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

	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				**$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.

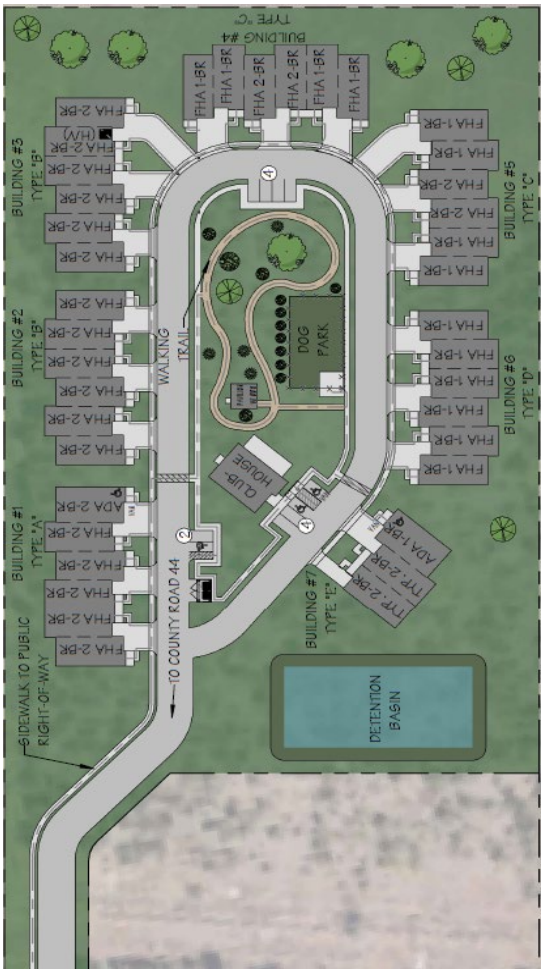
• A 385% increase in total common area, from 1,888 SF to 9,151 SF. The increase in common area is due to the change in design from single-story buildings to one three-story building. Also, Applicant is including the interior corridor and stair areas in the common area calculation.

• 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.

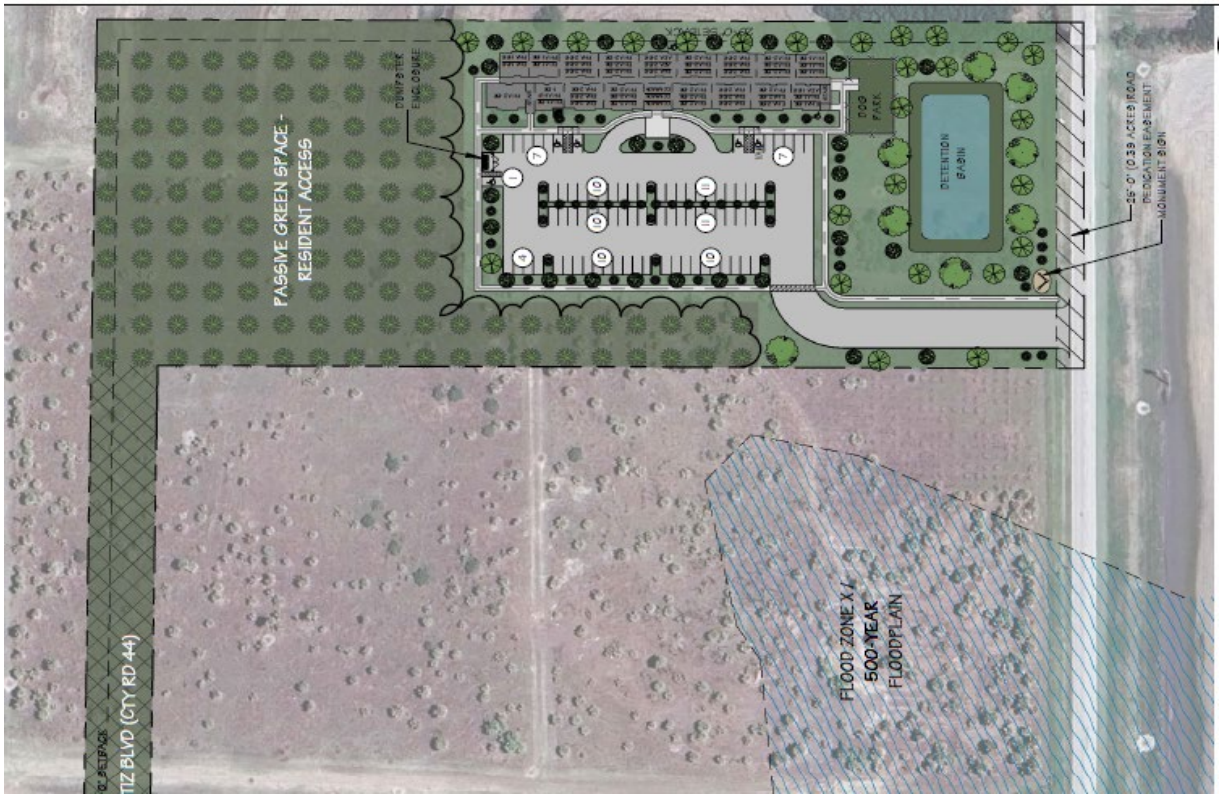
Site Plan

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.

Original Site Plan



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:	*Georgia Simmons*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

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	$1,175
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	$1,175
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	$1,175
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	$1,175
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	$1,325
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	$1,325
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	$1,325
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	$1,325
TOTALS/AVERAGES:		**49**			**39,336**				**$0**	**$1.13**	**$906**	$44,384	**$44,384**	**$906**	**$1.13**	**$0**	**$1,279**	**$1.59**	**$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							Prior Underwriting							Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Applicant**	**TDHCA**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Stellar Bank		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					
						Prior Underwriting							
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	**Applicant**	**TDHCA**	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**
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**	**Total Costs**		**Applicant**	**TDHCA**	**Total Costs**		**New Const. Rehab**	**Acquisition**	**%**	**$**
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	$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 $0.7798	Variance to Request	
Method	Annual Credits	Proceeds	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

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	15	38%
2	24	62%
3	-	0%
4	-	0%
TOTAL	39	100%

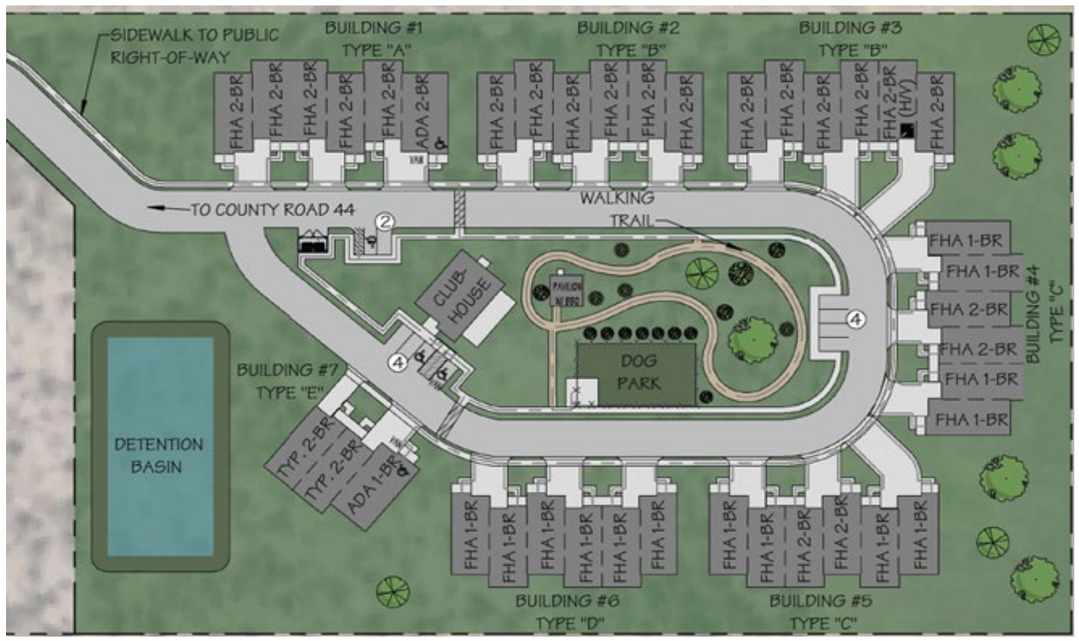
INCOME DISTRIBUTION

Income	# Units	% Total
20%	-	0%
30%	3	8%
40%	-	0%
50%	6	15%
60%	30	77%
70%	-	0%
80%	-	0%
MR	-	0%
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

SITE PLAN



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		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)				
Source	Term	Rate	Amount	DCR
KeyBank	15/35	7.00%	$1,350,000	1.34
TOTAL DEBT (Must Pay)			$1,350,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Robstown	0/0	0.00%	$250	1.34
CASH FLOW DEBT / GRANTS			$250	

EQUITY / DEFERRED FEES	
Source	Amount
Raymond James	$9,813,253
G2 Equity Inc.	$376,410
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

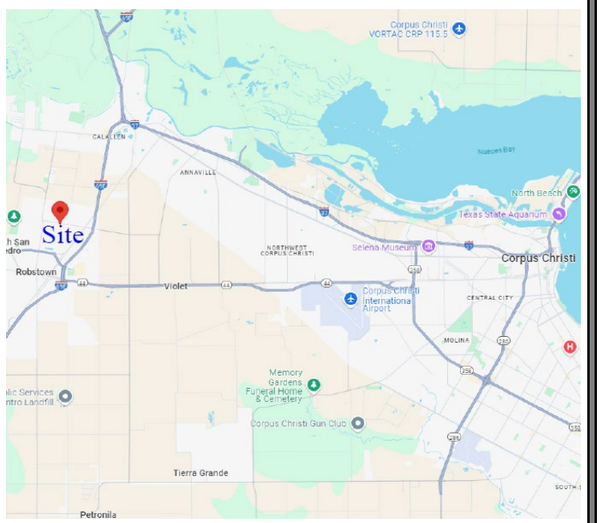
STRENGTHS/MITIGATING FACTORS

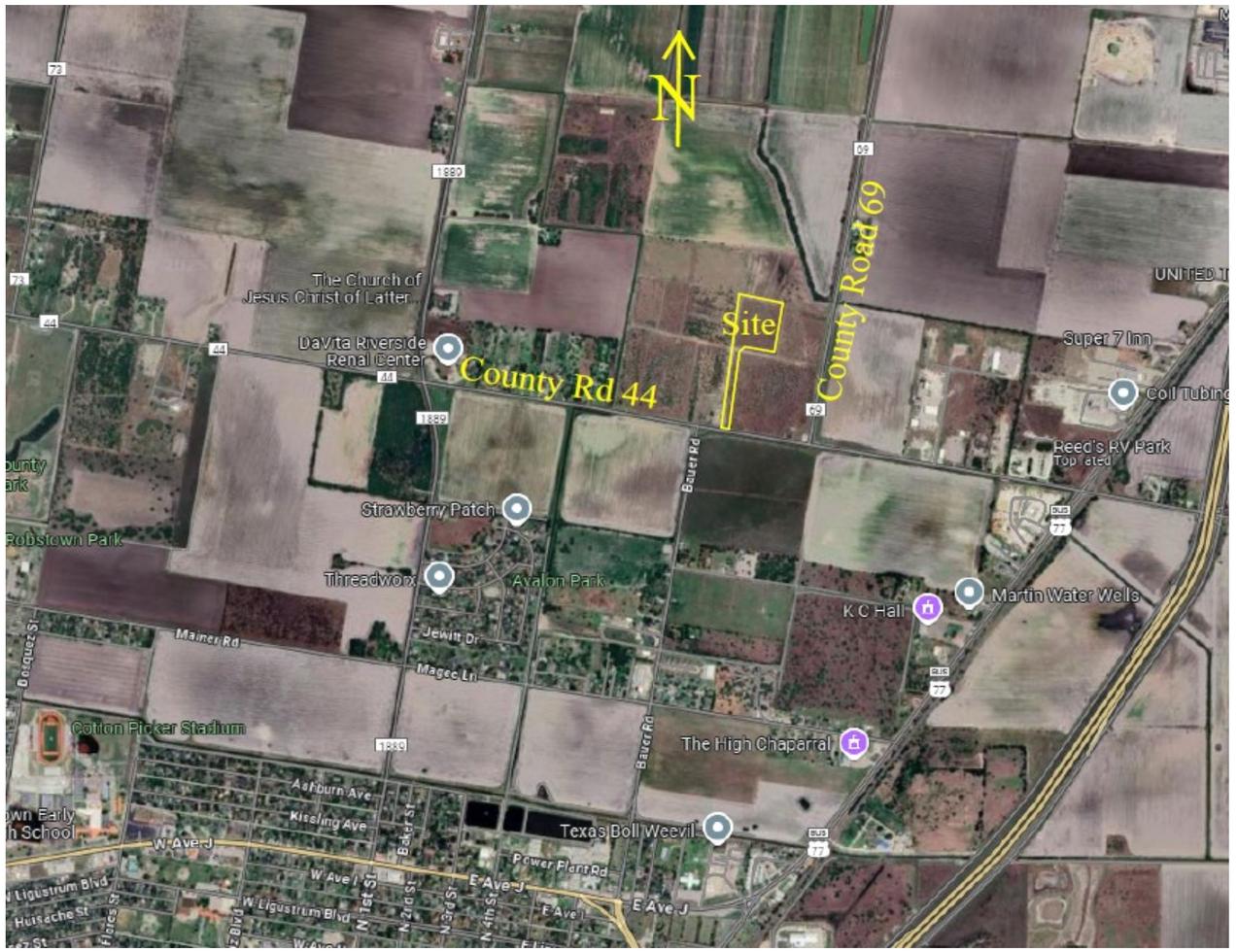
- Low gross capture rate of 0.9%
- 1.34 DCR
- New development and attractive design should enhance leasing

WEAKNESSES/RISKS

- Construction Cost Risk
- High expense ratio
- Interest rate risk

AREA MAP





Real Estate Analysis Division
Underwriting Report
July 9, 2025

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

	REQUEST				RECOMMENDATION						
TDHCA Program	**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.

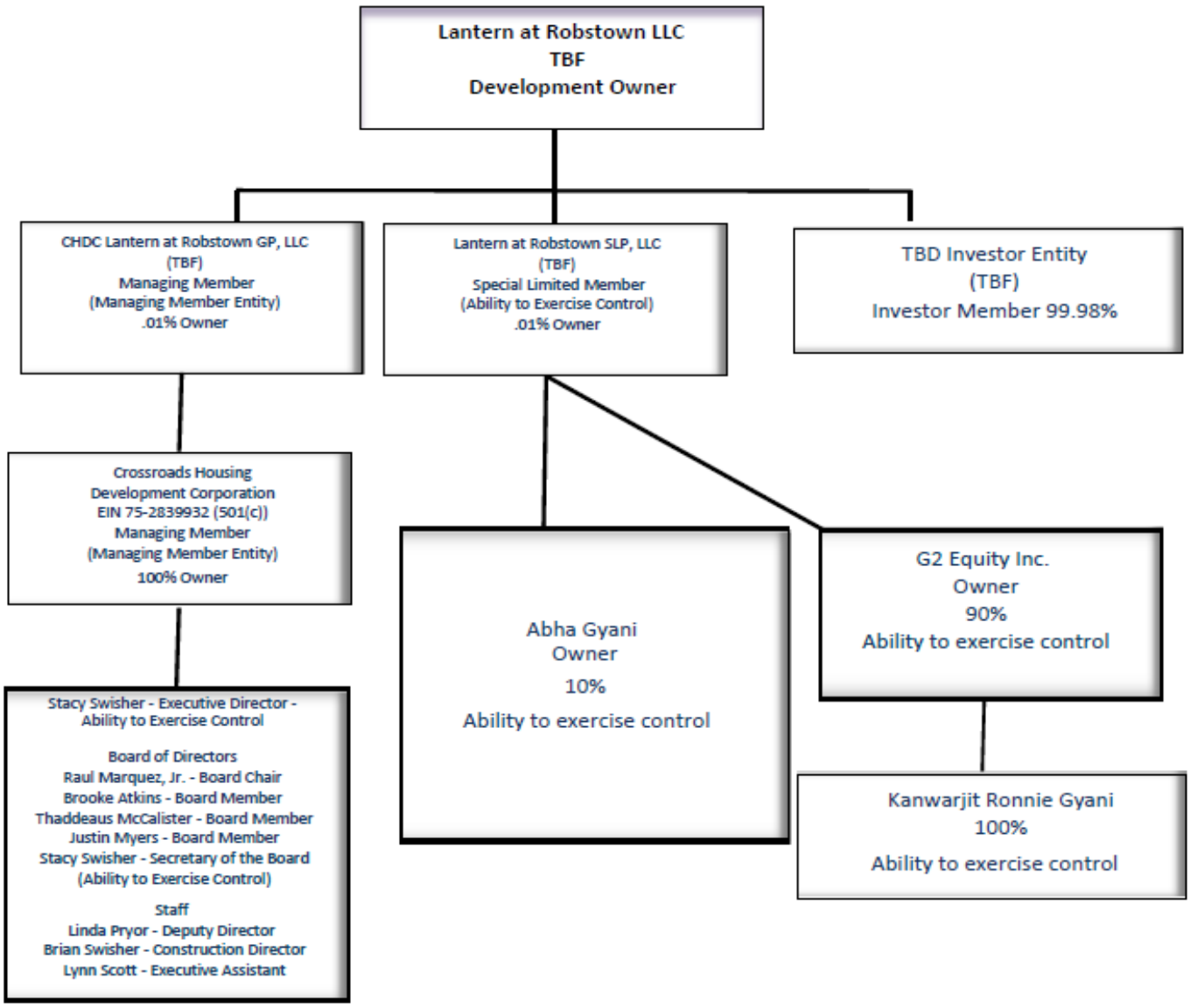
RISK PROFILE

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

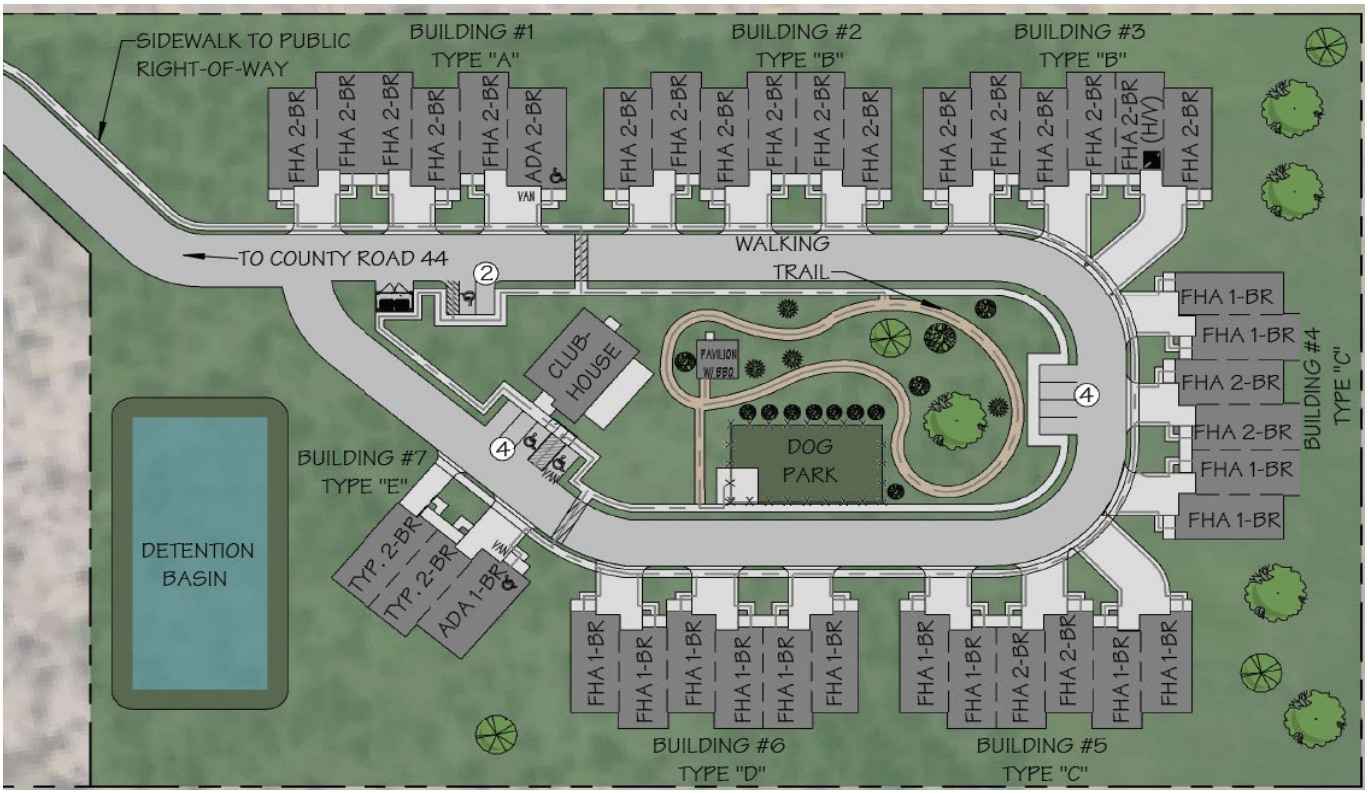
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



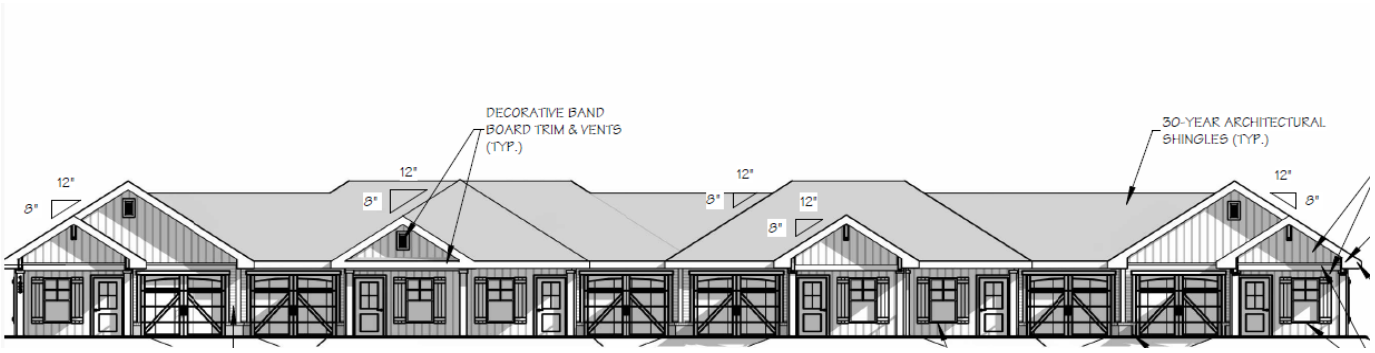
AERIAL

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

	Market Analyst									
AMGI Band	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

	Market Analyst									
Unit Type	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

	PROPOSED				UNDERWRITTEN				
Debt Source	**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:	*Georgia Simmons*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

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	$1,175
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	$1,175
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	$1,175
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	$1,175
TC 30%	$533	2	2	2	918	$533	$88	$445	$0	$0.48	$445	**$890**	**$890**	$445	$0.48	$0	$1,325	$1.44	$1,325
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	$1,325
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	$1,325
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	$1,325
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	$1,325
TOTALS/AVERAGES:		**39**			**36,084**				**$0**	**$0.92**	**$852**	**$33,209**	**$33,209**	**$852**	**$0.92**	**$0**	**$1,267**	**$1.37**	**$1,267**

ANNUAL POTENTIAL GROSS RENT:	$398,508	$398,508	

*MFDL units float among Unit Types

STABILIZED PRO FORMA

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

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											Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
KeyBank		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					
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**
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							Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Total Costs		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 $0.7798	Variance to Request	
Method	Annual Credits	Proceeds	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