



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	
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*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	#####	#####
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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									
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			
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					
	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													
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
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		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				\$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

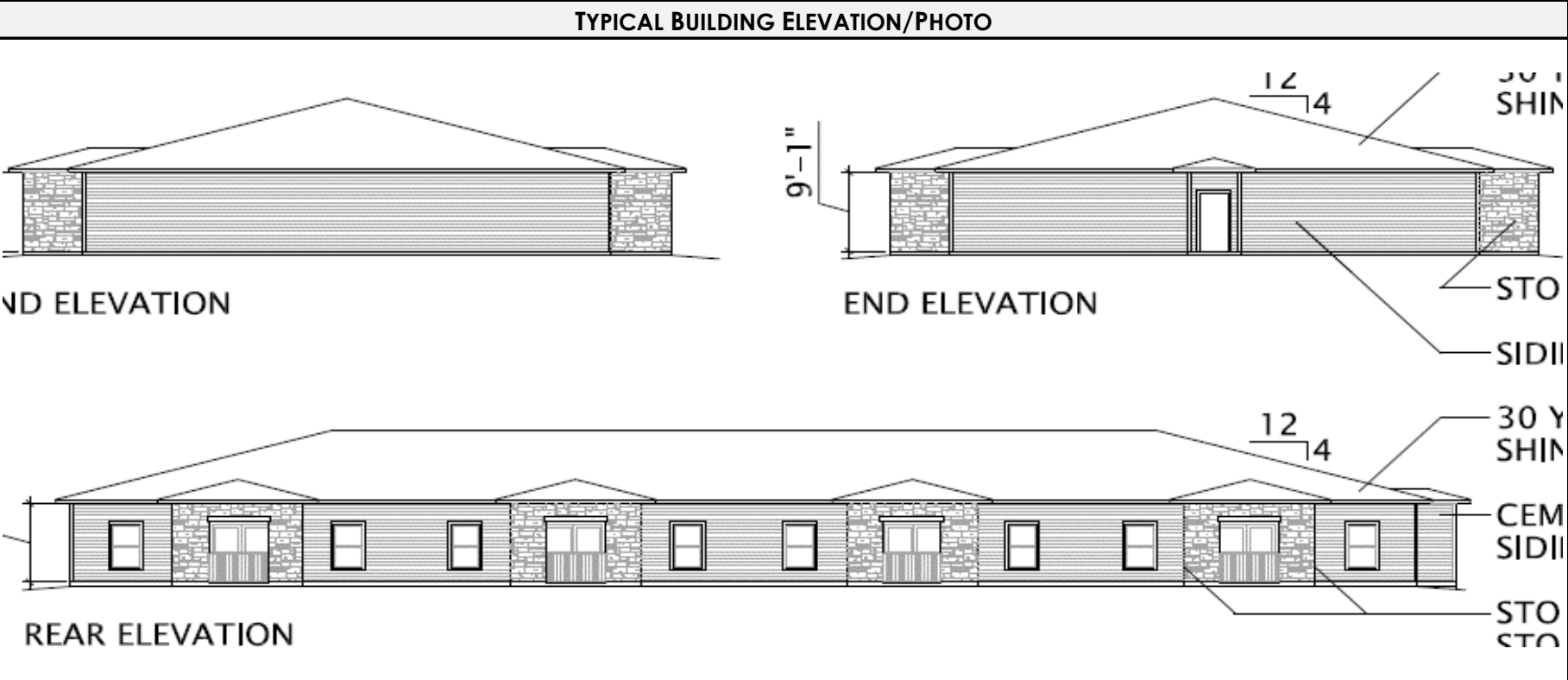
25088 Early Pioneer Crossing - Application Summary

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

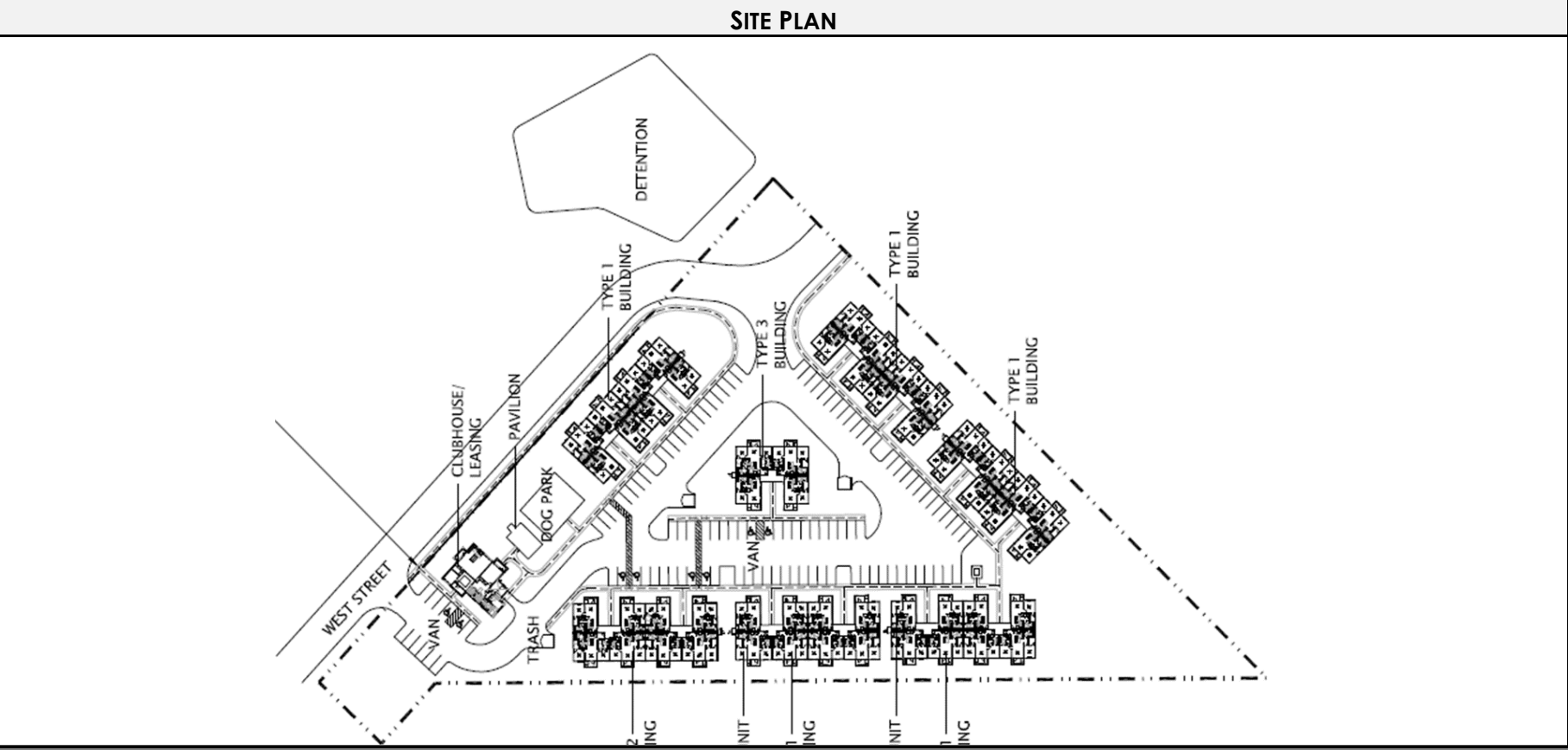
RECOMMENDATION					
TDHCA Program		Request	Recommended		
FHTC (9% Credit)		\$1,125,000	\$1,125,000	\$21,635/Unit	\$0.78

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

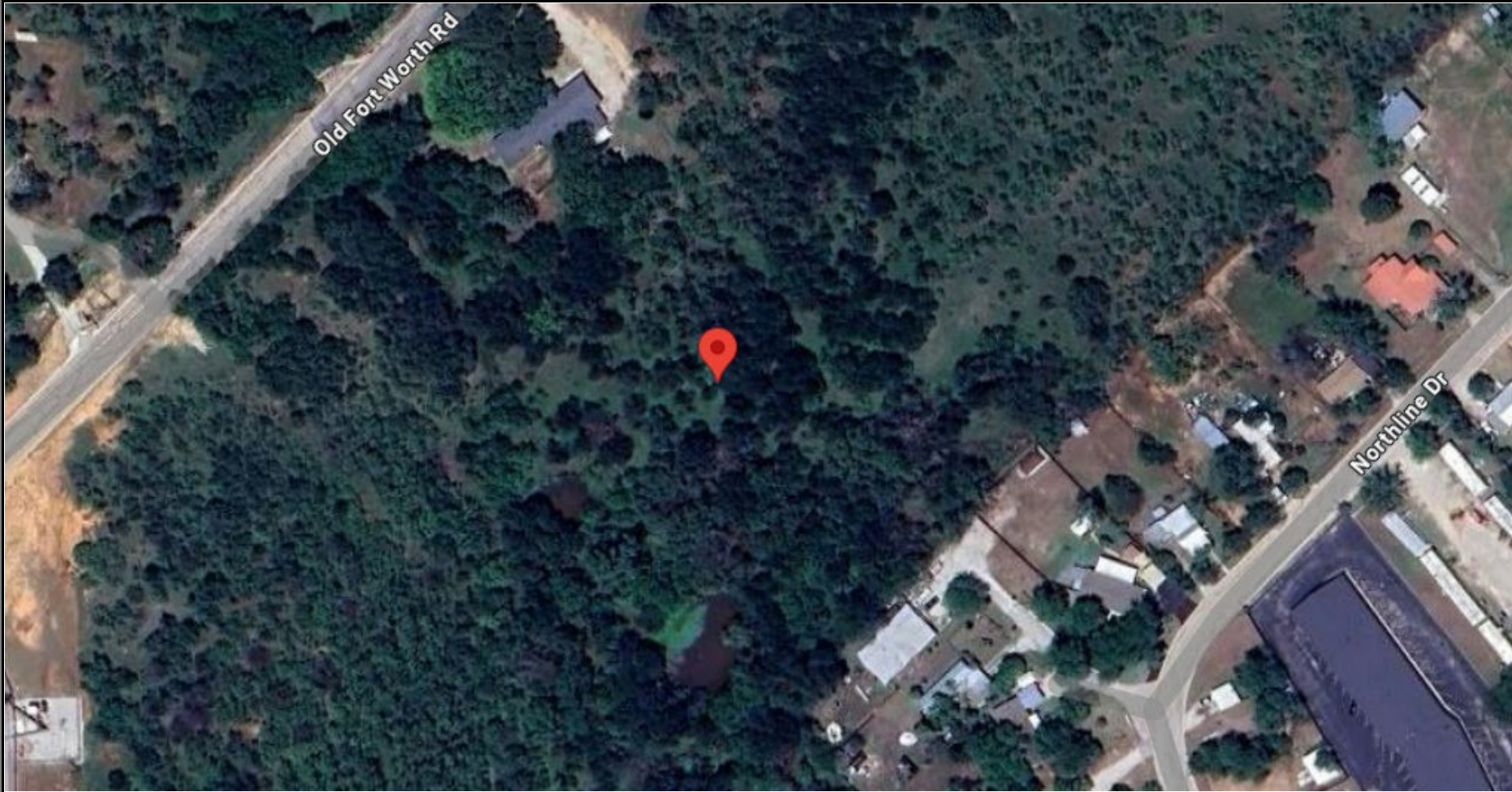
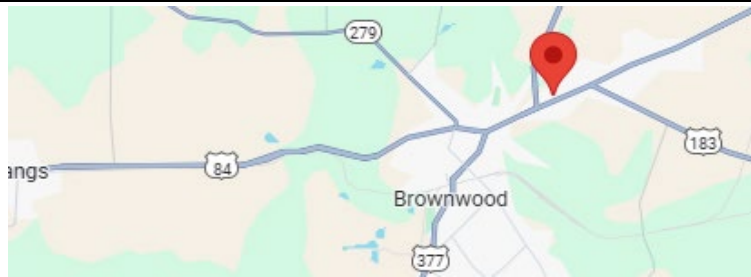


MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			3.2%
Highest Unit Capture Rate	10%	2 BR/60%	18
Dominant Unit Cap. Rate	7%	1 BR/60%	19
Premiums (↑80% Rents)	N/A		N/A
Rent Assisted Units	N/A		

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 DEBT (Must Pay)			\$2,195,000		CASH FLOW DEBT / GRANTS			\$250		TOTAL EQUITY SOURCES	\$9,172,808	
										TOTAL DEBT SOURCES	\$2,195,250	
										TOTAL CAPITALIZATION	\$11,368,058	

CONDITIONS
<div>- Receipt and acceptance by 10% test:<div>* 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.</div></div>
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)
<div>STRENGTHS/MITIGATING FACTORS<div><div>▫ Developer Experience</div><div>▫ Rural Location</div><div>▫ Pays 50% of Property Taxes</div><div>▫ Low Gross Capture Rate</div></div></div>	
<div>WEAKNESSES/RISKS<div><div>▫ DCR 1.15</div><div>▫ Feasibility Dependent on 50% Property Tax Abatement</div></div></div>	
<div>AREA MAP</div>	



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

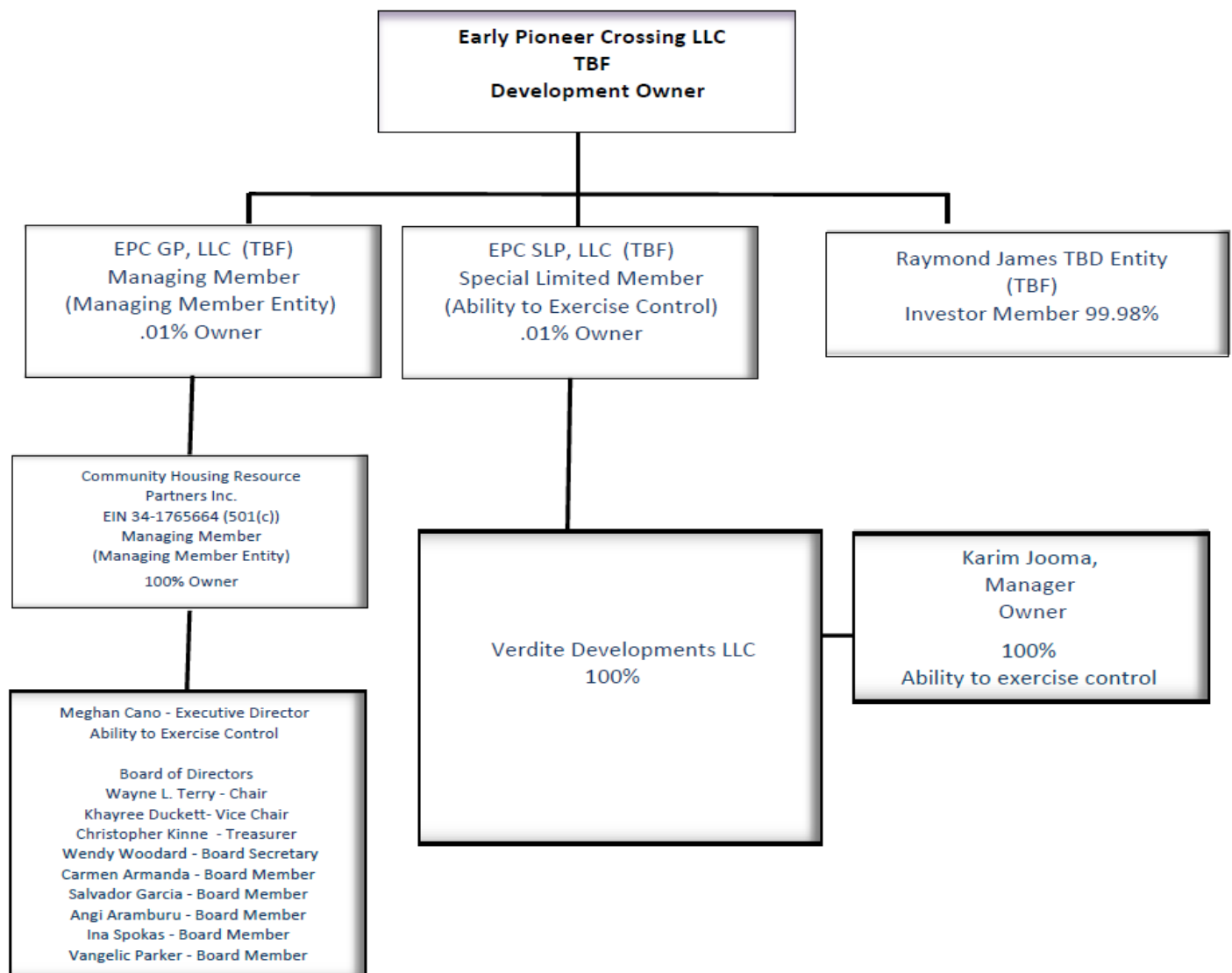
This development will be a single story, garden style development tailored to seniors 55+. It will be comprised of 26 one bedroom units and 26 two bedroom units. It will target persons with incomes of 30%, 50%, and 60% AML.

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	▫	

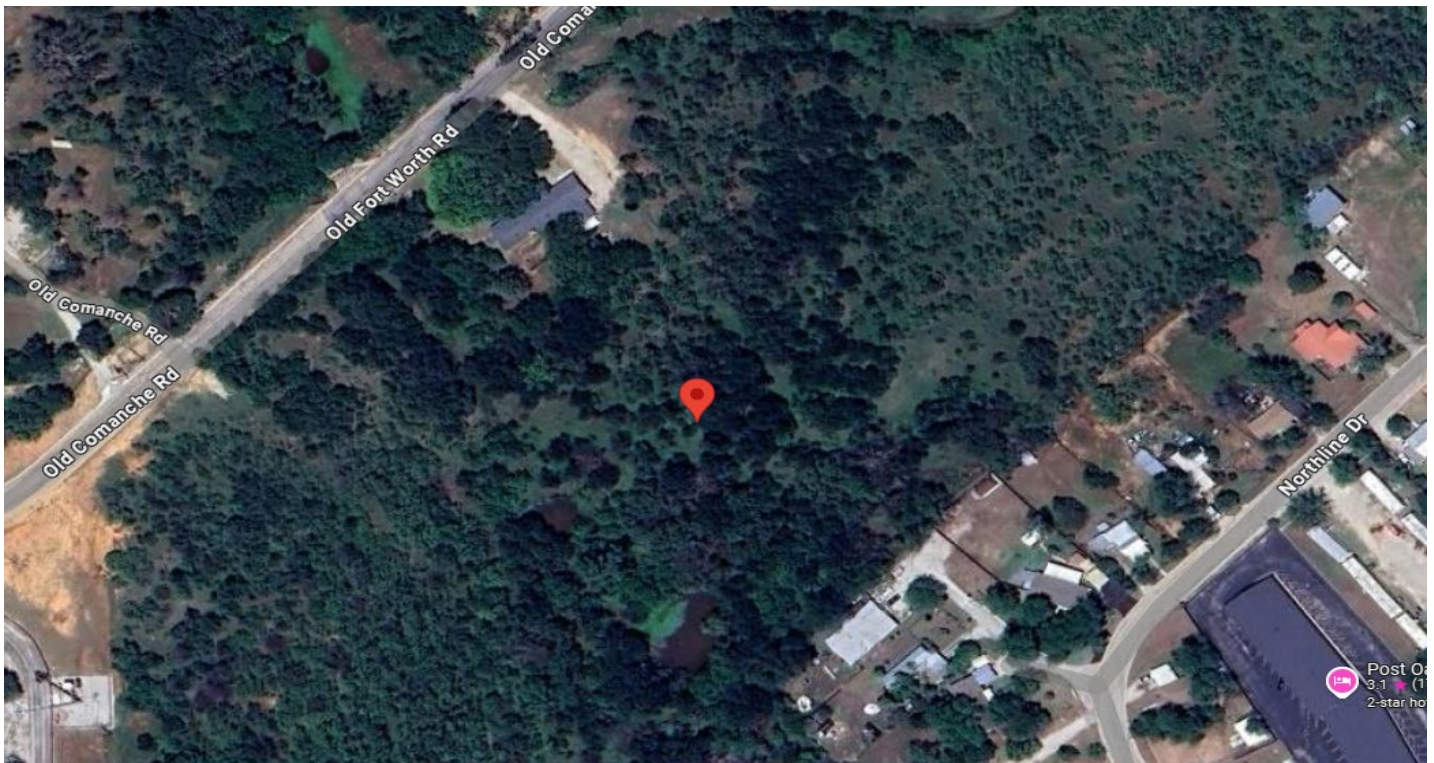
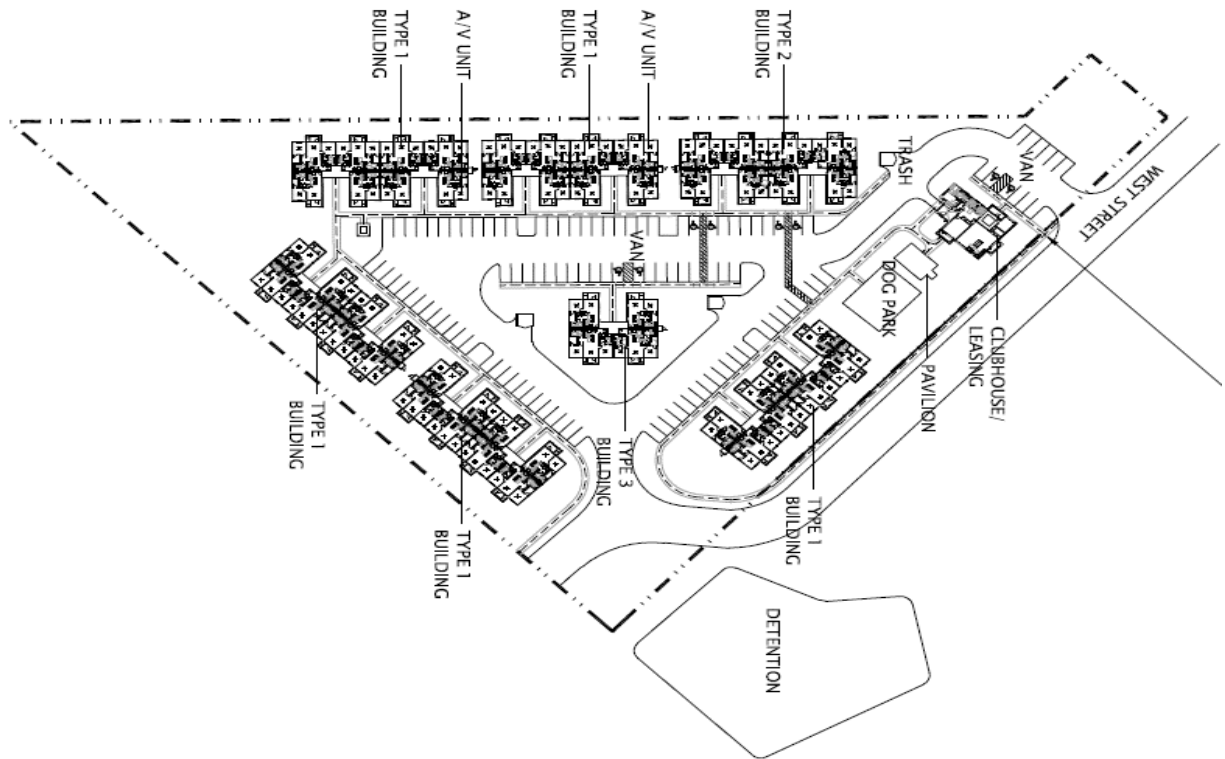
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN



Comments:

Developer is providing 112 parking spots as required by the city

BUILDING ELEVATION



BUILDING CONFIGURATION	
------------------------	--

*Common Area Square Footage as specified on Architect Certification

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%
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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	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									
Unit Type	Market Analyst								
	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	
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*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	
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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