI | | (116,866) | (116,866) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$1,441,346 | \$1,441,346 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|--------|---------|-----------|-----------|---------|--------|--------|--------|-------------|
| General & Administrative | \$78,607 | \$715/Unit | \$77,266 | \$702 | 5.55% | \$0.70 | \$728 | \$80,037 | \$78,607 | \$715 | \$0.69 | 5.45% | 1.8% | 1,430 |
| Management | \$68,913 | 3.3% EGI | \$67,641 | \$615 | 5.00% | \$0.63 | \$655 | \$72,067 | \$72,067 | \$655 | \$0.63 | 5.00% | 0.0% | - |
| Payroll & Payroll Tax | \$169,730 | \$1,543/Unit | \$281,557 | \$2,560 | 18.11% | \$2.28 | \$2,373 | \$261,060 | \$281,557 | \$2,560 | \$2.46 | 19.53% | -7.3% | (20,497) |
| Repairs & Maintenance | \$110,411 | \$1,004/Unit | \$159,828 | \$1,453 | 14.44% | \$1.82 | \$1,892 | \$208,077 | \$71,500 | \$650 | \$0.62 | 4.96% | 191.0% | 136,577 |
| Electric/Gas | \$36,549 | \$332/Unit | \$71,719 | \$652 | 2.13% | \$0.27 | \$279 | \$30,650 | \$71,719 | \$652 | \$0.63 | 4.98% | -57.3% | (41,069) |
| Water, Sewer, & Trash | \$95,748 | \$870/Unit | \$83,982 | \$763 | 6.89% | \$0.87 | \$903 | \$99,276 | \$95,748 | \$870 | \$0.84 | 6.64% | 3.7% | 3,528 |
| Property Insurance | \$75,354 | \$0.66 /sf | \$43,543 | \$396 | 4.65% | \$0.59 | \$609 | \$66,973 | \$75,354 | \$685 | \$0.66 | 5.23% | -11.1% | (8,381) |
| Property Tax (@ 50%) 1.9818 | \$105,103 | \$955/Unit | \$45,635 | \$415 | 2.78% | \$0.35 | \$364 | \$40,000 | \$54,822 | \$498 | \$0.48 | 3.80% | -27.0% | (14,822) |
| Reserve for Replacements | | | | | 1.91% | \$0.24 | \$250 | \$27,500 | \$27,500 | \$250 | \$0.24 | 1.91% | 0.0% | - |
| Supportive Services | | | | | 0.00% | \$0.00 | \$0 | \$0 | \$0 | \$0 | \$0.00 | 0.00% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.31% | \$0.04 | \$40 | \$4,400 | \$4,400 | \$40 | \$0.04 | 0.31% | 0.0% | - |
| TOTAL EXPENSES | | | | | 61.75% | \$7.78 | \$8,091 | \$890,040 | \$833,274 | \$7,575 | \$7.28 | 57.81% | 6.8% | \$ 56,767 |
| NET OPERATING INCOME ("NOI") | | | | | 38.25% | \$4.82 | \$5,012 | \$551,306 | \$608,072 | \$5,528 | \$5.31 | 42.19% | -9.3% | \$ (56,767) |

| | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$6,174/Unit | | | | \$5,447/Unit | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|

| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
|--|
| Crossroads Redevelopment, Austin, 9% HTC/MDL #25187 |

| | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|---------------------------|---|-----|-------|----------------------------|------|--------------|--------------|--------------------------------------|--------------------|-------|-----|------------|-------|-------|
| | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | Cumulative DCR | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | |
| City of Austin | | | 0.00% | 0 | 0.0 | \$500 | \$500 | 0.0 | 0.0 | 0.00% | | | 0.0% | |
| City of Austin | | | 2.00% | 0 | 40.0 | \$13,000,000 | \$13,000,000 | 40.0 | 0.0 | 2.00% | | | 32.4% | |
| Foundation Communities | | | 2.00% | 0 | 40.0 | \$6,585,983 | \$6,585,983 | 40.0 | 0.0 | 2.00% | | | 16.4% | |
| Crossroads Mutual Housing | | | 2.00% | 0 | 40.0 | \$2,700,000 | \$2,700,000 | 40.0 | 0.0 | 2.00% | | | 6.7% | |
| | | | \$0 | TOTAL DEBT / GRANT SOURCES | | | \$22,286,483 | \$22,286,483 | TOTAL DEBT SERVICE | | | \$0 | N/A | 55.5% |

| | | | | | | | | | | | |
|----------------------|-----------|-----------|--|--|--|--|--------------|-----------------------------|-----------|-----------|----------------------|
| NET CASH FLOW | \$608,072 | \$551,306 | | | | | TDHCA | NET OPERATING INCOME | \$608,072 | \$608,072 | NET CASH FLOW |
|----------------------|-----------|-----------|--|--|--|--|--------------|-----------------------------|-----------|-----------|----------------------|

| EQUITY SOURCES | | | | | | | | | | | | | |
|---------------------------------|---------------------------------------|--|--------|----------------|--------------|--------------|----------------------------------|----------------|---------------|--------|-------------------------|----------------------|--|
| EQUITY / DEFERRED FEES | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | | |
| | DESCRIPTION | | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method | |
| | | | | | | | | | | | | | |
| Bank of America | LIHTC Equity | | 43.3% | \$2,000,000 | \$0.87 | \$17,378,262 | \$17,378,262 | \$0.8689 | \$2,000,000 | 43.3% | \$18,182 | Applicant Request | |
| Foundation Communities | Deferred Developer Fees | | 1.2% | (11% Deferred) | | \$468,937 | \$468,937 | (11% Deferred) | | 1.2% | | Total Developer Fee: | |
| Additional (Excess) Funds Req'd | | | 0.0% | | | | \$0 | | | 0.0% | | \$4,379,822 | |
| TOTAL EQUITY SOURCES | | | 44.5% | | | \$17,847,199 | \$17,847,199 | | | 44.5% | | | |

| | | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--------------|--------------|--|--|-------------------------------------|-------------|
| TOTAL CAPITALIZATION | | | | | | \$40,133,682 | \$40,133,682 | | | 15-Yr Cash Flow after Deferred Fee: | \$9,052,959 |
|-----------------------------|--|--|--|--|--|--------------|--------------|--|--|-------------------------------------|-------------|

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | |
|---|--|-----------------------------------|------------------|------------------|----------------|--------------|--------------|--------------------------|--------------|--------------|-----|---------------|------------|
| | | APPLICANT COST / BASIS ITEMS | | | | | | TDHCA COST / BASIS ITEMS | | | | COST VARIANCE | |
| | | Eligible Basis | | Total Costs | | Total Costs | | Eligible Basis | | | | | |
| | | Acquisition | New Const. Rehab | | | | | New Const. Rehab | Acquisition | | | % | \$ |
| Land Acquisition | | | | \$24,545 / Unit | | \$2,700,000 | \$2,700,000 | \$24,545 / Unit | | | | 0.0% | \$0 |
| Building Acquisition | | \$0 | | \$ / Unit | | \$0 | \$0 | \$ / Unit | | | \$0 | 0.0% | \$0 |
| Closing costs & acq. legal fees | | | | | | \$100,000 | \$100,000 | | | | | 0.0% | \$0 |
| Off-Sites | | | | \$2,688 / Unit | | \$295,718 | \$295,718 | \$2,688 / Unit | | | | 0.0% | \$0 |
| Site Work | | | \$1,920,387 | \$25,487 / Unit | | \$2,803,515 | \$2,803,515 | \$25,487 / Unit | | \$1,920,387 | | 0.0% | \$0 |
| Site Amenities | | | \$687,273 | \$6,248 / Unit | | \$687,273 | \$687,273 | \$6,248 / Unit | | \$687,273 | | 0.0% | \$0 |
| Building Cost | | | \$19,013,494 | \$166.11 /sf | \$172,850/Unit | \$19,013,494 | \$18,261,713 | \$166,016/Unit | \$159.55 /sf | \$18,261,713 | | 4.1% | \$751,781 |
| Contingency | | | \$1,163,552 | 5.38% | 5.35% | \$1,220,208 | \$1,220,208 | 5.53% | 5.58% | \$1,163,552 | | 0.0% | \$0 |
| Contractor Fees | | | \$3,178,310 | 13.95% | 13.95% | \$3,351,280 | \$3,257,580 | 14.00% | 14.00% | \$3,084,610 | | 2.9% | \$93,700 |
| Voluntary Eligible "Hard Costs" (After 11.9(e)(2)) | | | (\$1,463,015) | | | | \$0 | | | (\$617,535) | | 0.0% | \$0 |
| Soft Costs | | \$0 | \$2,015,076 | \$31,512 / Unit | | \$3,466,326 | \$3,466,326 | \$31,512 / Unit | | \$2,015,076 | \$0 | 0.0% | \$0 |
| Financing | | \$0 | \$1,220,725 | \$12,423 / Unit | | \$1,366,525 | \$1,366,525 | \$12,423 / Unit | | \$1,220,725 | \$0 | 0.0% | \$0 |
| Developer Fee | | \$0 | \$4,172,744 | 15.04% | 14.39% | \$4,379,822 | \$4,438,326 | 15.00% | 15.00% | \$4,160,370 | \$0 | -1.3% | (\$58,503) |
| Reserves | | | | 10 Months | | \$749,520 | \$749,520 | 11 Months | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$31,908,545 | \$364,852 / Unit | | \$40,133,682 | \$39,346,704 | \$357,697 / Unit | | \$31,896,171 | \$0 | 2.0% | \$786,977 |
| Acquisition Cost | | \$0 | | | | \$0 | | | | | | | |
| Contingency | | | \$0 | | | \$0 | | | | | | | |
| Contractor's Fee | | | \$0 | | | \$0 | | | | | | | |
| Financing Cost | | | \$0 | | | | | | | | | | |
| Developer Fee | | \$0 | (\$12,374) | 15.00% | \$0 | | | | | | | | |
| Reserves | | | | | | \$0 | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$31,896,171 | \$364,852/unit | | \$40,133,682 | \$39,346,704 | \$357,697/unit | | \$31,896,171 | \$0 | 2.0% | \$786,977 |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | \$40,133,682 | | | | | | | |

| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
|--|
| <i>Crossroads Redevelopment, Austin, 9% HTC/MDL #25187</i> |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$31,896,171 | \$0 | \$31,896,171 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$31,896,171 | \$0 | \$31,896,171 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$41,465,022 | \$0 | \$41,465,022 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$41,465,022 | \$0 | \$41,465,022 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$3,731,852 | \$0 | \$3,731,852 |
| CREDITS ON QUALIFIED BASIS | \$3,731,852 | | \$3,731,852 | |

| | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | | | Credit Price \$0.8689 | Variance to Request | |
| Method | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$3,731,852 | \$32,426,551 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,053,968 | \$17,847,199 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$17,378,262 | \$2,000,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|-----------------|----------------|-------------|---------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Elevator Served | 114,460 SF | \$115.83 | 13,258,192 |
| Adjustments | | | | |
| Exterior Wall Finish | 0.80% | | 0.93 | \$106,066 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.10% | | 3.59 | 411,004 |
| Roof Adjustment(s) | | | 1.44 | 165,000 |
| Subfloor | | | 0.28 | 32,335 |
| Floor Cover | | | 3.75 | 429,225 |
| Enclosed Corridors | \$104.48 | 31,056 | 28.35 | 3,244,810 |
| Balconies | \$47.40 | 951 | 0.39 | 45,077 |
| Plumbing Fixtures | \$2,130 | 180 | 3.35 | 383,400 |
| Rough-ins | \$790 | 220 | 1.52 | 173,800 |
| Built-In Appliances | \$3,675 | 110 | 3.53 | 404,250 |
| Exterior Stairs | \$4,250 | 4 | 0.15 | 17,000 |
| Heating/Cooling | | | 4.11 | 470,431 |
| Storage Space | \$104.48 | 1,782 | 1.63 | 186,188 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$125.69 | 7,283 | 8.00 | 915,399 |
| Elevators | \$165,400 | 2 | 2.89 | 330,800 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 154,581 | 6.21 | 711,073 |
| SUBTOTAL | | | 185.95 | \$21,284,048 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | | 185.95 \$21,284,048 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.76) | (\$659,805) |
| Contractor's OH & Profit | 11.10% | | (20.64) | (2,362,529) |
| NET BUILDING COSTS | | \$166,016/unit | \$159.55/sf | \$18,261,713 |

Long-Term Pro Forma

Crossroads Redevelopment, Austin, 9% HTC/MDL #25187

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 |
|-------------------------------------|----------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$1,441,346 | \$1,470,173 | \$1,499,576 | \$1,529,568 | \$1,560,159 | \$1,722,542 | \$1,901,826 | \$2,099,769 | \$2,318,315 | \$2,559,607 |
| TOTAL EXPENSES | 3.00% | \$833,274 | \$857,551 | \$882,543 | \$908,269 | \$934,753 | \$1,079,329 | \$1,246,484 | \$1,439,769 | \$1,663,292 | \$1,921,813 |
| NET OPERATING INCOME ("NOI") | | \$608,072 | \$612,622 | \$617,034 | \$621,299 | \$625,407 | \$643,213 | \$655,341 | \$660,001 | \$655,023 | \$637,794 |
| EXPENSE/INCOME RATIO | | 57.8% | 58.3% | 58.9% | 59.4% | 59.9% | 62.7% | 65.5% | 68.6% | 71.7% | 75.1% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | |
| TOTAL DEBT SERVICE | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| DEBT COVERAGE RATIO | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | | | |
| ANNUAL CASH FLOW | | \$608,072 | \$612,622 | \$617,034 | \$621,299 | \$625,407 | \$643,213 | \$655,341 | \$660,001 | \$655,023 | \$637,794 |
| Deferred Developer Fee Balance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$139,136 | \$751,757 | \$1,368,791 | \$1,990,090 | \$2,615,497 | \$5,797,905 | \$9,052,959 | \$12,347,034 | \$15,636,446 | \$18,865,360 |



Real Estate Analysis Division

November 19, 2025

Addendum to Underwriting Report

TDHCA Application #: **25196** Program(s): **9% HTC**

Victoria Gardens

Address/Location: 1809 Grant St

City: Brownsville County: Cameron Zip: 78521

| | APPLICATION HISTORY |
|-------------|------------------------------|
| Report Date | PURPOSE |
| 11/19/25 | 9% State Credit Award Update |
| 06/25/25 | Original Underwriting Report |

ALLOCATION

| TDHCA Program | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|-----------|-----------|------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm Term | Perm Lien | Const Term | Const Lien |
| State Housing Tax Credits | \$0 | | | | \$263,200 | | | | | | |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS STATUS

— Receipt and acceptance by Cost Certification:

- Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 21 |
| 60% of AMI | 60% of AMI | 49 |

ANALYSIS

In July 2025, Victoria Gardens was awarded \$2,000,000 in annual 9% Housing Tax Credits. Now Applicant has applied for an additional \$263,200 in annual State Housing Tax Credits ("SHTC").

The amendment includes the following changes in tax credit units:

- Increasing the TC 30% 1-BR units from 2 to 6
- Decreasing the TC 50% 1-BR units from 4 to 0
- Increasing the TC 30% 2-BR units from 3 to 10
- Decreasing the TC 50% 2-BR units from 7 to 0
- Increasing the TC 30% 3-BR units from 2 to 5
- Decreasing the TC 50% 3-BR units from 3 to 0
- The total 60% units remains the same at 49
- The total market rate units remains the same at 13

Operating Pro Forma

Underwriter is utilizing 2025 rents.

The income and expenses remain relatively unchanged. Effective Gross Income decreased by \$355, while Total Expenses decreased by \$18 and Net Operating Income decreased by \$337.

As underwritten, the long-term Pro Forma exhibits a 15-year residual cash flow of \$1.6M after repayment of deferred developer fee in year 4.

DCR increased from 1.18 to 1.29 primarily due to the substitution of debt with equity.

Development Cost

Building costs did not change from previous underwriting.

Total Housing Development Costs were reduced by \$34,700 due to a \$17,200 decrease in Financing Costs, a \$1,800 decrease in Developer Fee and a \$15,700 decrease in Reserves.

Sources of Funds

Legacy Bank loan decreased by \$400,000 (from \$4,500,000 to \$4,100,000).

Housing Authority COB loan decreased by \$455,000 (from \$910,000 to \$455,000).

The reduction in the senior debt and the reduction in the cash flow loan from the Housing Authority were primarily facilitated by the additional SHTC equity.

The equity investment letter for the State Housing Credits from Hudson Housing Capital indicates that the Investor (Hudson) will contribute to the Partnership a total capital contribution of \$17,913,000 (the Total Equity), or approximately \$0.83 (the Tax Credit Price) per total Tax Credit available to the Investor and \$0.50 (the State Tax Credit Price) per total State Tax Credit. The total capital contribution of \$17,913,000 represents \$16,598,000 in LIHTC equity with an annual allocation of \$2,000,000 and \$1,315,000 in SHTC equity with an annual allocation of \$263,200.

The revised debt and equity structure also facilitates a \$494,700 reduction in Deferred Developer Fee.

Recommendation:

Underwriter recommends \$263,200 in annual State Housing Tax Credits as requested by the Applicant.

Furthermore, Underwriter still recommends an annual Federal Tax Credit allocation of \$2,000,000 as previously awarded.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <u>Georgia Simmons</u> |
| Manager of Real Estate Analysis: | <u>Gregg Kazak</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Victoria Gardens, Brownsville, 9% HTC #25196 | | | | | | | | | |

| LOCATION DATA | |
|--------------------|-------------|
| CITY: | Brownsville |
| COUNTY: | Cameron |
| Area Median Income | \$66,500 |
| PROGRAM REGION: | 11 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 20 | 24.1% | 0 | 0 | 0 | 0 |
| 2 | 43 | 51.8% | 0 | 0 | 0 | 0 |
| 3 | 20 | 24.1% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 83 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|--------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 84.33% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 975 sf |

| | | | | | | | | | | |
|----------------|---------|------|-------|------|------|-------|------|------|---------|--------|
| 51% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average Income | # Units | - | 21 | - | - | 49 | - | - | 13 | 83 |
| | % Total | 0.0% | 25.3% | 0.0% | 0.0% | 59.0% | 0.0% | 0.0% | 15.7% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|--------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$447 | 6 | 1 | 1 | 735 | \$447 | \$67 | \$380 | \$0 | \$0.52 | \$380 | \$2,280 | \$2,280 | \$380 | \$0.52 | \$0 | \$860 | \$1.17 | \$1,100 |
| TC 60% | \$894 | 11 | 1 | 1 | 735 | \$894 | \$67 | \$827 | \$0 | \$1.13 | \$827 | \$9,097 | \$9,097 | \$827 | \$1.13 | \$0 | \$860 | \$1.17 | \$1,100 |
| MR | | 3 | 1 | 1 | 735 | \$0 | \$67 | | NA | \$1.17 | \$860 | \$2,580 | \$2,580 | \$860 | \$1.17 | NA | \$860 | \$1.17 | \$1,100 |
| TC 30% | \$536 | 10 | 2 | 2 | 982 | \$536 | \$88 | \$448 | \$0 | \$0.46 | \$448 | \$4,480 | \$4,480 | \$448 | \$0.46 | \$0 | \$1,020 | \$1.04 | \$1,350 |
| TC 60% | \$1,072 | 26 | 2 | 2 | 982 | \$1,072 | \$88 | \$984 | \$0 | \$1.00 | \$984 | \$25,584 | \$25,584 | \$984 | \$1.00 | \$0 | \$1,020 | \$1.04 | \$1,350 |
| MR | | 7 | 2 | 2 | 982 | \$0 | \$88 | | NA | \$1.04 | \$1,020 | \$7,140 | \$7,140 | \$1,020 | \$1.04 | NA | \$1,020 | \$1.04 | \$1,350 |
| TC 30% | \$619 | 5 | 3 | 2 | 1,201 | \$619 | \$108 | \$511 | \$0 | \$0.43 | \$511 | \$2,555 | \$2,555 | \$511 | \$0.43 | \$0 | \$1,170 | \$0.97 | \$1,450 |
| TC 60% | \$1,239 | 12 | 3 | 2 | 1,201 | \$1,239 | \$108 | \$1,131 | \$0 | \$0.94 | \$1,131 | \$13,572 | \$13,572 | \$1,131 | \$0.94 | \$0 | \$1,170 | \$0.97 | \$1,450 |
| MR | | 3 | 3 | 2 | 1,201 | \$0 | \$108 | | NA | \$0.97 | \$1,170 | \$3,510 | \$3,510 | \$1,170 | \$0.97 | NA | \$1,170 | \$0.97 | \$1,450 |
| TOTALS/AVERAGES: | | 83 | | | 80,946 | | | | \$0 | \$0.87 | \$853 | \$70,798 | \$70,798 | \$853 | \$0.87 | \$0 | \$1,018 | \$1.04 | \$1,314 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$849,576 | \$849,576 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

STABILIZED PRO FORMA

Victoria Gardens, Brownsville, 9% HTC #25196

STABILIZED FIRST YEAR PRO FORMA

| COMPARABLES | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
|---------------------------------|-------------|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|-----|
| Database | Local Comps | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | \$0.87 | \$853 | \$849,576 | \$849,960 | \$849,960 | \$849,576 | \$853 | \$0.87 | | 0.0% | \$0 |
| late fees, phone, cable laundry | | | | \$15.00 | \$14,940 | 14,940 | | | | | | | |
| Total Secondary Income | | | | \$15.00 | | | 14,940 | \$14,940 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | \$864,516 | \$864,900 | \$864,900 | \$864,516 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | 7.5% PGI | (64,839) | (64,868) | (64,868) | (64,839) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | \$799,677 | \$800,033 | \$800,033 | \$799,677 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|--------|---------|-----------|-----------|-----------|-----------|---------|--------|--------|--------|-------------|
| General & Administrative | \$35,928 | \$433/Unit | \$46,572 | \$561 | 3.65% | \$0.36 | \$352 | \$29,220 | \$29,220 | \$35,928 | \$35,928 | \$433 | \$0.44 | 4.49% | -18.7% | (6,708) |
| Management | \$34,963 | 4.0% EGI | \$30,760 | \$371 | 5.00% | \$0.49 | \$482 | \$39,984 | \$40,002 | \$40,002 | \$39,984 | \$482 | \$0.49 | 5.00% | 0.0% | 0 |
| Payroll & Payroll Tax | \$110,086 | \$1,326/Unit | \$110,176 | \$1,327 | 12.70% | \$1.25 | \$1,224 | \$101,571 | \$101,571 | \$110,176 | \$110,176 | \$1,327 | \$1.36 | 13.78% | -7.8% | (8,605) |
| Repairs & Maintenance | \$53,682 | \$647/Unit | \$39,466 | \$475 | 6.02% | \$0.60 | \$580 | \$48,179 | \$48,179 | \$53,950 | \$53,950 | \$650 | \$0.67 | 6.75% | -10.7% | (5,771) |
| Electric/Gas | \$18,781 | \$226/Unit | \$11,616 | \$140 | 1.90% | \$0.19 | \$183 | \$15,228 | \$15,228 | \$11,616 | \$11,616 | \$140 | \$0.14 | 1.45% | 31.1% | 3,612 |
| Water, Sewer, & Trash | \$58,119 | \$700/Unit | \$40,963 | \$494 | 5.49% | \$0.54 | \$529 | \$43,884 | \$43,884 | \$40,963 | \$40,963 | \$494 | \$0.51 | 5.12% | 7.1% | 2,921 |
| Property Insurance | \$72,909 | \$0.90 /sf | \$122,907 | \$1,481 | 10.12% | \$1.00 | \$975 | \$80,946 | \$80,946 | \$80,946 | \$80,946 | \$975 | \$1.00 | 10.12% | 0.0% | - |
| Property Tax (@ 0%) 2.276383 | \$60,951 | \$734/Unit | \$29,044 | \$350 | 0.00% | \$0.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | 0.00% | 0.0% | - |
| Reserve for Replacements | | | | | 2.59% | \$0.26 | \$250 | \$20,750 | \$20,750 | \$20,750 | \$20,750 | \$250 | \$0.26 | 2.59% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.35% | \$0.03 | \$34 | \$2,800 | \$2,800 | \$2,800 | \$2,800 | \$34 | \$0.03 | 0.35% | 0.0% | - |
| TOTAL EXPENSES | | | | | 47.84% | \$4.73 | \$4,609 | \$382,562 | \$382,580 | \$397,131 | \$397,113 | \$4,784 | \$4.91 | 49.66% | -3.7% | \$ (14,551) |
| NET OPERATING INCOME ("NOI") | | | | | 52.16% | \$5.15 | \$5,025 | \$417,115 | \$417,453 | \$402,902 | \$402,564 | \$4,850 | \$4.97 | 50.34% | 3.6% | \$ 14,551 |

| | | | | | | | | |
|-----------------------|--|--|--------------|--|--|--------------|--|--|
| CONTROLLABLE EXPENSES | | | \$2,868/Unit | | | \$3,044/Unit | | |
|-----------------------|--|--|--------------|--|--|--------------|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

| | | 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 | 1.25 | 1.29 | 322,982 | 7.25% | 35 | 15 | \$4,100,000 | \$4,500,000 | \$4,500,000 | \$4,100,000 | 15 | 35 | 7.25% | \$322,982 | 1.29 | 17.3% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | |
| Housing Authority COB | | 1.25 | 1.29 | | 0.50% | 0 | 40 | \$455,000 | \$910,000 | \$910,000 | \$455,000 | 40 | 0 | 0.50% | | 1.29 | 1.9% |
| HACB/BHFC - HUD CFP Funds | | 1.25 | 1.29 | | 2.00% | 0 | 30 | \$888,799 | \$888,799 | \$888,799 | \$888,799 | 30 | 0 | 2.00% | | 1.29 | 3.8% |
| City of Brownsville | | 1.25 | 1.29 | | 0.00% | 0 | 0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | 0 | 0 | 0.00% | | 1.29 | 0.0% |
| | | | | \$322,982 | TOTAL DEBT / GRANT SOURCES | | | \$5,444,799 | \$6,299,799 | \$6,299,799 | \$5,444,799 | TOTAL DEBT SERVICE | | | \$322,982 | 1.29 | 23.0% |

| | | | | | | | | | |
|---------------|----------|----------|-----------|--|----------------------|--|-----------|----------|---------------|
| NET CASH FLOW | \$79,582 | \$94,133 | APPLICANT | | NET OPERATING INCOME | | \$417,115 | \$94,133 | NET CASH FLOW |
|---------------|----------|----------|-----------|--|----------------------|--|-----------|----------|---------------|

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | | | |
|---------------------------------------|---------------------------------------|--------|----------------|--------------|--------------|--------------------|--------------|----------------------------------|----------------|---------------|--------|-------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | Prior Underwriting | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Applicant | TDHCA | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| Hudson Housing Capital | LIHTC Equity | 70.1% | \$2,000,000 | \$0.83 | \$16,598,000 | \$16,598,000 | \$16,598,000 | \$16,598,000 | \$0.83 | \$2,000,000 | 70.1% | \$24,096 | Applicant Request |
| Hudson Housing Capital | SHTC Equity | 5.6% | \$263,200 | \$0.50 | \$1,315,000 | \$0 | | \$1,315,000 | \$0.50 | \$263,200 | 5.6% | | |
| VDC Victoria Gardens Development, LLC | Deferred Developer Fees | 1.4% | (11% Deferred) | | \$331,999 | \$826,699 | \$826,699 | \$331,999 | (11% Deferred) | | 1.4% | Total Developer Fee: | \$2,904,404 |
| Additional (Excess) Funds Req'd | | 0.0% | | | | | \$0 | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 77.0% | | | \$18,244,999 | \$17,424,699 | \$17,424,699 | \$18,244,999 | | | 77.0% | | |

| | | | | | | | | | | | | | |
|----------------------|--|--|--|--|--------------|--------------|--------------|--------------|--|--|-------------------------------------|--|-------------|
| TOTAL CAPITALIZATION | | | | | \$23,689,798 | \$23,724,498 | \$23,724,498 | \$23,689,798 | | | 15-Yr Cash Flow after Deferred Fee: | | \$1,589,387 |
|----------------------|--|--|--|--|--------------|--------------|--------------|--------------|--|--|-------------------------------------|--|-------------|

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | | |
|---|--|-----------------------------------|------------------|------------------|----------------|--------------|--------------------|--------------|--------------------------|------------------|-----------------|------------------|--------------|---------------|-------------|-------------|
| | | APPLICANT COST / BASIS ITEMS | | | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | | |
| | | Eligible Basis | | | | | Prior Underwriting | | | | | Eligible Basis | | | | |
| | | Acquisition | New Const. Rehab | | | | Applicant | TDHCA | | | | New Const. Rehab | Acquisition | | | % |
| Land Acquisition | | | | \$10,964 / Unit | | \$910,000 | \$910,000 | \$910,000 | \$910,000 | \$910,000 | \$10,964 / Unit | | | | 0.0% | \$0 |
| Off-Sites | | | \$0 | \$1,536 / Unit | | \$127,505 | \$127,505 | \$127,505 | \$127,505 | \$127,505 | \$1,536 / Unit | | \$0 | | 0.0% | \$0 |
| Site Work | | | \$1,513,652 | \$28,945 / Unit | | \$2,402,451 | \$2,402,451 | \$2,402,451 | \$2,402,451 | \$2,402,451 | \$28,945 / Unit | | \$1,513,652 | | 0.0% | \$0 |
| Site Amenities | | | \$236,250 | \$2,846 / Unit | | \$236,250 | \$236,250 | \$236,250 | \$236,250 | \$236,250 | \$2,846 / Unit | | \$236,250 | | 0.0% | \$0 |
| Building Cost | | | \$11,512,332 | \$142.22 /sf | \$138,703/Unit | \$11,512,332 | \$11,512,332 | \$11,687,257 | \$11,687,257 | \$11,687,257 | \$140,810/Unit | \$144.38 /sf | \$11,512,332 | | -1.5% | (\$174,925) |
| Contingency | | | \$713,926 | 5.38% | 5.00% | \$713,926 | \$713,926 | \$713,926 | \$713,926 | \$713,926 | 4.94% | 5.38% | \$713,926 | | 0.0% | \$0 |
| Contractor Fees | | | \$1,956,661 | 14.00% | 13.05% | \$1,956,661 | \$1,956,661 | \$1,956,661 | \$1,956,661 | \$1,956,661 | 12.90% | 14.00% | \$1,956,661 | | 0.0% | \$0 |
| Soft Costs | | \$0 | \$1,401,952 | \$16,891 / Unit | | \$1,401,952 | \$1,401,952 | \$1,401,952 | \$1,401,952 | \$16,891 / Unit | | \$1,401,952 | \$0 | 0.0% | \$0 | |
| Financing | | \$0 | \$1,011,617 | \$14,481 / Unit | | \$1,201,917 | \$1,219,117 | \$1,219,117 | \$1,201,917 | \$14,481 / Unit | | \$1,011,617 | \$0 | 0.0% | \$0 | |
| Developer Fee | | \$0 | \$2,751,958 | 15.00% | 15.00% | \$2,904,404 | \$2,906,204 | \$2,906,204 | \$2,904,404 | 14.87% | 15.00% | \$2,751,958 | \$0 | 0.0% | \$0 | |
| Reserves | | | | 5 Months | | \$322,400 | \$338,100 | \$338,100 | \$322,400 | 5 Months | | | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$21,098,348 | \$285,419 / Unit | | \$23,689,798 | \$23,724,498 | \$23,899,423 | \$23,864,723 | \$287,527 / Unit | | \$21,098,348 | \$0 | -0.7% | (\$174,925) | |
| 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 | \$21,098,348 | \$285,419/unit | \$23,689,798 | \$23,724,498 | \$23,899,423 | \$23,864,723 | \$287,527/unit | \$21,098,348 | \$0 | -0.7% | (\$174,925) |
| | | | | | | | | | | | | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | \$23,689,798 | | | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$21,098,348 | \$0 | \$21,098,348 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$21,098,348 | \$0 | \$21,098,348 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$27,427,852 | \$0 | \$27,427,852 |
| Applicable Fraction | 84.33% | 84.33% | 84% | 84% |
| TOTAL QUALIFIED BASIS | \$0 | \$23,130,666 | \$0 | \$23,130,666 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$2,081,760 | \$0 | \$2,081,760 |
| CREDITS ON QUALIFIED BASIS | \$2,081,760 | | \$2,081,760 | |

| | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | | | Credit Price \$0.8299 | Variance to Request | |
| Method | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$2,081,760 | \$17,276,526 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,040,005 | \$16,929,999 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$16,598,000 | \$2,000,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|----------|----------------|-------------|--------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Fourplex | 80,946 SF | \$125.54 | 10,162,094 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.30% | | 2.89 | \$234,229 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.29% | | 4.13 | 334,142 |
| Roof Adjustment(s) | | | 0.37 | 30,000 |
| Subfloor | | | (1.12) | (90,334) |
| Floor Cover | | | 3.75 | 303,548 |
| Breezeways | \$52.39 | 2,220 | 1.44 | 116,306 |
| Balconies | \$52.58 | 6,750 | 4.38 | 354,915 |
| Plumbing Fixtures | \$1,460 | 272 | 4.91 | 397,120 |
| Rough-ins | \$715 | 166 | 1.47 | 118,690 |
| Built-In Appliances | \$2,200 | 83 | 2.26 | 182,600 |
| Exterior Stairs | \$4,250 | 12 | 0.63 | 51,000 |
| Heating/Cooling | | | 4.11 | 332,688 |
| Storage Space | \$52.39 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$125.77 | 5,461 | 8.49 | 686,830 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 88,627 | 5.04 | 407,684 |
| SUBTOTAL | | | 168.28 | 13,621,512 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 168.28 | \$13,621,512 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.22) | (\$422,267) |
| Contractor's OH & Profit | 11.10% | | (18.68) | (1,511,988) |
| NET BUILDING COSTS | | \$140,810/unit | \$144.38/sf | \$11,687,257 |

Long-Term Pro Forma

Victoria Gardens, Brownsville, 9% HTC #25196

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$799,677 | \$815,671 | \$831,984 | \$848,624 | \$865,596 | \$955,688 | \$1,055,157 | \$1,164,979 | \$1,286,231 | \$1,420,103 | \$1,567,908 |
| TOTAL EXPENSES | 3.00% | \$382,562 | \$393,639 | \$405,040 | \$416,776 | \$428,855 | \$494,771 | \$570,938 | \$658,962 | \$760,702 | \$878,313 | \$1,014,286 |
| NET OPERATING INCOME ("NOI") | | \$417,115 | \$422,032 | \$426,944 | \$431,848 | \$436,742 | \$460,917 | \$484,219 | \$506,017 | \$525,528 | \$541,790 | \$553,622 |
| EXPENSE/INCOME RATIO | | 47.8% | 48.3% | 48.7% | 49.1% | 49.5% | 51.8% | 54.1% | 56.6% | 59.1% | 61.8% | 64.7% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| Legacy Bank and Trust | | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 |
| TOTAL DEBT SERVICE | | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 | \$322,982 |
| DEBT COVERAGE RATIO | | 1.29 | 1.31 | 1.32 | 1.34 | 1.35 | 1.43 | 1.50 | 1.57 | 1.63 | 1.68 | 1.71 |
| ANNUAL CASH FLOW | | | | | | | | | | | | |
| | | \$94,133 | \$99,050 | \$103,962 | \$108,866 | \$113,760 | \$137,935 | \$161,237 | \$183,035 | \$202,547 | \$218,808 | \$230,640 |
| Deferred Developer Fee Balance | | \$237,866 | \$138,816 | \$34,854 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$74,013 | \$187,773 | \$829,339 | \$1,589,387 | \$2,461,713 | \$3,436,516 | \$4,499,552 | \$5,631,126 |

25196 Victoria Gardens - Application Summary

REAL ESTATE ANALYSIS DIVISION

June 25, 2025

| PROPERTY IDENTIFICATION | | RECOMMENDATION | | | |
|-------------------------|-----------------------|------------------|-------------|-------------|----------------------|
| Application # | 25196 | TDHCA Program | Request | Recommended | |
| Development | Victoria Gardens | FHTC (9% Credit) | \$2,000,000 | \$2,000,000 | \$24,096/Unit \$0.83 |
| City / County | Brownsville / Cameron | | | | |
| Region/Area | 11 / Urban | | | | |
| Population | General | | | | |
| Set-Aside | Non-Profit | | | | |
| Activity | Reconstruction | | | | |

| KEY PRINCIPALS / SPONSOR | | |
|--|------------------|--------------|
| • Versa Development, LLC (Co-Developer 50% Fee) Manish Verma | | |
| • Brownsville Housing Opportunity Corporation (Co-Developer 50% Fee) Luis Eduardo Garduno- President | | |
| Related Parties | Contractor - TBD | Seller - Yes |

TYPICAL BUILDING ELEVATION/PHOTO

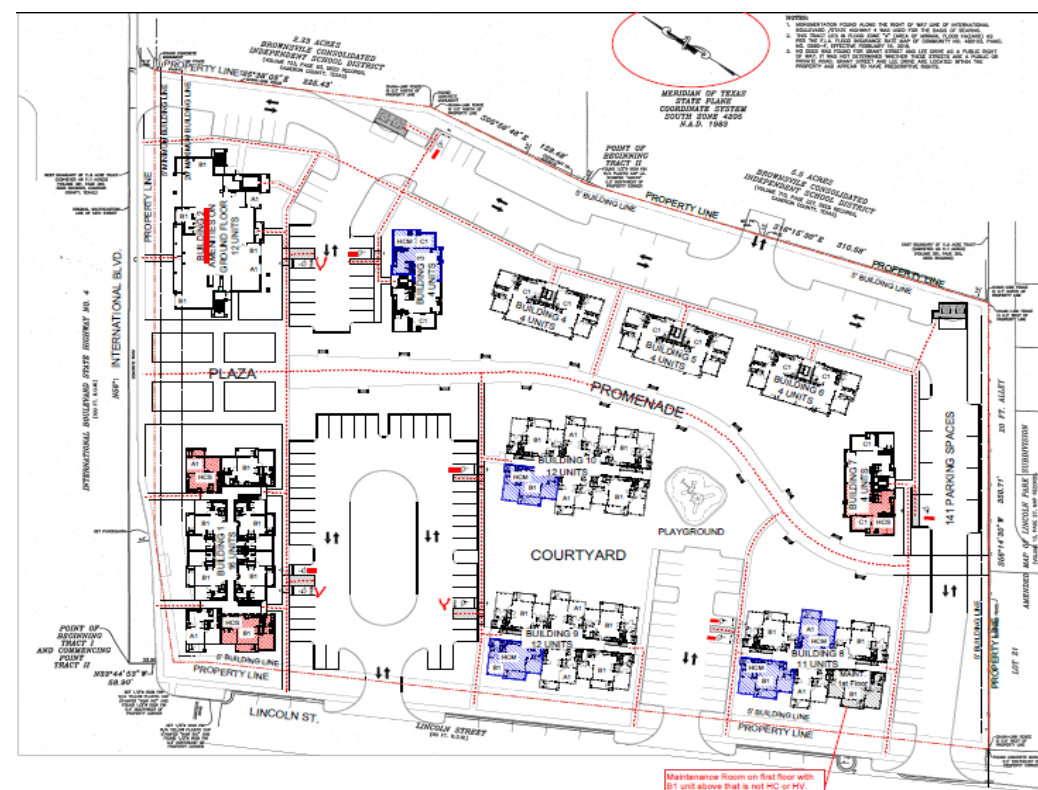


1 TYPE I - FRONT ELEVATION - PRES
1/18" = 1'-0"

| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | |
|-------------------|---------|---------|---------------------|---------|---------|
| # Beds | # Units | % Total | Income | # Units | % Total |
| Eff | - | 0% | 20% | - | 0% |
| 1 | 20 | 24% | 30% | 7 | 8% |
| 2 | 43 | 52% | 40% | - | 0% |
| 3 | 20 | 24% | 50% | 14 | 17% |
| 4 | - | 0% | 60% | 49 | 59% |
| | | | 70% | - | 0% |
| | | | 80% | - | 0% |
| | | | MR | 13 | 16% |
| TOTAL | 83 | 100% | TOTAL | 83 | 100% |

| PRO FORMA FEASIBILITY INDICATORS | | | |
|----------------------------------|--------------|-----------------------|--------------|
| Pro Forma Underwritten | | Applicant's Pro Forma | |
| Debt Coverage | 1.18 | Expense Ratio | 47.8% |
| Breakeven Occ. | 85.2% | Breakeven Rent | \$785 |
| Average Rent | \$853 | B/E Rent Margin | \$68 |
| Property Taxes | Exempt | Exemption/PILOT | 100% |
| Total Expense | \$4,609/unit | Controllable | \$2,868/unit |

SITE PLAN



| MARKET FEASIBILITY INDICATORS | | | |
|----------------------------------|-----|----------|------|
| Gross Capture Rate (10% Maximum) | | | 1.7% |
| Highest Unit Capture Rate | 3% | 2 BR/50% | 7 |
| Dominant Unit Cap. Rate | 3% | 2 BR/60% | 26 |
| Premiums (↑80% Rents) | No | | |
| Rent Assisted Units | N/A | | |

| DEVELOPMENT COST SUMMARY | | | |
|--------------------------|-------------|-------------------|---------------|
| Costs Underwritten | | Applicant's Costs | |
| Avg. Unit Size | 975 SF | Density | 14.2/acre |
| Acquisition | | \$11K/unit | \$910K |
| Building Cost | \$142.22/SF | \$139K/unit | \$11,512K |
| Hard Cost | | \$181K/unit | \$14,992K |
| Total Cost | | \$286K/unit | \$23,724K |
| Developer Fee | \$2,906K | (28% Deferred) | Paid Year: 10 |
| Contractor Fee | \$1,957K | 30% Boost | Yes |

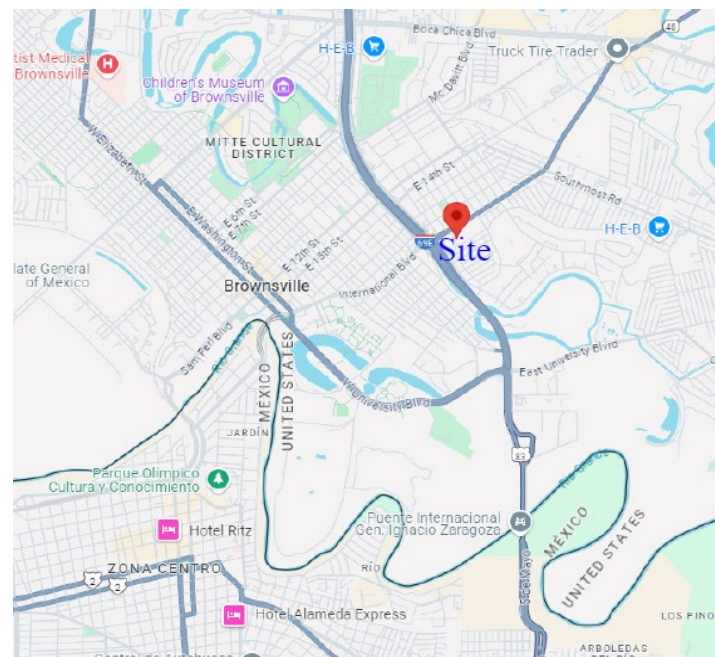
| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | | |
|-----------------------|-------|-------|-------------|------|------------------------------|------|-------|-------------|------|-------------------------------------|--------------|--------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount | |
| Legacy Bank and Trust | 15/35 | 7.25% | \$4,500,000 | 1.18 | Housing Authority COB | 40/0 | 0.50% | \$910,000 | 1.18 | Hudson Housing Capital | \$16,598,000 | |
| | | | | | HACB/BHFC - HUD CFP Funds | 30/0 | 2.00% | \$888,799 | 1.18 | VDC Victoria Gardens Development, L | \$826,699 | |
| | | | | | City of Brownsville | 0/0 | 0.00% | \$1,000 | 1.18 | | | |
| | | | | | | | | | | TOTAL EQUITY SOURCES | | \$17,424,699 |
| | | | | | | | | | | TOTAL DEBT SOURCES | | \$6,299,799 |
| TOTAL DEBT (Must Pay) | | | \$4,500,000 | | CASH FLOW DEBT / GRANTS | | | \$1,799,799 | | TOTAL CAPITALIZATION | | \$23,724,498 |

CONDITIONS

- Receipt and acceptance by Cost Certification:
 - Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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

| RISK PROFILE | |
|------------------------------|---|
| STRENGTHS/MITIGATING FACTORS | |
| ▫ | Low Gross Capture Rate of 1.7% |
| ▫ | Full Property Tax Exemption |
| ▫ | New reconstructed development and attractive |
| WEAKNESSES/RISKS | |
| ▫ | Construction Cost Risk |
| ▫ | Feasibility dependent upon property tax exemption |
| AREA MAP | |



**Real Estate Analysis Division****Underwriting Report****June 25, 2025****DEVELOPMENT IDENTIFICATION**TDHCA Application #: **25196** Program(s): **9% HTC****Victoria Gardens**Address/Location: **1809 Grant St**City: **Brownsville** County: **Cameron** Zip: **78521**Population: **General** Program Set-Aside: **Non-Profit** Area: **Urban**Activity: **Reconstruction** Building Type: **Fourplex** Region: **11**Low-Income: **40% at 60%**Analysis Purpose: **New Application - Initial Underwriting****ALLOCATION**

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$2,000,000 | | | | \$2,000,000 | | | | | | |

CONDITIONS

— Receipt and acceptance by Cost Certification:

- Certification that testing for lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that appropriate handling and disposal procedures were implemented.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 7 |
| 50% of AMI | 50% of AMI | 14 |
| 60% of AMI | 60% of AMI | 49 |

DEVELOPMENT SUMMARY

Victoria Gardens will be a combination of reconstruction and new construction. The original Victoria Gardens units were built in 1944 and have outlived their useful life. The existing forty-six (46) units will be demolished, removed, and replaced with a total of eighty-three (83) units of new housing serving families in the Brownsville area. The unit mix consists of twenty (20) 1-bedroom units, forty-three (43) 2-bedroom units, and twenty (20) 3-bedroom units. Seventy (70) of the units will be allocated to residents earning at or below 60% AMI, with the remaining thirteen (13) units leased at market rates. The site has never had any LIHTCs associated with the property. Site control is in the form of a ground lease with a term of 75 years on property owned by the Housing Authority of the City of Brownsville (HACB). HACB was the recipient of a 2021 HUD Choice Neighborhood Planning Grant. Victoria Gardens represents the anchor site for the HUD Choice Neighborhood Plan making it eligible for Tax Credit preference.

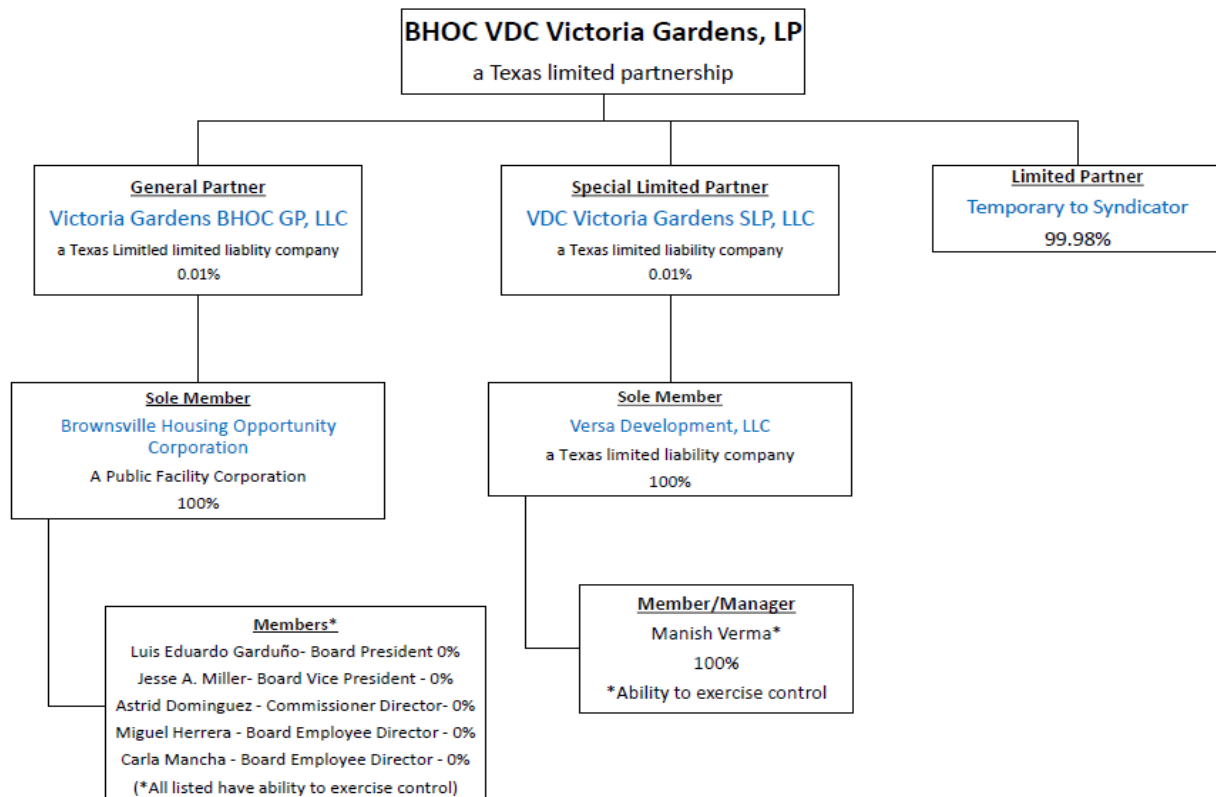
RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | | WEAKNESSES/RISKS | |
|------------------------------|--|------------------|---|
| ▫ | Low Gross Capture Rate of 1.7% | ▫ | Construction Cost Risk |
| ▫ | Full Property Tax Exemption | ▫ | Feasibility dependent upon property tax exemption |
| ▫ | New reconstructed development and attractive design should enhance leasing | ▫ | |

DEVELOPMENT TEAM

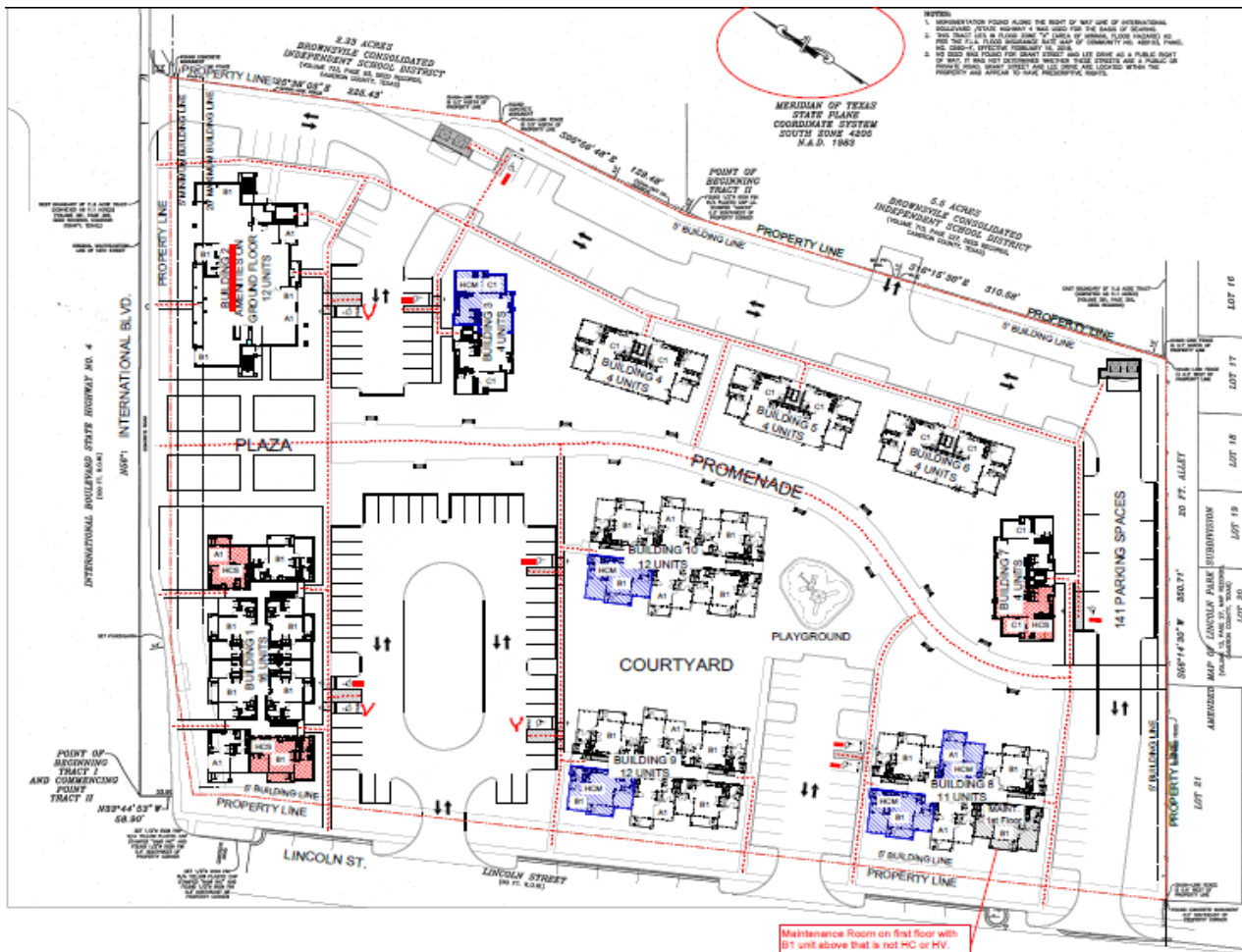
OWNERSHIP STRUCTURE

Victoria Gardens – Owner Organizational Chart



DEVELOPMENT SUMMARY

SITE PLAN

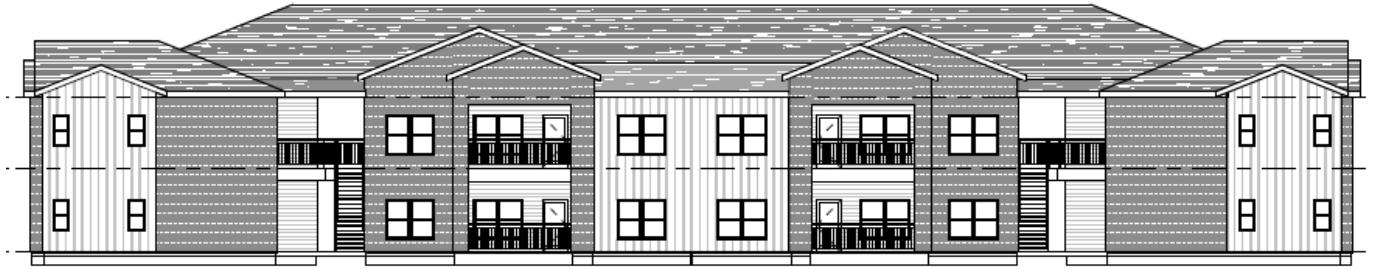




Comments:

The project will have 141 open surface parking spaces (1.7/unit) which is in compliance with the local code requirement of 95 parking spaces. All parking will be provided at no charge to the residents.

BUILDING ELEVATION



① TYPE I - FRONT ELEVATION - PRES
1/16" = 1'-0"

BUILDING CONFIGURATION

| Building Type | TYPE I | TYPE II | TYPE III | TYPE IV | TYPE IV A | | | | | | | | Total Buildings | |
|---------------------|--------|---------|----------|----------------|-----------|--------|--|-------------------|--|--|--|-------|--------------------|----|
| Floors/Stories | 2 | 3 | 2 | 2 | 2 | | | | | | | | | |
| Number of Bldgs | 1 | 1 | 5 | 2 | 1 | | | | | | | | | 10 |
| Units per Bldg | 16 | 12 | 4 | 12 | 11 | | | | | | | | | |
| Total Units | 16 | 12 | 20 | 24 | 11 | | | | | | | | | 83 |
| | | | | | | | | | | | | | | |
| Avg. Unit Size (SF) | | 975 sf | | Total NRA (SF) | | 80,946 | | Common Area (SF)* | | | | 5,972 | | |

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 5.84 acres Density: 14.2 units/acre
Site Control: 6.07 **Site Plan:** 5.84 **Appraisal:** 5.84 **ESA:** 5.84
Feasibility Report Survey: 5.84 **Feasibility Report Engineer's Plan:** 5.84 **Existing LURA:** N/A

Control Type: Contract for Ground Lease and Bill of Sale

Development Site: 5.84 acres Cost: \$910,000 \$10,964 per unit

Seller: Housing Authority of the City of Brownsville

Buyer: BHOC VDC Victoria gardens, L. P.

Related-Party Seller/Identity of Interest: Yes

Comments:

The ground lease lists 6.07 acres, including an apparent Right-of-Way (ROW) encroachment along International Blvd. The ROW area is expected to be deeded to the City of Brownsville prior to construction start as part of the permitting and entitlement process. No buildings will be constructed in the ROW easement, hence the net of 5.84 acres in all relevant reports.

The acquisition is an identity of interest transaction and an appraisal was provided to support the acquisition price and acquisition eligible basis. Brownsville Housing Opportunity Corporation (non-profit affiliate of the Housing Authority of the City of Brownsville) is the sole member of the GP. The Housing Authority of the City of Brownsville will retain ownership of the land and lease it to the Partnership under a 75-year ground lease, thereby facilitating an ad valorem tax exemption for the development.

The project is owned by the Housing Authority of the City of Brownsville and was used exclusively as public housing. HUD previously approved the disposition of the project from public housing.

APPRAISED VALUE

Appraiser: Araiza Appraisal & Consulting Date: 1/30/2025

Land as Vacant: 5.84 acres \$910,000 Per Unit: \$10,964

Comments:

The appraisal conclusion is based on an "As Is, As If Vacant" Market Value.

SITE INFORMATION

| | |
|--|-------------------------------------|
| Flood Zone: <u>X</u> | Scattered Site? <u>No</u> |
| Zoning: <u>Trad NBHD Corridor TN-C</u> | Within 100-yr floodplain? <u>No</u> |
| Re-Zoning Required? <u>No</u> | Utilities at Site? <u>Yes</u> |
| Year Constructed: <u>N/A</u> | Title Issues? <u>No</u> |

Current Uses of Subject Site:

According to historical resources, the Victoria Gardens Housing Development has occupied the property since 1944. Prior to 1944, the property was undeveloped.

TENANT RELOCATION PLAN

This Relocation and Transition Plan sets forth the policies and procedures to be utilized by the Housing Authority of the City of Brownsville (HACB) and the Project Owner for relocation of residents as of result of the Buena Vida Choice Neighborhoods Implementation planning effort and the Rental Assistance Demonstrations Program (RAD). HACB and the City of Brownsville (COB) have partnered to lead efforts to transfer assistance from the Victoria Gardens public housing development to El Jardin Apartments. Both developments are located in Brownsville, Texas. The Victoria Gardens development built in 1949 has 44 units and features one-story duplex apartments. HACB will transfer the project-based assistance to El Jardin Apartments, an eight-story building that is in the final stage of renovation. Victoria Gardens Families received a Resident Information Notice (RIN) and a General Information Notice (GIN) on January 22, 2021 to advise the residents about the HACB's plans to convert the public housing assistance to the Rental Assistance Demonstration (RAD) program.

Since the HACB is undergoing a transfer of assistance to El Jardin, the families will be required to move to El Jardin permanently. A Relocation Specialist has been designated to meet with each family to assist with their relocation needs. Families will be offered new units based on their original move-in date. Residents who have chosen not to move into El Jardin have already begun to relocate to other HACB properties. The families that continued to reside at Victoria Gardens past Dec. 1, 2024, signed an Interim Tenancy Addendum to Tenant Lease. The applicant prepared memo dated 5/21/25 indicates that there are 21 families waiting to relocate to either El Jardin (18 families estimated) or another location of their choice. The families moving to El Jardin will be permanently relocated to El Jardin after July 31st, 2025. All families will be eligible for Uniform Relocation Act (URA) assistance in moving to the new site. All of the new units at El Jardin Apartments have been determined to be comparable replacement units for purposes of calculating replacement housing payments. Families will be eligible for: 1) Counseling in preparation for the relocation, 2) Relocation assistance and payments 3) and Reimbursement for reasonable out of pocket expenses, including moving expenses. All moving expenses will be paid for by the HACB and the family may receive a \$100 moving expense and dislocation allowance.

Since this is a one time transfer, no storage will be provided by the HACB except as otherwise provided in the Relocation Plan. The new property at El Jardin Apartments also has a small storage closet in each unit.

The HACB has budgeted the total relocation expenses in the amount of \$160,351 and the actual moving costs in the amount of \$142,931. These costs are not allocated to the Victoria Gardens project. These costs were previously captured and covered by a previous project, El Jardin, a 2021 9% LIHTC award. The cost are associated with the move of the residents out of Victoria Gardens to The El Jardin project.

Since Victoria Gardens was the anchor for the International/Southmost Choice Neighborhood Plan, the families have the first choice to return to Victoria Gardens once it has been rebuilt. The tenant relocation does not address moving from El Jardin to Victoria Gardens, but per the applicant, this point was communicated to the families at the meetings held with them during the planning of the International/Southmost Transformation Plan.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Ambiotec Environmental Consultants, Inc.

Date: 2/24/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- No recognized environmental conditions (RECs) were identified at the subject property.
- Lead Based Paint was found in exterior paint samples collected from brick door-top trims, and concrete fascias and soffits; however, the paint was intact and in good condition, and no O&M was recommended. Worker protection and monitoring may be required during planned demolition activities that would disturb LBP.

MARKET ANALYSIS

Provider: Gibson Consulting, LLC

Date: 3/27/2025

Primary Market Area (PMA): 29.5 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
|--------|-----------------------|---------|-----------|-------------------|------------|-------------|
| 21228 | El Jardin | Yes | New Const | General | N/A | 44 |
| 23015 | Avanti Legacy del Sol | Yes | New Const | Elderly | N/A | 84 |
| 23019 | Avanti Legacy Lyon | Yes | New Const | Elderly | N/A | 84 |
| 23035 | Alton Gloor Lofts | Yes | New Const | General | 76 | 78 |

Other Affordable Developments in PMA since 2020

| | | | | | |
|-------|----------------|-----------|---------|-----|-----|
| 21048 | Price Lofts | New Const | General | N/A | 88 |
| 22412 | Rockwell Manor | rehab | General | N/A | 126 |

Stabilized Affordable Developments in PMA

| | |
|--------------------|-------|
| Total Units | 2,396 |
| Total Developments | 19 |
| Average Occupancy | 95.9% |

Comments:

The surveyed complexes consisting of 3,285 units had occupancy of 96.4%. Of this total, reported LIHTC units surveyed totaled 2,396 units and had occupancy of 95.9%. An onsite survey indicates 98 vacancies in the tax credit units. The market is considered to be tight, meaning that newly constructed units are expected to be occupied quickly. (p.35)

Overall market vacancy rate for competitive housing in the market area is 2.2%. The reported occupancy rate for the LIHTC complexes is 95.9%. The LIHTC complexes are Class B to D and the market rate units are Class A with some Class B. The occupancy rate is consistent with no discernible difference due to class for the market rate units. The LIHTC units also have similar occupancy with no difference in the complexes surveyed due to class. (p.49)

| OVERALL DEMAND ANALYSIS | | | | |
|--|----------------|----------|--|--|
| | Market Analyst | | | |
| | HTC | Assisted | | |
| Total Households in the Primary Market Area | 34,071 | | | |
| Potential Demand from the Primary Market Area | 7,778 | | | |
| 10% External Demand | 778 | | | |
| Potential Demand from Other Sources | 0 | | | |
| GROSS DEMAND | 8,556 | | | |
| Subject Affordable Units | 70 | | | |
| Unstabilized Competitive Units | 76 | | | |
| RELEVANT SUPPLY | 146 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | | | | |
| | 1.7% | | | |

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

| UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND | | | | | | | | | |
|--|----------------|---------|---------------|------------|------------------------|--|--|--|--|
| | Market Analyst | | | | | | | | |
| AMGI Band | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | |
| 30% AMGI | 2,417 | 242 | 7 | 8 | 0.6% | | | | |
| 50% AMGI | 10,000 | 1000 | 14 | 16 | 0.3% | | | | |
| 60% AMGI | 4,361 | 436 | 49 | 52 | 2.1% | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|----------------|---------|---------------|------------|-------------------|--|--|--|--|
| | Market Analyst | | | | | | | | |
| Unit Type | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/30% | 644 | 64 | 2 | 2 | 0.6% | | | | |
| 1 BR/50% | 266 | 27 | 4 | 4 | 2.7% | | | | |
| 1 BR/60% | 1,161 | 116 | 11 | 12 | 1.8% | | | | |
| 2 BR/30% | 948 | 95 | 3 | 4 | 0.7% | | | | |
| 2 BR/50% | 392 | 39 | 7 | 8 | 3.5% | | | | |
| 2 BR/60% | 1,710 | 171 | 26 | 30 | 3.0% | | | | |
| 3 BR/30% | 602 | 60 | 2 | 2 | 0.6% | | | | |
| 3 BR/50% | 249 | 25 | 3 | 4 | 2.6% | | | | |
| 3 BR/60% | 1,086 | 109 | 12 | 12 | 2.0% | | | | |

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

| | | | | | |
|----------------|-----------|----------------|-------|------------------------|---------|
| NOI: | \$417,453 | Avg. Rent: | \$853 | Expense Ratio: | 47.8% |
| Debt Service: | \$354,492 | B/E Rent: | \$785 | Controllable Expenses: | \$2,868 |
| Net Cash Flow: | \$62,960 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$0 |
| Aggregate DCR: | 1.18 | B/E Occupancy: | 85.2% | Program Rent Year: | 2024 |

The number of unrestricted units just exceeds 15% of the mix, so concluded Market Analyst rents could have been budgeted. However, Applicant chose to budget those units closer to gross 60% program rents. If the higher Market Analyst rents were used, the DCR would only increase to 1.25, still within feasibility threshold. In any event, the analysis is based on Applicant's more conservative assumptions.

Underwriter utilized the Database average for G&A expenses and local comps for Payroll, Utility and WST expenses. Applicant's expenses were used in the analysis since there is only a 3.7 % variance with Underwriter's expense assumptions.

Site control is in the form of a ground lease with a term of 75 years on property owned by the Housing Authority of the City of Brownsville. This will allow the development to qualify for an ad valorem tax exemption.

As underwritten, residual 15-year cash flow is \$628K after deferred developer fee is paid off in year 10.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

| | | | | | |
|-------------------------------|--------------|-----------------------|---------------------|----------------------------|--------------------|
| Acquisition | \$155,822/ac | \$10,964/unit | \$910,000 | Contractor Fee | \$1,956,661 |
| Off-site + Site Work | | \$33,328/unit | \$2,766,206 | Soft Cost + Financing | \$2,621,069 |
| Building Cost | \$142.22/sf | \$138,703/unit | \$11,512,332 | Developer Fee | \$2,906,204 |
| Contingency | 5.00% | \$8,602/unit | \$713,926 | Reserves | \$338,100 |
| Total Development Cost | | \$285,837/unit | \$23,724,498 | Rehabilitation Cost | N/A |

Qualified for 30% Basis Boost?

Non-Qualified Elderly not in QCT covered by Revitalization Plan [9% only]

Building Cost:

Underwriter estimated building cost using Marshall and Swift's "Good Quality" Base Cost. This resulted in an estimate of \$139K/unit (\$142/sf) as compared to Applicant's budget of \$141K/unit (\$144/sf). The difference only equates to a 1.5% variance so Applicant's budgeted costs are used in the underwriting analysis.

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$23,724,498 | \$21,112,148 | \$2,083,122 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|---------------------------------------|-----------------------------|---------------------|----------------------|-----|
| Legacy Bank and Trust | Conventional Loan | \$7,950,000 | 8.00% | 34% |
| Housing Authority COB | Seller Take-Back Loan | \$910,000 | 0.50% | 4% |
| HACB/BHFC - HUD CFP Funds | HUD CFP Funds | \$888,799 | 2.00% | 4% |
| Hudson Housing Capital | FHTC | \$11,618,600 | \$0.83 | 49% |
| VDC Victoria Gardens Development, LLC | Deferred Developer Fee | \$2,356,099 | 0.00% | 10% |
| City of Brownsville | Reduced Building Permit Fee | \$1,000 | 0.00% | 0% |
| | | \$23,724,498 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|---------------------------|--------------------|---------------|-------|------|--------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| Legacy Bank and Trust | \$4,500,000 | 7.25% | 35 | 15.0 | \$4,500,000 | 7.25% | 35 | 15.0 | 19% |
| Housing Authority COB | \$910,000 | 0.50% | 0 | 40.0 | \$910,000 | 0.50% | 0 | 40.0 | 4% |
| HACB/BHFC - HUD CFP Funds | \$888,799 | 2.00% | 0 | 30.0 | \$888,799 | 2.00% | 0 | 30.0 | 4% |
| City of Brownsville | \$1,000 | 0.00% | 0 | 0.0 | \$1,000 | 0.00% | 0 | 0.0 | 0% |
| Total | \$6,299,799 | | | | \$6,299,799 | | | | |

| Equity & Deferred Fees | PROPOSED | | | UNDERWRITTEN | | | |
|---------------------------------------|---------------------|--------|-------|---------------------|----------------------|------|-------|
| | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Hudson Housing Capital | \$16,598,000 | \$0.83 | | \$16,598,000 | \$0.83 | 70% | |
| VDC Victoria Gardens Development, LLC | \$826,699 | | 28% | \$826,699 | | 3% | 28% |
| Total | \$17,424,699 | | | \$17,424,699 | | | |
| | | | | \$23,724,498 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.871 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.799 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Gap Analysis:

| | |
|---|---------------------|
| Total Development Cost | \$23,724,498 |
| Permanent Sources (debt + non-HTC equity) | \$6,299,799 |
| Gap in Permanent Financing | \$17,424,699 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$17,287,826 | \$2,083,122 |
| Needed to Balance Sources & Uses | \$17,424,699 | \$2,099,614 |
| Requested by Applicant | \$16,598,000 | \$2,000,000 |

| | RECOMMENDATION | |
|------------------------------|---------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$16,598,000 | \$2,000,000 |

| | | |
|-------------------------------|------------------|------------------------|
| Deferred Developer Fee | \$826,699 | (28% deferred) |
| Repayable in | 10 years | |

Recommendation:

Underwriter recommends Applicant's request of \$2,000,000 in annual 9% Housing Tax Credits.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <i>Georgia Simmons</i> |
| Manager of Real Estate Analysis: | <i>Gregg Kazak</i> |
| Director of Real Estate Analysis: | <i>Jeanna Adams</i> |

| UNIT MIX/RENT SCHEDULE | | |
|--|--|--|
| Victoria Gardens, Brownsville, 9% HTC #25196 | | |

| LOCATION DATA | |
|--------------------|-------------|
| CITY: | Brownsville |
| COUNTY: | Cameron |
| Area Median Income | \$0 |
| PROGRAM REGION: | 11 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 20 | 24.1% | 0 | 0 | 0 | 0 |
| 2 | 43 | 51.8% | 0 | 0 | 0 | 0 |
| 3 | 20 | 24.1% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 83 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|--------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 84.33% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 975 sf |

| 55% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
|----------------|---------|------|------|------|-------|-------|------|------|---------|--------|
| Average Income | # Units | - | 7 | - | 14 | 49 | - | - | 13 | 83 |
| | % Total | 0.0% | 8.4% | 0.0% | 16.9% | 59.0% | 0.0% | 0.0% | 15.7% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|--------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$421 | 2 | 1 | 1 | 735 | \$421 | \$78 | \$343 | \$0 | \$0.47 | \$343 | \$686 | \$686 | \$343 | \$0.47 | \$0 | \$1,100 | \$1.50 | \$1,100 |
| TC 50% | \$703 | 4 | 1 | 1 | 735 | \$703 | \$78 | \$625 | \$0 | \$0.85 | \$625 | \$2,500 | \$2,500 | \$625 | \$0.85 | \$0 | \$1,100 | \$1.50 | \$1,100 |
| TC 60% | \$843 | 11 | 1 | 1 | 735 | \$843 | \$78 | \$765 | \$0 | \$1.04 | \$765 | \$8,415 | \$8,415 | \$765 | \$1.04 | \$0 | \$1,100 | \$1.50 | \$1,100 |
| MR | | 3 | 1 | 1 | 735 | \$0 | \$78 | | NA | \$1.17 | \$860 | \$2,580 | \$2,580 | \$860 | \$1.17 | NA | \$860 | \$1.17 | \$1,100 |
| TC 30% | \$506 | 3 | 2 | 2 | 982 | \$506 | \$103 | \$403 | \$0 | \$0.41 | \$403 | \$1,209 | \$1,209 | \$403 | \$0.41 | \$0 | \$1,350 | \$1.37 | \$1,350 |
| TC 50% | \$843 | 7 | 2 | 2 | 982 | \$843 | \$103 | \$740 | \$0 | \$0.75 | \$740 | \$5,180 | \$5,180 | \$740 | \$0.75 | \$0 | \$1,350 | \$1.37 | \$1,350 |
| TC 60% | \$1,012 | 26 | 2 | 2 | 982 | \$1,012 | \$103 | \$909 | \$0 | \$0.93 | \$909 | \$23,634 | \$23,634 | \$909 | \$0.93 | \$0 | \$1,350 | \$1.37 | \$1,350 |
| MR | | 7 | 2 | 2 | 982 | \$0 | \$103 | | NA | \$1.04 | \$1,020 | \$7,140 | \$7,140 | \$1,020 | \$1.04 | NA | \$1,020 | \$1.04 | \$1,350 |
| TC 30% | \$585 | 2 | 3 | 2 | 1,201 | \$585 | \$127 | \$458 | \$0 | \$0.38 | \$458 | \$916 | \$916 | \$458 | \$0.38 | \$0 | \$1,450 | \$1.21 | \$1,450 |
| TC 50% | \$975 | 3 | 3 | 2 | 1,201 | \$975 | \$127 | \$848 | \$0 | \$0.71 | \$848 | \$2,544 | \$2,544 | \$848 | \$0.71 | \$0 | \$1,450 | \$1.21 | \$1,450 |
| TC 60% | \$1,170 | 12 | 3 | 2 | 1,201 | \$1,170 | \$127 | \$1,043 | \$0 | \$0.87 | \$1,043 | \$12,516 | \$12,516 | \$1,043 | \$0.87 | \$0 | \$1,450 | \$1.21 | \$1,450 |
| MR | | 3 | 3 | 2 | 1,201 | \$0 | \$127 | | NA | \$0.97 | \$1,170 | \$3,510 | \$3,510 | \$1,170 | \$0.97 | NA | \$1,170 | \$0.97 | \$1,450 |
| TOTALS/AVERAGES: | | 83 | | | 80,946 | | | | \$0 | \$0.88 | \$853 | \$70,830 | \$70,830 | \$853 | \$0.88 | \$0 | \$1,267 | \$1.30 | \$1,314 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$849,960 | \$849,960 | |
|------------------------------|-----------|-----------|--|

*MFDL units float among Unit Types

| STABILIZED PRO FORMA | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Victoria Gardens, Brownsville, 9% HTC #25196 | | | | | | | | | | | | | |

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | |
|---------------------------------|-------------|--|--|-----------|--------|----------|-----------|-----------|----------|--------|-------|----------|-----|
| COMPARABLES | | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
| Database | Local Comps | | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$0.88 | \$853 | \$849,960 | \$849,960 | \$853 | \$0.88 | | 0.0% | \$0 |
| late fees, phone, cable laundry | | | | | | \$15.00 | \$14,940 | | | | | | |
| Total Secondary Income | | | | | | \$15.00 | | \$14,940 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$864,900 | \$864,900 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (64,868) | (64,868) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$800,033 | \$800,033 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|--------|--------|---------|-----------|-----------|---------|--------|--------|--------|-------------|
| General & Administrative | \$35,928 | \$433/Unit | \$46,572 | \$561 | 3.65% | \$0.36 | \$352 | \$29,220 | \$35,928 | \$433 | \$0.44 | 4.49% | -18.7% | (6,708) |
| Management | \$34,963 | 4.0% EGI | \$30,760 | \$371 | 5.00% | \$0.49 | \$482 | \$40,002 | \$40,002 | \$482 | \$0.49 | 5.00% | 0.0% | 0 |
| Payroll & Payroll Tax | \$110,086 | \$1,326/Unit | \$110,176 | \$1,327 | 12.70% | \$1.25 | \$1,224 | \$101,571 | \$110,176 | \$1,327 | \$1.36 | 13.77% | -7.8% | (8,605) |
| Repairs & Maintenance | \$53,682 | \$647/Unit | \$39,466 | \$475 | 6.02% | \$0.60 | \$580 | \$48,179 | \$53,950 | \$650 | \$0.67 | 6.74% | -10.7% | (5,771) |
| Electric/Gas | \$18,781 | \$226/Unit | \$11,616 | \$140 | 1.90% | \$0.19 | \$183 | \$15,228 | \$11,616 | \$140 | \$0.14 | 1.45% | 31.1% | 3,612 |
| Water, Sewer, & Trash | \$58,119 | \$700/Unit | \$40,963 | \$494 | 5.49% | \$0.54 | \$529 | \$43,884 | \$40,963 | \$494 | \$0.51 | 5.12% | 7.1% | 2,921 |
| Property Insurance | \$72,909 | \$0.90 /sf | \$122,907 | \$1,481 | 10.12% | \$1.00 | \$975 | \$80,946 | \$80,946 | \$975 | \$1.00 | 10.12% | 0.0% | - |
| Property Tax (@ 0%) 2.276383 | \$60,951 | \$734/Unit | \$29,044 | \$350 | 0.00% | \$0.00 | \$0 | \$0 | \$0 | \$0 | \$0.00 | 0.00% | 0.0% | - |
| Reserve for Replacements | | | | | 2.59% | \$0.26 | \$250 | \$20,750 | \$20,750 | \$250 | \$0.26 | 2.59% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.35% | \$0.03 | \$34 | \$2,800 | \$2,800 | \$34 | \$0.03 | 0.35% | 0.0% | - |
| TOTAL EXPENSES | | | | | 47.82% | \$4.73 | \$4,609 | \$382,580 | \$397,131 | \$4,785 | \$4.91 | 49.64% | -3.7% | \$ (14,551) |
| NET OPERATING INCOME ("NOI") | | | | | 52.18% | \$5.16 | \$5,030 | \$417,453 | \$402,902 | \$4,854 | \$4.98 | 50.36% | 3.6% | \$ 14,551 |

| | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$2,868/Unit | | | | \$3,044/Unit | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|---------------------------|-----|---|------|-----------|----------------------------|-------|------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| DEBT (Must Pay) | Fee | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| | | UW | App | | | | | | | | | | | DCR | LTC |
| Legacy Bank and Trust | | 1.14 | 1.18 | 354,493 | 7.25% | 35 | 15 | \$4,500,000 | \$4,500,000 | 15 | 35 | 7.25% | \$354,492 | 1.18 | 19.0% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | |
| Housing Authority COB | | 1.14 | 1.18 | | 0.50% | 0 | 40 | \$910,000 | \$910,000 | 40 | 0 | 0.50% | | 1.18 | 3.8% |
| HACB/BHFC - HUD CFP Funds | | 1.14 | 1.18 | | 2.00% | 0 | 30 | \$888,799 | \$888,799 | 30 | 0 | 2.00% | | 1.18 | 3.7% |
| City of Brownsville | | 1.14 | 1.18 | | 0.00% | 0 | 0 | \$1,000 | \$1,000 | 0 | 0 | 0.00% | | 1.18 | 0.0% |
| | | | | \$354,493 | TOTAL DEBT / GRANT SOURCES | | | \$6,299,799 | \$6,299,799 | TOTAL DEBT SERVICE | | | \$354,492 | 1.18 | 26.6% |

| | | | | | | | | | |
|---------------|----------|----------|-----------|--|----------------------|--|-----------|----------|---------------|
| NET CASH FLOW | \$48,409 | \$62,960 | APPLICANT | | NET OPERATING INCOME | | \$417,453 | \$62,960 | NET CASH FLOW |
|---------------|----------|----------|-----------|--|----------------------|--|-----------|----------|---------------|

| | EQUITY SOURCES | | | | | | | | | | |
|---------------------------------------|---------------------------------------|--------|----------------|--------------|--------------|----------------------------------|----------------|---------------|--------|----------------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| EQUITY / DEFERRED FEES | | | | | | | | | | | |
| Hudson Housing Capital | LIHTC Equity | 70.0% | \$2,000,000 | \$0.83 | \$16,598,000 | \$16,598,000 | \$0.8299 | \$2,000,000 | 70.0% | \$24,096 | Applicant Request |
| VDC Victoria Gardens Development, LLC | Deferred Developer Fees | 3.5% | (28% Deferred) | | \$826,699 | \$826,699 | (28% Deferred) | | 3.5% | Total Developer Fee: \$2,906,204 | |
| Additional (Excess) Funds Req'd | | 0.0% | | | | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 73.4% | | | \$17,424,699 | \$17,424,699 | | | 73.4% | | |

| | | | | | |
|----------------------|--------------|--------------|--|-------------------------------------|-----------|
| TOTAL CAPITALIZATION | \$23,724,498 | \$23,724,498 | | 15-Yr Cash Flow after Deferred Fee: | \$627,862 |
|----------------------|--------------|--------------|--|-------------------------------------|-----------|

| | | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-----------------------------------|------------------|-----------------|--|------------------|--------------------------|----------------|--|------------------|-------------|------------------|--|----------------|----|-------------|--|--------------|--|--------------|--|-------|--|-------------|--|
| | | | APPLICANT COST / BASIS ITEMS | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | | | | | | | | | | | | | |
| | | | Eligible Basis | | | | | | | | Eligible Basis | | | | | | | | | | | | | | | |
| | | | Acquisition | New Const. Rehab | | | | | | | New Const. Rehab | Acquisition | | | % | \$ | | | | | | | | | | |
| Land Acquisition | | | | | \$10,964 / Unit | | \$910,000 | | \$910,000 | | \$10,964 / Unit | | | | 0.0% | | \$0 | | | | | | | | | |
| Building Acquisition | | | \$0 | | \$ / Unit | | \$0 | | \$0 | | \$ / Unit | | \$0 | | 0.0% | | \$0 | | | | | | | | | |
| Off-Sites | | | | | \$0 | | \$1,536 / Unit | | \$127,505 | | \$127,505 | | \$1,536 / Unit | | \$0 | | | | 0.0% | | \$0 | | | | | |
| Site Work | | | | | \$1,513,652 | | \$28,945 / Unit | | \$2,402,451 | | \$2,402,451 | | \$28,945 / Unit | | \$1,513,652 | | | | 0.0% | | \$0 | | | | | |
| Site Amenities | | | | | \$236,250 | | \$2,846 / Unit | | \$236,250 | | \$236,250 | | \$2,846 / Unit | | \$236,250 | | | | 0.0% | | \$0 | | | | | |
| Building Cost | | | | | \$11,512,332 | | \$142.22 /sf | | \$138,703/Unit | | \$11,512,332 | | \$11,687,257 | | \$140,810/Unit | | | | \$144.38 /sf | | \$11,512,332 | | -1.5% | | (\$174,925) | |
| Contingency | | | | | \$713,926 | | 5.38% | | 5.00% | | \$713,926 | | \$713,926 | | 4.94% | | | | 5.38% | | \$713,926 | | 0.0% | | \$0 | |
| Contractor Fees | | | \$1,956,661 | | 14.00% | | 13.05% | | \$1,956,661 | | \$1,956,661 | | 12.90% | | 14.00% | | \$1,956,661 | | 0.0% | | \$0 | | | | | |
| Soft Costs | | | \$0 | | \$1,401,952 | | \$16,891 / Unit | | \$1,401,952 | | \$1,401,952 | | \$16,891 / Unit | | \$1,401,952 | | \$0 | | 0.0% | | \$0 | | | | | |
| Financing | | | \$0 | | \$1,023,617 | | \$14,688 / Unit | | \$1,219,117 | | \$1,219,117 | | \$14,688 / Unit | | \$1,023,617 | | \$0 | | 0.0% | | \$0 | | | | | |
| Developer Fee | | | \$0 | | \$2,753,758 | | 15.00% | | 15.00% | | \$2,906,204 | | \$2,906,204 | | 14.87% | | 15.00% | | \$2,753,758 | | \$0 | | 0.0% | | \$0 | |
| Reserves | | | | | | | 6 Months | | \$338,100 | | \$338,100 | | 5 Months | | | | | | 0.0% | | \$0 | | | | | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | | \$0 | | \$21,112,148 | | \$285,837 / Unit | | \$23,724,498 | | \$23,899,423 | | \$287,945 / Unit | | \$21,112,148 | | \$0 | | -0.7% | | (\$174,925) | | | | | |
| Acquisition Cost | | | \$0 | | | | | | \$0 | | | | | | | | | | | | | | | | | |
| Contingency | | | | | \$0 | | | | \$0 | | | | | | | | | | | | | | | | | |
| Contractor's Fee | | | | | \$0 | | | | \$0 | | | | | | | | | | | | | | | | | |
| Financing Cost | | | | | \$0 | | | | | | | | | | | | | | | | | | | | | |
| Developer Fee | | | \$0 | | \$0 | | | | \$0 | | | | | | | | | | | | | | | | | |
| Reserves | | | | | | | | | \$0 | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | |
|---|-----|--------------|----------------|--------------|--------------|----------------|--------------|-----|-------|-------------|
| ADJUSTED BASIS / COST | \$0 | \$21,112,148 | \$285,837/unit | \$23,724,498 | \$23,899,423 | \$287,945/unit | \$21,112,148 | \$0 | -0.7% | (\$174,925) |
| | | | | | | | | | | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | \$23,724,498 | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Victoria Gardens, Brownsville, 9% HTC #25196

| | CREDIT CALCULATION ON QUALIFIED BASIS | | | |
|-----------------------------|---------------------------------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$21,112,148 | \$0 | \$21,112,148 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$21,112,148 | \$0 | \$21,112,148 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$27,445,792 | \$0 | \$27,445,792 |
| Applicable Fraction | 84.33% | 84.33% | 84% | 84% |
| TOTAL QUALIFIED BASIS | \$0 | \$23,145,796 | \$0 | \$23,145,796 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$2,083,122 | \$0 | \$2,083,122 |
| CREDITS ON QUALIFIED BASIS | \$2,083,122 | | \$2,083,122 | |

| | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|----------|---------------------|
| | | | Credit Price | \$0.8299 | Variance to Request |
| Method | Annual Credits | Proceeds | Credit Allocation | | |
| Eligible Basis | \$2,083,122 | \$17,287,826 | ---- | ---- | ---- |
| Needed to Fill Gap | \$2,099,614 | \$17,424,699 | ---- | ---- | ---- |
| Applicant Request | \$2,000,000 | \$16,598,000 | \$2,000,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|----------|----------------|-------------|--------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Fourplex | 80,946 SF | \$125.54 | 10,162,094 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.30% | | 2.89 | \$234,229 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.29% | | 4.13 | 334,142 |
| Roof Adjustment(s) | | | 0.37 | 30,000 |
| Subfloor | | | (1.12) | (90,334) |
| Floor Cover | | | 3.75 | 303,548 |
| Breezeways | \$52.39 | 2,220 | 1.44 | 116,306 |
| Balconies | \$52.58 | 6,750 | 4.38 | 354,915 |
| Plumbing Fixtures | \$1,460 | 272 | 4.91 | 397,120 |
| Rough-ins | \$715 | 166 | 1.47 | 118,690 |
| Built-In Appliances | \$2,200 | 83 | 2.26 | 182,600 |
| Exterior Stairs | \$4,250 | 12 | 0.63 | 51,000 |
| Heating/Cooling | | | 4.11 | 332,688 |
| Storage Space | \$52.39 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$125.77 | 5,461 | 8.49 | 686,830 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 88,627 | 5.04 | 407,684 |
| SUBTOTAL | | | 168.28 | 13,621,512 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 168.28 | \$13,621,512 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.22) | (\$422,267) |
| Contractor's OH & Profit | 11.10% | | (18.68) | (1,511,988) |
| NET BUILDING COSTS | | \$140,810/unit | \$144.38/sf | \$11,687,257 |

Long-Term Pro Forma

Victoria Gardens, Brownsville, 9% HTC #25196

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$800,033 | \$816,033 | \$832,354 | \$849,001 | \$865,981 | \$956,113 | \$1,055,626 | \$1,165,496 | \$1,286,802 | \$1,420,733 | \$1,568,605 |
| TOTAL EXPENSES | 3.00% | \$382,580 | \$393,657 | \$405,059 | \$416,795 | \$428,874 | \$494,793 | \$570,962 | \$658,988 | \$760,731 | \$878,345 | \$1,014,322 |
| NET OPERATING INCOME ("NOI") | | \$417,453 | \$422,376 | \$427,295 | \$432,206 | \$437,107 | \$461,320 | \$484,664 | \$506,508 | \$526,071 | \$542,389 | \$554,283 |
| EXPENSE/INCOME RATIO | | 47.8% | 48.2% | 48.7% | 49.1% | 49.5% | 51.8% | 54.1% | 56.5% | 59.1% | 61.8% | 64.7% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| Legacy Bank and Trust | | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 |
| TOTAL DEBT SERVICE | | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 | \$354,492 |
| DEBT COVERAGE RATIO | | 1.18 | 1.19 | 1.21 | 1.22 | 1.23 | 1.30 | 1.37 | 1.43 | 1.48 | 1.53 | 1.56 |
| ANNUAL CASH FLOW | | | | | | | | | | | | |
| | | \$62,960 | \$67,883 | \$72,802 | \$77,714 | \$82,615 | \$106,828 | \$130,172 | \$152,016 | \$171,579 | \$187,896 | \$199,791 |
| Deferred Developer Fee Balance | | \$763,739 | \$695,855 | \$623,053 | \$545,339 | \$462,724 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,227 | \$627,862 | \$1,344,998 | \$2,164,856 | \$3,073,218 | \$4,050,419 |



Real Estate Analysis Division

October 14, 2025

Addendum to Underwriting Report

TDHCA Application #: 25201

Program(s): 9% HTC

Pine Creek Apartments

Address/Location: Hwy 71 & Lovers Lane (108 Lovers Lane)

City: Bastrop

County: Bastrop

Zip: 78602

| | APPLICATION HISTORY |
|-------------|---|
| Report Date | PURPOSE |
| 10/14/25 | 9% HTC Amendment State Credit Award Amendment |
| 07/14/25 | Original Underwriting Report |

ALLOCATION

| TDHCA Program | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|------------|------------|-------------|-------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm. Lien | Const. Term | Const. Lien |
| State Housing Tax Credits | \$0 | | | | \$200,000 | | | | | | |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

CONDITIONS STATUS

1 Receipt and acceptance by Commitment:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.

Status: Condition satisfied.

2 Receipt and acceptance by Cost Certification:

- a: Architect certification that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
- b: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.
- c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

d: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

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.

CURRENT SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 15 |
| 50% of AMI | 50% of AMI | 12 |
| 60% of AMI | 60% of AMI | 25 |

PREVIOUS SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 5 |
| 50% of AMI | 50% of AMI | 12 |
| 60% of AMI | 60% of AMI | 35 |

ANALYSIS

25201 Pine Creek received a \$1,125,000 LIHTC award from TDHCA in July 2025.
The applicant is replacing the 45L Energy credits with 2025 State Housing Tax Credits.

The amendment includes the following:

- Increasing the TC 30% 1-BR units from 4 to 10
- Decreasing the TC 60% 1-BR units from 24 to 18
- Increasing the TC 30% 2-BR units from 0 to 4
- Decreasing the TC 60% 2-BR units from 11 to 7

Operating Pro Forma

Underwriter is utilizing 2025 rents.

The TC60% 941sf two-bedroom unit program rent exceeds market rent amounts indicated by the market analyst by \$36 creating a delta to max of \$36.

The TC60% 963sf two-bedroom unit program rent exceeds market rent amounts indicated by the market analyst by \$3 creating a delta to max of \$3.

Effective Gross Income decreased by \$40,526.

Total expenses decreased by \$1,423.

Net Operating Income decreased by \$39,103.

DCR increased from 1.15 to 1.23

Development Cost

Financing costs increased by \$107,025.

Building costs did not change from previous underwriting.

Total Development Cost increased by \$230k.

Eligible contingency is overstated by \$17,216.

Eligible contractor's fee is overstated by \$36,842.

Eligible developer fee is overstated by \$5,119.

Sources of Funds

Mason Joseph HUD 221 (d)(4) construction to perm loan decreased from \$4,350,000 to \$3,700,000 and the interest rate decreased from 6% to 5.75%. The interest rate does not include the 0.25% MIP fee.

Applicant combined the interest rate and mortgage insurance premium to calculate their debt service payment. Per QAP rule 11.302(d)(4)(A), Private Mortgage Insurance premiums and similar fees are not included in the interest rate but calculated on outstanding principal balance and added to the total debt service payment.

As a result, the Underwriter's calculated annual debt service payment of \$245,852 is \$1,557 higher than the applicant's payment. The deal is still feasible with the difference in the debt service payment.

The deferred developer fee decreased by \$103,760 and pays off in year 7.

Applicant removed the Merchants 45L Energy Annual Credits of \$215,800 from equity and replaced with State Housing Tax Credits.

The equity investment letter for the State Tax Credits from Merchants Capital indicates a total capital contribution of \$1,199,880 with annual tax credits of \$200,000. The investor will purchase 99.99% of the forecasted tax credits at a rate of \$0.6 per allocated tax credit dollar credit.

There was no change to the LIHTC Equity contribution .

Recommendation:

Underwriter recommends an annual Federal Tax Credit allocation of \$1,125,000 as previously awarded.

Underwriter also recommends \$200,000 in annual State Housing Tax Credits as requested by the applicant.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <u>Travis Mason</u> |
| Manager of Real Estate Analysis: | <u>Robert Castillo</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE | |
|---|--|
| Pine Creek Apartments, Bastrop, 9% HTC #25201 | |

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Bastrop |
| COUNTY: | Bastrop |
| Area Median Income | \$133,800 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|---------|---------|----------|-----|------|-------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 36 | 69.2% | 0 | 0 | 0 | 0 |
| 2 | 16 | 30.8% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 52 | 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 | 781 sf |

| | | | | | | | | | | |
|---------|---------|------|-------|------|-------|-------|------|------|---------|--------|
| 49% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 15 | - | 12 | 25 | - | - | - | 52 |
| Income | % Total | 0.0% | 28.8% | 0.0% | 23.1% | 48.1% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|----------|--------|---------|--------|-------------------------|---------------|----------------------|-----------------------------|----------|-------------------|--------------------|-----------------------|---------------|----------|--------------|--------------|--------|--------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$753 | 4 | 1 | 1 | 656 | \$753 | \$58 | \$695 | \$0 | \$1.06 | \$695 | \$2,780 | \$2,780 | \$695 | \$1.06 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 50% | \$1,255 | 5 | 1 | 1 | 656 | \$1,255 | \$58 | \$1,197 | \$0 | \$1.82 | \$1,197 | \$5,985 | \$5,985 | \$1,197 | \$1.82 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 60% | \$1,506 | 9 | 1 | 1 | 656 | \$1,506 | \$58 | \$1,448 | \$0 | \$2.21 | \$1,448 | \$13,032 | \$13,032 | \$1,448 | \$2.21 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 30% | \$753 | 2 | 1 | 1 | 769 | \$753 | \$58 | \$695 | \$0 | \$0.90 | \$695 | \$1,390 | \$1,390 | \$695 | \$0.90 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 50% | \$1,255 | 1 | 1 | 1 | 769 | \$1,255 | \$58 | \$1,197 | \$0 | \$1.56 | \$1,197 | \$1,197 | \$1,197 | \$1,197 | \$1.56 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 60% | \$1,506 | 3 | 1 | 1 | 769 | \$1,506 | \$58 | \$1,448 | \$0 | \$1.88 | \$1,448 | \$4,344 | \$4,344 | \$1,448 | \$1.88 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 30% | \$753 | 2 | 1 | 1 | 724 | \$753 | \$58 | \$695 | \$0 | \$0.96 | \$695 | \$1,390 | \$1,390 | \$695 | \$0.96 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 50% | \$1,255 | 1 | 1 | 1 | 724 | \$1,255 | \$58 | \$1,197 | \$0 | \$1.65 | \$1,197 | \$1,197 | \$1,197 | \$1,197 | \$1.65 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 60% | \$1,506 | 3 | 1 | 1 | 724 | \$1,506 | \$58 | \$1,448 | \$0 | \$2.00 | \$1,448 | \$4,344 | \$4,344 | \$1,448 | \$2.00 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 30% | \$753 | 2 | 1 | 1 | 708 | \$753 | \$58 | \$695 | \$0 | \$0.98 | \$695 | \$1,390 | \$1,390 | \$695 | \$0.98 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 50% | \$1,255 | 1 | 1 | 1 | 708 | \$1,255 | \$58 | \$1,197 | \$0 | \$1.69 | \$1,197 | \$1,197 | \$1,197 | \$1,197 | \$1.69 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 60% | \$1,506 | 3 | 1 | 1 | 708 | \$1,506 | \$58 | \$1,448 | \$0 | \$2.05 | \$1,448 | \$4,344 | \$4,344 | \$1,448 | \$2.05 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 30% | \$903 | 1 | 2 | 1 | 941 | \$903 | \$75 | \$828 | \$0 | \$0.88 | \$828 | \$828 | \$828 | \$828 | \$0.88 | \$0 | \$1,696 | \$1.80 | \$1,696 |
| TC 50% | \$1,506 | 1 | 2 | 1 | 941 | \$1,506 | \$75 | \$1,431 | \$0 | \$1.52 | \$1,431 | \$1,431 | \$1,431 | \$1,431 | \$1.52 | \$0 | \$1,696 | \$1.80 | \$1,696 |
| TC 60% | \$1,807 | 2 | 2 | 1 | 941 | \$1,807 | \$75 | \$1,732 | \$0 | \$1.84 | \$1,732 | \$3,464 | \$3,392 | \$1,696 | \$1.80 | (\$36) | \$1,696 | \$1.80 | \$1,696 |
| TC 30% | \$903 | 3 | 2 | 1 | 963 | \$903 | \$75 | \$828 | \$0 | \$0.86 | \$828 | \$2,484 | \$2,484 | \$828 | \$0.86 | \$0 | \$1,729 | \$1.80 | \$1,729 |
| TC 50% | \$1,506 | 2 | 2 | 1 | 963 | \$1,506 | \$75 | \$1,431 | \$0 | \$1.49 | \$1,431 | \$2,862 | \$2,862 | \$1,431 | \$1.49 | \$0 | \$1,729 | \$1.80 | \$1,729 |
| TC 60% | \$1,807 | 1 | 2 | 1 | 963 | \$1,807 | \$75 | \$1,732 | \$0 | \$1.80 | \$1,732 | \$1,732 | \$1,729 | \$1,729 | \$1.80 | (\$3) | \$1,729 | \$1.80 | \$1,729 |
| TC 30% | \$903 | 1 | 2 | 1 | 1,006 | \$903 | \$75 | \$828 | \$0 | \$0.82 | \$828 | \$828 | \$828 | \$828 | \$0.82 | \$0 | \$1,798 | \$1.79 | \$1,798 |
| TC 50% | \$1,506 | 1 | 2 | 1 | 1,006 | \$1,506 | \$75 | \$1,431 | \$0 | \$1.42 | \$1,431 | \$1,431 | \$1,431 | \$1,431 | \$1.42 | \$0 | \$1,798 | \$1.79 | \$1,798 |
| TC 60% | \$1,807 | 4 | 2 | 1 | 1,006 | \$1,807 | \$75 | \$1,732 | \$0 | \$1.72 | \$1,732 | \$6,928 | \$6,928 | \$1,732 | \$1.72 | \$0 | \$1,798 | \$1.79 | \$1,798 |
| TOTALS/AVERAGES: | | 52 | | | 40,592 | | | | \$0 | \$1.59 | \$1,242 | \$64,578 | \$64,503 | \$1,240 | \$1.59 | (\$1) | \$1,615 | \$2.07 | \$1,615 |

| | | | |
|------------------------------|-----------|-----------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$774,936 | \$774,036 | |
|------------------------------|-----------|-----------|--|

STABILIZED PRO FORMA

Pine Creek Apartments, Bastrop, 9% HTC #25201

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | |
|---------------------------------|----------------------------------|--|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|-------|
| COMPARABLES | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
| Database | Bastrop, Lee, Guadalupe Counties | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | \$1.59 | \$1,242 | \$774,936 | \$818,748 | \$818,748 | \$774,036 | \$1,240 | \$1.59 | | 0.1% | \$900 |
| Application fees | | | | | \$15.00 | \$9,360 | 9,360 | | | | | | | |
| Total Secondary Income | | | | | \$15.00 | | | 9,360 | \$9,360 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | \$784,296 | \$828,108 | \$828,108 | \$783,396 | | | | 0.1% | \$900 |
| Vacancy & Collection Loss | | | | | 7.5% PGI | (58,822) | (62,108) | (62,108) | (58,755) | 7.5% PGI | | | 0.1% | (68) |
| EFFECTIVE GROSS INCOME | | | | | | \$725,474 | \$766,000 | \$766,000 | \$724,641 | | | | 0.1% | \$833 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|-----------|---------|--------|---------|---------|-----------|-----------|-----------|-----------|---------|---------|--------|--------|-------------|
| General & Administrative | \$31,529 | \$606/Unit | \$29,882 | \$575 | 3.65% | \$0.65 | \$510 | \$26,500 | \$26,500 | \$29,882 | \$29,882 | \$575 | \$0.74 | 4.12% | -11.3% | (3,382) |
| Management | \$36,181 | 5.5% EGI | \$44,711 | \$860 | 3.55% | \$0.63 | \$495 | \$25,754 | \$27,177 | \$27,177 | \$25,724 | \$495 | \$0.63 | 3.55% | 0.1% | 30 |
| Payroll & Payroll Tax | \$68,582 | \$1,319/Unit | \$104,919 | \$2,018 | 19.13% | \$3.42 | \$2,668 | \$138,750 | \$138,750 | \$138,750 | \$138,750 | \$2,668 | \$3.42 | 19.15% | 0.0% | - |
| Repairs & Maintenance | \$51,427 | \$989/Unit | \$75,602 | \$1,454 | 6.43% | \$1.15 | \$897 | \$46,660 | \$46,660 | \$33,800 | \$36,400 | \$700 | \$0.90 | 5.02% | 28.2% | 10,260 |
| Electric/Gas | \$13,610 | \$262/Unit | \$7,569 | \$146 | 1.52% | \$0.27 | \$212 | \$11,000 | \$11,000 | \$7,569 | \$7,569 | \$146 | \$0.19 | 1.04% | 45.3% | 3,431 |
| Water, Sewer, & Trash | \$42,754 | \$822/Unit | \$42,245 | \$812 | 5.38% | \$0.96 | \$750 | \$39,000 | \$39,000 | \$42,245 | \$42,245 | \$812 | \$1.04 | 5.83% | -7.7% | (3,245) |
| Property Insurance | \$34,386 | \$0.85 /sf | \$39,012 | \$750 | 5.60% | \$1.00 | \$781 | \$40,592 | \$40,592 | \$40,592 | \$40,592 | \$781 | \$1.00 | 5.60% | 0.0% | - |
| Property Tax (@ 100%) 1.97005 | \$43,027 | \$827/Unit | \$45,913 | \$883 | 10.87% | \$1.94 | \$1,517 | \$78,885 | \$78,885 | \$81,079 | \$73,081 | \$1,405 | \$1.80 | 10.09% | 7.9% | 5,804 |
| Reserve for Replacements | | | | | 1.79% | \$0.32 | \$250 | \$13,000 | \$13,000 | \$13,000 | \$13,000 | \$250 | \$0.32 | 1.79% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.29% | \$0.05 | \$40 | \$2,080 | \$2,080 | \$2,080 | \$2,080 | \$40 | \$0.05 | 0.29% | 0.0% | - |
| TOTAL EXPENSES | | | | | 58.20% | \$10.40 | \$8,120 | \$422,221 | \$423,644 | \$416,175 | \$409,324 | \$7,872 | \$10.08 | 56.49% | 3.2% | \$ 12,897 |
| NET OPERATING INCOME ("NOI") | | | | | 41.80% | \$7.47 | \$5,832 | \$303,253 | \$342,356 | \$349,825 | \$315,317 | \$6,064 | \$7.77 | 43.51% | -3.8% | \$ (12,064) |

| | | | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--|--------------|--|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$5.037/Unit | | | | | \$4,901/Unit | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--|--------------|--|--|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Pine Creek Apartments, Bastrop, 9% HTC #25201

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | | |
|--|-------|---|----------|---|----------------------------|-------|------|-------------|--------------------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | | | | | | | | | | Cumulative | | | | | | |
| DEBT (Must Pay) | Fee | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Prior Underwriting | | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| | | UW | App | | | | | | Applicant | TDHCA | | | | | | DCR | LTC |
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | 0.25% | 1.29 | 1.24 | 244,295 | 5.75% | 40 | 40.0 | \$3,700,000 | \$4,350,000 | \$4,350,000 | \$3,700,000 | 40.0 | 40.0 | 5.75% | \$245,852 | 1.23 | 25.3% |
| Adjustment to Debt Per §11.302(c)(2) | 0.25% | | | | | | | | | | | 40.0 | 40.0 | 5.75% | | 1.23 | 0.0% |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | |
| City of Bastrop | | 1.29 | 1.24 | | 0.00% | 0 | 0.0 | \$250 | \$250 | \$250 | \$250 | 0.0 | 0.0 | 0.00% | | 1.23 | 0.0% |
| | | | | \$244,295 | TOTAL DEBT / GRANT SOURCES | | | \$3,700,250 | \$4,350,250 | \$4,350,250 | \$3,700,250 | TOTAL DEBT SERVICE | | | \$245,852 | 1.23 | 25.3% |
| NET CASH FLOW | | \$71,022 | \$58,958 | APPLICANT NET OPERATING INCOME \$303,253 \$57,401 NET CASH FLOW | | | | | | | | | | | | | |

| | EQUITY SOURCES | | | | | | | | | | | | |
|---------------------------------|---------------------------------------|--------|----------------|--------------|--------------|--------------------|--------------|----------------------------------|----------------|---------------|-------------------------------------|-------------------------|---------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| Applicant | | | | | | TDHCA | | | | | | | |
| EQUITY / DEFERRED FEES | | | | | | | | | | | | | |
| Merchants | LIHTC Equity | 63.8% | \$1,125,000 | \$0.83 | \$9,337,500 | \$9,337,500 | \$9,337,500 | \$9,337,500 | \$0.83 | \$1,125,000 | 63.8% | \$21,635 | Previous Allocation |
| Merchants | SHTC Equity | 8.2% | \$200,000 | \$0.60 | \$1,199,880 | \$0 | \$0 | \$1,199,880 | \$0.60 | \$200,000 | 8.2% | | |
| Merchants - 45L Energy Credit | 45L Energy Credits | 0.0% | | \$0.00 | \$0 | \$215,800 | \$215,800 | \$0 | | | 0.0% | | |
| Elizabeth Property Group (EPG) | Deferred Developer Fees | 2.7% | (24% Deferred) | | \$394,214 | \$497,974 | \$498,974 | \$394,614 | (24% Deferred) | | 2.7% | | |
| Additional (Excess) Funds Req'd | | 0.0% | | | | | \$0 | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 74.7% | | | \$10,931,594 | \$10,051,274 | \$10,052,274 | \$10,931,994 | | | 74.7% | | |
| TOTAL CAPITALIZATION | | | | | \$14,631,844 | \$14,401,524 | \$14,402,524 | \$14,632,244 | | | 15-Yr Cash Flow after Deferred Fee: | | \$652,702 |

| DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | | |
|---|------------------|-----------------|-----------------|------------------|--------------------|--------------|--------------------------|-----------------|------------------|------------------|-------------|---------------|-----------|----------|
| APPLICANT COST / BASIS ITEMS | | | | | | | 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 | | \$19,231 / Unit | \$1,000,000 | | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$19,231 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | \$0 | \$ / Unit | \$0 | | \$0 | \$0 | \$0 | \$ / Unit | | | \$0 | 0.0% | \$0 | |
| Closing costs & acq. legal fees | | | \$30,000 | | \$30,000 | \$30,000 | \$30,000 | | | | | 0.0% | \$0 | |
| Off-Sites | \$0 | \$1,532 / Unit | \$79,650 | | \$79,650 | \$79,650 | \$79,650 | \$1,532 / Unit | \$0 | | | 0.0% | \$0 | |
| Site Work | \$522,616 | \$14,780 / Unit | \$768,550 | | \$768,550 | \$768,550 | \$768,550 | \$14,780 / Unit | \$522,616 | | | 0.0% | \$0 | |
| Site Amenities | \$163,316 | \$3,141 / Unit | \$163,316 | | \$163,316 | \$163,316 | \$163,316 | \$3,141 / Unit | \$163,316 | | | 0.0% | \$0 | |
| Building Cost | \$5,966,928 | \$151.83 /sf | \$118,519/Unit | \$6,162,982 | \$6,162,982 | \$5,833,719 | \$5,833,719 | \$112,187/Unit | \$143.72 /sf | \$5,833,719 | | 5.6% | \$329,263 | |
| Contingency | \$482,916 | 7.26% | 6.92% | \$496,639 | \$496,639 | \$479,166 | \$479,166 | 7.00% | 7.00% | \$456,376 | | 3.6% | \$17,473 | |
| Contractor Fees | \$1,033,440 | 14.48% | 14.00% | \$1,073,959 | \$1,073,959 | \$1,025,416 | \$1,025,416 | 14.00% | 14.00% | \$976,644 | | 4.7% | \$48,543 | |
| Soft Costs | \$0 | \$899,209 | \$18,735 / Unit | \$974,209 | \$974,209 | \$974,209 | \$974,209 | \$18,735 / Unit | \$899,209 | \$0 | | 0.0% | \$0 | |
| Financing | \$0 | \$1,351,506 | \$30,487 / Unit | \$1,585,316 | \$1,478,291 | \$1,478,291 | \$1,585,316 | \$30,487 / Unit | \$1,351,506 | \$0 | | 0.0% | \$0 | |
| Developer Fee | \$0 | \$1,560,000 | 14.97% | 14.89% | \$1,631,107 | \$1,631,107 | \$1,576,104 | \$1,582,764 | 15.00% | 15.00% | \$1,530,508 | \$0 | 3.1% | \$48,343 |
| Reserves | | | 12 Months | \$666,516 | \$543,821 | \$543,821 | \$666,516 | 12 Months | | | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$11,979,931 | \$281,389 / Unit | \$14,632,244 | \$14,402,524 | \$13,952,242 | \$14,188,622 | \$272,858 / Unit | \$11,733,893 | \$0 | 3.1% | \$443,622 | |
| Acquisition Cost | \$0 | | | \$0 | \$0 | | | | | | | | | |
| Contingency | | (\$17,216) | | \$0 | \$0 | | | | | | | | | |
| Contractor's Fee | | (\$36,842) | | \$0 | \$0 | | | | | | | | | |
| Financing Cost | | \$0 | | | | | | | | | | | | |
| Developer Fee | \$0 | (\$5,119) | 15.00% | \$0 | \$0 | | | | | | | | | |
| Reserves | | | | \$0 | \$0 | | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$11,920,755 | \$281,389/unit | \$14,632,244 | \$14,402,524 | | \$14,188,622 | \$272,858/unit | \$11,733,893 | \$0 | 3.1% | \$443,622 | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | \$14,632,244 | | | | | | | | | |

| |
|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| Pine Creek Apartments, Bastrop, 9% HTC #25201 |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-----------------------------|--------------|--------------|--------------|
| Applicant | | TDHCA | | |
| Acquisition | Construction Rehabilitation | Acquisition | Construction | |
| ADJUSTED BASIS | \$0 | \$11,920,755 | \$0 | \$11,733,893 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$11,920,755 | \$0 | \$11,733,893 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$15,496,981 | \$0 | \$15,254,061 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$15,496,981 | \$0 | \$15,254,061 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,394,728 | \$0 | \$1,372,865 |
| CREDITS ON QUALIFIED BASIS | \$1,394,728 | | \$1,372,865 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|---------------------|--|--------------|-------------------------------|---------------------|----------|
| | Annual Credits | Proceeds | Credit Price \$0.8300 | Variance to Request | |
| | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,394,728 | \$11,576,245 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,172,544 | \$9,732,114 | ---- | ---- | ---- |
| Previous Allocation | \$1,125,000 | \$9,337,500 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|-----------------|----------------|-------------|-------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Elevator Served | 40,592 SF | \$96.94 | 3,934,969 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.32% | | 2.25 | \$91,291 |
| Elderly | 9.00% | | 8.72 | 354,147 |
| 9-Ft. Ceilings | 3.29% | | 3.19 | 129,460 |
| Roof Adjustment(s) | | | 1.28 | 52,000 |
| Subfloor | | | (0.23) | (9,336) |
| Floor Cover | | | 3.75 | 152,220 |
| Enclosed Corridors | \$85.59 | 6,760 | 14.25 | 578,585 |
| Balconies | \$50.84 | 7,286 | 9.12 | 370,388 |
| Plumbing Fixtures | \$1,460 | 52 | 1.87 | 75,920 |
| Rough-ins | \$715 | 104 | 1.83 | 74,360 |
| Built-In Appliances | \$2,200 | 52 | 2.82 | 114,400 |
| Exterior Stairs | \$4,250 | 4 | 0.42 | 17,000 |
| Heating/Cooling | | | 4.11 | 166,833 |
| Storage Space | \$85.59 | 393 | 0.83 | 33,637 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$140.15 | 2,162 | 7.46 | 303,015 |
| Elevators | \$112,000 | 1 | 2.76 | 112,000 |
| Other: Riser, Mechanical | \$85.59 | 219 | 0.46 | 18,744 |
| Fire Sprinklers | \$4.60 | 49,907 | 5.66 | 229,572 |
| SUBTOTAL | | | 167.50 | 6,799,206 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 167.50 | \$6,799,206 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.19) | (\$210,775) |
| Contractor's OH & Profit | 11.10% | | (18.59) | (754,712) |
| NET BUILDING COSTS | | \$112,187/unit | \$143.72/sf | \$5,833,719 |

Long-Term Pro Forma

Pine Creek Apartments, Bastrop, 9% HTC #25201

| | 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% | \$725,474 | \$739,983 | \$754,783 | \$769,879 | \$785,276 | \$867,008 | \$957,247 | \$1,056,878 | \$1,166,879 | \$1,288,329 | \$1,422,419 | \$1,570,466 |
| TOTAL EXPENSES | 3.00% | \$422,221 | \$434,630 | \$447,406 | \$460,561 | \$474,104 | \$548,078 | \$633,674 | \$732,726 | \$847,359 | \$980,036 | \$1,133,606 | \$1,311,373 |
| NET OPERATING INCOME ("NOI") | | \$303,253 | \$305,353 | \$307,377 | \$309,318 | \$311,172 | \$318,930 | \$323,574 | \$324,152 | \$319,520 | \$308,293 | \$288,814 | \$259,093 |
| EXPENSE/INCOME RATIO | | 58.2% | 58.7% | 59.3% | 59.8% | 60.4% | 63.2% | 66.2% | 69.3% | 72.6% | 76.1% | 79.7% | 83.5% |

MUST -PAY DEBT SERVICE

| | | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | \$245,852 | \$245,791 | \$245,726 | \$245,657 | \$245,585 | \$245,151 | \$244,574 | \$243,805 | \$242,781 | \$241,416 | \$239,598 | \$237,176 |
| Adjustment to Debt Per §11.302(c)(2) | | | | | | | | | | | | |
| TOTAL DEBT SERVICE | \$245,852 | \$245,791 | \$245,726 | \$245,657 | \$245,585 | \$245,151 | \$244,574 | \$243,805 | \$242,781 | \$241,416 | \$239,598 | \$237,176 |
| DEBT COVERAGE RATIO | 1.23 | 1.24 | 1.25 | 1.26 | 1.27 | 1.30 | 1.32 | 1.33 | 1.32 | 1.28 | 1.21 | 1.09 |

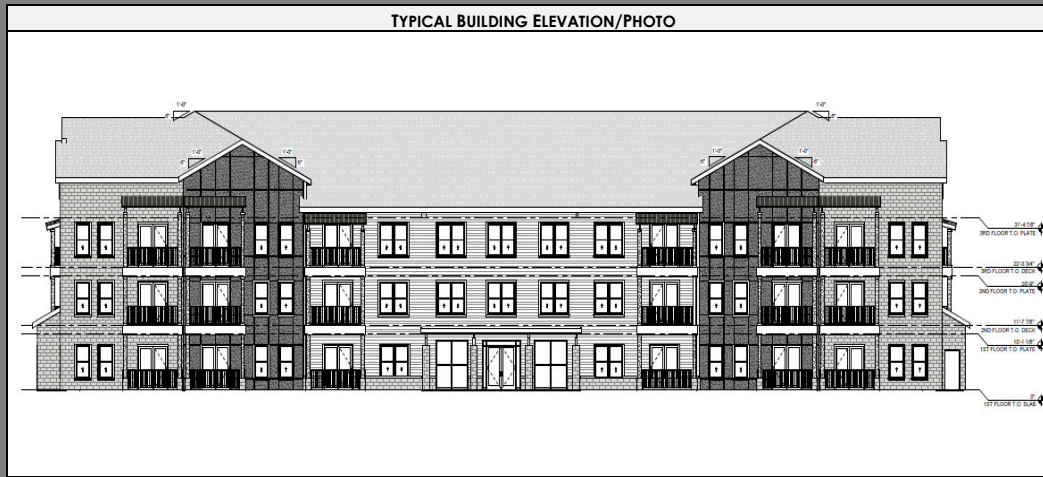
| | | | | | | | | | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| ANNUAL CASH FLOW | \$57,401 | \$59,562 | \$61,651 | \$63,661 | \$65,587 | \$73,779 | \$78,999 | \$80,347 | \$76,739 | \$66,877 | \$49,216 | \$21,917 |
| Deferred Developer Fee Balance | \$337,213 | \$277,651 | \$216,000 | \$152,340 | \$86,752 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | \$0 | \$0 | \$0 | \$0 | \$0 | \$266,789 | \$652,702 | \$1,053,494 | \$1,446,630 | \$1,803,532 | \$2,088,399 | \$2,256,846 |

25201 Pine Creek Apartments - Application Summary

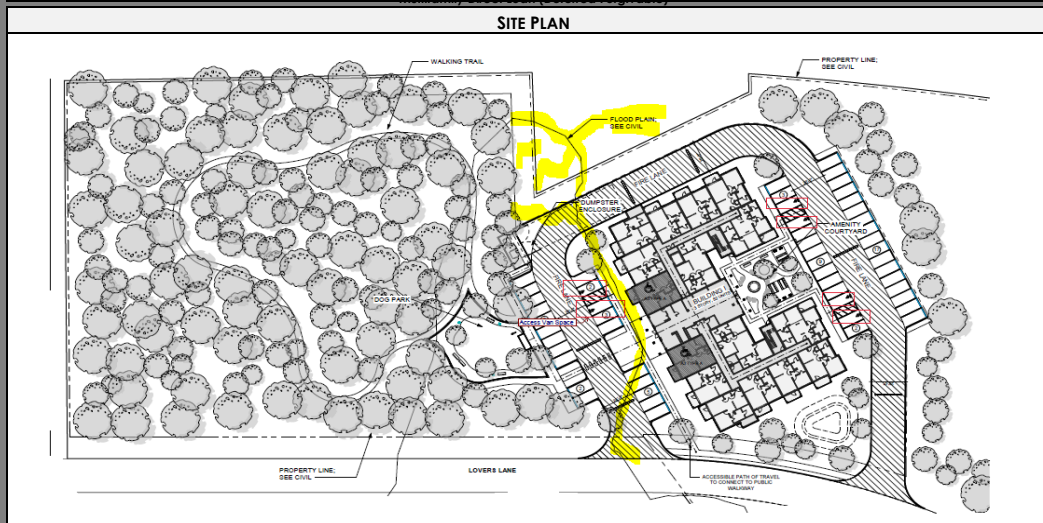
REAL ESTATE ANALYSIS DIVISION
July 14, 2025

| PROPERTY IDENTIFICATION | | RECOMMENDATION | | | | |
|-------------------------|-----------------------|------------------|-------------|-------------|---------------|--------|
| Application # | 25201 | TDHCA Program | Request | Recommended | | |
| Development | Pine Creek Apartments | FHTC (9% Credit) | \$1,125,000 | \$1,125,000 | \$21,635/Unit | \$0.83 |
| City / County | Bastrop / Bastrop | | | | | |
| Region/Area | 7 / Rural | | | | | |
| Population | Elderly Limitation | | | | | |
| Set-Aside | General | | | | | |
| Activity | New Construction | | | | | |

| KEY PRINCIPALS / SPONSOR | | | |
|---|--------------|----|-------------|
| Tisha Vaidya - Elizabeth Property Group Maira Concannon - Elizabeth Property Group | | | |
| Lora Myrick / Consultant | | | |
| Related Parties | Contractor - | No | Seller - No |



| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | |
|-------------------|---------|---------|---------------------|---------|---------|
| # Beds | # Units | % Total | Income | # Units | % Total |
| Eff | - | 0% | 20% | - | 0% |
| 1 | 36 | 69% | 30% | 5 | 10% |
| 2 | 16 | 31% | 40% | - | 0% |
| 3 | - | 0% | 50% | 12 | 23% |
| 4 | - | 0% | 60% | 35 | 67% |
| | | | 70% | - | 0% |
| | | | 80% | - | 0% |
| | | | MR | - | 0% |
| TOTAL | 52 | 100% | TOTAL | 52 | 100% |



| PRO FORMA FEASIBILITY INDICATORS | | | |
|----------------------------------|--------------|-----------------------|--------------|
| Pro Forma Underwritten | | Applicant's Pro Forma | |
| Debt Coverage | 1.15 | Expense Ratio | 55.3% |
| Breakeven Occ. | 87.2% | Breakeven Rent | \$1,235 |
| Average Rent | \$1,312 | B/E Rent Margin | \$77 |
| Property Taxes | \$1,517/unit | Exemption/PILOT | 0% |
| Total Expense | \$8,147/unit | Controllable | \$5,037/unit |

| MARKET FEASIBILITY INDICATORS | | | |
|----------------------------------|-----|----------|------|
| Gross Capture Rate (10% Maximum) | | | 0.6% |
| Highest Unit Capture Rate | 2% | 1 BR/60% | 24 |
| Dominant Unit Cap. Rate | 2% | 1 BR/60% | 24 |
| Premiums (↑80% Rents) | N/A | | N/A |
| Rent Assisted Units | N/A | | |

| DEVELOPMENT COST SUMMARY | | | |
|--------------------------|-------------|-------------------|--------------|
| Costs Underwritten | | Applicant's Costs | |
| Avg. Unit Size | 781 SF | Density | 9.1/acre |
| Acquisition | | \$20K/unit | \$1,030K |
| Building Cost | \$151.83/SF | \$119K/unit | \$6,163K |
| Hard Cost | | \$148K/unit | \$7,671K |
| Total Cost | | \$277K/unit | \$14,403K |
| Developer Fee | \$1,631K | (31% Deferred) | Paid Year: 9 |
| Contractor Fee | \$1,074K | 30% Boost | Yes |

| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | |
|--|-------|-------|--------------------|------|--------------------------------|------|-------|--------------|------|--------------------------------|---------------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount |
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | 40/40 | 6.00% | \$4,350,000 | 1.15 | City of Bastrop | 0/0 | 0.00% | \$250 | 1.15 | Merchants | \$9,337,500 |
| | | | | | | | | | | Merchants - 45L Energy Credit | \$215,800 |
| | | | | | | | | | | Elizabeth Property Group (EPG) | \$498,974 |
| | | | | | | | | | | TOTAL EQUITY SOURCES | \$10,052,274 |
| | | | | | | | | | | TOTAL DEBT SOURCES | \$4,350,250 |
| TOTAL DEBT (Must Pay) | | | \$4,350,000 | | CASH FLOW DEBT / GRANTS | | | \$250 | | TOTAL CAPITALIZATION | \$14,402,524 |

| CONDITIONS |
|---|
| <p>1 Receipt and acceptance by Commitment:</p> <ul style="list-style-type: none"> • Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain. |
| <p>2 Receipt and acceptance by Cost Certification:</p> <p>a: Architect certification that all recommendations were implemented and the Development is compliant with HUD noise guidelines.</p> <p>b: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.</p> <p>c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.</p> <p>d: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.</p> |
| <p>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.</p> |

| RISK PROFILE | AERIAL PHOTOGRAPH(s) |
|---|----------------------|
| <p>STRENGTHS/MITIGATING FACTORS</p> <ul style="list-style-type: none"> • Low Gross Capture Rate. | |
| <p>WEAKNESSES/RISKS</p> <ul style="list-style-type: none"> • Low total number of units at 52. • North and northwest portions of the subject property which are in Zone AE (100-year floodplain). • DCR at 1.15. | |
| <p>AREA MAP</p> | |
| | |



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25201** Program(s): **9% HTC**

Pine Creek Apartments

Address/Location: Hwy 71 & Lovers Lane (108 Lovers Lane)

City: Bastrop County: Bastrop Zip: 78602

Population: Elderly Limitation Program Set-Aside: General Area: Rural

Activity: New Construction Building Type: Elevator Served Region: 7

Low-Income: 40% at 60%

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.
- 2 Receipt and acceptance by Cost Certification:
 - a: Architect certification that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
 - b: If any portion of the site is determined to be a wetland area, certification that compliance with all federal, state and local wetland mitigation requirements has been met.
 - c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.
 - d: For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 5 |
| 50% of AMI | 50% of AMI | 12 |
| 60% of AMI | 60% of AMI | 35 |

DEVELOPMENT SUMMARY

The Development will serve elderly population 55+ and will be comprised of 52 units - 36 one-bedroom units and 16 two-bedroom units serving income levels of 30%, 50%, and 60% AMFI. The property will have energy star stainless steel appliance packages in stainless steel and luxury vinyl flooring along with amenities such as a dog park, picnic area with BBQs, business center, and resident coffee bar.

The last development that received an allocation of Housing Tax Credits that served the elderly population was in 2019 for a 36-unit re-syndication from a 2012 initial allocation.

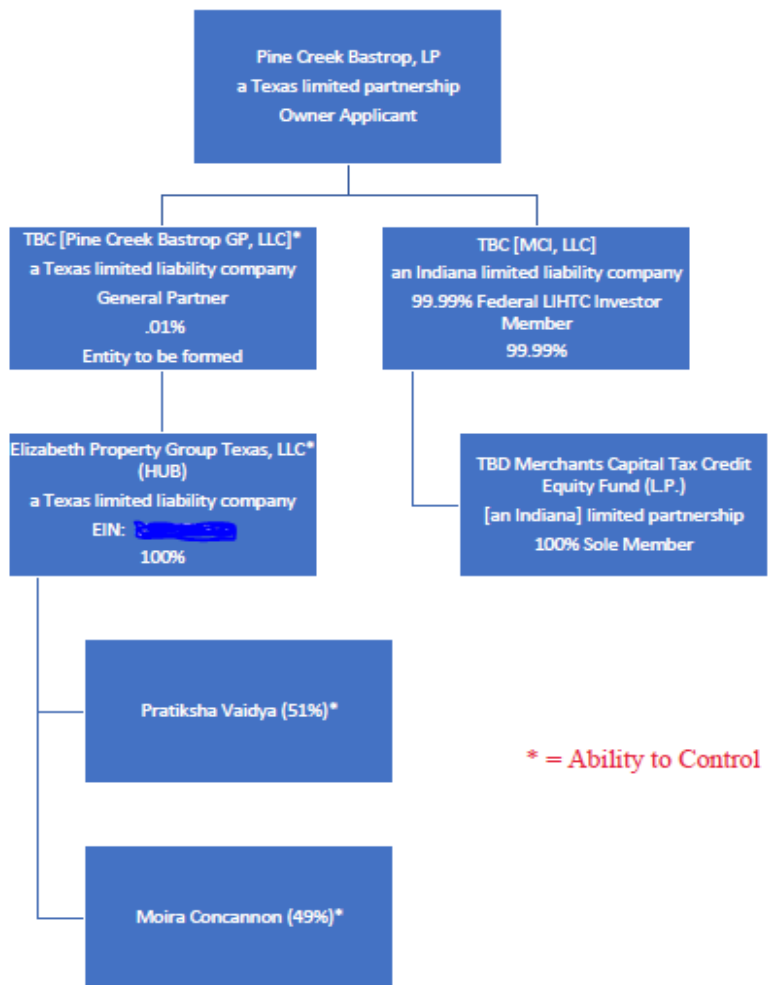
RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | |
|------------------------------|-------------------------|
| ▫ | Low Gross Capture Rate. |
| ▫ | |
| ▫ | |

| WEAKNESSES/RISKS | |
|------------------|--|
| ▫ | Low total number of units at 52. |
| ▫ | North and northwest portions of the subject property which are in Zone AE (100-year floodplain). |
| ▫ | DCR at 1.15. |

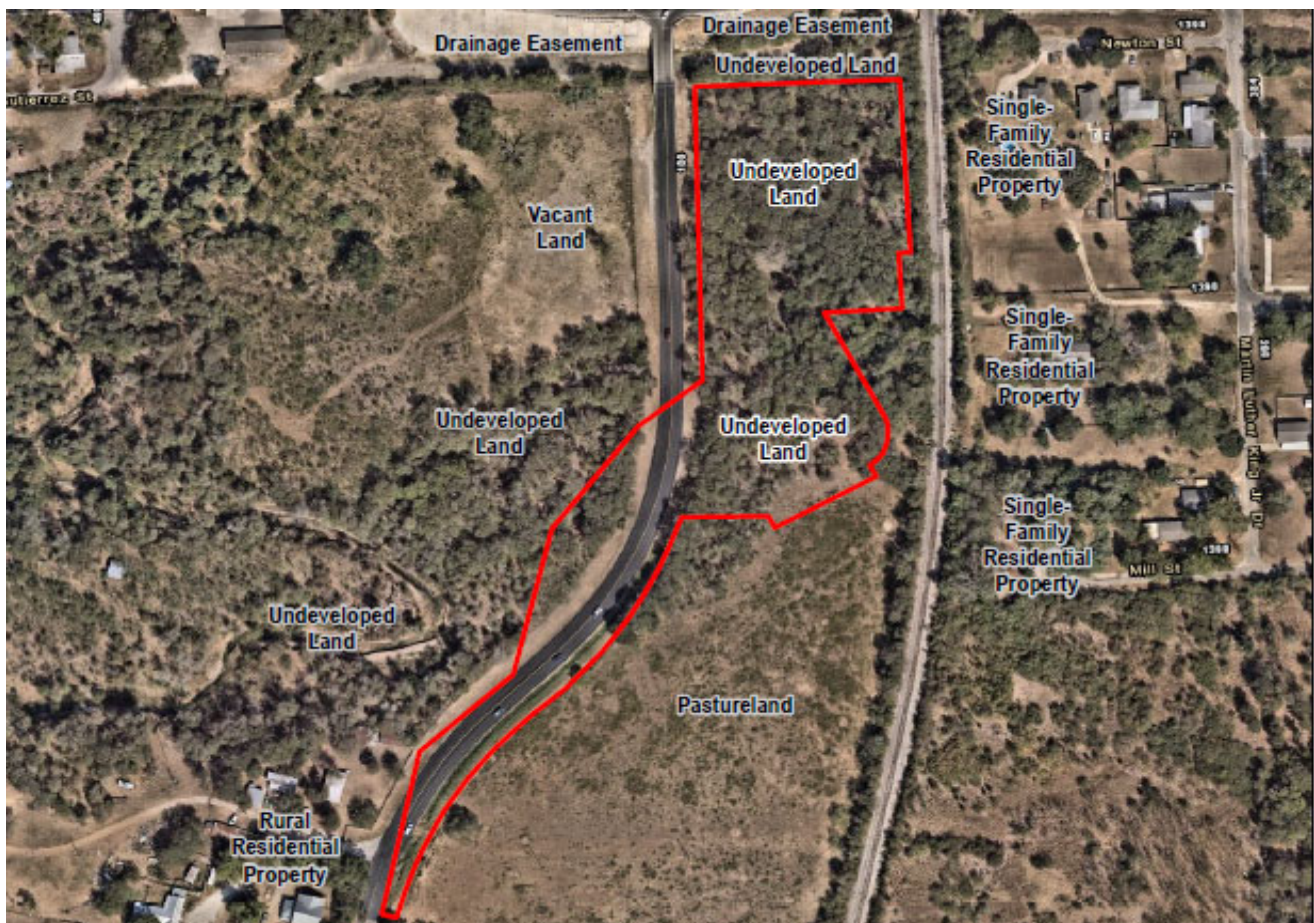
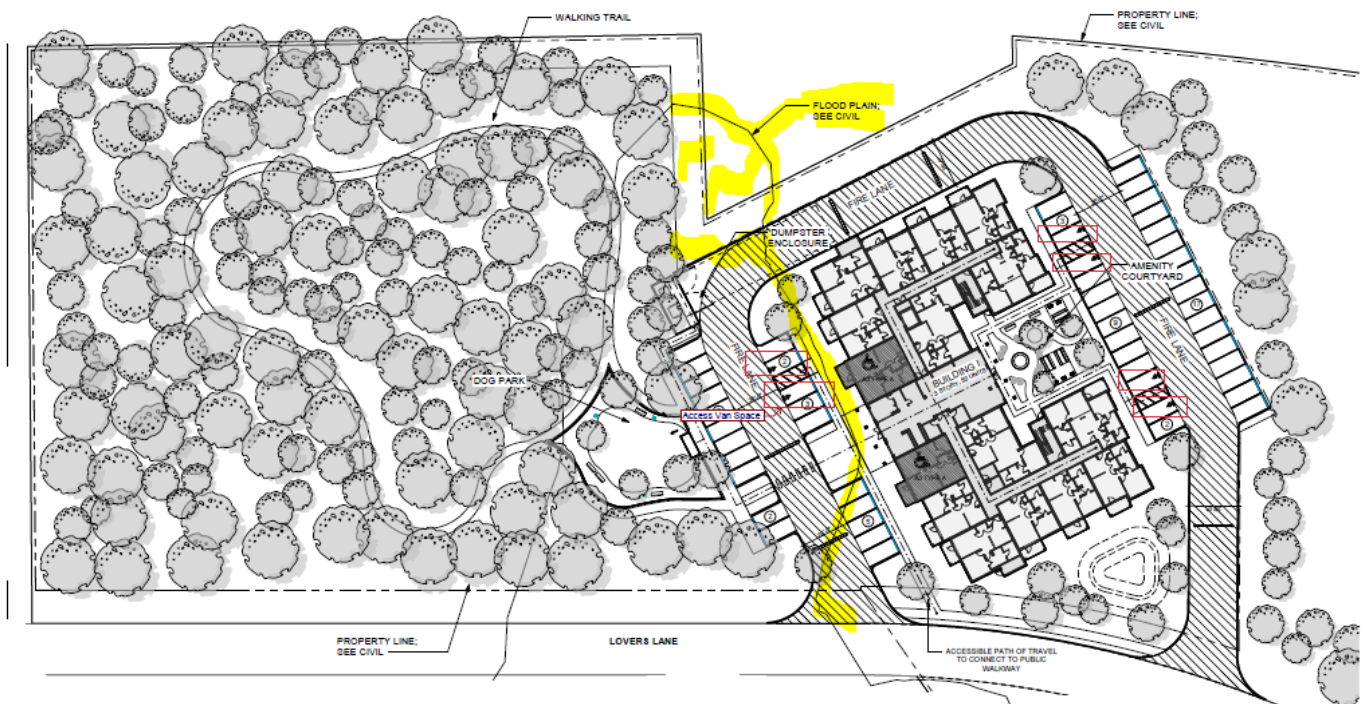
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

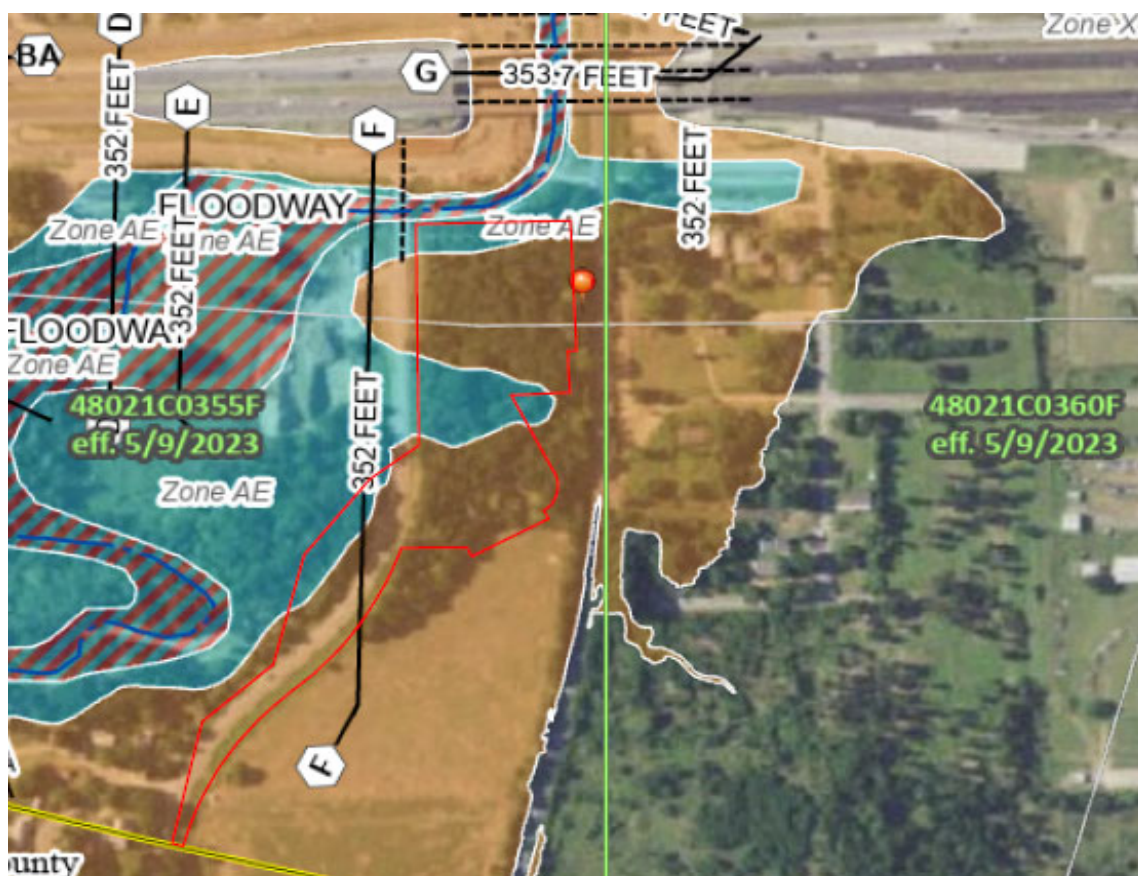


DEVELOPMENT SUMMARY

SITE PLAN



Floodplain:



Floodplain comment:

The subject property is predominately in Shaded Zone X (outside of the 100-year floodplain) with the exception of north and northwest portions of the subject property which are in Zone AE (100-year floodplain) as shown on the FEMA FIRM Map Number 48021C0355F, with an effective date of May 9, 2023. The subject property is located in a FEMA-designated Special Flood Hazard Area and flood insurance or mitigation for flood impacts may be required.

Parking Comments:

Elderly Development: According to the Site Plan, the City of Bastrop does not have parking requirements. Parking required per TDHCA (1 parking spot per unit). The Development is providing 52 open surface parking at no fee.

Comments:

The amended PSA shows acreage of 5.84. When the amendment to the purchase agreement was made, the survey was not completed and the owner estimated the acreage. The survey has been completed and does list the site at 5.737 acres.

The LURA will encumber ~5.737 acres. The Applicant does not expect there to be any land dedication.

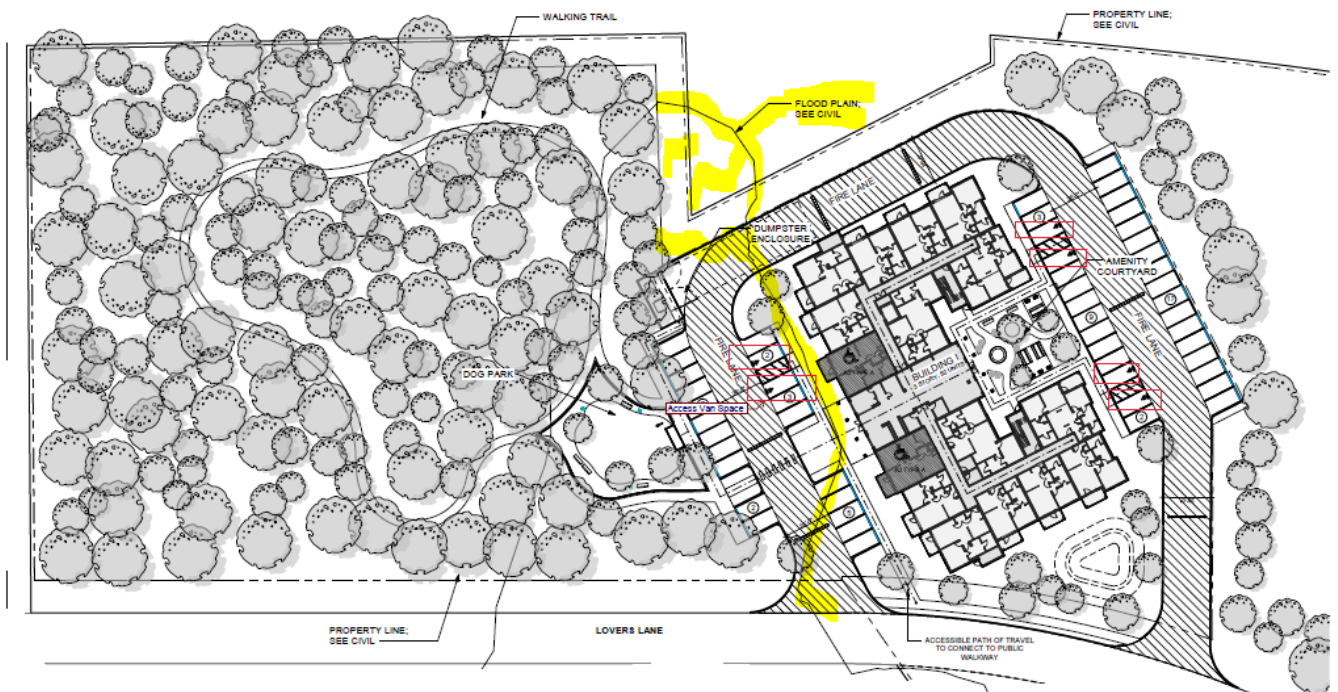
SITE INFORMATION

| | | | |
|---------------------|------------------------|---------------------------|-----|
| Flood Zone: | Zone - X & AE | Scattered Site? | No |
| Zoning: | EC - Employment Center | Within 100-yr floodplain? | Yes |
| Re-Zoning Required? | Yes | Utilities at Site? | Yes |
| Year Constructed: | N/A | Title Issues? | No |

Current Uses of Subject Site:

Undeveloped land and portion of Lovers Lane.

Floodplain:



Other Observations:

- The subject property is predominately in Shaded Zone X (outside of the 100-year floodplain) with the exception of north and northwest portions of the subject property which are in Zone AE (100-year floodplain) as shown on the FEMA FIRM Map Number 48021C0355F, with an effective date of May 9, 2023. The subject property is located in a FEMA-designated Special Flood Hazard Area and flood insurance or mitigation for flood impacts may be required.
- The applicant stated that the re-zoning is not necessary as apartments are a permitted use of the land. The city staff with the authority to confirm this has provided a letter and we have talked to them again to confirm and this use is permissible and no re-zone is needed.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, LLC

Date: 2/28/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- A review of the National Wetlands Inventory (NWI) map indicates a mapped wetland at the subject property. This area is depicted as PFO1A (Palustrine – Forested – Broad-Leaved Deciduous – Temporarily Flooded). Palustrine forested wetlands (PFO1A) are mapped along a creek traversing the north portion of the subject property. Review of historical aerial photographs and topographic maps indicate forested areas and a creek at this portion of the subject property draining from a river to the west of the subject property. Indication of a creek was observed at the subject property during the site visit. According to the FEMA flood map, the entirety of the subject property is within the 100 and 500-year floodplains.

An onsite wetlands determination assessment is recommended to determine if all characteristics for a wetland are present at the subject property. The final determination of whether an area is a wetland and whether the activity requires a permit must be made by the appropriate Corps District Office.

- One of the calculated noise values falls within the range of 65-75 dB and is considered "Normally Unacceptable" based on the HUD guidelines and one of the calculated noise values exceeds 75 dB and is considered "Unacceptable" based on the HUD guidelines. The results of the assessment found the greatest contributor of noise to the subject property is Union Pacific Railroad, located just to the east. Noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development.

Various types of noise mitigation can be utilized in order to decrease the noise environment, especially in the more noise sensitive locations such as interior spaces and outdoor recreational areas. Most notable examples include when practicable, modifying the building configuration, moving the buildings farther away from the noise source, and incorporating noise attenuation in the building materials.

| Description of Noise Assessment Location (NAL) | Projected DNL (dB) |
|--|--------------------|
| NAL #1 - Northeast Corner | 77 |
| NAL #2 - Northwest Corner | 74 |

Comments:

Railroad tracks were observed along the east boundary of the subject property during the site reconnaissance. No evidence of a hazardous substance or petroleum product release was observed.

MARKET ANALYSIS

Provider: Apartment MarketData, LLC

Date: 3/10/2025

Primary Market Area (PMA): 808.82 sq. miles 16 mile equivalent radius

| AFFORDABLE HOUSING INVENTORY | | | | | | |
|---|-------------|---------|------|-------------------|--------------------|-------------|
| Competitive Supply (Proposed, Under Construction, and Unstabilized) | | | | | | |
| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
| N/A | None | N/A | N/A | N/A | N/A | N/A |
| Stabilized Affordable Developments in PMA | | | | | Total Units | 394 |
| | | | | | Total Developments | 7 |
| | | | | | Average Occupancy | 94.8% |

| OVERALL DEMAND ANALYSIS | | | | |
|--|----------------|----------|--|--|
| | Market Analyst | | | |
| | HTC | Assisted | | |
| Senior Households in the Primary Market Area | 17,054 | | | |
| Potential Demand from the Primary Market Area | 7,638 | | | |
| 10% External Demand | 764 | | | |
| Potential Demand from Other Sources | 0 | | | |
| GROSS DEMAND | 8,402 | | | |
| Subject Affordable Units | 52 | | | |
| Unstabilized Competitive Units | 0 | | | |
| RELEVANT SUPPLY | 52 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | | | | |
| | 0.6% | | | |

| | | | | | |
|-------------|---------------------------|--------------|--------------|-----------------------------|------------|
| Population: | Elderly Limitation | Market Area: | Rural | Maximum Gross Capture Rate: | 10% |
|-------------|---------------------------|--------------|--------------|-----------------------------|------------|

| UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND | | | | | | | | | |
|--|----------------|---------|---------------|------------|------------------------|--|--|--|--|
| | Market Analyst | | | | | | | | |
| AMGI Band | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | |
| 30% AMGI | 2,516 | 252 | 5 | 0 | 0.2% | | | | |
| 50% AMGI | 1,570 | 157 | 12 | 0 | 0.7% | | | | |
| 60% AMGI | 3,553 | 355 | 35 | 0 | 0.9% | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|----------------|---------|---------------|------------|-------------------|--|--|--|--|
| | Market Analyst | | | | | | | | |
| Unit Type | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/30% | 1,061 | 106 | 4 | 0 | 0.3% | | | | |
| 1 BR/50% | 755 | 76 | 8 | 0 | 1.0% | | | | |
| 1 BR/60% | 1,016 | 102 | 24 | 0 | 2.1% | | | | |
| 2 BR/30% | 652 | 65 | 1 | 0 | 0.1% | | | | |
| 2 BR/50% | 690 | 69 | 4 | 0 | 0.5% | | | | |
| 2 BR/60% | 940 | 94 | 11 | 0 | 1.1% | | | | |

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

| | | | | | |
|----------------|-----------|----------------|---------|------------------------|---------|
| NOI: | \$342,356 | Avg. Rent: | \$1,312 | Expense Ratio: | 55.3% |
| Debt Service: | \$298,087 | B/E Rent: | \$1,235 | Controllable Expenses: | \$5,037 |
| Net Cash Flow: | \$44,269 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$1,517 |
| Aggregate DCR: | 1.15 | B/E Occupancy: | 87.2% | Program Rent Year: | 2024 |

Applicant provided the following to support expenses:

- Management fee letter showing 3.55 % EGI.
- Staffing plan breakdown for \$138,750 for payroll expense.
- Insurance quote from Rhodes Risk Advisors for \$40,592 to support \$791/per unit.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

| | | | | | |
|-------------------------------|--------------|----------------|---------------------|----------------------------|-------------|
| Acquisition | \$174,307/ac | \$19,808/unit | \$1,030,000 | Contractor Fee | \$1,073,959 |
| Off-site + Site Work | | \$19,452/unit | \$1,011,516 | Soft Cost + Financing | \$2,452,500 |
| Building Cost | \$151.83/sf | \$118,519/unit | \$6,162,982 | Developer Fee | \$1,631,107 |
| Contingency | 6.92% | \$9,551/unit | \$496,639 | Reserves | \$543,821 |
| Total Development Cost | | \$276,972/unit | \$14,402,524 | Rehabilitation Cost | N/A |

Qualified for 30% Basis Boost?

Rural [9% only]

Off-site:

Applicant stated that the \$79,650 is for off-site utilities and is for storm drains and devices. The \$79,650 is not included in eligible basis.

Building Cost:

The applicant limited Voluntary Eligible Building Costs (After 11.9(e)(2)) by \$196,054 to achieve desired score.

Credit Allocation Supported by Costs:

| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
|------------------------|------------------------|---|
| \$14,402,524 | \$12,172,313 | \$1,424,161 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|--|---------------------------------|---------------------|----------------------|-----|
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | HUD 221(d)(4) - Const. to Perm. | \$4,350,000 | 6.00% | 30% |
| Merchants - Bridge Loan | Merchants - Bridge Loan | \$7,800,000 | 8.00% | 54% |
| Merchants | FHTC | \$1,867,500 | \$0.83 | 13% |
| City of Bastrop | \$11.9(d)(2)LPS Contribution | \$250 | Fee Waiver | |
| Elizabeth Property Group (EPG) | Fee | \$384,774 | 0.00% | 3% |
| | | \$14,402,524 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|---|--------------------|---------------|-------|------|--------------------|---------------|------------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | \$4,350,000 | 6.00% | 40 | 40.0 | \$4,350,000 | 6.00% | 40 | 40.0 | 30% |
| City of Bastrop | \$250 | Fee Waiver | | | \$250 | 0.00% | Fee Waiver | | |
| Total | \$4,350,250 | | | | \$4,350,250 | | | | |

Comments:

Perm Loan FHA 221(d)4 through Mason Joseph, LLC has a Mortgage Insurance Premium (MIP) of 25 bps calculated separately from the rate.

Applicant combined the interest rate and mortgage insurance premium to calculate their debt service payment. Per QAP rule 11.302(d)(4)(A), Private Mortgage Insurance premiums and similar fees are not included in the interest rate but calculated on outstanding principal balance and added to the total debt service payment.

AS a result, the Underwriter's calculated a debt service payment of \$298,087 is \$1,726 higher than the applicant's payment. The deal is still at a 1.15 DCR.

| Equity & Deferred Fees | PROPOSED | | | UNDERWRITTEN | | | |
|--------------------------------|---------------------|--------|-------|---------------------|----------------------|------|-------|
| | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Merchants | \$9,337,500 | \$0.83 | | \$9,337,500 | \$0.83 | 65% | |
| Merchants - 45L Energy Credit | \$215,800 | | | \$215,800 | | 1% | |
| Elizabeth Property Group (EPG) | \$497,974 | | 31% | \$498,974 | | 3% | 31% |
| Total | \$10,051,274 | | | \$10,052,274 | | | |
| | | | | \$14,402,524 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.874 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.791 | Minimum Credit Price below which the Development would be characterized as infeasible |

Comments:

TDHCA's side shows an increase of \$1K to deferred developer fee because an error in the application.

CONCLUSIONS

Gap Analysis:

| | |
|---|--------------------|
| Total Development Cost | \$14,402,524 |
| Permanent Sources (debt + non-HTC equity) | \$4,566,050 |
| Gap in Permanent Financing | \$9,836,474 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$11,820,533 | \$1,424,161 |
| Needed to Balance Sources & Uses | \$9,836,474 | \$1,185,117 |
| Requested by Applicant | \$9,337,500 | \$1,125,000 |

| | RECOMMENDATION | |
|------------------------------|--------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$9,337,500 | \$1,125,000 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$498,974 | (31% deferred) |
| Repayable in | 9 years | |

Recommendation:

The underwriter recommends \$1,125,000 in annual tax credits as requested by the applicant.

| | |
|-----------------------------------|--------------------------|
| Underwriter: | <u>Mario Castellanos</u> |
| Manager of Real Estate Analysis: | <u>Robert Castillo</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE |
|--|
| <i>Pine Creek Apartments, Bastrop, 9% HTC #25201</i> |

| LOCATION DATA | |
|--------------------|-----------|
| CITY: | Bastrop |
| COUNTY: | Bastrop |
| Area Median Income | \$126,000 |
| PROGRAM REGION: | 7 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|-----------|---------------|----------|----------|----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 36 | 69.2% | 0 | 0 | 0 | 0 |
| 2 | 16 | 30.8% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 52 | 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 | 781 sf |

| 55% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
|---------|---------|------|------|------|-------|-------|------|------|---------|--------|
| Average | # Units | - | 5 | - | 12 | 35 | - | - | - | 52 |
| Income | % Total | 0.0% | 9.6% | 0.0% | 23.1% | 67.3% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-----------|--------|---------|---------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|----------------|---------------|--------------|----------------|---------------|----------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$708 | 1 | 1 | 1 | 656 | \$708 | \$58 | \$650 | \$0 | \$0.99 | \$650 | \$650 | \$650 | \$650 | \$0.99 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 50% | \$1,181 | 5 | 1 | 1 | 656 | \$1,181 | \$58 | \$1,123 | \$0 | \$1.71 | \$1,123 | \$5,615 | \$5,615 | \$1,123 | \$1.71 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 60% | \$1,417 | 12 | 1 | 1 | 656 | \$1,417 | \$58 | \$1,359 | \$0 | \$2.07 | \$1,359 | \$16,308 | \$16,308 | \$1,359 | \$2.07 | \$0 | \$1,498 | \$2.28 | \$1,498 |
| TC 30% | \$708 | 1 | 1 | 1 | 769 | \$708 | \$58 | \$650 | \$0 | \$0.85 | \$650 | \$650 | \$650 | \$650 | \$0.85 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 50% | \$1,181 | 1 | 1 | 1 | 769 | \$1,181 | \$58 | \$1,123 | \$0 | \$1.46 | \$1,123 | \$1,123 | \$1,123 | \$1,123 | \$1.46 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 60% | \$1,417 | 4 | 1 | 1 | 769 | \$1,417 | \$58 | \$1,359 | \$0 | \$1.77 | \$1,359 | \$5,436 | \$5,436 | \$1,359 | \$1.77 | \$0 | \$1,668 | \$2.17 | \$1,668 |
| TC 30% | \$708 | 1 | 1 | 1 | 724 | \$708 | \$58 | \$650 | \$0 | \$0.90 | \$650 | \$650 | \$650 | \$650 | \$0.90 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 50% | \$1,181 | 1 | 1 | 1 | 724 | \$1,181 | \$58 | \$1,123 | \$0 | \$1.55 | \$1,123 | \$1,123 | \$1,123 | \$1,123 | \$1.55 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 60% | \$1,417 | 4 | 1 | 1 | 724 | \$1,417 | \$58 | \$1,359 | \$0 | \$1.88 | \$1,359 | \$5,436 | \$5,436 | \$1,359 | \$1.88 | \$0 | \$1,600 | \$2.21 | \$1,600 |
| TC 30% | \$708 | 1 | 1 | 1 | 708 | \$708 | \$58 | \$650 | \$0 | \$0.92 | \$650 | \$650 | \$650 | \$650 | \$0.92 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 50% | \$1,181 | 1 | 1 | 1 | 708 | \$1,181 | \$58 | \$1,123 | \$0 | \$1.59 | \$1,123 | \$1,123 | \$1,123 | \$1,123 | \$1.59 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 60% | \$1,417 | 4 | 1 | 1 | 708 | \$1,417 | \$58 | \$1,359 | \$0 | \$1.92 | \$1,359 | \$5,436 | \$5,436 | \$1,359 | \$1.92 | \$0 | \$1,576 | \$2.23 | \$1,576 |
| TC 30% | \$850 | 1 | 2 | 1 | 941 | \$850 | \$75 | \$775 | \$0 | \$0.82 | \$775 | \$775 | \$775 | \$775 | \$0.82 | \$0 | \$1,696 | \$1.80 | \$1,696 |
| TC 50% | \$1,417 | 1 | 2 | 1 | 941 | \$1,417 | \$75 | \$1,342 | \$0 | \$1.43 | \$1,342 | \$1,342 | \$1,342 | \$1,342 | \$1.43 | \$0 | \$1,696 | \$1.80 | \$1,696 |
| TC 60% | \$1,701 | 2 | 2 | 1 | 941 | \$1,701 | \$75 | \$1,626 | \$0 | \$1.73 | \$1,626 | \$3,252 | \$3,252 | \$1,626 | \$1.73 | \$0 | \$1,696 | \$1.80 | \$1,696 |
| TC 50% | \$1,417 | 2 | 2 | 1 | 963 | \$1,417 | \$75 | \$1,342 | \$0 | \$1.39 | \$1,342 | \$2,684 | \$2,684 | \$1,342 | \$1.39 | \$0 | \$1,729 | \$1.80 | \$1,729 |
| TC 60% | \$1,701 | 4 | 2 | 1 | 963 | \$1,701 | \$75 | \$1,626 | \$0 | \$1.69 | \$1,626 | \$6,504 | \$6,504 | \$1,626 | \$1.69 | \$0 | \$1,729 | \$1.80 | \$1,729 |
| TC 50% | \$1,417 | 1 | 2 | 1 | 1,006 | \$1,417 | \$75 | \$1,342 | \$0 | \$1.33 | \$1,342 | \$1,342 | \$1,342 | \$1,342 | \$1.33 | \$0 | \$1,798 | \$1.79 | \$1,798 |
| TC 60% | \$1,701 | 5 | 2 | 1 | 1,006 | \$1,701 | \$75 | \$1,626 | \$0 | \$1.62 | \$1,626 | \$8,130 | \$8,130 | \$1,626 | \$1.62 | \$0 | \$1,798 | \$1.79 | \$1,798 |
| TOTALS/AVERAGES: | | 52 | | | 40,592 | | | | \$0 | \$1.68 | \$1,312 | \$68,229 | \$68,229 | \$1,312 | \$1.68 | \$0 | \$1,615 | \$2.07 | \$1,615 |

| | | | |
|-------------------------------------|------------------|------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$818,748 | \$818,748 | |
|-------------------------------------|------------------|------------------|--|

STABILIZED PRO FORMA

Pine Creek Apartments, Bastrop, 9% HTC #25201

STABILIZED FIRST YEAR PRO FORMA

| | COMPARABLES | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
|---------------------------|-------------|----------------------------------|-----------|--------|----------|-----------|-----------|----------|--------|-------|----------|-----|
| | Database | Bastrop, Lee. Guadalupe Counties | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | \$1.68 | \$1,312 | \$818,748 | \$818,748 | \$1,312 | \$1.68 | | 0.0% | \$0 |
| Application fees | | | | | \$15.00 | \$9,360 | | | | | | |
| Total Secondary Income | | | | | \$15.00 | | \$9,360 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | \$828,108 | \$828,108 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | 7.5% PGI | (62,108) | (62,108) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | \$766,000 | \$766,000 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|-----------|---------|--------|---------|---------|-----------|-----------|---------|---------|--------|--------|------------|
| General & Administrative | \$31,529 | \$606/Unit | \$29,882 | \$575 | 3.46% | \$0.65 | \$510 | \$26,500 | \$29,882 | \$575 | \$0.74 | 3.90% | -11.3% | (3,382) |
| Management | \$36,181 | 5.5% EGI | \$44,711 | \$860 | 3.55% | \$0.67 | \$523 | \$27,177 | \$27,177 | \$523 | \$0.67 | 3.55% | 0.0% | - |
| Payroll & Payroll Tax | \$68,582 | \$1,319/Unit | \$104,919 | \$2,018 | 18.11% | \$3.42 | \$2,668 | \$138,750 | \$138,750 | \$2,668 | \$3.42 | 18.11% | 0.0% | - |
| Repairs & Maintenance | \$51,427 | \$989/Unit | \$75,602 | \$1,454 | 6.09% | \$1.15 | \$897 | \$46,660 | \$33,800 | \$650 | \$0.83 | 4.41% | 38.0% | 12,860 |
| Electric/Gas | \$13,610 | \$262/Unit | \$7,569 | \$146 | 1.44% | \$0.27 | \$212 | \$11,000 | \$7,569 | \$146 | \$0.19 | 0.99% | 45.3% | 3,431 |
| Water, Sewer, & Trash | \$42,754 | \$822/Unit | \$42,245 | \$812 | 5.09% | \$0.96 | \$750 | \$39,000 | \$42,245 | \$812 | \$1.04 | 5.52% | -7.7% | (3,245) |
| Property Insurance | \$34,386 | \$0.85 /sf | \$39,012 | \$750 | 5.30% | \$1.00 | \$781 | \$40,592 | \$40,592 | \$781 | \$1.00 | 5.30% | 0.0% | - |
| Property Tax (@ 100%) 1.97005 | \$43,027 | \$827/Unit | \$45,913 | \$883 | 10.30% | \$1.94 | \$1,517 | \$78,885 | \$81,079 | \$1,559 | \$2.00 | 10.58% | -2.7% | (2,194) |
| Reserve for Replacements | | | | | 1.70% | \$0.32 | \$250 | \$13,000 | \$13,000 | \$250 | \$0.32 | 1.70% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.27% | \$0.05 | \$40 | \$2,080 | \$2,080 | \$40 | \$0.05 | 0.27% | 0.0% | - |
| TOTAL EXPENSES | | | | | 55.31% | \$10.44 | \$8,147 | \$423,644 | \$416,175 | \$8,003 | \$10.25 | 54.33% | 1.8% | \$ 7,469 |
| NET OPERATING INCOME ("NOI") | | | | | 44.69% | \$8.43 | \$6,584 | \$342,356 | \$349,825 | \$6,727 | \$8.62 | 45.67% | -2.1% | \$ (7,469) |

| | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$5,037/Unit | | | | \$4,851/Unit | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|

| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
|--|
| <i>Pine Creek Apartments, Bastrop, 9% HTC #25201</i> |

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | | | |
|--|-------|---|----------|--------------------------------|----------------------------|-------|------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|-----------|----------|---------------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | | | | |
| DEBT (Must Pay) | Fee | UW | App | | | | | | | | | | | DCR | LTC | | | |
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | 0.25% | 1.18 | 1.16 | 296,360 | 6.00% | 40 | 40.0 | \$4,350,000 | \$4,350,000 | 40.0 | 40.0 | 6.00% | \$298,087 | 1.15 | 30.2% | | | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | | |
| City of Bastrop | | 1.18 | 1.16 | | 0.00% | 0 | 0.0 | \$250 | \$250 | 0.0 | 0.0 | 0.00% | | 1.15 | 0.0% | | | |
| | | | | \$296,360 | TOTAL DEBT / GRANT SOURCES | | | \$4,350,250 | \$4,350,250 | TOTAL DEBT SERVICE | | | \$298,087 | 1.15 | 30.2% | | | |
| NET CASH FLOW | | \$53,465 | \$45,996 | APPLICANT NET OPERATING INCOME | | | | | | | | | | | | \$342,356 | \$44,269 | NET CASH FLOW |

| EQUITY SOURCES | | | | | | | | | | | | |
|---------------------------------------|-------------------------|--------|----------------|--------------|--------------|----------------------------------|---------------------|---------------|--------|-------------------------------------|-------------------|-------------|
| APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | | |
| EQUITY / DEFERRED FEES | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method | |
| | | | | | | | | | | | | |
| Merchants | LIHTC Equity | 64.8% | \$1,125,000 | \$0.83 | \$9,337,500 | \$9,337,500 | \$0.8300 | \$1,125,000 | 64.8% | \$21.635 | Applicant Request | |
| Merchants - 45L Energy Credit | 45L Energy Credits | 1.5% | | \$0.83 | \$215,800 | \$215,800 | 0.83 | | 1.5% | | | |
| Elizabeth Property Group (EPG) | Deferred Developer Fees | 3.5% | (31% Deferred) | | \$497,974 | \$498,974 | (31% Deferred) | | 3.5% | Total Developer Fee: | | \$1,631,107 |
| Additional (Excess) Funds Req'd | | 0.0% | | | | \$0 | | | 0.0% | | | |
| TOTAL EQUITY SOURCES | | 69.8% | | | \$10,051,274 | \$10,052,274 | | | 69.8% | | | |
| TOTAL CAPITALIZATION | | | | | | \$14,401,524 | \$14,402,524 | | | 15-Yr Cash Flow after Deferred Fee: | \$442,011 | |

| DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | |
|--|------------------|-----------------|---------------------|------------------|---------------------|--------------------------|------------------|---------------------|----------------|--------------|---------------|------------------|
| APPLICANT COST / BASIS ITEMS | | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | |
| Eligible Basis | | Total Costs | | | | Eligible Basis | | Total Costs | | | | |
| Acquisition | New Const. Rehab | | | | | New Const. Rehab | Acquisition | | | | | |
| Land Acquisition | | \$19,231 / Unit | \$1,000,000 | \$1,000,000 | \$19,231 / Unit | | | \$19,231 / Unit | \$1,000,000 | \$1,000,000 | 0.0% | \$0 |
| Building Acquisition | \$0 | \$ / Unit | \$0 | \$0 | \$ / Unit | | \$0 | \$ / Unit | \$0 | \$0 | 0.0% | \$0 |
| Closing costs & acq. legal fees | | | \$30,000 | \$30,000 | | | | | \$30,000 | \$30,000 | 0.0% | \$0 |
| Off-Sites | \$0 | \$1,532 / Unit | \$79,650 | \$79,650 | \$1,532 / Unit | \$0 | | \$1,532 / Unit | \$79,650 | \$79,650 | 0.0% | \$0 |
| Site Work | \$768,550 | \$14,780 / Unit | \$768,550 | \$768,550 | \$14,780 / Unit | \$768,550 | | \$14,780 / Unit | \$768,550 | \$768,550 | 0.0% | \$0 |
| Site Amenities | \$163,316 | \$3,141 / Unit | \$163,316 | \$163,316 | \$3,141 / Unit | \$163,316 | | \$3,141 / Unit | \$163,316 | \$163,316 | 0.0% | \$0 |
| Building Cost | \$5,966,928 | \$151.83 /sf | \$118,519/Unit | \$6,162,982 | \$5,833,719 | \$112,187/Unit | \$143.72 /sf | \$5,833,719 | \$112,187/Unit | \$143.72 /sf | 5.6% | \$329,263 |
| Contingency | \$482,916 | 7.00% | 6.92% | \$496,639 | \$479,166 | 7.00% | 7.00% | \$473,591 | \$482,916 | \$473,591 | 3.6% | \$17,473 |
| Contractor Fees | \$1,033,440 | 14.00% | 14.00% | \$1,073,959 | \$1,025,416 | 14.00% | 14.00% | \$1,013,485 | \$1,033,440 | \$1,013,485 | 4.7% | \$48,543 |
| Soft Costs | \$0 | \$899,209 | \$18,735 / Unit | \$974,209 | \$974,209 | \$18,735 / Unit | \$899,209 | \$0 | \$899,209 | \$899,209 | 0.0% | \$0 |
| Financing | \$0 | \$1,270,262 | \$28,429 / Unit | \$1,478,291 | \$1,478,291 | \$28,429 / Unit | \$1,270,262 | \$0 | \$1,270,262 | \$1,270,262 | 0.0% | \$0 |
| Developer Fee | \$0 | \$1,587,693 | 15.00% | \$1,631,107 | \$1,576,104 | 15.00% | \$1,563,320 | \$0 | \$1,587,693 | \$1,563,320 | 3.5% | \$55,003 |
| Reserves | | 9 Months | \$543,821 | \$543,821 | 9 Months | | \$0 | 0.0% | \$0 | \$0 | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$12,172,314 | \$276,972 / Unit | \$14,402,524 | \$13,952,242 | \$268,312 / Unit | \$11,985,451 | \$0 | \$0 | 3.2% | \$450,282 |
| Acquisition Cost | \$0 | | | \$0 | | | | | | | | |
| Contingency | | (\$0) | | \$0 | | | | | | | | |
| Contractor's Fee | | (\$1) | | \$0 | | | | | | | | |
| Financing Cost | \$0 | | | | | | | | | | | |
| Developer Fee | \$0 | (\$0) | 15.00% | \$0 | | | | | | | | |
| Reserves | | | | \$0 | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$12,172,313 | \$276,972/unit | \$14,402,524 | \$13,952,242 | \$268,312/unit | \$11,985,451 | \$0 | \$0 | 3.2% | \$450,282 |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | \$14,402,524 | | | | | | |

| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
|--|
| <i>Pine Creek Apartments, Bastrop, 9% HTC #25201</i> |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| ADJUSTED BASIS | \$0 | \$12,172,313 | \$0 | \$11,985,451 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$12,172,313 | \$0 | \$11,985,451 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$15,824,007 | \$0 | \$15,581,086 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$15,824,007 | \$0 | \$15,581,086 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,424,161 | \$0 | \$1,402,298 |
| CREDITS ON QUALIFIED BASIS | \$1,424,161 | | \$1,402,298 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|--------------------|--|--------------|-------------------------------|---------------------|----------|
| | | | Credit Price \$0.8300 | Variance to Request | |
| | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,424,161 | \$11,820,533 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,185,117 | \$9,836,474 | ---- | ---- | ---- |
| Applicant Request | \$1,125,000 | \$9,337,500 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|-----------------|----------------|---------------|--------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Elevator Served | 40,592 SF | \$96.94 | 3,934,969 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.32% | | 2.25 | \$91,291 |
| Elderly | 9.00% | | 8.72 | 354,147 |
| 9-Ft. Ceilings | 3.29% | | 3.19 | 129,460 |
| Roof Adjustment(s) | | | 1.28 | 52,000 |
| Subfloor | | | (0.23) | (9,336) |
| Floor Cover | | | 3.75 | 152,220 |
| Enclosed Corridors | \$85.59 | 6,760 | 14.25 | 578,585 |
| Balconies | \$50.84 | 7,286 | 9.12 | 370,388 |
| Plumbing Fixtures | \$1,460 | 52 | 1.87 | 75,920 |
| Rough-ins | \$715 | 104 | 1.83 | 74,360 |
| Built-In Appliances | \$2,200 | 52 | 2.82 | 114,400 |
| Exterior Stairs | \$4,250 | 4 | 0.42 | 17,000 |
| Heating/Cooling | | | 4.11 | 166,833 |
| Storage Space | \$85.59 | 393 | 0.83 | 33,637 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$140.15 | 2,162 | 7.46 | 303,015 |
| Elevators | \$112,000 | 1 | 2.76 | 112,000 |
| Other: Riser, Mechanical | \$85.59 | 219 | 0.46 | 18,744 |
| Fire Sprinklers | \$4.60 | 49,907 | 5.66 | 229,572 |
| SUBTOTAL | | | 167.50 | 6,799,206 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 167.50 | \$6,799,206 |
| Plans, specs, survey, bldg permits | 3.10% | | (5.19) | (\$210,775) |
| Contractor's OH & Profit | 11.10% | | (18.59) | (754,712) |
| NET BUILDING COSTS | | \$112,187/unit | \$143.72/sf | \$5,833,719 |

Long-Term Pro Forma

Pine Creek Apartments, Bastrop, 9% HTC #25201

| | 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% | \$766,000 | \$781,320 | \$796,946 | \$812,885 | \$829,143 | \$915,441 | \$1,010,721 | \$1,115,917 | \$1,232,063 | \$1,360,297 | \$1,501,878 | \$1,658,194 |
| TOTAL EXPENSES | 3.00% | \$423,644 | \$436,082 | \$448,887 | \$462,071 | \$475,644 | \$549,779 | \$635,551 | \$734,799 | \$849,648 | \$982,563 | \$1,136,396 | \$1,314,453 |
| NET OPERATING INCOME ("NOI") | | \$342,356 | \$345,238 | \$348,060 | \$350,815 | \$353,499 | \$365,662 | \$375,169 | \$381,118 | \$382,414 | \$377,734 | \$365,482 | \$343,741 |
| EXPENSE/INCOME RATIO | | 55.3% | 55.8% | 56.3% | 56.8% | 57.4% | 60.1% | 62.9% | 65.8% | 69.0% | 72.2% | 75.7% | 79.3% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | |
| Mason Joseph - HUD 221(d)(4) - Const. to Perm. | | \$298,087 | \$298,019 | \$297,948 | \$297,872 | \$297,791 | \$297,307 | \$296,654 | \$295,773 | \$294,586 | \$292,983 | \$290,822 | \$287,907 |
| TOTAL DEBT SERVICE | | \$298,087 | \$298,019 | \$297,948 | \$297,872 | \$297,791 | \$297,307 | \$296,654 | \$295,773 | \$294,586 | \$292,983 | \$290,822 | \$287,907 |
| DEBT COVERAGE RATIO | | 1.15 | 1.16 | 1.17 | 1.18 | 1.19 | 1.23 | 1.26 | 1.29 | 1.30 | 1.29 | 1.26 | 1.19 |
| ANNUAL CASH FLOW | | \$44,269 | \$47,219 | \$50,112 | \$52,943 | \$55,707 | \$68,355 | \$78,515 | \$85,345 | \$87,829 | \$84,751 | \$74,660 | \$55,835 |
| Deferred Developer Fee Balance | | \$454,705 | \$407,485 | \$357,374 | \$304,431 | \$248,723 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$68,603 | \$442,011 | \$856,597 | \$1,292,738 | \$1,725,146 | \$2,121,756 | \$2,442,456 |

**Real Estate Analysis Division**

October 28, 2025

Addendum to Underwriting ReportTDHCA Application #: **25271** Program(s): **9% HTC****Lofts at Birdwell**

Address/Location: ~130 ft. N. of NWC of Sunset Ave. & Birdwell Ln.

City: Big Spring County: Howard Zip: 79720

| | APPLICATION HISTORY |
|-------------|--|
| Report Date | PURPOSE |
| 10/28/25 | State Credit Award Update and Material Amendment Request |
| 07/22/25 | Original LIHTC Award |

ALLOCATION

| | Previous Allocation | | | | RECOMMENDATION | | | | | | |
|---------------------------|---------------------|-----------|-------|------|----------------|-----------|-------|------------|------------|-------------|-------------|
| TDHCA Program | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm. Lien | Const. Term | Const. Lien |
| State Housing Tax Credits | \$0 | | | | \$80,000 | | | | | | |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 4 |
| 60% of AMI | 60% of AMI | 35 |

ANALYSIS

In July 2025, the Development was awarded \$1,125,000 in annual 9% Housing Tax Credits. Now Applicant has applied for an additional \$80,000 in annual State Housing Tax Credits.

In conjunction with their application for State Housing Tax Credits, they are also requesting a Material Amendment to address the following:

- Updates to the site plan which combined two (2) residential buildings (from the original 3 building design down to 2) and a 2 space reduction to the total open surface parking (from 91 to 89).
- A reduction in the total NRA from 31,190 SF to 31,167 SF (a decrease of less than 1%).
- An increase in total common area from 6,043 SF to 6,643 SF (an increase of 9.93%).
- An Amendment to the land acquisition contract to reduce the tract being sold from approximately 4.758 acres to the 3.429 acre portion of the original tract that was always to be used for this development. The original application contemplated the purchase of 4.758 acres for \$625K, with 3.429 acres being used for this development and the remaining 1.329 acres being used for a Phase Two. The stated price for the 3.429 acre tract is now \$500K.
- Updates to the financial exhibits (Tabs 24 – 31, and 35) to account for the application of State Housing Tax Credits ("SHTC") and changes in costs, interest rates, program rent limits, and equity pricing.

The reason for the Material Amendment is the result of value engineering to offset rising material costs and to address topographic concerns by having 1 building instead of 2 on the west side of the site.

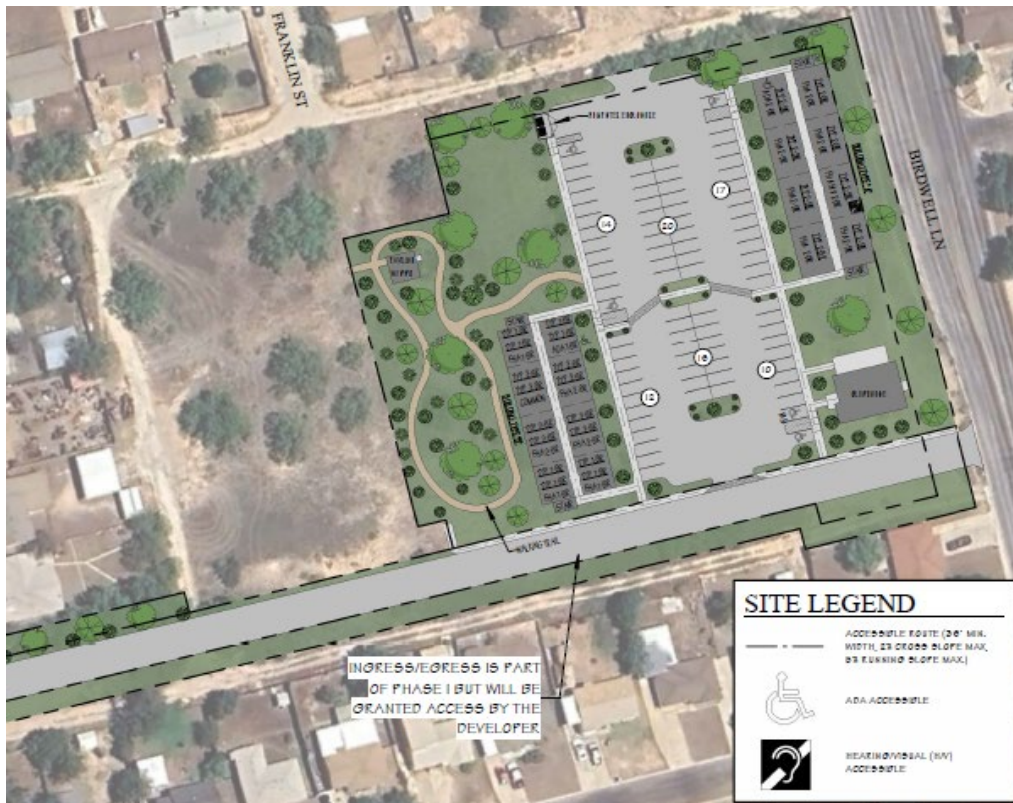
Site Plan

The site plan was updated to reflect the new building configuration. New Architectural Drawings were also provided to document the proposed changes.

Original Site Plan



New Site Plan



Operating Pro Forma

Applicant reassigned four (4) 60% AMI units to 30% AMI in order to get priority consideration for an SHTC award.

The Rent Schedule was updated with current 2025 Program Rents.

As underwritten, the long-term Pro Forma exhibits a 15-year residual cash flow of \$365K after repayment of deferred developer fee in year 5.

Development Cost

Originally, a pro-rata allocation of \$460,945 (out of the \$600K Purchase Price) was reflected as the acquisition cost of the 3.429 acres being used for this development. However, the amended contract now reflects a Purchase Price of \$500,000 for the 3.429 acres (a \$39K increase).

The cost of off-site and site work remained unchanged, while site amenities increased by \$37K (36.74%).

Building cost increased by \$205K (5.55%).

Pursuant to the QAP, Underwriter moved Soft Cost Contingency of \$264K to total Contingency. Total Eligible Contingency is now overstated by \$2.6K.

Contractor Fees are overstated by \$18K.

Developer Fee is slightly overstated by \$525.

Total Development Cost increased by \$810K (7.26%).

Sources of Funds

Proposed capitalization has increased by \$810K (7.62%) to cover additional development costs.

The permanent lender was changed from Key Bank to PNC. Permanent debt was increased by \$285K, but the interest rate decreased from 7.00% to 6.75%. The 15 year term and 35 year amortization remained unchanged.

Applicant also changed equity providers from Key Bank to PNC. The primary HTC equity contribution increased by \$562K (from \$8.8M to \$9.3M), while the equity price increased from \$0.78 to \$0.83.

Applicant added State Housing Credit equity of \$480K for an annual State Housing Tax Credit request of \$80k at a credit price of \$0.60.

Deferred Developer Fee was reduced by \$517K (from \$680,756 to \$163,799).

Recommendation

Underwriter recommends an annual allocation of \$80,000 in State Housing Tax Credits as requested by Applicant. Furthermore, the original annual allocation of \$1,125,000 in annual 9% Housing Tax Credits is still being recommended.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <u>Deborah Willson</u> |
| Manager of Real Estate Analysis: | <u>Gregg Kazak</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

| UNIT MIX/RENT SCHEDULE |
|---|
| <i>Lofts at Birdwell, Big Spring, 9% HTC #25271</i> |

| LOCATION DATA | |
|--------------------|------------|
| CITY: | Big Spring |
| COUNTY: | Howard |
| Area Median Income | \$93,100 |
| PROGRAM REGION: | 12 |
| PROGRAM RENT YEAR: | 2025 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|-----------|---------------|----------|----------|----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 12 | 30.8% | 0 | 0 | 0 | 0 |
| 2 | 27 | 69.2% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 39 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|---------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 100.00% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 799 sf |

| | | | | | | | | | | |
|----------------|----------------|------|-------|------|------|-------|------|------|---------|---------------|
| 57% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | 4 | - | - | 35 | - | - | - | 39 |
| Income | % Total | 0.0% | 10.3% | 0.0% | 0.0% | 89.7% | 0.0% | 0.0% | 0.0% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-----------|--------|---------|---------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|---------------|---------------|--------------|----------------|---------------|----------------|
| FEDERAL HTC | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | | Mrkt Analyst |
| TC 30% | \$506 | 2 | 1 | 1 | 660 | \$506 | \$80 | \$426 | \$0 | \$0.65 | \$426 | \$852 | \$852 | \$426 | \$0.65 | \$0 | \$1,350 | \$2.05 | \$1,350 |
| TC 60% | \$1,012 | 10 | 1 | 1 | 660 | \$1,012 | \$80 | \$932 | \$0 | \$1.41 | \$932 | \$9,320 | \$9,320 | \$932 | \$1.41 | \$0 | \$1,350 | \$2.05 | \$1,350 |
| TC 30% | \$607 | 2 | 2 | 2 | 861 | \$607 | \$105 | \$502 | \$0 | \$0.58 | \$502 | \$1,004 | \$1,004 | \$502 | \$0.58 | \$0 | \$1,650 | \$1.92 | \$1,650 |
| TC 60% | \$1,215 | 25 | 2 | 2 | 861 | \$1,215 | \$105 | \$1,110 | \$0 | \$1.29 | \$1,110 | \$27,750 | \$27,750 | \$1,110 | \$1.29 | \$0 | \$1,650 | \$1.92 | \$1,650 |
| TOTALS/AVERAGES: | | 39 | | | 31,167 | | | | \$0 | \$1.25 | \$998 | \$38,926 | \$38,926 | \$998 | \$1.25 | \$0 | \$1,558 | \$1.95 | \$1,558 |

| | | | |
|-------------------------------------|------------------|------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$467,112 | \$467,112 | |
|-------------------------------------|------------------|------------------|--|

*MFDL units float among Unit Types

| |
|---|
| STABILIZED PRO FORMA |
| <i>Lofts at Birdwell, Big Spring, 9% HTC #25271</i> |

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | | | |
|---------------------------------|-------------|--|--|-----------|--------|----------|-----------|--------------|-----------|-----------|----------|--------|-------|----------|-----|
| COMPARABLES | | | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | | VARIANCE | |
| Database | Local Comps | | | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.25 | \$998 | \$467,112 | \$448,560 | \$448,560 | \$467,112 | \$998 | \$1.25 | | 0.0% | \$0 |
| App Fees, NSF, Vending | | | | | | \$15.00 | \$7,020 | 7,020 | | | | | | | |
| Total Secondary Income | | | | | | \$15.00 | | | 7,020 | \$7,020 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$474,132 | \$455,580 | \$455,580 | \$474,132 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (35,560) | (34,169) | (34,169) | (35,560) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$438,572 | \$421,412 | \$421,412 | \$438,572 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|---------|--------|--------|---------|-----------|-----------|-----------|-----------|---------|--------|--------|-------|------------|
| General & Administrative | \$21,026 | \$539/Unit | \$20,185 | \$518 | 5.47% | \$0.77 | \$615 | \$24,000 | \$25,500 | \$21,033 | \$21,026 | \$539 | \$0.67 | 4.79% | 14.1% | 2,974 |
| Management | \$21,031 | 5.9% EGI | \$22,419 | \$575 | 4.00% | \$0.56 | \$450 | \$17,543 | \$16,856 | \$16,856 | \$17,543 | \$450 | \$0.56 | 4.00% | 0.0% | 0 |
| Payroll & Payroll Tax | \$50,040 | \$1,283/Unit | \$68,974 | \$1,769 | 15.96% | \$2.25 | \$1,795 | \$70,000 | \$65,000 | \$65,000 | \$70,000 | \$1,795 | \$2.25 | 15.96% | 0.0% | - |
| Repairs & Maintenance | \$31,182 | \$800/Unit | \$23,663 | \$607 | 5.93% | \$0.83 | \$667 | \$26,000 | \$28,000 | \$25,350 | \$25,350 | \$650 | \$0.81 | 5.78% | 2.6% | 650 |
| Electric/Gas | \$6,966 | \$179/Unit | \$9,961 | \$255 | 1.60% | \$0.22 | \$179 | \$7,000 | \$7,000 | \$6,968 | \$6,966 | \$179 | \$0.22 | 1.59% | 0.5% | 34 |
| Water, Sewer, & Trash | \$27,768 | \$712/Unit | \$38,494 | \$987 | 6.33% | \$0.89 | \$712 | \$27,768 | \$25,000 | \$27,768 | \$27,768 | \$712 | \$0.89 | 6.33% | 0.0% | (0) |
| Property Insurance | \$27,300 | \$0.88 /sf | \$23,854 | \$612 | 7.30% | \$1.03 | \$821 | \$32,000 | \$32,000 | \$32,000 | \$32,000 | \$821 | \$1.03 | 7.30% | 0.0% | - |
| Property Tax (@ 100%) 2.694440 | \$21,556 | \$553/Unit | \$14,321 | \$367 | 10.41% | \$1.47 | \$1,171 | \$45,661 | \$34,000 | \$45,661 | \$48,099 | \$1,233 | \$1.54 | 10.97% | -5.1% | (2,438) |
| Reserve for Replacements | | | | | 2.22% | \$0.31 | \$250 | \$9,750 | \$9,750 | \$9,750 | \$9,750 | \$250 | \$0.31 | 2.22% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.36% | \$0.05 | \$40 | \$1,560 | \$1,560 | \$1,560 | \$1,560 | \$40 | \$0.05 | 0.36% | 0.0% | - |
| TOTAL EXPENSES | | | | | 59.58% | \$8.38 | \$6,700 | \$261,282 | \$244,666 | \$251,948 | \$260,061 | \$6,668 | \$8.34 | 59.30% | 0.5% | \$ 1,221 |
| NET OPERATING INCOME ("NOI") | | | | | 40.42% | \$5.69 | \$4,546 | \$177,290 | \$176,745 | \$169,464 | \$178,511 | \$4,577 | \$5.73 | 40.70% | -0.7% | \$ (1,221) |

| | | | | | | | |
|-----------------------|--|--------------|--|--|--|--------------|--|
| CONTROLLABLE EXPENSES | | \$3.968/Unit | | | | \$3.875/Unit | |
|-----------------------|--|--------------|--|--|--|--------------|--|

| | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS | | | | | | | | | | | | | | | | |
| Lofts at Birdwell, Big Spring, 9% HTC #25271 | | | | | | | | | | | | | | | | |

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | | | | | | |
|-------------------------|-----|---|----------|--------------------------------|----------------------------|-------|------|-------------|--------------------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|-----------|----------|---------------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Prior Underwriting | | Principal | Term | Amort | Rate | Pmt | Cumulative | | | | |
| | | UW | App | | | | | | Applicant | TDHCA | | | | | | DCR | LTC | | | |
| PNC | | 1.20 | 1.19 | 149,140 | 6.75% | 35 | 15 | \$2,000,000 | \$1,715,000 | \$1,715,000 | \$2,000,000 | 15 | 35 | 6.75% | \$149,140 | 1.19 | 16.7% | | | |
| CASH FLOW DEBT / GRANTS | | | | | | | | | | | | | | | | | | | | |
| | | | | \$149,140 | TOTAL DEBT / GRANT SOURCES | | | \$2,000,000 | \$1,715,000 | \$1,715,000 | \$2,000,000 | TOTAL DEBT SERVICE | | | \$149,140 | 1.19 | 16.7% | | | |
| NET CASH FLOW | | \$29,371 | \$28,150 | APPLICANT NET OPERATING INCOME | | | | | | | | | | | | | | \$177,290 | \$28,150 | NET CASH FLOW |

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | | | |
|------------------------------------|---------------------------------------|--------|---------------|--------------|--------------|--------------------|--------------|----------------------------------|---------------|---------------|---|----------------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Prior Underwriting | | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| | | | | | | Applicant | TDHCA | | | | | | |
| PNC | LIHTC Equity | 78.1% | \$1,125,000 | \$0.83 | \$9,336,566 | \$8,774,123 | \$8,774,123 | \$9,336,566 | \$0.83 | \$1,125,000 | 78.1% | \$28,846 | Applicant Request |
| PNC | SHTC Equity | 4.0% | \$80,000 | \$0.60 | \$479,952 | \$0 | \$0 | \$479,952 | \$0.60 | \$80,000 | 4.0% | | |
| Lofts at Birdwell Development, LLC | Deferred Developer Fees | 1.4% | (9% Deferred) | | \$163,799 | \$680,756 | \$680,756 | \$145,617 | (8% Deferred) | | 1.2% | Total Developer Fee: \$1,761,256 | |
| Additional (Excess) Funds Req'd | | 0.0% | | | | | \$0 | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 83.4% | | | \$9,980,317 | \$9,454,879 | \$9,454,879 | \$9,962,135 | | | 83.3% | | |
| TOTAL CAPITALIZATION | | | | | \$11,980,317 | \$11,169,879 | \$11,169,879 | \$11,962,135 | | | 15-Yr Cash Flow after Deferred Fee: \$365,035 | | |

| | | DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | | |
|---|--|-----------------------------------|------------------|------------------|-----------------|--------------|--------------------|-----------------|--------------------------|------------------|--------------|------------------|-------------|---------------|-----------|
| | | APPLICANT COST / BASIS ITEMS | | | | | Prior Underwriting | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | |
| | | Eligible Basis | | Total Costs | | | | | Total Costs | | | Eligible Basis | | | |
| | | Acquisition | New Const. Rehab | | | | | | | | | New Const. Rehab | Acquisition | | |
| Land Acquisition | | | | \$12,821 / Unit | \$500,000 | \$460,945 | \$460,945 | \$500,000 | \$12,821 / Unit | | | | 0.0% | \$0 | |
| Building Acquisition | | \$0 | | \$ / Unit | \$0 | \$0 | \$0 | \$ / Unit | | | \$0 | | 0.0% | \$0 | |
| Off-Sites | | | \$0 | \$6,410 / Unit | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$6,410 / Unit | | \$0 | | 0.0% | \$0 | |
| Site Work | | | \$1,447,500 | \$38,077 / Unit | \$1,485,000 | \$1,485,000 | \$1,485,000 | \$38,077 / Unit | \$1,447,500 | 0.0% | \$0 | | | | |
| Site Amenities | | | \$136,738 | \$3,506 / Unit | \$136,738 | \$100,000 | \$100,000 | \$136,738 | \$3,506 / Unit | \$136,738 | 0.0% | | \$0 | | |
| Building Cost | | | \$3,895,029 | \$124.97 /sf | \$99,873/Unit | \$3,895,029 | \$3,690,211 | \$3,744,733 | \$3,822,482 | \$98,012/Unit | \$122.65 /sf | | \$3,822,482 | 1.9% | \$72,547 |
| Contingency | | | \$386,174 | 7.05% | 6.70% | \$386,174 | \$366,640 | \$366,640 | \$386,174 | 6.78% | 7.00% | | \$378,470 | 0.0% | \$0 |
| Contractor Fees | | | \$784,194 | 13.37% | 14.30% | \$879,594 | \$824,859 | \$824,859 | \$851,255 | 14.00% | 13.56% | | \$784,194 | 3.3% | \$28,339 |
| Soft Costs | | | \$0 | \$1,108,434 | \$28,639 / Unit | \$1,116,934 | \$924,500 | \$924,500 | \$1,116,934 | \$28,639 / Unit | | | \$1,108,434 | \$0 | 0.0% |
| Financing | | \$0 | \$1,048,211 | \$34,984 / Unit | \$1,364,381 | \$1,157,770 | \$1,157,770 | \$1,364,381 | \$34,984 / Unit | | \$1,048,211 | \$0 | 0.0% | \$0 | |
| Developer Fee | | \$0 | \$1,761,256 | 20.00% | 19.37% | \$1,761,256 | \$1,721,882 | \$1,721,882 | \$1,761,256 | 19.52% | 20.00% | \$1,745,206 | \$0 | 0.0% | \$0 |
| Reserves | | | | 6 Months | | \$205,211 | \$188,072 | \$188,072 | \$205,211 | | 6 Months | | 0.0% | \$0 | |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$10,567,536 | \$307,188 / Unit | | \$11,980,317 | \$11,169,879 | \$11,224,401 | \$11,879,431 | \$304,601 / Unit | | \$10,471,235 | \$0 | 0.8% | \$100,886 |
| Acquisition Cost | | \$0 | | | | \$0 | \$0 | | | | | | | | |
| Contingency | | | (\$2,625) | | | \$0 | \$0 | | | | | | | | |
| Contractor's Fee | | | \$0 | | | (\$18,182) | \$0 | | | | | | | | |
| Financing Cost | | | \$0 | | | | | | | | | | | | |
| Developer Fee | | \$0 | (\$525) | | | 20.00% | \$0 | | | | | | | | |
| Reserves | | | | | | \$0 | \$0 | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$10,564,386 | \$306,721/unit | | \$11,962,135 | \$11,169,879 | \$11,224,401 | \$11,879,431 | \$304,601/unit | | \$10,471,235 | \$0 | 0.7% | \$82,704 |
| | | | | | | | | | | | | | | | |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | \$11,962,135 | | | | | | | | | | |

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|---|
| CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS |
| <i>Lofts at Birdwell, Big Spring, 9% HTC #25271</i> |

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-----------------------------|--------------|--------------|--------------|
| Applicant | | TDHCA | | |
| Acquisition | Construction Rehabilitation | Acquisition | Construction | |
| ADJUSTED BASIS | \$0 | \$10,564,386 | \$0 | \$10,471,235 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$10,564,386 | \$0 | \$10,471,235 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$13,733,701 | \$0 | \$13,612,606 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$13,733,701 | \$0 | \$13,612,606 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,236,033 | \$0 | \$1,225,135 |
| CREDITS ON QUALIFIED BASIS | \$1,236,033 | | \$1,225,135 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|---------------------------|--|--------------|-------------------------------|---------------------|------------|
| | | | Credit Price \$0.8299 | Variance to Request | |
| | Annual Credits | Proceeds | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,236,033 | \$10,258,049 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,142,546 | \$9,482,183 | ---- | ---- | ---- |
| Applicant Reques | \$1,125,000 | \$9,336,566 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|------------------------|---------------|---------------|--------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Garden (Up to 4-story) | 31,167 SF | \$98.15 | 3,059,155 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.95% | | 2.90 | \$90,321 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.37% | | 3.31 | 103,065 |
| Roof Adjustment(s) | | | 0.00 | 0 |
| Subfloor | | | (0.68) | (21,241) |
| Floor Cover | | | 3.75 | 116,876 |
| Breezeways | \$53.65 | 4,228 | 7.28 | 226,825 |
| Balconies | \$47.40 | 568 | 0.86 | 26,923 |
| Plumbing Fixtures | \$1,460 | 81 | 3.79 | 118,260 |
| Rough-ins | \$715 | 78 | 1.79 | 55,770 |
| Built-In Appliances | \$2,200 | 39 | 2.75 | 85,800 |
| Exterior Stairs | \$4,250 | 4 | 0.55 | 17,000 |
| Heating/Cooling | | | 4.11 | 128,096 |
| Storage Space | \$53.65 | 224 | 0.39 | 12,017 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$142.88 | 1,847 | 8.47 | 263,895 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 37,466 | 5.53 | 172,344 |
| SUBTOTAL | | | 142.94 | 4,455,107 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 142.94 | \$4,455,107 |
| Plans, specs, survey, bldg permits | 3.10% | | (4.43) | (\$138,108) |
| Contractor's OH & Profit | 11.10% | | (15.87) | (494,517) |
| NET BUILDING COSTS | | \$98,012/unit | \$122.65/sf | \$3,822,482 |

Long-Term Pro Forma





Lofts at Birdwell, Big Spring, 9% HTC #25271

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$438,572 | \$447,344 | \$456,290 | \$465,416 | \$474,725 | \$524,134 | \$578,687 | \$638,917 | \$705,416 | \$778,836 | \$859,898 |
| TOTAL EXPENSES | 3.00% | \$261,282 | \$268,945 | \$276,834 | \$284,957 | \$293,319 | \$338,990 | \$391,825 | \$452,955 | \$523,688 | \$605,541 | \$700,268 |
| NET OPERATING INCOME ("NOI") | | \$177,290 | \$178,399 | \$179,456 | \$180,459 | \$181,405 | \$185,145 | \$186,862 | \$185,962 | \$181,728 | \$173,295 | \$159,630 |
| EXPENSE/INCOME RATIO | | 59.6% | 60.1% | 60.7% | 61.2% | 61.8% | 64.7% | 67.7% | 70.9% | 74.2% | 77.7% | 81.4% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| PNC | | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 |
| TOTAL DEBT SERVICE | | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 | \$149,140 |
| DEBT COVERAGE RATIO | | 1.19 | 1.20 | 1.20 | 1.21 | 1.22 | 1.24 | 1.25 | 1.25 | 1.22 | 1.16 | 1.07 |
| | | | | | | | | | | | | |
| ANNUAL CASH FLOW | | \$28,150 | \$29,259 | \$30,316 | \$31,319 | \$32,265 | \$36,005 | \$37,722 | \$36,822 | \$32,588 | \$24,155 | \$10,490 |
| Deferred Developer Fee Balance | | \$117,467 | \$88,208 | \$57,892 | \$26,573 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$5,692 | \$178,940 | \$365,035 | \$552,126 | \$725,028 | \$864,542 | \$946,647 |

25271 Lofts at Birdwell - Application Summary

REAL ESTATE ANALYSIS DIVISION

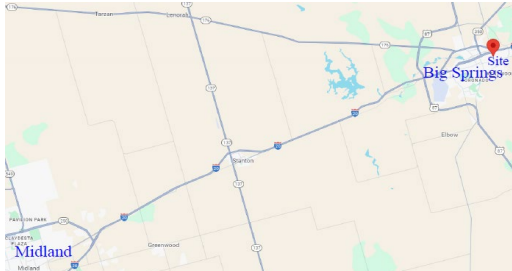
July 22, 2025

| PROPERTY IDENTIFICATION | | RECOMMENDATION | | | | | KEY PRINCIPALS / SPONSOR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------|-----------------------|---------------------|-------------|---------------|--------|---|-----------------|----------------------------------|--|---|---------------------|----------------------------------|--|-----------------------|---------|---------------------------|--------|---------------|-----------|-------------------------|---------|----------------|--------|-----------------------|-------------|-----------------|----------|---------------------|------------|-----------------|----------|---------------|--------------|--------------|--------------|---------------|----------|----------------|---------------|----------------|--------|-----------|-----|---|---|----|-----|----|------|--|--|--|-----|---|----|--|--|--|-----|---|----|--|--|--|----|---|----|-------|----|------|-------|----|------|
| Application # | 25271 | TDHCA Program | Request | Recommended | | | <ul style="list-style-type: none"> • G2 Equity Inc. (90%) Kanwarjit Ronnie Gyani • BETCO Consulting, LLC (10%) Lora Myrick, Bruce J. Spitzengel | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development | Lofts at Birdwell | FHTC (9% Credit) | \$1,125,000 | \$1,125,000 | \$28,846/Unit | \$0.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City / County | Big Spring / Howard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region/Area | 12 / Rural | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Population | General | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Set-Aside | General | | | | | | Related Parties | Contractor - No | Seller - No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Activity | New Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TYPICAL BUILDING ELEVATION/PHOTO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="3">UNIT DISTRIBUTION</th> <th colspan="3">INCOME DISTRIBUTION</th> </tr> <tr> <th># Beds</th> <th># Units</th> <th>% Total</th> <th>Income</th> <th># Units</th> <th>% Total</th> </tr> </thead> <tbody> <tr> <td>Eff</td> <td>-</td> <td>0%</td> <td>20%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>1</td> <td>12</td> <td>31%</td> <td>30%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>2</td> <td>27</td> <td>69%</td> <td>40%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>3</td> <td>-</td> <td>0%</td> <td>50%</td> <td>-</td> <td>0%</td> </tr> <tr> <td>4</td> <td>-</td> <td>0%</td> <td>60%</td> <td>39</td> <td>100%</td> </tr> <tr> <td colspan="3"></td> <td>70%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>80%</td> <td>-</td> <td>0%</td> </tr> <tr> <td colspan="3"></td> <td>MR</td> <td>-</td> <td>0%</td> </tr> <tr> <td>TOTAL</td> <td>39</td> <td>100%</td> <td>TOTAL</td> <td>39</td> <td>100%</td> </tr> </tbody> </table> | | | | | | | | | UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | | # Beds | # Units | % Total | Income | # Units | % Total | Eff | - | 0% | 20% | - | 0% | 1 | 12 | 31% | 30% | - | 0% | 2 | 27 | 69% | 40% | - | 0% | 3 | - | 0% | 50% | - | 0% | 4 | - | 0% | 60% | 39 | 100% | | | | 70% | - | 0% | | | | 80% | - | 0% | | | | MR | - | 0% | TOTAL | 39 | 100% | TOTAL | 39 | 100% |
| UNIT DISTRIBUTION | | | INCOME DISTRIBUTION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| # Beds | # Units | % Total | Income | # Units | % Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Eff | - | 0% | 20% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 12 | 31% | 30% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 27 | 69% | 40% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | - | 0% | 50% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | - | 0% | 60% | 39 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 70% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 80% | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | MR | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 39 | 100% | TOTAL | 39 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="4">PRO FORMA FEASIBILITY INDICATORS</th> </tr> </thead> <tbody> <tr> <td colspan="2">Pro Forma Underwritten</td> <td colspan="2">Applicant's Pro Forma</td> </tr> <tr> <td>Debt Coverage</td> <td>✓ 1.34</td> <td>Expense Ratio</td> <td>✓ 58.1%</td> </tr> <tr> <td>Breakeven Occ.</td> <td>✓ 82.6%</td> <td>Breakeven Rent</td> <td>\$854</td> </tr> <tr> <td>Average Rent</td> <td>\$958</td> <td>B/E Rent Margin</td> <td>✓ \$105</td> </tr> <tr> <td>Property Taxes</td> <td>\$872/unit</td> <td>Exemption/PILOT</td> <td>0%</td> </tr> <tr> <td>Total Expense</td> <td>\$6,273/unit</td> <td>Controllable</td> <td>\$3,859/unit</td> </tr> </tbody> </table> | | | | | | | | | PRO FORMA FEASIBILITY INDICATORS | | | | Pro Forma Underwritten | | Applicant's Pro Forma | | Debt Coverage | ✓ 1.34 | Expense Ratio | ✓ 58.1% | Breakeven Occ. | ✓ 82.6% | Breakeven Rent | \$854 | Average Rent | \$958 | B/E Rent Margin | ✓ \$105 | Property Taxes | \$872/unit | Exemption/PILOT | 0% | Total Expense | \$6,273/unit | Controllable | \$3,859/unit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRO FORMA FEASIBILITY INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pro Forma Underwritten | | Applicant's Pro Forma | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt Coverage | ✓ 1.34 | Expense Ratio | ✓ 58.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Breakeven Occ. | ✓ 82.6% | Breakeven Rent | \$854 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Rent | \$958 | B/E Rent Margin | ✓ \$105 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Taxes | \$872/unit | Exemption/PILOT | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Expense | \$6,273/unit | Controllable | \$3,859/unit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| MARKET FEASIBILITY INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Capture Rate (30% Maximum) | | ✓ 7.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highest Unit Capture Rate | ✓ 19% | 2 BR/60% | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dominant Unit Cap. Rate | ✓ 19% | 2 BR/60% | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premiums (↑80% Rents) | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent Assisted Units | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| DEVELOPMENT COST SUMMARY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs Underwritten | | Applicant's Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Avg. Unit Size | 800 SF | Density | 11.4/acre | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Acquisition | | \$12K/unit | \$461K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Cost | \$118.31/SF | \$95K/unit | \$3,690K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hard Cost | | \$151K/unit | \$5,892K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Cost | | \$286K/unit | \$11,170K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Developer Fee | \$1,722K | (40% Deferred) | Paid Year: 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contractor Fee | \$825K | 30% Boost | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">SITE PLAN</th> </tr> </thead> <tbody> <tr> <td colspan="2">  </td> </tr> </tbody> </table> | | | | | | | | | SITE PLAN | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SITE PLAN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

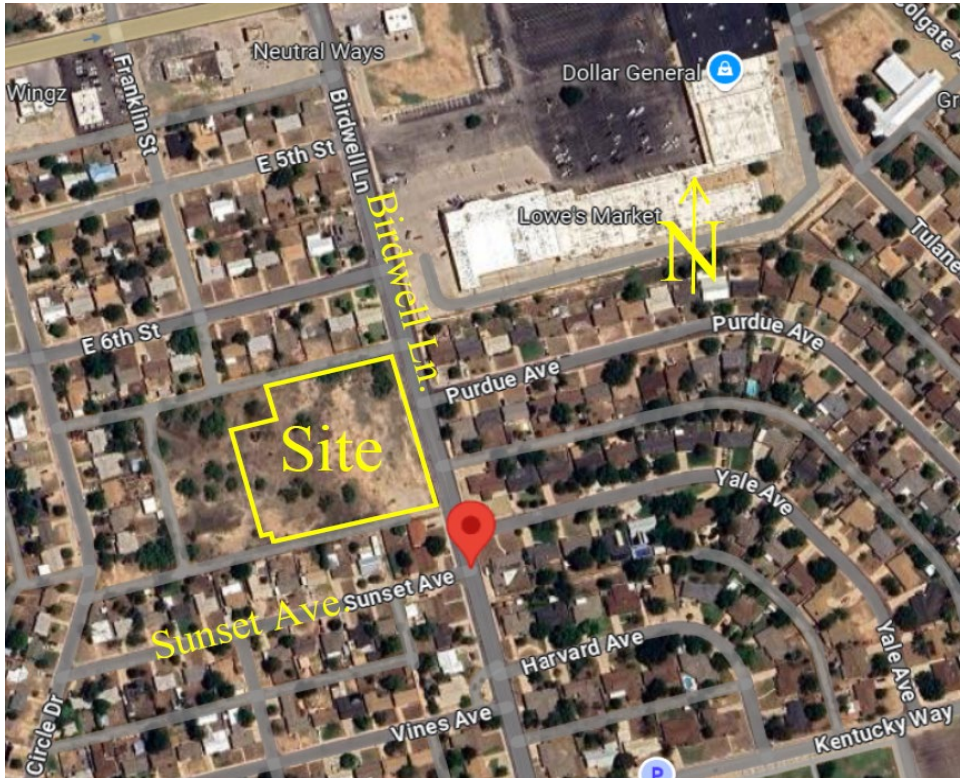
| DEBT (Must Pay) | | | | | CASH FLOW DEBT / GRANT FUNDS | | | | | EQUITY / DEFERRED FEES | | |
|-----------------------|-------|-------|-------------|------------------------------------|------------------------------|------|------|--------|-----|------------------------|----------------------|--------------|
| Source | Term | Rate | Amount | DCR | Source | Term | Rate | Amount | DCR | Source | Amount | |
| KeyBank | 15/35 | 7.00% | \$1,715,000 | 1.34 | | | | | | Raymond James | \$8,774,123 | |
| | | | | Lofts at Birdwell Development, LLC | | | | | | \$680,756 | | |
| | | | | TOTAL EQUITY SOURCES | | | | | | \$9,454,879 | | |
| | | | | TOTAL DEBT SOURCES | \$1,715,000 | | | | | | TOTAL CAPITALIZATION | \$11,169,879 |
| TOTAL DEBT (Must Pay) | | | | \$1,715,000 | CASH FLOW DEBT / GRANTS | | | | | \$0 | | |

CONDITIONS

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

| RISK PROFILE | |
|--|-------------------------------|
| STRENGTHS/MITIGATING FACTORS | |
| ▫ | 1.34 DCR |
| ▫ | 7% Gross Capture Rate |
| ▫ | Developer Experience |
| WEAKNESSES/RISKS | |
| ▫ | Low Projected 15-yr cash flow |
| ▫ | Construction Cost Risk |
| AREA MAP | |
|  | |

AERIAL PHOTOGRAPH(s)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: **25271** Program(s): **9% HTC**

Lofts at Birdwell

Address/Location: ~130 ft. N. of NWC of Sunset Ave. & Birdwell Ln.

City: Big Spring County: Howard Zip: 79720

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

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 12

Low-Income: Average Income

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

| TDHCA Program | REQUEST | | | | RECOMMENDATION | | | | | | |
|------------------|-------------|-----------|-------|------|----------------|-----------|-------|------------|-----------|-------------|------------|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm Lien | Const. Term | Const Lien |
| FHTC (9% Credit) | \$1,125,000 | | | | \$1,125,000 | | | | | | |

CONDITIONS

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

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 60% of AMI | 60% of AMI | 39 |

DEVELOPMENT SUMMARY

Development will be a garden style family community comprised of 12 one-bedroom units and 27 two bedroom units, targeting residents at 60% AMI. The complex will have 2 one-story buildings and 1 one-story building along with a stand-alone clubhouse situated on 3.429 acres of land located along Birdwell Lane in Big Spring, Texas. This is Phase One with Phase Two being 25194 Big Spring Lofts, a 39 unit elderly limitation development located adjacent to the west of this development.

RISK PROFILE

| STRENGTHS/MITIGATING FACTORS | |
|------------------------------|-----------------------|
| ▫ | 1.34 DCR |
| ▫ | 7% Gross Capture Rate |
| ▫ | Developer Experience |

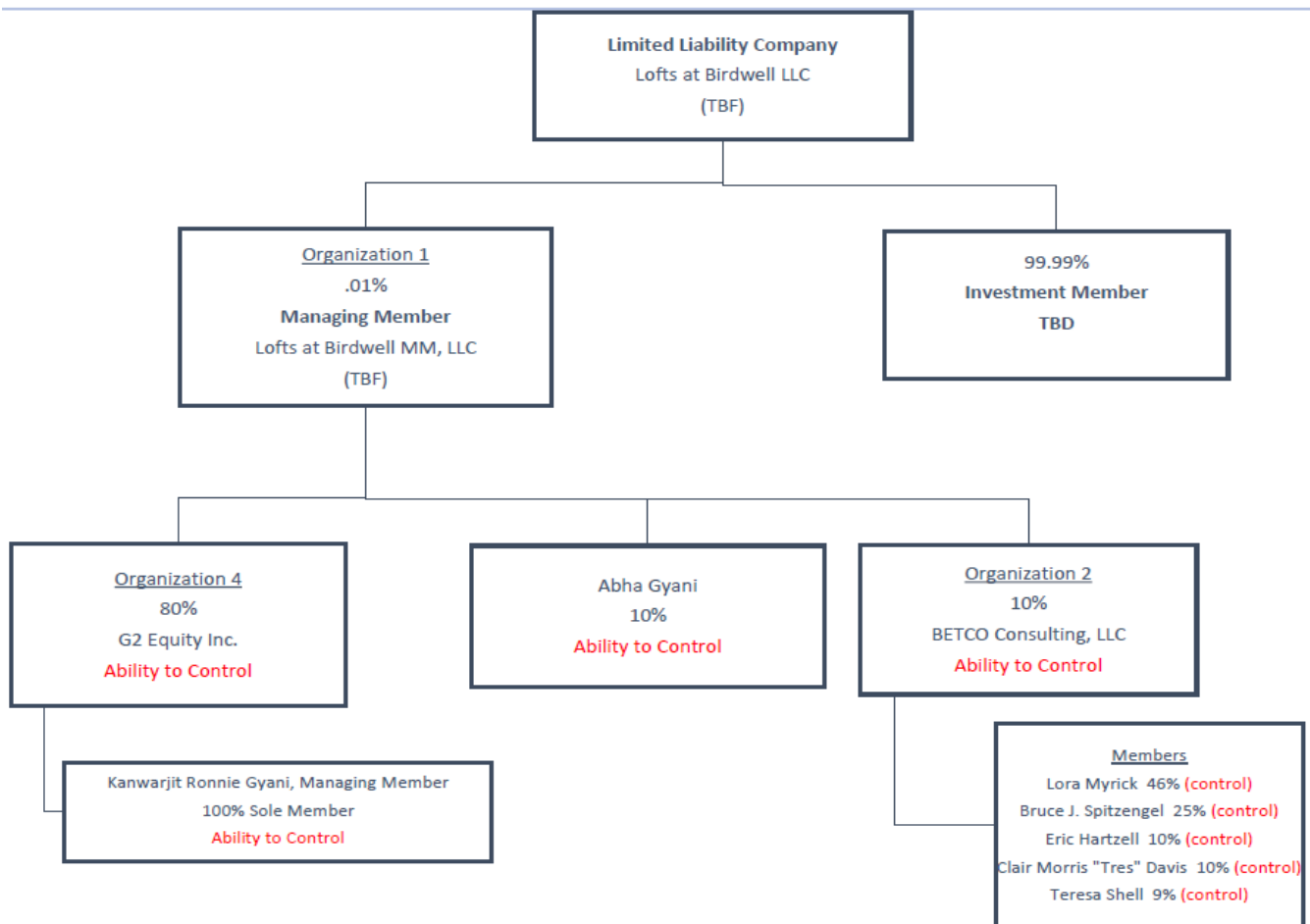
| WEAKNESSES/RISKS | |
|------------------|-------------------------------|
| ▫ | Low Projected 15-yr cash flow |
| ▫ | Construction Cost Risk |
| ▫ | |

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

Organizational Chart Lofts at Birdwell

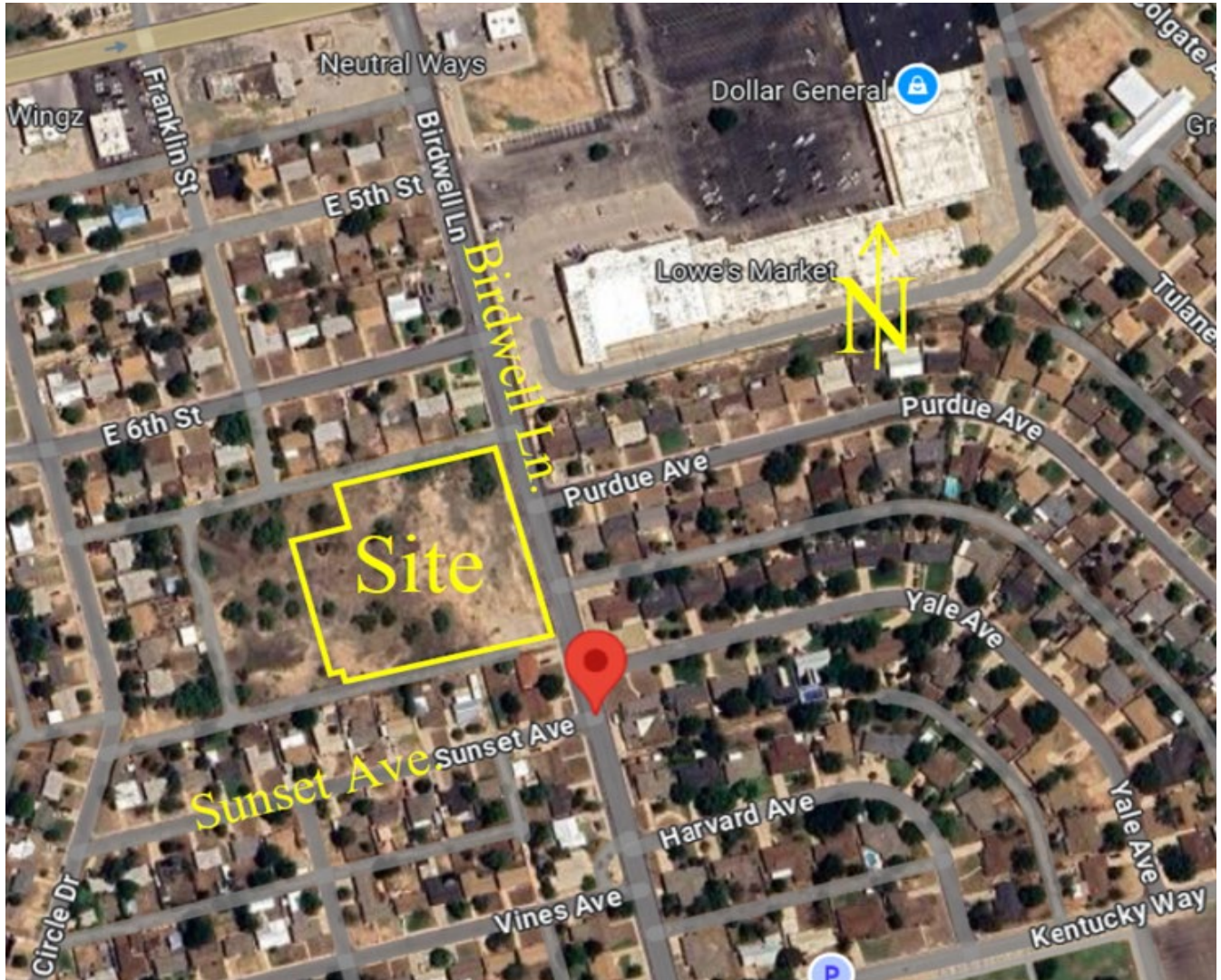
Owner Chart



DEVELOPMENT SUMMARY

SITE PLAN





Comments:

The project will have a total of 91 open surface spaces, which meets zoning requirements. All parking will be provided at no charge to the residents.

BUILDING ELEVATION



BUILDING CONFIGURATION

| | | | | | | | | | | | | | | |
|----------------------------|---------------|----|---|-----------------------|--|--|---------------|--|--|--------------------------|--|--|--------------|-----------|
| Building Type | A | B | C | | | | | | | | | | | |
| Floors/Stories | 2 | 2 | 1 | | | | | | | | | | | |
| Number of Bldgs | 1 | 1 | 1 | | | | | | | | | | | |
| Units per Bldg | 16 | 16 | 7 | | | | | | | | | | | |
| Total Units | 16 | 16 | 7 | | | | | | | | | | | 39 |
| | | | | | | | | | | | | | | |
| Avg. Unit Size (SF) | 800 sf | | | Total NRA (SF) | | | 31,190 | | | Common Area (SF)* | | | 6,043 | |

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 3.429 acres Density: 11.4 units/acre
Site Control: ~4.758 acres **Site Plan:** ~3.42 acres **Appraisal:** n/a **ESA:** 4.758 acres
Feasibility Report Survey: 3.429 acres **Feasibility Report Engineer's Plan:** 3.429 **Existing LURA:** n/a

Control Type: Commercial Contract - Unimproved Property

Tract 1: 4.761 acres Cost: \$625,000 Seller: Big Spring Multi Family #1, LP

Total Acquisition: 4.761 acres Cost: \$625,000

Development Site: 3.429 acres Cost: \$460,945 \$11,819 per unit

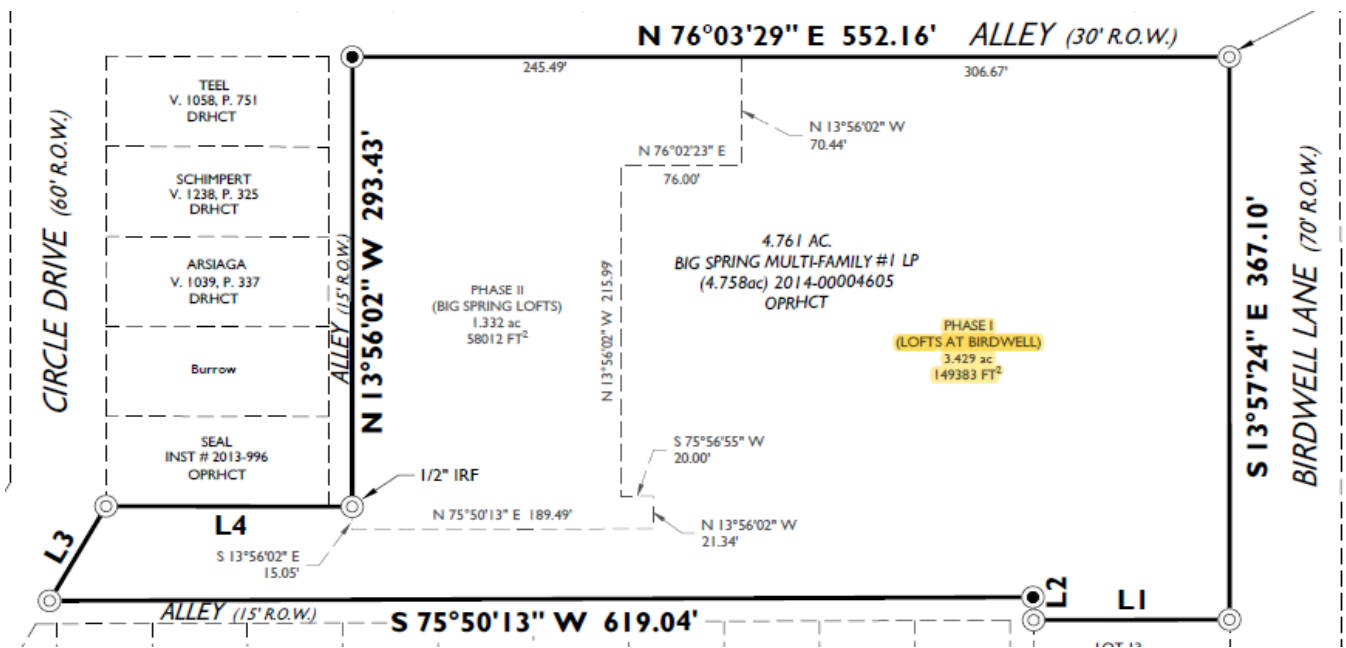
Seller: Big Spring Multi Family #1, LP

Buyer: G2 Equity, Inc, or Assigns

Related-Party Seller/Identity of Interest: No

Comments:

The \$625K cost is for the full 4.761 acres being purchased under one contract that is to be used for 2 contiguous development sites. The 3.429 acre portion is for this development site, which is Phase One. The cost has been prorated. Phase Two is covered under Application 25194 Big Springs Lofts.



SITE INFORMATION

| | | | |
|---------------------|--|---------------------------|------------|
| Flood Zone: | <u>Zone X</u> | Scattered Site? | <u>No</u> |
| Zoning: | <u>MF - Multifamily Dwelling Dist.</u> | Within 100-yr floodplain? | <u>No</u> |
| Re-Zoning Required? | <u>No</u> | Utilities at Site? | <u>Yes</u> |
| Year Constructed: | <u>n/a</u> | Title Issues? | <u>Yes</u> |

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Aspen EnvironmentalDate: 2/9/2025

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

An underground natural gas supply line was noted in the alleyway on the south side of the property.

MARKET ANALYSIS

Provider: NovogradacDate: 2/17/2025

Primary Market Area (PMA): 905 sq. miles 17 mile equivalent radius

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

| File # | Development | In PMA? | Type | Target Population | Comp Units | Total Units |
|--|--------------------------|---------|------|-------------------|------------|-------------------------|
| 23171 | The Trails at Big Spring | Yes | New | General | 18 | 48 |
| Stabilized Affordable Developments in PMA | | | | | | Total Units 577 |
| | | | | | | Total Developments 6 |
| | | | | | | Average Occupancy 95.9% |

Comments:

Market analyst stated that they were unaware of any proposed or unstabilized competitive units that were located in close proximity to the Subject's PMA that share eligible demand or have overlapping census tracts. As such, the market study has not included any competitive units located outside the PMA in the relevant supply.

OVERALL DEMAND ANALYSIS

| | Market Analyst | | | |
|--|----------------|----------|--|--|
| | HTC | Assisted | | |
| Total Households in the Primary Market Area | 11,361 | | | |
| Potential Demand from the Primary Market Area | 737 | | | |
| 10% External Demand | 74 | | | |
| Potential Demand from Other Sources | 0 | | | |
| GROSS DEMAND | 811 | | | |
| Subject Affordable Units | 39 | | | |
| Unstabilized Competitive Units | 18 | | | |
| RELEVANT SUPPLY | 57 | | | |
| Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE | 7.0% | | | |

Population:

General

Market Area:

Rural

Maximum Gross Capture Rate:

30%

| UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND | | | | | | | | | |
|--|----------------|---------|---------------|------------|------------------------|--|--|--|--|
| AMGI Band | Market Analyst | | | | | | | | |
| | Demand | 10% Ext | Subject Units | Comp Units | AMGI Band Capture Rate | | | | |
| 60% AMGI | 737 | 74 | 39 | 18 | 7% | | | | |

| UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE | | | | | | | | | |
|--|----------------|---------|---------------|------------|-------------------|--|--|--|--|
| Unit Type | Market Analyst | | | | | | | | |
| | Demand | 10% Ext | Subject Units | Comp Units | Unit Capture Rate | | | | |
| 1 BR/60% | 171 | 17 | 12 | 1 | 6.9% | | | | |
| 2 BR/60% | 209 | 21 | 27 | 17 | 19.1% | | | | |

Market Analyst Comments:

The comparable properties reported vacancy rates ranging from 1.5 to 7.7 percent, with an overall weighted average of 4.6 percent. The average vacancy rate reported by the affordable comparables was 2.7 percent, well below the 5.7 percent weighted average reported by the market rate properties.

All of the market rate properties reported vacancy rates of 7.7 percent or less. Big Spring Ranch has been excluded from total vacancy calculations due the property combining two existing adjacent affordable developments (Knollwood Heights and The Heights Apartments) under new ownership as one affordable development (Big Spring Ranch); as such, vacant units are being held vacant to undergo renovations.

Based on the performance of the comparables, we expect the Subject will operate with a vacancy rate of approximately five percent over a typical investment period. (p.93/143)

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

| | | | | | |
|----------------|-----------|----------------|-------|------------------------|---------|
| NOI: | \$176,745 | Avg. Rent: | \$958 | Expense Ratio: | 58.1% |
| Debt Service: | \$131,477 | B/E Rent: | \$854 | Controllable Expenses: | \$3,859 |
| Net Cash Flow: | \$45,268 | UW Occupancy: | 92.5% | Property Taxes/Unit: | \$872 |
| Aggregate DCR: | 1.34 | B/E Occupancy: | 82.6% | Program Rent Year: | 2024 |

Underwriter primarily relied on the TDHCA Database to project expenses. Total expenses vary less than 3% from Applicant's budget. Furthermore, Underwriter's estimated NOI varies less than 5% from Applicant's budget. Therefore, Applicant's expenses and NOI are used in the analysis.

Applicant provided a staffing plan to support the payroll expense of \$65K.

Applicant provided an insurance quote to support the property insurance expense of \$32K (\$821/unit).

Residual 15-year cash flow is \$106K after deferred developer fee is paid off in Year 14.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

| | | | | | |
|----------------------|--------------|---------------|--------------------|-----------------------|--------------------|
| Acquisition | \$134,426/ac | \$11,819/unit | \$460,945 | Contractor Fee | \$824,859 |
| Off-site + Site Work | | \$47,051/unit | \$1,835,000 | Soft Cost + Financing | \$2,082,270 |
| Building Cost | \$118.31/sf | \$94,621/unit | \$3,690,211 | Developer Fee | \$1,721,882 |
| Contingency | 6.64% | \$9,401/unit | \$366,640 | Reserves | \$188,072 |

| | | | | |
|-------------------------------|-----------------------|---------------------|----------------------------|------------|
| Total Development Cost | \$286,407/unit | \$11,169,879 | Rehabilitation Cost | N/A |
|-------------------------------|-----------------------|---------------------|----------------------------|------------|

| | |
|---------------------------------------|-----------------|
| Qualified for 30% Basis Boost? | Rural [9% only] |
|---------------------------------------|-----------------|

Building Cost:

Underwriter estimated building cost using Marshall and Swift's "Average Quality" Base Cost. This resulted in an estimate of \$96K/unit (\$120/sf) as compared to Applicant's budget of \$94K/unit (\$118/sf). The difference only equates to a 1.5% variance.

The respective estimates of Total Housing Development Cost only vary by less than 1%, so Applicant's budgeted costs are used in the analysis.

Credit Allocation Supported by Costs:

| | | |
|-------------------------------|-------------------------------|--|
| Total Development Cost | Adjusted Eligible Cost | Credit Allocation Supported by Eligible Basis |
| \$11,169,879 | \$9,989,292 | \$1,168,747 |

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

| Funding Source | Description | Amount | Rate | LTC |
|------------------------------------|--------------------------|---------------------|----------------------|-----|
| KeyBank | Construction / Perm Loan | \$8,400,000 | 8.00% | 75% |
| Raymond James | FHTC | \$1,754,825 | \$0.78 | 16% |
| Lofts at Birdwell Development, LLC | DDF | \$1,015,054 | 0.00% | 9% |
| | | \$11,169,879 | Total Sources | |

PERMANENT SOURCES

| Debt Source | PROPOSED | | | | UNDERWRITTEN | | | | |
|--------------|--------------------|---------------|-------|------|--------------------|---------------|-------|------|-----|
| | Amount | Interest Rate | Amort | Term | Amount | Interest Rate | Amort | Term | LTC |
| KeyBank | \$1,715,000 | 7.00% | 35 | 15.0 | \$1,715,000 | 7.00% | 35 | 15.0 | 15% |
| Total | \$1,715,000 | | | | \$1,715,000 | | | | |

| | PROPOSED | | | UNDERWRITTEN | | | |
|------------------------------------|--------------|--------------------|-------|---------------------|----------------------|------|-------|
| Equity & Deferred Fees | Amount | Rate | % Def | Amount | Rate | % TC | % Def |
| Raymond James | \$8,774,123 | \$0.78 | | \$8,774,123 | \$0.78 | 79% | |
| Lofts at Birdwell Development, LLC | \$680,756 | | 40% | \$680,756 | | 6% | 40% |
| | Total | \$9,454,879 | | \$9,454,879 | | | |
| | | | | \$11,169,879 | Total Sources | | |

Credit Price Sensitivity based on current capital structure

| | |
|----------------|---|
| \$0.840 | Maximum Credit Price before the Development is oversourced and allocation is limited |
| \$0.770 | Minimum Credit Price below which the Development would be characterized as infeasible |

CONCLUSIONS

Gap Analysis:

| | |
|---|--------------------|
| Total Development Cost | \$11,169,879 |
| Permanent Sources (debt + non-HTC equity) | \$1,715,000 |
| Gap in Permanent Financing | \$9,454,879 |

| Possible Tax Credit Allocations: | Equity Proceeds | Annual Credits |
|----------------------------------|-----------------|----------------|
| Determined by Eligible Basis | \$9,115,317 | \$1,168,747 |
| Needed to Balance Sources & Uses | \$9,454,879 | \$1,212,285 |
| Requested by Applicant | \$8,774,123 | \$1,125,000 |

| | RECOMMENDATION | |
|------------------------------|--------------------|--------------------|
| | Equity Proceeds | Annual Credits |
| Tax Credit Allocation | \$8,774,123 | \$1,125,000 |

| | | |
|-------------------------------|------------------|-----------------|
| Deferred Developer Fee | \$680,756 | (40% deferred) |
| Repayable in | 14 years | |

Recommendation:

Underwriter recommends \$1,125,000 in annual 9% Housing Tax Credits as requested by the Applicant.

Underwriter:

Deborah Willson

Manager of Real Estate Analysis:

Gregg Kazak

Director of Real Estate Analysis:

Jeanna Adams

| UNIT MIX/RENT SCHEDULE |
|---|
| <i>Lofts at Birdwell, Big Spring, 9% HTC #25271</i> |

| LOCATION DATA | |
|--------------------|------------|
| CITY: | Big Spring |
| COUNTY: | Howard |
| Area Median Income | \$85,100 |
| PROGRAM REGION: | 12 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | | |
|-------------------|-----------|---------------|----------|----------|----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | SHTC | Match |
| Eff | - | 0.0% | 0 | 0 | 0 | 0 |
| 1 | 12 | 30.8% | 0 | 0 | 0 | 0 |
| 2 | 27 | 69.2% | 0 | 0 | 0 | 0 |
| 3 | - | 0.0% | 0 | 0 | 0 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 | 0 |
| | | | | | | |
| TOTAL | 39 | 100.0% | - | - | - | - |

| PRO FORMA ASSUMPTIONS | |
|-----------------------|---------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 100.00% |
| APP % Acquisition | 9.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 800 sf |

| | | | | | | | | | | |
|------------|---------|------|------|------|------|--------|------|------|---------|--------|
| 60% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
| Average | # Units | - | - | - | - | 39 | - | - | - | 39 |
| 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 | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-----------|--------|---------|---------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|---------------|---------------|--------------|----------------|----------------|
| FEDERAL 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% | \$927 | 12 | 1 | 1 | 660 | \$927 | \$80 | \$847 | \$0 | \$1.28 | \$847 | \$10,164 | \$10,164 | \$847 | \$1.28 | \$0 | \$1,350 | \$1,350 |
| TC 60% | \$1,113 | 26 | 2 | 2 | 861 | \$1,113 | \$105 | \$1,008 | \$0 | \$1.17 | \$1,008 | \$26,208 | \$26,208 | \$1,008 | \$1.17 | \$0 | \$1,650 | \$1,650 |
| TC 60% | \$1,113 | 1 | 2 | 2 | 884 | \$1,113 | \$105 | \$1,008 | \$0 | \$1.14 | \$1,008 | \$1,008 | \$1,008 | \$1,008 | \$1.14 | \$0 | \$1,660 | \$1,660 |
| TOTALS/AVERAGES: | | 39 | | | 31,190 | | | | \$0 | \$1.20 | \$958 | \$37,380 | \$37,380 | \$958 | \$1.20 | \$0 | \$1,558 | \$1,558 |

| | | | |
|-------------------------------------|------------------|------------------|--|
| ANNUAL POTENTIAL GROSS RENT: | \$448,560 | \$448,560 | |
|-------------------------------------|------------------|------------------|--|

*MFDL units float among Unit Types

| |
|--|
| STABILIZED PRO FORMA |
| <i>Lofts at Birdwell, Big Spring, 9% HTC #25271</i> |

| STABILIZED FIRST YEAR PRO FORMA | | | | | | | | | | | | | |
|---------------------------------|-------------|--|--|-----------|--------|----------|-----------|-----------|----------|--------|-------|----------|-----|
| COMPARABLES | | | | APPLICANT | | | | TDHCA | | | | VARIANCE | |
| Database | Local Comps | | | % EGI | Per SF | Per Unit | Amount | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | | \$1.20 | \$958 | \$448,560 | \$448,560 | \$958 | \$1.20 | | 0.0% | \$0 |
| App Fees, NSF, vending | | | | | | \$15.00 | \$7,020 | | | | | | |
| Total Secondary Income | | | | | | \$15.00 | | \$7,020 | \$15.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | | \$455,580 | \$455,580 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | | 7.5% PGI | (34,169) | (34,169) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | | \$421,412 | \$421,412 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | |
|---------------------------------------|----------|--------------|----------|---------|---------------|---------------|----------------|------------------|------------------|----------------|---------------|---------------|--------------|-------------------|
| General & Administrative | \$21,033 | \$539/Unit | \$20,185 | \$518 | 6.05% | \$0.82 | \$654 | \$25,500 | \$21,033 | \$539 | \$0.67 | 4.99% | 21.2% | 4,467 |
| Management | \$21,039 | 5.9% EGI | \$22,419 | \$575 | 4.00% | \$0.54 | \$432 | \$16,856 | \$16,856 | \$432 | \$0.54 | 4.00% | 0.0% | - |
| Payroll & Payroll Tax | \$50,040 | \$1,283/Unit | \$68,974 | \$1,769 | 15.42% | \$2.08 | \$1,667 | \$65,000 | \$65,000 | \$1,667 | \$2.08 | 15.42% | 0.0% | - |
| Repairs & Maintenance | \$31,182 | \$800/Unit | \$23,663 | \$607 | 6.64% | \$0.90 | \$718 | \$28,000 | \$25,350 | \$650 | \$0.81 | 6.02% | 10.5% | 2,650 |
| Electric/Gas | \$6,968 | \$179/Unit | \$9,961 | \$255 | 1.66% | \$0.22 | \$179 | \$7,000 | \$6,968 | \$179 | \$0.22 | 1.65% | 0.5% | 32 |
| Water, Sewer, & Trash | \$27,768 | \$712/Unit | \$38,494 | \$987 | 5.93% | \$0.80 | \$641 | \$25,000 | \$27,768 | \$712 | \$0.89 | 6.59% | -10.0% | (2,768) |
| Property Insurance | \$27,300 | \$0.88 /sf | \$23,854 | \$612 | 7.59% | \$1.03 | \$821 | \$32,000 | \$32,000 | \$821 | \$1.03 | 7.59% | 0.0% | - |
| Property Tax (@ 100%) 2.694440 | \$21,564 | \$553/Unit | \$14,321 | \$367 | 8.07% | \$1.09 | \$872 | \$34,000 | \$45,661 | \$1,171 | \$1.46 | 10.84% | -25.5% | (11,661) |
| Reserve for Replacements | | | | | 2.31% | \$0.31 | \$250 | \$9,750 | \$9,750 | \$250 | \$0.31 | 2.31% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.37% | \$0.05 | \$40 | \$1,560 | \$1,560 | \$40 | \$0.05 | 0.37% | 0.0% | - |
| TOTAL EXPENSES | | | | | 58.06% | \$7.84 | \$6,273 | \$244,666 | \$251,948 | \$6,460 | \$8.08 | 59.79% | -2.9% | \$ (7,281) |
| NET OPERATING INCOME ("NOI") | | | | | 41.94% | \$5.67 | \$4,532 | \$176,745 | \$169,464 | \$4,345 | \$5.43 | 40.21% | 4.3% | \$ 7,281 |

| | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$3,859/Unit | | | | \$3,747/Unit | | | |
|-----------------------|--|--|--|--|--|--|--------------|--|--|--|--------------|--|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Birdwell, Big Spring, 9% HTC #25271

| | | DEBT / GRANT SOURCES | | | | | | | | | | | | | |
|-----------------|-----|---|----------|---|----------------------------|-------|------|-------------|--------------------------------------|--------------------|-------|-------|-----------|------------|-------|
| | | APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE | | | | | | | AS UNDERWRITTEN DEBT/GRANT STRUCTURE | | | | | | |
| | | Cumulative DCR | | Pmt | Rate | Amort | Term | Principal | Principal | Term | Amort | Rate | Pmt | Cumulative | |
| UW | App | DCR | LTC | | | | | | | | | | | | |
| DEBT (Must Pay) | Fee | 1.29 | 1.34 | 131,477 | 7.00% | 35 | 15 | \$1,715,000 | \$1,715,000 | 15 | 35 | 7.00% | \$131,477 | 1.34 | 15.4% |
| | | | | \$131,477 | TOTAL DEBT / GRANT SOURCES | | | \$1,715,000 | \$1,715,000 | TOTAL DEBT SERVICE | | | \$131,477 | 1.34 | 15.4% |
| NET CASH FLOW | | \$37,987 | \$45,268 | APPLICANT NET OPERATING INCOME \$176,745 \$45,268 NET CASH FLOW | | | | | | | | | | | |

| EQUITY / DEFERRED FEES | EQUITY SOURCES | | | | | | | | | | |
|------------------------------------|---------------------------------------|--------|----------------|--------------|--------------|----------------------------------|-------------------------------------|---------------|--------|-------------------------|-------------------|
| | APPLICANT'S PROPOSED EQUITY STRUCTURE | | | | | AS UNDERWRITTEN EQUITY STRUCTURE | | | | | |
| | DESCRIPTION | % Cost | Annual Credit | Credit Price | Amount | Amount | Credit Price | Annual Credit | % Cost | Annual Credits per Unit | Allocation Method |
| Raymond James | LIHTC Equity | 78.6% | \$1,125,000 | \$0.78 | \$8,774,123 | \$8,774,123 | \$0.78 | \$1,125,000 | 78.6% | \$28,846 | Applicant Request |
| Lofts at Birdwell Development, LLC | Deferred Developer Fees | 6.1% | (40% Deferred) | | \$680,756 | \$680,756 | (40% Deferred) | | 6.1% | Total Developer Fee: | \$1,721,882 |
| Additional (Excess) Funds Req'd | | 0.0% | | | | \$0 | | | 0.0% | | |
| TOTAL EQUITY SOURCES | | 84.6% | | | \$9,454,879 | \$9,454,879 | | | 84.6% | | |
| | | | | | | | | | | | |
| TOTAL CAPITALIZATION | | | | | \$11,169,879 | \$11,169,879 | 15-Yr Cash Flow after Deferred Fee: | | | \$106,215 | |

| DEVELOPMENT COST / ITEMIZED BASIS | | | | | | | | | | | | |
|---|------------------|-----------------|-----------------|------------------|-----------------|--------------------------|------------------|-------------|------------------|-------------|---------------|------------|
| APPLICANT COST / BASIS ITEMS | | | | | | TDHCA COST / BASIS ITEMS | | | | | COST VARIANCE | |
| Eligible Basis | | Total Costs | | | | Total Costs | | | Eligible Basis | | % | \$ |
| Acquisition | New Const. Rehab | | | | | | | | New Const. Rehab | Acquisition | | |
| Land Acquisition | | \$11,819 / Unit | \$460,945 | \$460,945 | \$11,819 / Unit | | | | | | 0.0% | \$0 |
| Building Acquisition | \$0 | \$ / Unit | \$0 | \$0 | \$ / Unit | | | | | \$0 | 0.0% | \$0 |
| Off-Sites | \$0 | \$6,410 / Unit | \$250,000 | \$250,000 | \$6,410 / Unit | | | \$0 | | | 0.0% | \$0 |
| Site Work | \$1,447,500 | \$38,077 / Unit | \$1,485,000 | \$1,485,000 | \$38,077 / Unit | | | \$1,447,500 | | | 0.0% | \$0 |
| Site Amenities | \$100,000 | \$2,564 / Unit | \$100,000 | \$100,000 | \$2,564 / Unit | | | \$100,000 | | | 0.0% | \$0 |
| Building Cost | \$3,690,211 | \$118.31 /sf | \$94,621/Unit | \$3,690,211 | \$3,744,733 | \$96,019/Unit | \$120.06 /sf | \$3,690,211 | | | -1.5% | (\$54,522) |
| Contingency | \$366,640 | 7.00% | 6.64% | \$366,640 | \$366,640 | 6.57% | 7.00% | \$366,640 | | | 0.0% | \$0 |
| Contractor Fees | \$784,609 | 14.00% | 14.00% | \$824,859 | \$824,859 | 13.87% | 14.00% | \$784,609 | | | 0.0% | \$0 |
| Soft Costs | \$0 | \$916,000 | \$23,705 / Unit | \$924,500 | \$924,500 | \$23,705 / Unit | | \$916,000 | \$0 | | 0.0% | \$0 |
| Financing | \$0 | \$1,019,450 | \$29,686 / Unit | \$1,157,770 | \$1,157,770 | \$29,686 / Unit | | \$1,019,450 | \$0 | | 0.0% | \$0 |
| Developer Fee | \$0 | \$1,664,882 | 20.00% | 19.99% | \$1,721,882 | \$1,721,882 | 19.87% | 20.00% | \$1,664,882 | \$0 | 0.0% | \$0 |
| Reserves | | | 6 Months | \$188,072 | \$188,072 | 6 Months | | | | | 0.0% | \$0 |
| TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS) | | \$0 | \$9,989,292 | \$286,407 / Unit | \$11,169,879 | \$11,224,401 | \$287,805 / Unit | \$9,989,292 | \$0 | | -0.5% | (\$54,522) |
| Acquisition Cost | \$0 | | | \$0 | | | | | | | | |
| Contingency | | \$0 | | \$0 | | | | | | | | |
| Contractor's Fee | | \$0 | | \$0 | | | | | | | | |
| Financing Cost | | \$0 | | | | | | | | | | |
| Developer Fee | \$0 | \$0 | | \$0 | | | | | | | | |
| Reserves | | | | \$0 | | | | | | | | |
| ADJUSTED BASIS / COST | | \$0 | \$9,989,292 | \$286,407/unit | \$11,169,879 | \$11,224,401 | \$287,805/unit | \$9,989,292 | \$0 | | -0.5% | (\$54,522) |
| TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): | | | | | | \$11,169,879 | | | | | | |

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Lofts at Birdwell, Big Spring, 9% HTC #25271

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-----------------------------|--------------|--------------|--------------|
| Applicant | | TDHCA | | |
| Acquisition | Construction Rehabilitation | Acquisition | Construction | |
| ADJUSTED BASIS | \$0 | \$9,989,292 | \$0 | \$9,989,292 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$9,989,292 | \$0 | \$9,989,292 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$12,986,079 | \$0 | \$12,986,079 |
| Applicable Fraction | 100.00% | 100.00% | 100% | 100% |
| TOTAL QUALIFIED BASIS | \$0 | \$12,986,079 | \$0 | \$12,986,079 |
| Applicable Percentage | 9.00% | 9.00% | 9.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,168,747 | \$0 | \$1,168,747 |
| CREDITS ON QUALIFIED BASIS | \$1,168,747 | | \$1,168,747 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|---------------------------|--|-------------|-------------------------------|---------------------|------------|
| | Annual Credits | Proceeds | Credit Price \$0.7799 | Variance to Request | |
| | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,168,747 | \$9,115,317 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,212,285 | \$9,454,879 | ---- | ---- | ---- |
| Applicant Request | \$1,125,000 | \$8,774,123 | \$1,125,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|------------------------|---------------|---------------|--------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Garden (Up to 4-story) | 31,190 SF | \$98.59 | 3,074,931 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.64% | | 2.60 | \$81,178 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.33% | | 3.28 | 102,395 |
| Roof Adjustment(s) | | | 0.91 | 28,328 |
| Subfloor | | | (1.77) | (55,104) |
| Floor Cover | | | 3.75 | 116,963 |
| Breezeways | \$51.85 | 4,041 | 6.72 | 209,519 |
| Balconies | \$47.40 | 634 | 0.96 | 30,052 |
| Plumbing Fixtures | \$1,460 | 81 | 3.79 | 118,260 |
| Rough-ins | \$715 | 78 | 1.79 | 55,770 |
| Built-In Appliances | \$2,200 | 39 | 2.75 | 85,800 |
| Exterior Stairs | \$4,250 | 4 | 0.55 | 17,000 |
| Heating/Cooling | | | 4.11 | 128,191 |
| Storage Space | \$51.85 | 0 | 0.00 | 0 |
| Carports | \$21.40 | 0 | 0.00 | 0 |
| Garages | \$41.00 | 0 | 0.00 | 0 |
| Common/Support Area | \$148.28 | 1,368 | 6.50 | 202,853 |
| Elevators | | 0 | 0.00 | 0 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$4.60 | 36,599 | 5.40 | 168,355 |
| SUBTOTAL | | | 139.93 | 4,364,491 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 139.93 | \$4,364,491 |
| Plans, specs, survey, bldg permits | 3.10% | | (4.34) | (\$135,299) |
| Contractor's OH & Profit | 11.10% | | (15.53) | (484,458) |
| NET BUILDING COSTS | | \$96,019/unit | \$120.06/sf | \$3,744,733 |

Long-Term Pro Forma

Lofts at Birdwell, Big Spring, 9% HTC #25271

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$421,412 | \$429,840 | \$438,437 | \$447,205 | \$456,149 | \$503,626 | \$556,044 | \$613,917 | \$677,814 | \$748,361 | \$826,251 |
| TOTAL EXPENSES | 3.00% | \$244,666 | \$251,838 | \$259,221 | \$266,822 | \$274,648 | \$317,385 | \$366,825 | \$424,023 | \$490,203 | \$566,784 | \$655,405 |
| NET OPERATING INCOME ("NOI") | | \$176,745 | \$178,002 | \$179,215 | \$180,383 | \$181,501 | \$186,240 | \$189,219 | \$189,894 | \$187,611 | \$181,578 | \$170,846 |
| EXPENSE/INCOME RATIO | | 58.1% | 58.6% | 59.1% | 59.7% | 60.2% | 63.0% | 66.0% | 69.1% | 72.3% | 75.7% | 79.3% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | |
| KeyBank | | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 |
| TOTAL DEBT SERVICE | | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 | \$131,477 |
| DEBT COVERAGE RATIO | | 1.34 | 1.35 | 1.36 | 1.37 | 1.38 | 1.42 | 1.44 | 1.44 | 1.43 | 1.38 | 1.30 |
| ANNUAL CASH FLOW | | | | | | | | | | | | |
| Deferred Developer Fee Balance | | \$635,487 | \$588,962 | \$541,223 | \$492,317 | \$442,292 | \$177,344 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$106,215 | \$397,995 | \$684,563 | \$948,811 | \$1,169,213 |