



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

	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				\$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	
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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				
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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%	Total Developer Fee:	\$1,631,107
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	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8300	Variance to Request	
Method	Annual Credits	Proceeds	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
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$303,253</b>	<b>\$305,353</b>	<b>\$307,377</b>	<b>\$309,318</b>	<b>\$311,172</b>	<b>\$318,930</b>	<b>\$323,574</b>	<b>\$324,152</b>	<b>\$319,520</b>	<b>\$308,293</b>	<b>\$288,814</b>	<b>\$259,093</b>
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)												
<b>TOTAL DEBT SERVICE</b>	<b>\$245,852</b>	<b>\$245,791</b>	<b>\$245,726</b>	<b>\$245,657</b>	<b>\$245,585</b>	<b>\$245,151</b>	<b>\$244,574</b>	<b>\$243,805</b>	<b>\$242,781</b>	<b>\$241,416</b>	<b>\$239,598</b>	<b>\$237,176</b>
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

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



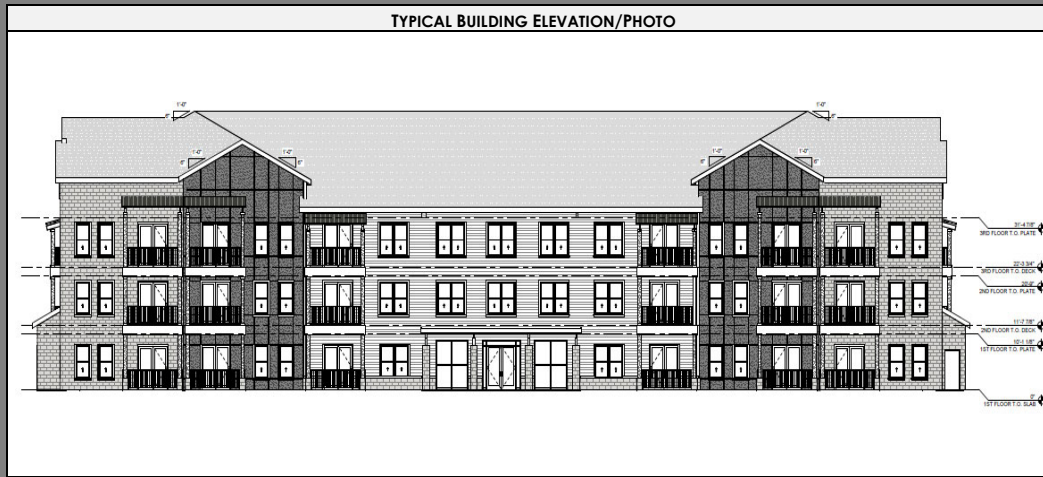
# 25201 Pine Creek Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

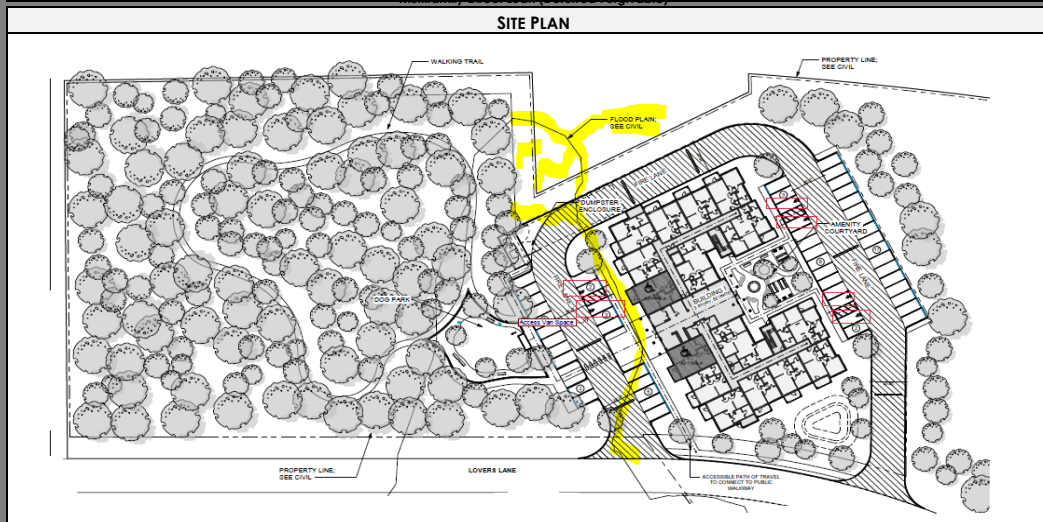
July 14, 2025

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		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
										<b>TOTAL EQUITY SOURCES</b>	<b>\$10,052,274</b>
										<b>TOTAL DEBT SOURCES</b>	<b>\$4,350,250</b>
<b>TOTAL DEBT (Must Pay)</b>			<b>\$4,350,000</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$250</b>		<b>TOTAL CAPITALIZATION</b>	<b>\$14,402,524</b>

CONDITIONS	
1	Receipt and acceptance by Commitment: <ul style="list-style-type: none"> <li>• 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.</li> </ul>
2	Receipt and acceptance by Cost Certification: <ul style="list-style-type: none"> <li>a: Architect certification that all recommendations were implemented and the Development is compliant with HUD noise guidelines.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

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	
<ul style="list-style-type: none"> <li>• Low Gross Capture Rate.</li> </ul>	
WEAKNESSES/RISKS	
<ul style="list-style-type: none"> <li>• Low total number of units at 52.</li> <li>• North and northwest portions of the subject property which are in Zone AE (100-year floodplain).</li> <li>• DCR at 1.15.</li> </ul>	

AREA MAP	

AERIAL PHOTOGRAPH(s)	



### 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.

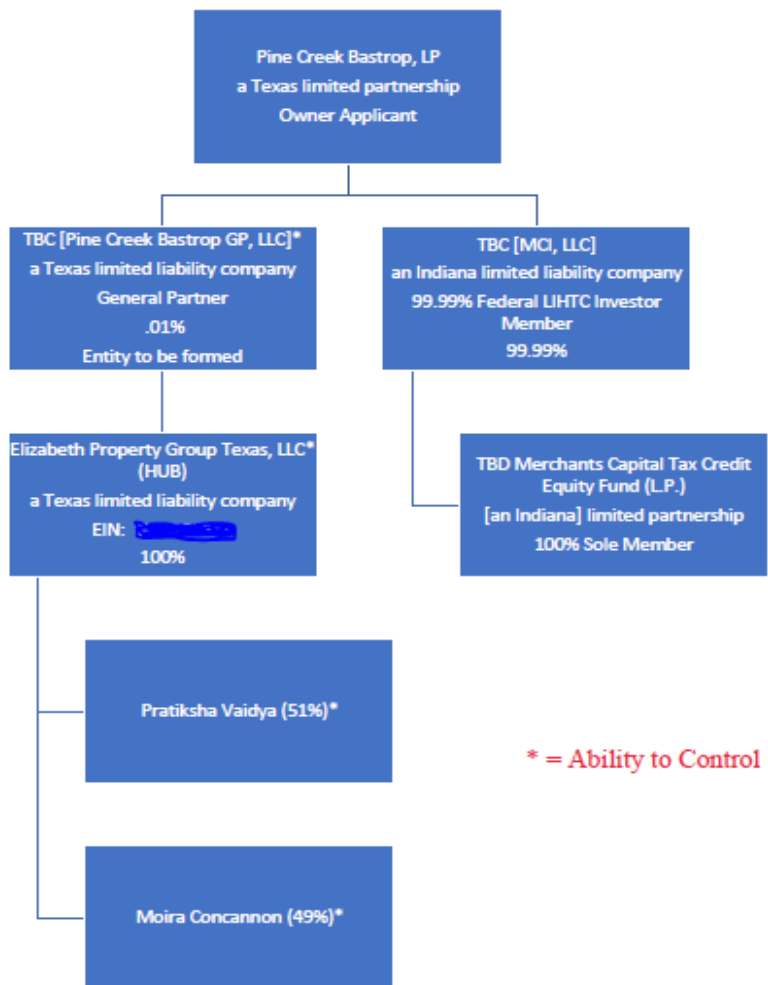
### RISK PROFILE

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**

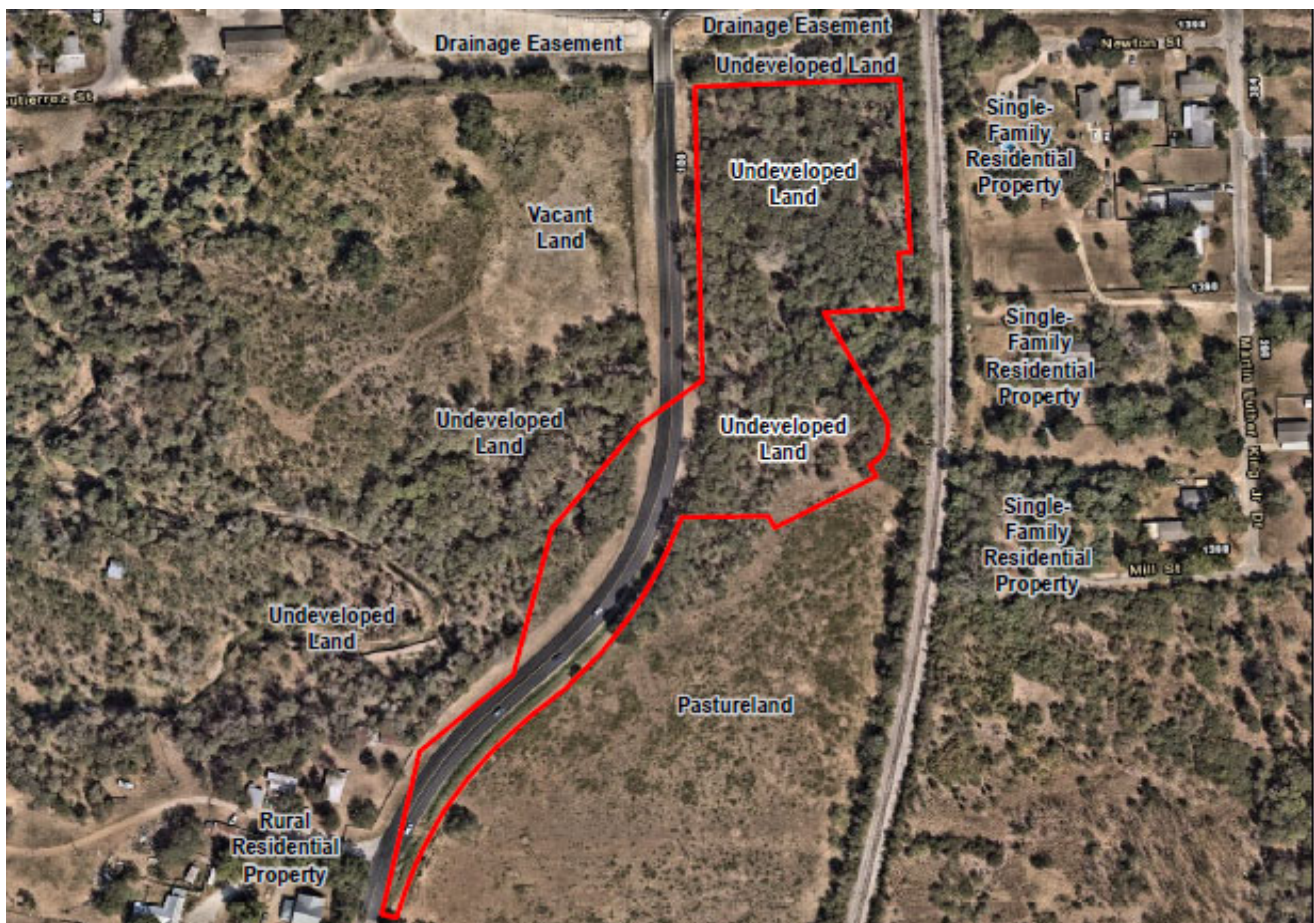
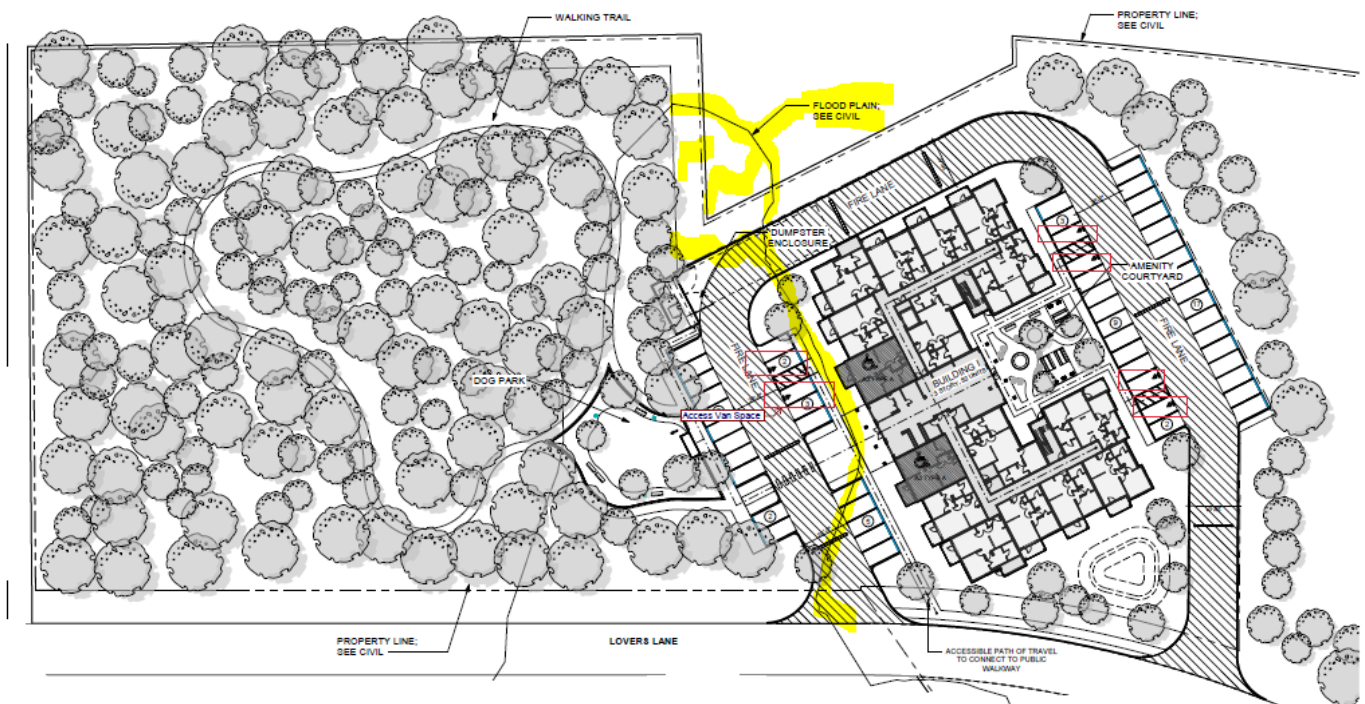
**OWNERSHIP STRUCTURE**





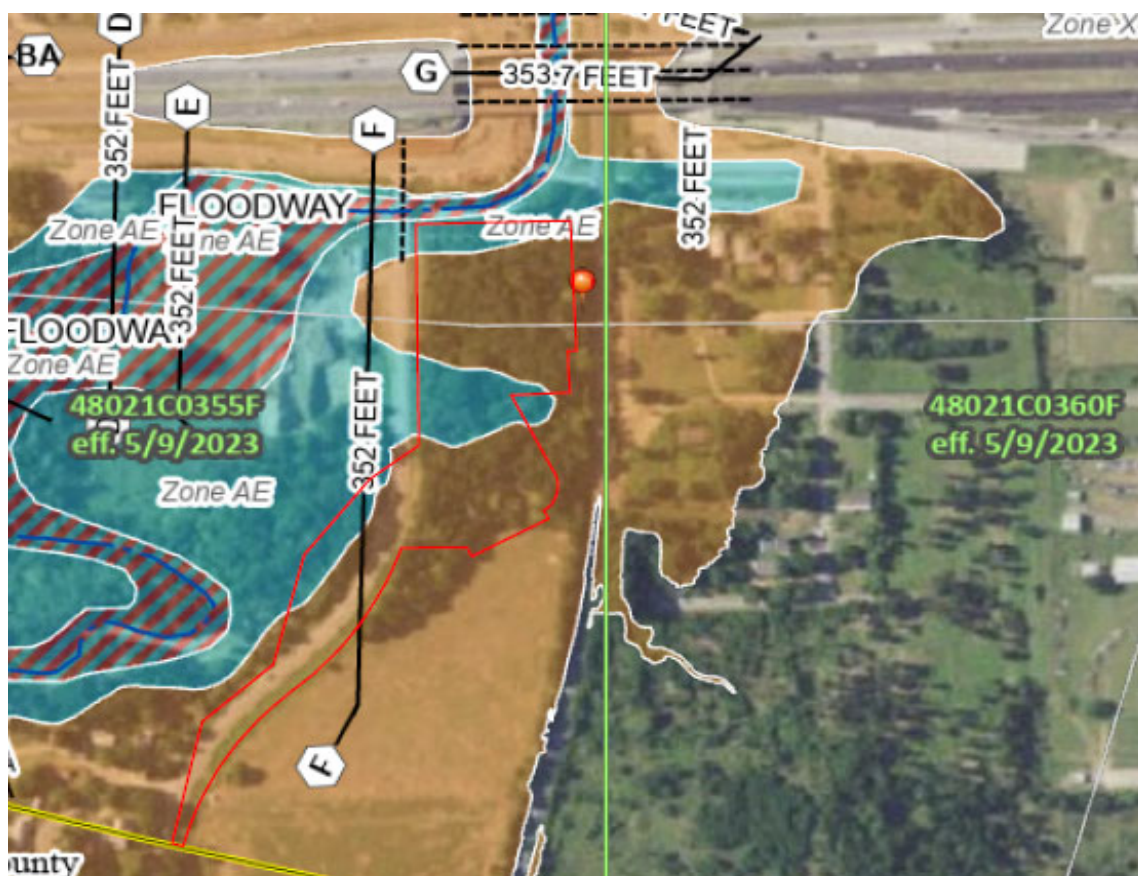
## DEVELOPMENT SUMMARY

### 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.

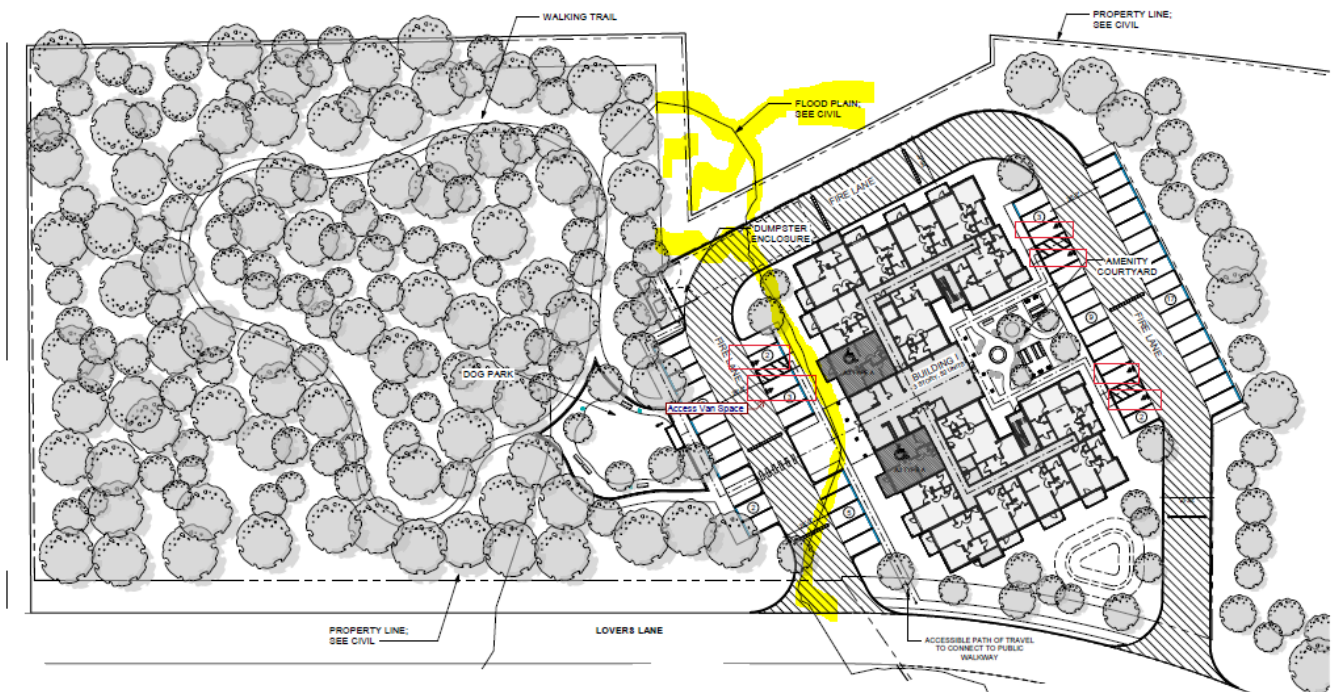
SITE INFORMATION

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			
<b>GROSS DEMAND</b>	8,402			
Subject Affordable Units	52			
Unstabilized Competitive Units	0			
<b>RELEVANT SUPPLY</b>	52			
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>				
	<b>0.6%</b>			

Population:	<b>Elderly Limitation</b>	Market Area:	<b>Rural</b>	Maximum Gross Capture Rate:	<b>10%</b>
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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
<b>Total Development Cost</b>		\$276,972/unit	<b>\$14,402,524</b>	<b>Rehabilitation Cost</b>	<b>N/A</b>

**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%
		<b>\$14,402,524</b>	<b>Total Sources</b>	



# 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		
<b>Total</b>	<b>\$4,350,250</b>				<b>\$4,350,250</b>				

## 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%
<b>Total</b>	<b>\$10,051,274</b>			<b>\$10,052,274</b>			
				<b>\$14,402,524</b>	<b>Total Sources</b>		

## Credit Price Sensitivity based on current capital structure

<b>\$0.874</b>	Maximum Credit Price before the Development is oversourced and allocation is limited
<b>\$0.791</b>	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
<b>Gap in Permanent Financing</b>	<b>\$9,836,474</b>

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
<b>Tax Credit Allocation</b>	<b>\$9,337,500</b>	<b>\$1,125,000</b>

<b>Deferred Developer Fee</b>	<b>\$498,974</b>	( 31% deferred)
<b>Repayable in</b>	<b>9 years</b>	

### 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
<b>TOTAL</b>	<b>52</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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
<b>TOTALS/AVERAGES:</b>		<b>52</b>			<b>40,592</b>				<b>\$0</b>	<b>\$1.68</b>	<b>\$1,312</b>	<b>\$68,229</b>	<b>\$68,229</b>	<b>\$1,312</b>	<b>\$1.68</b>	<b>\$0</b>	<b>\$1,615</b>	<b>\$2.07</b>	<b>\$1,615</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$818,748</b>	<b>\$818,748</b>	
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# 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			
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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%			
<b>TOTAL EQUITY SOURCES</b>		69.8%			\$10,051,274	\$10,052,274			69.8%			
<b>TOTAL CAPITALIZATION</b>						<b>\$14,401,524</b>	<b>\$14,402,524</b>			15-Yr Cash Flow after Deferred Fee:	<b>\$442,011</b>	

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						0.0%	\$0
Building Acquisition	\$0	\$ / Unit	\$0	\$0	\$ / Unit		\$0				0.0%	\$0
Closing costs & acq. legal fees			\$30,000	\$30,000							0.0%	\$0
Off-Sites	\$0	\$1,532 / Unit	\$79,650	\$79,650	\$1,532 / Unit	\$0					0.0%	\$0
Site Work	\$768,550	\$14,780 / Unit	\$768,550	\$768,550	\$14,780 / Unit	\$768,550					0.0%	\$0
Site Amenities	\$163,316	\$3,141 / Unit	\$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	\$5,833,719	\$112,187/Unit	\$143.72 /sf	\$5,833,719			5.6%	\$329,263
Contingency	\$482,916	7.00%	6.92%	\$496,639	\$479,166	7.00%	7.00%	\$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			4.7%	\$48,543
Soft Costs	\$0	\$899,209	\$18,735 / Unit	\$974,209	\$974,209	\$18,735 / Unit	\$899,209	\$0			0.0%	\$0
Financing	\$0	\$1,270,262	\$28,429 / Unit	\$1,478,291	\$1,478,291	\$28,429 / Unit	\$1,270,262	\$0			0.0%	\$0
Developer Fee	\$0	\$1,587,693	15.00%	15.00%	\$1,631,107	\$1,576,104	15.00%	15.00%	\$1,563,320	\$0	3.5%	\$55,003
Reserves			9 Months	\$543,821	\$543,821	9 Months					0.0%	\$0
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		<b>\$0</b>	<b>\$12,172,314</b>	\$276,972 / Unit	<b>\$14,402,524</b>	<b>\$13,952,242</b>	\$268,312 / Unit	<b>\$11,985,451</b>	<b>\$0</b>	<b>3.2%</b>	<b>\$450,282</b>	
Acquisition Cost	\$0			\$0								
Contingency		(\$0)		\$0								
Contractor's Fee		(\$1)		\$0								
Financing Cost	\$0											
Developer Fee	\$0	(\$0)	15.00%	\$0								
Reserves				\$0								
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$12,172,313</b>	\$276,972/unit	<b>\$14,402,524</b>	<b>\$13,952,242</b>	\$268,312/unit	<b>\$11,985,451</b>	<b>\$0</b>	<b>3.2%</b>	<b>\$450,282</b>	
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						<b>\$14,402,524</b>						

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	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8300	Variance to Request	
Method	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
<b>SUBTOTAL</b>			<b>167.50</b>	<b>6,799,206</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>167.50</b>	<b>\$6,799,206</b>
Plans, specs, survey, bldg permits	3.10%		(5.19)	(\$210,775)
Contractor's OH & Profit	11.10%		(18.59)	(754,712)
<b>NET BUILDING COSTS</b>		\$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
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$342,356</b>	<b>\$345,238</b>	<b>\$348,060</b>	<b>\$350,815</b>	<b>\$353,499</b>	<b>\$365,662</b>	<b>\$375,169</b>	<b>\$381,118</b>	<b>\$382,414</b>	<b>\$377,734</b>	<b>\$365,482</b>	<b>\$343,741</b>
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%
<b>MUST -PAY DEBT SERVICE</b>													
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
<b>ANNUAL CASH FLOW</b>		<b>\$44,269</b>	<b>\$47,219</b>	<b>\$50,112</b>	<b>\$52,943</b>	<b>\$55,707</b>	<b>\$68,355</b>	<b>\$78,515</b>	<b>\$85,345</b>	<b>\$87,829</b>	<b>\$84,751</b>	<b>\$74,660</b>	<b>\$55,835</b>
Deferred Developer Fee Balance		\$454,705	\$407,485	\$357,374	\$304,431	\$248,723	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,603</b>	<b>\$442,011</b>	<b>\$856,597</b>	<b>\$1,292,738</b>	<b>\$1,725,146</b>	<b>\$2,121,756</b>	<b>\$2,442,456</b>