

**Real Estate Analysis Division**

September 15, 2025

Addendum to Underwriting ReportTDHCA Application #: **24215**Program(s): **9% HTC****Athens Trails**Address/Location: 414 W College StCity: AthensCounty: HendersonZip: 75751

	APPLICATION HISTORY
Report Date	PURPOSE
09/05/25	Amendment
07/10/24	Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION						
TDHCA Program	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
LIHTC (9% Credit)	\$1,262,000				\$1,262,000						

CONDITIONS STATUS

- Receipt and acceptance by Cost Certification:

Certification that subsurface environmental investigation was performed as specified in the ESA, and
a: if necessary, that any recommended mitigation measures were fully implemented.

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

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

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

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	40

CURRENT SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	8
60% of AMI	60% of AMI	40

ANALYSIS

The development originally was awarded a 9% HTC allocation of \$1,262,000 in July 2024.

The applicant is now requesting a material amendment to reduce the total number of units from 57 to 51. This request resulted from unforeseen financial circumstances. The Applicant is now seeing an increase in construction costs because of tariffs, declining equity pricing and rising interest rates.

The applicant requests a reduction of 6 units, for a total of 51 units from the originally proposed 57 units. This reflects a 10.53% decrease in the number of units. The unit sizes will remain the same.

The new unit mix will comprise of 24 1-BR and 27 2-BR units. The reduced numbers of units have decreased the NRA from 42,582 to 38,688, a drop of 9.14%.

The common area has decreased from 10,100 SF to 9,540 SF, a reduction of 5.54%.

The number of mobility units at application was 3, two 1-bed/1-bath units and one 2-bed/1-bath and the number of HV units was 2, one 1-bed/1-bath units and one 2-bed/1-bath. The number and distribution of HV units have remained the same, but due to the change in the unit mix composition, the proposed changes mean that there will now be one 1-bed/1-bath units and two 2-bed/1-bath mobility units.

Local parking requirements: 1.75 spaces for 1-BR unit and 2 spaces for 2-BR units;

Total 1-BR unit 24 plus 2-BR unit 27 = 96 parking spaces required.

Total parking spaces provided now is 96 spaces. The development meets the local parking requirements.

Operating Pro Forma

2025 rents are being used.

Underwriter has updated the expense comparables with reported year-end 2024 expenses .

Effective Gross income has increased by \$31k.

Total Expenses increased by \$7k ; NOI has increased by \$24k.

Applicant provided insurance quote to support \$675 per unit.

The DCR increased from 1.15 to 1.34.

Development Cost

A Schedule of Values or contract bid was not provided, therefore, the Underwriter re-costed out the building using the Architectural Drawings provided in the application with the 2025 Marshall and Swift's costs.

Site Work costs decreased by \$231k, Site Amenities costs increased by \$101k. Building cost decreased by \$725,000. Developer Fee decreased by \$314k.

Total Development Costs reduced by \$1.29M.

Sources of Funds

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

The construction loan has been decreased from \$10M to \$9.7M and the interest rate also decreased from 7.22% to 7%.

The permanent phase loan decreased from \$2,874,823 to \$2,429,271 and the interest rate increased from 6.75% to 7.5%. Amortization period decreased from 40 to 35 years.

The equity investor changed from PNC to Raymond James.

The Capital Contribution decreased from \$10,599,740 to \$9,211,679.

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

The Deferred Developer Fee increased from \$572,886 to \$1,215,346 and pays off in year 15.

The original annual 9% HTC allocation of \$1,262,000 is still recommended.

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

UNIT MIX/RENT SCHEDULE

Athens Trails, Athens, 9% HTC #24215

LOCATION DATA		UNIT DISTRIBUTION							PRO FORMA ASSUMPTIONS	
CITY:	Athens	# Beds	# Units	% Total	Assisted	MDL	ARP	Match	Revenue Growth	2.00%
COUNTY:	Henderson	Eff	-	0.0%	0	0	0	0	Expense Growth	3.00%
Area Median Income	\$87,100	1	24	47.1%	0	0	0	0	Basis Adjust	130%
PROGRAM REGION:	4	2	27	52.9%	0	0	0	0	Applicable Fraction	100.00%
PROGRAM RENT YEAR:	2025	3	-	0.0%	0	0	0	0	APP % Acquisition	4.00%
		4	-	0.0%	0	0	0	0	APP % Construction	9.00%
		5	-	0.0%	0	0	0	0	Average Unit Size	759 sf
		TOTAL	51	100.0%	-	-	-	-		

57%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	3	-	8	40	-	-	-	51
	% Total	0.0%	5.9%	0.0%	15.7%	78.4%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE																			
HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	\$486	2	1	1	649	\$486	\$64	\$422	\$0	\$0.65	\$422	\$844	\$844	\$422	\$0.65	\$0	\$1,123	\$1.73	\$1,123
TC 50%	\$811	5	1	1	649	\$811	\$64	\$747	\$0	\$1.15	\$747	\$3,735	\$3,735	\$747	\$1.15	\$0	\$1,123	\$1.73	\$1,123
TC 60%	\$973	17	1	1	649	\$973	\$64	\$909	\$0	\$1.40	\$909	\$15,453	\$15,453	\$909	\$1.40	\$0	\$1,123	\$1.73	\$1,123
TC 30%	\$584	1	2	1	856	\$584	\$83	\$501	\$0	\$0.59	\$501	\$501	\$501	\$501	\$0.59	\$0	\$1,336	\$1.56	\$1,336
TC 50%	\$973	3	2	1	856	\$973	\$83	\$890	\$0	\$1.04	\$890	\$2,670	\$2,670	\$890	\$1.04	\$0	\$1,336	\$1.56	\$1,336
TC 60%	\$1,168	23	2	1	856	\$1,168	\$83	\$1,085	\$0	\$1.27	\$1,085	\$24,955	\$24,955	\$1,085	\$1.27	\$0	\$1,336	\$1.56	\$1,336
TOTALS/AVERAGES:		51			38,688				\$0	\$1.24	\$944	\$48,158	\$48,158	\$944	\$1.24	\$0	\$1,236	\$1.63	\$1,236

ANNUAL POTENTIAL GROSS RENT:	\$577,896	\$577,896	
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STABILIZED PRO FORMA

Athens Trails, Athens, 9% HTC #24215

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Henderson County 2024 Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.24	\$944	\$577,896	\$542,184	\$542,184	\$577,896	\$944	\$1.24		0.0%	\$0
late fees, app fees and retained deposits					\$30.00	\$18,360	20,520							
Total Secondary Income					\$30.00			20,520	\$18,360	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$596,256	\$562,704	\$562,704	\$596,256				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(44,719)	(42,203)	(42,203)	(44,719)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$551,537	\$520,501	\$520,501	\$551,537				0.0%	\$0

General & Administrative	\$25,576	\$501/Unit	\$22,287	\$437	3.97%	\$0.57	\$429	\$21,875	\$23,700	\$23,606	\$22,287	\$437	\$0.58	4.04%	-1.8%	(412)
Management	\$30,958	8.1% EGI	\$30,060	\$589	5.00%	\$0.71	\$541	\$27,577	\$26,025	\$26,025	\$27,577	\$541	\$0.71	5.00%	0.0%	0
Payroll & Payroll Tax	\$55,857	\$1,095/Unit	\$55,077	\$1,080	10.50%	\$1.50	\$1,136	\$57,931	\$58,425	\$58,425	\$57,931	\$1,136	\$1.50	10.50%	0.0%	-
Repairs & Maintenance	\$38,090	\$747/Unit	\$36,833	\$722	6.20%	\$0.88	\$671	\$34,200	\$37,050	\$37,050	\$33,150	\$650	\$0.86	6.01%	3.2%	1,050
Electric/Gas	\$8,637	\$169/Unit	\$6,008	\$118	1.85%	\$0.26	\$200	\$10,200	\$10,545	\$8,641	\$6,008	\$118	\$0.16	1.09%	69.8%	4,192
Water, Sewer, & Trash	\$33,939	\$665/Unit	\$25,659	\$503	5.89%	\$0.84	\$637	\$32,500	\$34,200	\$34,200	\$25,659	\$503	\$0.66	4.65%	26.7%	6,841
Property Insurance	\$32,812	\$0.85 /sf	\$34,242	\$671	6.24%	\$0.89	\$675	\$34,432	\$31,385	\$31,385	\$34,432	\$675	\$0.89	6.24%	0.0%	-
Property Tax (@ 100%) 2.1617	\$23,086	\$453/Unit	\$21,151	\$415	10.02%	\$1.43	\$1,084	\$55,284	\$44,000	\$48,596	\$56,289	\$1,104	\$1.45	10.21%	-1.8%	(1,005)
Reserve for Replacements					2.31%	\$0.33	\$250	\$12,750	\$14,250	\$14,250	\$12,750	\$250	\$0.33	2.31%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.37%	\$0.05	\$40	\$2,040	\$2,280	\$2,280	\$2,040	\$40	\$0.05	0.37%	0.0%	-
TOTAL EXPENSES					52.36%	\$7.46	\$5,663	\$288,789	\$281,860	\$284,457	\$278,123	\$5,453	\$7.19	50.43%	3.8%	\$ 10,666
NET OPERATING INCOME ("NOI")					47.64%	\$6.79	\$5,152	\$262,748	\$238,641	\$236,044	\$273,414	\$5,361	\$7.07	49.57%	-3.9%	\$ (10,666)

CONTROLLABLE EXPENSES		\$3,073/Unit		\$2,844/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Athens Trails, Athens, 9% HTC #24215

		DEBT / GRANT SOURCES																			
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE										
											Cumulative DCR							Prior Underwriting			
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC				
Legacy Bank		1.39	1.34	196,550	7.50%	35	15.0	\$2,429,271	\$2,874,823	\$2,874,823	\$2,429,271	15.0	35.0	7.50%	\$196,550	1.34	18.9%				
CASH FLOW DEBT / GRANTS																					
City of Athens		1.39	1.34		0.00%	0	0.0	\$250	\$250	\$250	\$250	0.0	0.0	0.00%		1.34	0.0%				
				\$196,550	TOTAL DEBT / GRANT SOURCES			\$2,429,521	\$2,875,073	\$2,875,073	\$2,429,521	TOTAL DEBT SERVICE			\$196,550	1.34	18.9%				
NET CASH FLOW		\$76,864	\$66,198	APPLICANT														NET OPERATING INCOME	\$262,748	\$66,198	NET CASH FLOW

		EQUITY SOURCES												
		APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
									Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price						
EQUITY / DEFERRED FEES						Applicant	TDHCA							
Raymond James	LIHTC Equity	71.6%	\$1,262,000	\$0.73	\$9,211,679	\$10,599,740	\$10,599,740	\$9,211,679	\$0.73	\$1,262,000	71.6%	\$24,745	Applicant Request	
Cobblestone Development	Deferred Developer Fees	9.5%	(86% Deferred)		\$1,215,346	\$572,886	\$572,886	\$1,215,346	(86% Deferred)		9.5%	Total Developer Fee:		\$1,417,500
TOTAL EQUITY SOURCES		81.1%			\$10,427,025	\$11,172,626	\$11,172,626	\$10,427,025			81.1%			
TOTAL CAPITALIZATION					\$12,856,546	\$14,047,699	\$14,047,699	\$12,856,546			15-Yr Cash Flow after Deferred Fee:		\$39,197	

		DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE		
		Eligible Basis					Prior Underwriting					Eligible Basis				
		Acquisition	New Const. Rehab				Applicant	TDHCA				New Const. Rehab	Acquisition			%
Land Acquisition				\$ / Unit		\$0	\$0	\$0	\$0	\$ / Unit				0.0%	\$0	
Building Acquisition		\$0		\$3,922 / Unit		\$200,000	\$200,000	\$200,000	\$200,000	\$3,922 / Unit			\$0	0.0%	\$0	
Off-Sites			\$0	\$ / Unit		\$0	\$0	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Site Work			\$926,335	\$22,326 / Unit		\$1,138,638	\$1,369,752	\$1,369,752	\$1,138,638	\$22,326 / Unit		\$926,335		0.0%	\$0	
Site Amenities			\$206,753	\$4,054 / Unit		\$206,753	\$105,000	\$105,000	\$206,753	\$4,054 / Unit		\$206,753		0.0%	\$0	
Building Cost			\$5,598,927	\$165.07 /sf	\$125,224/Unit	\$6,386,415	\$7,111,415	\$7,217,037	\$6,547,214	\$128,377/Unit	\$169.23 /sf	\$5,598,927		-2.5%	(\$160,799)	
Contingency			\$386,590	5.74%	5.00%	\$386,590	\$429,308	\$429,308	\$386,590	4.90%	5.74%	\$386,590		0.0%	\$0	
Contractor Fees			\$996,604	14.00%	14.00%	\$1,136,576	\$1,262,167	\$1,262,167	\$1,136,576	13.73%	14.00%	\$996,604		0.0%	\$0	
Soft Costs		\$0	\$768,571	\$15,364 / Unit		\$783,571	\$662,159	\$662,159	\$783,571	\$15,364 / Unit		\$768,571	\$0	0.0%	\$0	
Financing		\$0	\$840,291	\$18,781 / Unit		\$957,834	\$931,625	\$931,625	\$957,834	\$18,781 / Unit		\$840,291	\$0	0.0%	\$0	
Developer Fee			\$0	\$1,417,500	14.58%	13.22%	\$1,417,500	\$1,731,633	\$1,731,633	\$1,417,500	13.02%	14.58%	\$1,417,500	\$0	0.0%	\$0
Reserves				6 Months		\$242,670	\$244,640	\$244,640	\$242,670	6 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$11,141,571	\$252,089 / Unit		\$12,856,547	\$14,153,320	\$14,153,320	\$13,017,346	\$255,242 / Unit		\$11,141,571	\$0	-1.2%	(\$160,799)	
Acquisition Cost		\$0					\$0	\$0								
Contingency			\$0				\$0									
Contractor's Fee			\$0				(\$1)	\$0								
Financing Cost			\$0													
Developer Fee			\$0			\$0	\$0	\$0								
Reserves							\$0	\$0								
ADJUSTED BASIS / COST		\$0	\$11,141,571	\$252,089/unit		\$12,856,546	\$14,047,699	\$14,153,320	\$13,017,346	\$255,242/unit		\$11,141,571	\$0	-1.2%	(\$160,800)	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$12,856,546										

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
Athens Trails, Athens, 9% HTC #24215

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$11,141,571	\$0	\$11,141,571
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$11,141,571	\$0	\$11,141,571
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$14,484,042	\$0	\$14,484,042
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$14,484,042	\$0	\$14,484,042
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$1,303,564	\$0	\$1,303,564
CREDITS ON QUALIFIED BASIS	\$1,303,564		\$1,303,564	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.7299	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,303,564	\$9,515,064	----	----	----
Needed to Fill Gap	\$1,428,502	\$10,427,025	----	----	----
Applicant Request	\$1,262,000	\$9,211,679	\$1,262,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	38,688 SF	\$126.16	4,880,764
Adjustments				
Exterior Wall Finish	2.70%		3.41	\$131,781
Elderly	9.00%		11.35	439,269
9-Ft. Ceilings	3.34%		4.21	162,895
Roof Adjustment(s)			0.00	0
Subfloor			(0.21)	(8,253)
Floor Cover			3.68	142,372
Enclosed Corridors	\$114.81	5,838	17.32	670,243
Balconies	\$39.95	3,315	3.42	132,434
Plumbing Fixtures	\$1,420	0	0.00	0
Rough-ins	\$700	102	1.85	71,400
Built-In Appliances	\$2,280	51	3.01	116,280
Exterior Stairs	\$3,550	4	0.37	14,200
Heating/Cooling			3.12	120,707
Storage Space	\$114.81	0	0.00	0
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$130.82	3,752	12.69	490,818
Elevators	\$143,400	1	3.71	143,400
Other:			0.00	0
Fire Sprinklers	\$3.65	48,278	4.55	176,215
SUBTOTAL			198.63	7,684,524
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			198.63	\$7,684,524
Plans, specs, survey, bldg permits	3.30%		(6.55)	(\$253,589)
Contractor's OH & Profit	11.50%		(22.84)	(883,720)
NET BUILDING COSTS			\$128,377/unit	\$169.23/sf
				\$6,547,214

Long-Term Pro Forma

Athens Trails, Athens, 9% HTC #24215

	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%	\$551,537	\$562,568	\$573,819	\$585,295	\$597,001	\$659,138	\$727,741	\$803,485	\$887,112	\$979,444	\$1,081,385	\$0
TOTAL EXPENSES	3.00%	\$288,789	\$297,177	\$305,811	\$314,698	\$323,847	\$373,779	\$431,494	\$498,211	\$575,346	\$664,536	\$767,676	\$0
NET OPERATING INCOME ("NOI")		\$262,748	\$265,391	\$268,008	\$270,597	\$273,155	\$285,358	\$296,247	\$305,274	\$311,766	\$314,908	\$313,709	\$0
EXPENSE/INCOME RATIO		52.4%	52.8%	53.3%	53.8%	54.2%	56.7%	59.3%	62.0%	64.9%	67.8%	71.0%	0.0%
MUST -PAY DEBT SERVICE													
Legacy Bank		\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$0
TOTAL DEBT SERVICE		\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$196,550	\$0
DEBT COVERAGE RATIO		1.34	1.35	1.36	1.38	1.39	1.45	1.51	1.55	1.59	1.60	1.60	0.00
ANNUAL CASH FLOW		\$66,198	\$68,840	\$71,458	\$74,047	\$76,604	\$88,808	\$99,697	\$108,724	\$115,216	\$118,358	\$117,159	\$0
Deferred Developer Fee Balance		\$1,149,149	\$1,080,308	\$1,008,851	\$934,804	\$858,199	\$438,137	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$39,197	\$565,631	\$1,129,892	\$1,716,922	\$2,307,073	\$0