



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1002

Agenda Date: 5/8/2025

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for Lakeview Pointe Senior Living (HTC #17435)

RECOMMENDED ACTION

WHEREAS, Lakeview Pointe Senior Living (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2017 for the construction of 272 units of elderly housing in Rowlett, Dallas County;

WHEREAS, TX Lakeview Seniors, LP (the Development Owner or Owner) has applied for an allocation of tax-exempt volume cap under Priority 1b in 2025 and requests approval to change the rent and income restrictions for the Development by replacing 41 (15.07%) of the units at 60% of the Area Median Income (AMI) with 30% AMI units as a result of a supplemental bond allocation, which leaves 231 units at 60% AMI;

WHEREAS, a change to the income or rent restrictions is a material amendment to the Land Use Restriction Agreement (LURA) requiring approval from the Board under 10 TAC §10.405(b)(2)(B), and the Owner has complied with the amendment requirements in 10 TAC §10.405(b)(2);

WHEREAS, if the Board approves the requested amendment, the amount of tax credits currently forecasted by the Department (based on total costs and eligible basis not yet fully reviewed by a CPA) will be 93.91% (\$1,393,913) greater than the HTC amount in the Determination Notice, which exceeds the 20% threshold for administrative approval by the Executive Director or designee and requires Board approval under 10 TAC §10.401(d); and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, or impact the selection of the application for an award;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment for Lakeview Pointe Senior Living is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing; and

FURTHER RESOLVED, that following staff's review of the cost certification, if the amount of tax credits determined to be necessary as required by §42(m)(2)(D) exceeds 120% of the amount of

tax credits reflected in the Determination Notice as forecasted at the time of this amendment, a credit amount not to exceed 200% of the amount in the Determination Notice is hereby approved under 10 TAC §10.401(d), and will require no further Board action but will require the Owner to pay the applicable fee under 10 TAC §11.901(8).

BACKGROUND

Lakeview Pointe Senior Living Apartments was approved for a 4% HTC award in 2017 for the new construction of 272 units of elderly housing in Rowlett, Dallas County. The Development was originally underwritten and approved based on all 272 units restricted at 60% AMI. Construction of the Development was completed in late 2024.

In a letter dated January 8, 2025, James R. (Bill) Fisher, representative for the Owner, requested approval for a material amendment to the Application and Land Use Restriction Agreement (LURA). The request is to revise the set-asides of 15% of the units to those earning up to 30% AMI. The Owner is in the process of obtaining an additional bond allocation, which is now requiring 15% of the units to be targeted to those earning up to 30% AMI. The Owner states that the amendment is in the best interest of the state, the residents, and the Development. Due to a demand for lower income targeted units, this change will enhance overall occupancy and reduce turnover. The proposed amendment identifies 41 units (15.07%) at 30% AMI and 231 units at 60% AMI.

The Owner held a public hearing on March 10, 2025, at the clubhouse of the Development. No public comment was received regarding the requested amendment.

The Owner has also provided a letter from IBC Bank, the lender for the Development, and from 42 Equity Partners, LLC, the equity provider, acknowledging the change to the set-asides.

The Development was re-underwritten based on the proposed set-asides and revised financial information submitted. The results of the analysis indicate that the Development remains feasible, but total development cost increased approximately \$22.8 million (56.83%). In addition, as a result of the passage of the Consolidated Appropriations Act of 2020, the Development is expected to be eligible for the fixed 4% tax credit percentage upon issuance of a supplemental bond allocation from the Texas Bond Review Board. With these changes, the current analysis supports a recommended annual HTC amount of \$2,878,163, which is an increase of \$1,393,913 (93.91%) from the original credit award of \$1,484,250 in the Determination Notice. Provided the full amount of projected credits is justified following CPA review and staff's acceptance of the cost certification package, the credits requested will exceed the 20% increase threshold requiring Board approval under 10 TAC §10.401(d).

Staff recommends approval of the requested material amendment. Staff further recommends that, following staff's review and approval of the cost certification, if the amount of tax credits determined to be necessary as required by §42(m)(2)(D) exceeds 120% of the amount of tax credits reflected in the Determination Notice under 10 TAC §10.401(d) as forecasted at the time

of this amendment, that the Board approve such request not to exceed 200% of the HTC amount in the Determination Notice as part of this amendment, subject to the payment of the applicable fee under 10 TAC §11.901(8).



Real Estate Analysis Division

April 17, 2025

Addendum to Underwriting Report

TDHCA Application #: **17435**

Program(s): **4% HTC**

Lakeview Senior Living

Address/Location: 5314 Chiesa Road

City: Rowlett

County: Dallas

Zip: 75088

	APPLICATION HISTORY
Report Date	PURPOSE
04/17/25	Amendment
11/11/17	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (4% Credit)	\$1,484,250				\$2,878,163				

CONDITIONS STATUS

- Receipt and acceptance before Determination Notice:
 - a: 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 all drives, parking and amenities will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance coverage for the buildings and for the residents' personal property until such time that the site is officially designated to be no longer in the floodplain.

Status: Condition cleared by program staff.

- b: **NEW CONDITION:** An updated letter from IBC clearly stating the amount and terms of the new Permanent bonds.

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.

ANALYSIS

The Applicant is receiving an allocation of tax-exempt bonds in 2025 for three projects, one of which is Lakeview Senior Living. The allocation is Priority 1B, which has different income and rent targeting requirements than the original award. Due to this, the unit mix will change from 100% at 60% AMGI to 85% at 60% AMGI and 15% at 30% AMGI.

Operating Pro Forma

Forty-one (41) or 15.1% of the 272 total units are being Set Aside at a 30% AMI level as required under Priority 1b bond volume cap. Although these units have lower rent and income limits, the change from the initial underwriting using 2017 program rents to 2024 program rents increased overall income by \$960K. Total expenses increased by \$352K mainly due to increases in insurance and payroll costs.

Net Operating Income increased by \$607K.

The 15-year residual cash flow is \$8.1M after the deferred developer fee is paid off in year 3.

Development Cost

Total development costs have increased by \$22.8M with building costs having increased by \$14.4M.

Contingency is now \$0.

Financing costs are overstated by \$2M, causing an adjustment to the credits. Underwriter is limiting the eligible interim interest to 2 fully drawn years per the QAP.

TDHCA's estimated development costs were calculated based on the schedule of values in the Contractor's Application for Payment submitted 1/10/2025. Per the Applicant, the Development Cost Schedule included with the amendment request includes additional costs for "forecasting any unforeseen issues." Additionally, the submitted SOVs include on average 20% in Contractor Fees. The Underwriter limits total Contractor's Fees to 14% per our rules. Consequently, TDHCA's total development cost estimate varies by approximately 10% from Applicant's budget; therefore, TDHCA's costs are used to determine eligible basis and the recommended credit award.

Sources of Funds

Applicant applied for an increased allocation of tax exempt volume cap increasing the bond amount by \$10M to \$35M. The interest rate increased from 4% to 6% on the original \$25M of bonds since the first underwriting report was issued in 2017.

IBC Bank is continuing to provide the construction and permanent term debt for the project. The construction period now has a rate of 6.0% while the permanent senior debt has increased to \$25M at 5.25%. IBC is now providing a second loan of \$3.8M with a 40-year amortization, 15-year term, and 5.75% rate.

42 Equity Partners is still providing the equity for the deal, which has increased by \$15.2M to \$30.7M. The Deferred Developer Fee has increased by \$395K.

Underwriter recommends Applicant's request to change the Set Asides for the LIHTC income and rent limits from 100% at 60% of AMI to 85% at 60% AMI and 15% at 30% AMI.

Underwriter recommends an annual tax credit allocation of \$2,878,163 per the eligible basis.

Underwriter: Jeffrey Price

Manager of Real Estate Analysis: Diamond Unique Thompson

Director of Real Estate Analysis: Jeanna Adams

UNIT MIX/RENT SCHEDULE		
Lakeview Senior Living, Rowlett, 4% HTC #17435		

LOCATION DATA	
CITY:	Rowlett
COUNTY:	Dallas
Area Median Income	\$110,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2024

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	Income	# Units	% Total
Eff	60	22.1%	0	30%	41	15.1%
1	152	55.9%	0	40%	-	0.0%
2	60	22.1%	0	50%	-	0.0%
3	-	0.0%	0	60%	231	84.9%
4	-	0.0%	0	MR	-	0.0%
TOTAL	272	100.0%	-	TOTAL	272	100.0%

Applicable Programs
4% Housing Tax Credits

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	691 sf

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%	\$579	9	0	1	560	\$579	\$53	\$526	\$0	\$0.94	\$526	\$4,734	\$4,734	\$526	\$0.94	\$0	\$1,159	\$2.07	\$1,159
TC 60%	\$1,159	51	0	1	560	\$1,159	\$53	\$1,106	\$0	\$1.98	\$1,106	\$56,406	\$56,406	\$1,106	\$1.98	\$0	\$1,159	\$2.07	\$1,159
TC 30%	\$621	23	1	1	673	\$621	\$62	\$559	\$0	\$0.83	\$559	\$12,857	\$12,857	\$559	\$0.83	\$0	\$1,242	\$1.85	\$1,242
TC 60%	\$1,242	129	1	1	673	\$1,242	\$62	\$1,180	\$0	\$1.75	\$1,180	\$152,220	\$152,220	\$1,180	\$1.75	\$0	\$1,242	\$1.85	\$1,242
TC 30%	\$744	9	2	2	869	\$744	\$81	\$663	\$0	\$0.76	\$663	\$5,967	\$5,967	\$663	\$0.76	\$0	\$1,489	\$1.71	\$1,489
TC 60%	\$1,489	51	2	2	869	\$1,489	\$81	\$1,408	\$0	\$1.62	\$1,408	\$71,808	\$71,808	\$1,408	\$1.62	\$0	\$1,489	\$1.71	\$1,489
TOTALS/AVERAGES:		272			188,036				\$0	\$1.62	\$1,118	\$303,992	\$303,992	\$1,118	\$1.62	\$0	\$1,278	\$1.85	\$1,278

ANNUAL POTENTIAL GROSS RENT:	\$3,647,904	\$3,647,904	
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STABILIZED PRO FORMA

Lakeview Senior Living, Rowlett, 4% HTC #17435

STABILIZED FIRST YEAR PRO FORMA

COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	County Comps	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT			\$1.62	\$1,118	\$3,647,904	\$2,609,904	\$2,609,904	\$3,647,904	\$1,118	\$1.62		0.0%	\$0
Pet rent, vending income				\$15.00	\$48,960	48,960							
Late Fee and deposit forfeitures				\$15.00	\$48,960	48,960							
Total Secondary Income				\$30.00			65,280	\$97,920	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME					\$3,745,824	\$2,707,824	\$2,675,184	\$3,745,824				0.0%	\$0
Vacancy & Collection Loss				7.5% PGI	(280,937)	(203,087)	(200,639)	(280,937)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME					\$3,464,887	\$2,504,737	\$2,474,545	\$3,464,887				0.0%	\$0

General & Administrative	\$99,225	\$365/Unit	\$129,376	\$476	1.58%	\$0.29	\$202	\$54,900	\$65,200	\$99,225	\$99,225	\$365	\$0.53	2.86%	-44.7%	(44,325)
Management	\$92,531	4.4% EGI	147,228	\$541	3.97%	\$0.73	\$505	\$137,443	\$99,647	\$98,982	\$137,443	\$505	\$0.73	3.97%	0.0%	-
Payroll & Payroll Tax	\$323,929	\$1,191/Unit	354,967	\$1,305	10.25%	\$1.89	\$1,306	\$355,250	\$288,000	\$288,000	\$354,967	\$1,305	\$1.89	10.24%	0.1%	283
Repairs & Maintenance	\$177,423	\$652/Unit	237,527	\$873	4.04%	\$0.74	\$515	\$140,000	\$120,500	\$163,200	\$177,423	\$600	\$0.94	5.12%	-21.1%	(37,423)
Electric/Gas	\$61,703	\$227/Unit	113,744	\$418	0.69%	\$0.13	\$88	\$24,000	\$60,000	\$68,594	\$61,703	\$227	\$0.33	1.78%	-61.1%	(37,703)
Water, Sewer, & Trash	\$178,382	\$656/Unit	114,789	\$422	5.63%	\$1.04	\$717	\$195,000	\$195,000	\$128,559	178,382	\$656	\$0.95	5.15%	9.3%	16,618
Property Insurance	\$75,608	\$0.40 /sf	188,974	\$695	7.85%	\$1.45	\$1,000	\$272,000	\$70,000	\$75,608	\$188,974	\$695	\$1.00	5.45%	43.9%	83,026
Property Tax (@ 0%) 0.7872	\$170,239	\$626/Unit		\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$84,654	\$311/Unit		\$0	2.75%	\$0.51	\$350	\$95,200	\$68,000	\$68,000	\$95,200	\$350	\$0.51	2.75%	0.0%	-
Cable TV			-	\$0	0.00%	\$0.00	\$0	\$0	\$2,000	\$2,000	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive Services			-	\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA LIHTC/HOME Compliance Fees			-	\$0	0.31%	\$0.06	\$40	\$10,880	\$10,880	\$10,880	\$10,880	\$40	\$0.06	0.31%	0.0%	-
TDHCA Bond Compliance Fee			-	\$0	0.14%	\$0.03	\$18	\$5,000	\$0	\$0	\$5,000	\$18	\$0.03	0.14%	0.0%	-
Security			-	\$0	0.00%	\$0.00	\$0	\$0	\$2,650	\$2,650	\$0	\$0	\$0.00	0.00%	0.0%	-
Annual Bond Issuer Fees			-	\$0	1.30%	\$0.24	\$165	\$45,000	\$0	\$0	\$45,000	\$165	\$0.24	1.30%	0.0%	-
TOTAL EXPENSES					38.52%	\$7.10	\$4,907	\$1,334,673	\$981,877	\$1,005,699	\$1,354,197	\$4,979	\$7.20	39.08%	-1.4%	\$ (19,524)
NET OPERATING INCOME ("NOI")					61.48%	\$11.33	\$7,832	\$2,130,214	\$1,522,860	\$1,468,847	\$2,110,690	\$7,760	\$11.22	60.92%	0.9%	\$ 19,524

CONTROLLABLE EXPENSES							\$2,828/Unit					\$3,152/Unit				
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS <i>Lakeview Senior Living, Rowlett, 4% HTC #17435</i>
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		DEBT / GRANT SOURCES															
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
DEBT (Must Pay)	Fee	UW	App						Applicant	TDHCA						DCR	LTC
IBC Bank		1.19	1.20	1,776,130	5.25%	40	15	\$25,000,000	\$21,600,000	\$21,600,000	\$25,000,000	15	40	5.25%	\$1,496,611	1.42	39.7%
IBC Bank		1.19	1.20		5.75%	40	15	\$3,800,000			\$3,800,000	15	40	5.75%	\$242,997	1.22	6.0%
CASH FLOW DEBT / GRANTS																	
Rowlett City		1.19	1.20		0.00%	0	0	\$0	\$120,000	\$120,000	\$0	0	0	0.00%		1.22	0.0%
Insurance proceeds from fire		1.19	1.20		0.00%	0	0	\$6,500,000			\$6,500,000	0	0	0.00%		1.22	10.3%
				\$1,776,130	TOTAL DEBT / GRANT SOURCES			\$35,300,000	\$21,720,000	\$21,720,000	\$35,300,000	TOTAL DEBT SERVICE			\$1,739,608	1.22	56.1%
NET CASH FLOW		\$334,560	\$354,084					APPLICANT				NET OPERATING INCOME		\$2,130,214	\$390,606	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
Prior Underwriting														
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
42 Equity Partners	LIHTC Equity	48.8%	\$3,322,701	0.925	\$30,734,986	\$15,467,100	\$14,097,863	\$26,623,006	\$0.9250	\$2,878,163	42.3%	\$10,581	Eligible Basis	
RRC Development DDF Note	Deferred Developer Fees	5.5%	(43% Deferred)		\$3,473,114	\$3,077,900		\$1,036,276	(14% Deferred)		1.6%	Total Developer Fee:		\$7,219,472
Additional (Excess) Funds Req'd		0.0%					\$3,171,787	\$0			0.0%			
TOTAL EQUITY SOURCES		54.3%			\$34,208,100	\$18,545,000	\$17,269,650	\$27,659,282			43.9%			
TOTAL CAPITALIZATION					\$69,508,100	\$40,145,000	\$40,145,000	\$62,959,282			15-Yr Cash Flow after Deferred Fee:			\$8,145,310

	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			\$8,088 / Unit	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$8,088 / Unit			0.0%	\$0		
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit		\$0	0.0%	\$0		
Closing costs & acq. legal fees, Title and legal				\$175,000	\$75,000	\$75,000	\$175,000					\$0		
Off-Sites			\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit			0.0%	\$0		
Site Work		\$3,265,000	\$12,004 / Unit	\$3,265,000	\$3,265,000	\$3,265,000	\$2,310,518	\$8,495 / Unit	\$2,310,518		41.3%	\$954,482		
Site Amenities		\$1,650,000	\$6,066 / Unit	\$1,650,000	\$825,000	\$825,000	\$317,830	\$1,168 / Unit	\$317,830		419.1%	\$1,332,170		
Building Cost		\$34,150,000	\$181.61 /sf	\$125,551/Unit	\$34,150,000	\$16,905,000	\$17,145,065	\$31,376,749	\$115,356/Unit	\$166.87 /sf	\$31,376,749	8.8%	\$2,773,251	
Contingency		\$0	0.00%	0.00%	\$0	\$2,625,000	\$1,486,455	\$0	0.00%	0.00%	\$0	0.0%	\$0	
Contractor Fees		\$5,469,100	14.00%	14.00%	\$5,469,100	\$3,779,500	\$3,181,013	\$4,760,714	14.00%	14.00%	\$4,760,714	14.9%	\$708,386	
Soft Costs	0	\$2,549,000		\$9,463 / Unit	\$2,574,000	\$1,512,500	\$1,512,500	\$2,574,000	\$9,463 / Unit		\$2,549,000	\$0	0.0%	\$0
Financing	0	\$8,815,000		\$40,533 / Unit	\$11,025,000	\$3,526,000	\$3,526,000	\$11,025,000	\$40,533 / Unit		\$6,815,000	\$0	0.0%	\$0
Developer Fee	\$0	\$8,000,000	14.31%	14.31%	\$8,000,000	\$4,767,000	\$4,418,255	\$7,219,472	15.00%	15.00%	\$7,219,472	\$0	10.8%	\$780,528
Reserves				\$3,676 / Unit	\$1,000,000	\$665,000	\$665,000	\$1,000,000	\$3,676 / Unit				0.0%	\$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	\$0	\$63,898,100	\$255,544 / Unit		\$69,508,100	\$40,145,000	\$38,299,287	\$62,959,282	\$231,468 / Unit		\$55,349,282	\$0	10.4%	\$6,548,818
Acquisition Cost	\$0				\$0	\$0								
Contingency		\$0			\$0	(\$1,155,350)								
Contractor's Fee		\$0			\$0									
Interim Interest/Finanacing Costs		(\$2,000,000)												
Developer Fee	\$0	\$0			\$211,413	\$0								
Reserves					\$0	\$0								
ADJUSTED BASIS / COST	\$0	\$61,898,100	\$256,322/unit		\$69,719,513	\$38,989,650	\$38,299,287	\$62,959,282	\$231,468/unit		\$55,349,282	\$0	10.7%	\$6,760,231
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are not within 5% of TDHCA Estimate):					\$62,959,282									

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS
Lakeview Senior Living, Rowlett, 4% HTC #17435

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$61,898,100	\$0	\$55,349,282
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$61,898,100	\$0	\$55,349,282
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$80,467,530	\$0	\$71,954,066
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$80,467,530	\$0	\$71,954,066
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,218,701	\$0	\$2,878,163
CREDITS ON QUALIFIED BASIS	\$3,218,701		\$2,878,163	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Method	Annual Credits	Proceeds	Credit Price \$0.9250	Variance to Request
				Credit Allocation	Credits Proceeds
Eligible Basis		\$2,878,163	\$26,623,006	\$2,878,163	(\$444,538) (\$4,111,980)
Needed to Fill Gap		\$2,990,192	\$27,659,282	----	----
Applicant Request		\$3,322,701	\$30,734,986	----	----

50% Test for Bond Financing for 4% Tax Credits						
Tax-Exempt Bond Amount		\$35,000,000		Percent Financed by Tax-Exempt Bonds	Applicant 60.2%	TDHCA 69.5%
Aggregate Basis Limit for 50% Test		\$70,000,000				
	Applicant		TDHCA			
	Land Cost	\$2,200,000	\$2,200,000			
	Depreciable Bldg Cost	\$55,923,100	\$48,154,810			
	Aggregate Basis for 50% Test	\$58,123,100	\$50,354,810	amount aggregate basis can increase before 50% test fails	\$11,876,900 20.4%	\$19,645,190 39.0%

Long-Term Pro Forma

Lakeview Senior Living, Rowlett, 4% HTC #17435

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
EFFECTIVE GROSS INCOME	2.00%	\$3,464,887	\$3,534,185	\$3,604,869	\$3,676,966	\$3,750,505	\$4,140,861	\$4,571,845	\$5,047,686	\$5,573,054	\$6,153,102
TOTAL EXPENSES	3.00%	\$1,334,673	\$1,373,339	\$1,413,137	\$1,454,101	\$1,496,266	\$1,726,371	\$1,992,271	\$2,299,579	\$2,654,791	\$3,065,428
NET OPERATING INCOME ("NOI")		\$2,130,214	\$2,160,846	\$2,191,732	\$2,222,865	\$2,254,240	\$2,414,490	\$2,579,574	\$2,748,108	\$2,918,263	\$3,087,673
EXPENSE/INCOME RATIO		38.5%	38.9%	39.2%	39.5%	39.9%	41.7%	43.6%	45.6%	47.6%	49.8%
MUST -PAY DEBT SERVICE											
TOTAL DEBT SERVICE		\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608	\$1,739,608
DEBT COVERAGE RATIO		1.22	1.24	1.26	1.28	1.30	1.39	1.48	1.58	1.68	1.77
ANNUAL CASH FLOW		\$390,606	\$421,238	\$452,124	\$483,257	\$514,632	\$674,882	\$839,966	\$1,008,500	\$1,178,655	\$1,348,065
Deferred Developer Fee Balance		\$645,669	\$224,431	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$227,693	\$710,950	\$1,225,582	\$4,277,332	\$8,145,310	\$12,849,693	\$18,402,440	\$24,804,796

SONOMA HOUSING ADVISORS, LLC

Attn: BILL FISHER

16812 Dallas Parkway

Dallas, TX 75248

214-608-7201

Bill.fisher@sonomaadvisors.com

Ms. Lee Ann Chance
TDHCA, Senior Asset Manager
211 E. 11th Street
Austin, TX 77011

January 8, 2025

RE: Material Amendment request for proposed change in targeting for Lakeview Seniors #17435, Lakeway Apartments #18441 and TX Manor Apartments #19471

Dear Lee Ann Chance

The Sponsors have applied for and are receiving an allocation of tax-exempt volume cap in 2025 for the 3 projects referenced above. The cap is allocated under Priority 1 B which requires a change in the income and rent targeting. Currently all units in each are 100% at 60% AMFI income and rents. The use of the 1 B bond allocation requires 15% of the units currently at 60% of AMFI income and rent to be restricted to 30% of AMFI income and rent. An amendment to change in targeting requires acknowledgement from the lender and investor, which is attached to this request for each development modifying the targeting as required by the supplemental bond allocations under Priority 1 B.

The amendments are in the best interest of the State, the residents and the properties. The need for more units targeted at or below 30% in these markets is well documented. The QAP and governing statutes prioritize low income targeting to serve Texans with the most need for affordable housing. For the project, the demand for lower income targeted units enhances overall occupancy and reduces turnover. The supplement bonds trigger the 4% HTC percentage floor adding substantial additional equity to the development financing. This enhances long term feasibility and reduces debt. Only Lakeview has an existing LURA, so this amendment should be considered a request to amend the LURA for the additional targeting.

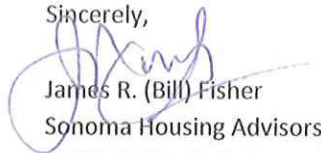
The required notices to the public and the residents are made and included in the application submission materials. There are a couple of public hearings to be conducted. At which time the public and residents will be given additional notices under the TEFRA and HTC board action agendas.

In addition to this letter request the submissions for each development include:

1. Lender and investor acknowledgment of the targeting changes
2. Lender and investor financing term sheets that tie to the new financial projection tabs. The term sheets reflect the additional housing tax credits and additional bonds being allocated. They also document the projected perm loan. The loan sizing reflects the current 2024 rents and expense applying the additional targeting at 30% of AMFI income and rent.
3. Updated financial tabs with back up for the UA, sources and uses of funds and pro forma.
4. The lender and investor have signed the tabs required for their confirmation of long term financial feasibility.
5. This submission is intended to meet the minimum requirement for a submission which is subject to further review and underwriting. Sufficient to allow the sponsors to use the tax-exempt volume cap being allocated by the BRB. See attached.

On behalf of and as authorized by the sponsors, I request your acceptance of this submission and confirmation if receipt to the BRB prior to the deadlines. If you have questions, please let me know. 214-608-7201.

Sincerely,



James R. (Bill) Fisher

Sonoma Housing Advisors, LLC

16812 Dallas Parkway

Dallas, TX 75248

Bill.fisher@sononaadvisors.com

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Ms. Lee Ann Chance
Senior Asset Manager
TDHCA
211 E. 11th Street
Austin, TX 77011

January 4, 2025

RE: Lender and Investor Acknowledgement of proposed change in targeting for Lakeview Seniors #17435, Lakeway Apartments #18441 and TX Manor Apartments #19471

Dear Lee Ann Chance

The Sponsors have applied for and are receiving an allocation of tax-exempt volume cap in 2025 for the 3 projects referenced above. The cap is allocated under Priority 1 B which requires a change in the income and rent targeting. Currently all units in each are 100% at 60% AMFI income and rents. The use of the 1 B bond allocation requires 15% of the units currently at 60% of AMFI income and rent to be restricted to 30% of AMFI income and rent. An amendment to change in targeting requires acknowledgement from the lender and investor. IBC Bank is the current lender for all three communities. 42 Equity Partners is the tax credit investor currently.

Below is an acknowledgement from IBC and 42 of this use of bond proceeds with additional income and rent targeting. If you have questions, please let me know. 214-608-7201.

Sincerely,

James R. (Bill) Fisher
Sonoma Housing Advisors, LLC
16812 Dallas Parkway
Dallas, TX 75248
Bill.fisher@sonomaadvisors.com

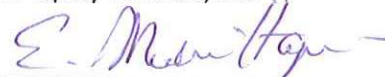
Acknowledgement of change in targeting for the 3 projects, Lakeview, Lakeway and TX Manor to allow for 15% of the units to be restricted at or below 30% of AMFI income and rent. As required by Priority 1 B bond allocation rules:

IBC Bank, Brownsville



W. Lee Reed IV, President

42 Equity Partners, LLC



E. Michael Haynes, Managing Director