



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1074

Agenda Date: 7/10/2025

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment to the Application for Reserves at Holdsworth (HTC #21114/23926, HOME #1003221)

RECOMMENDED ACTION

WHEREAS, Reserves at Holdsworth (the Development) received an award of 9% Housing Tax Credits (HTCs) and a Multifamily Direct Loan (MFDL) in 2021 and Supplemental Credits in 2023 to construct 36 units, of which 32 are designated as low-income units, of multifamily housing in Kerrville, Kerr County;

WHEREAS, OPG Holdsworth Partners LLC (the Development Owner or Owner) requests approval for a reduction in the Common Area from 1,596 square feet to 1,314 square feet, representing a reduction of 282 square feet or 17.67% from the Common Area represented in the Architect Certification at Application;

WHEREAS, Board approval is required for a reduction of 3% or more in the square footage of the Common Area as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or affect the amount of funding awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Reserves at Holdsworth is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Reserves at Holdsworth received an award of 9% Housing Tax Credits and a Multifamily Direct Loan in 2021 and Supplemental Credits in 2023 to construct 36 units of multifamily housing, of which 32 are designated as low-income units, in Kerrville, Kerr County. Construction of the Development has been completed, and the cost certification documentation for the Development is currently under review by the Department. Upon review of the cost certification, staff identified a change in the square footage of the Common Area from what was represented in the Application.

In a letter dated May 29, 2025, April Engstrom, the Owner representative, requested approval

for a reduction in the Common Area. The Application originally identified the Common Area as 1,596 square feet. However, the as-built Common Area is 1,314 square feet, a reduction of 17.67% or 282 square feet. According to the amendment request, the Common Area underwent a redesign during the construction phase to reconcile inefficiencies in design that were identified during the permitting process and implemented during construction. The letter further states that the substantial area of change to the clubhouse was to the library, which was eliminated, and with this change, hallways were narrowed and storage space was minimized to maximize the community room and warming kitchen. The enclosed table compares the floor plans for the Common Area of the Development at Application and the revised floor plan after the amendment.

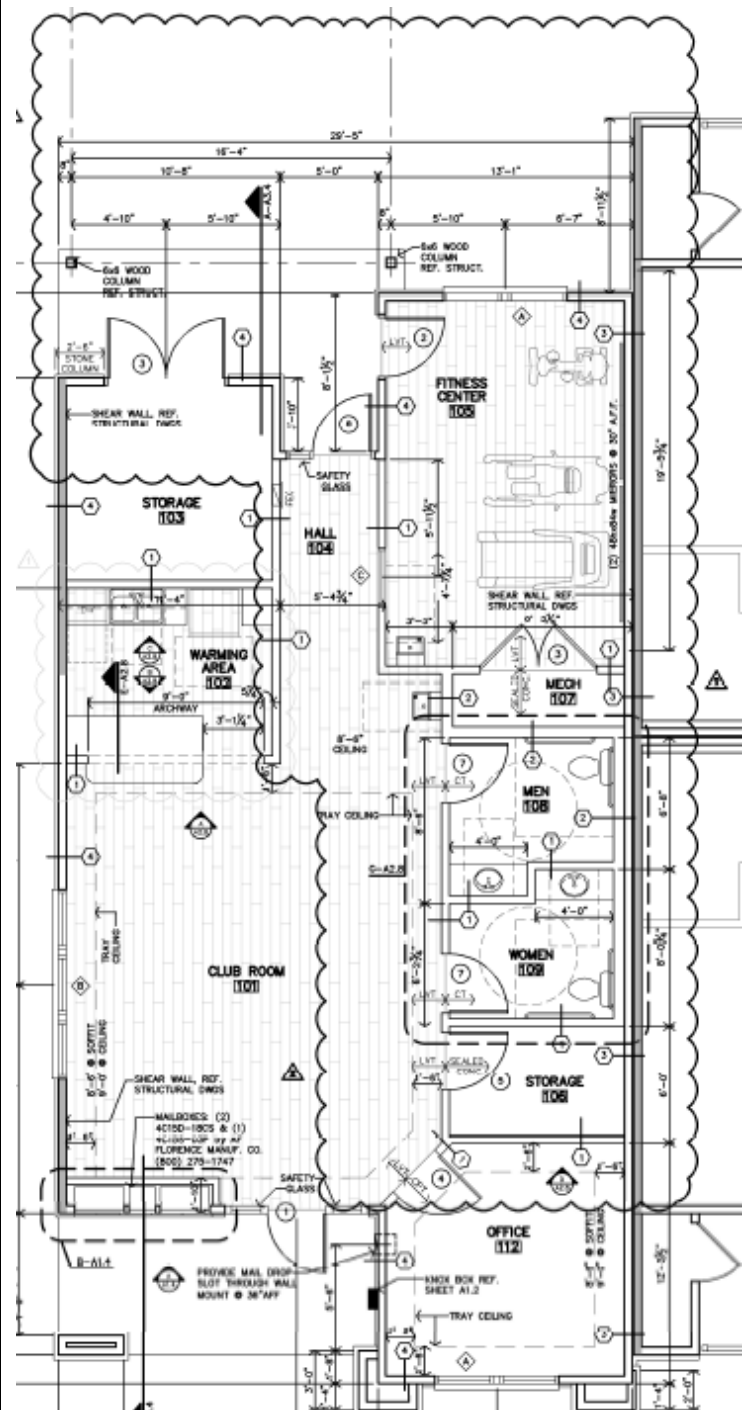
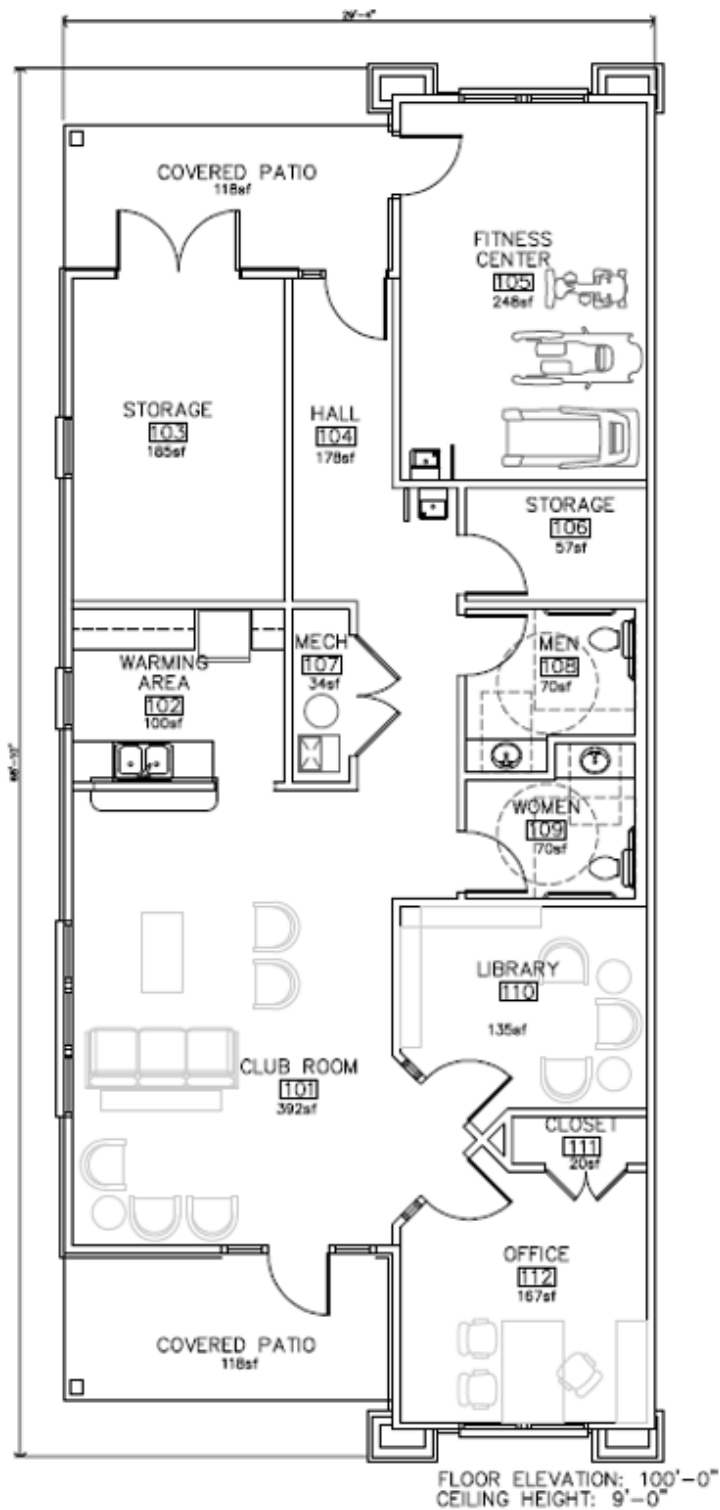
The change to the Common Area square footage does not materially alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Owner has indicated that there was no net financial impact on the Development as a result of the proposed changes. Staff has determined that this change does not affect the scoring of the Application or the funding award, and the Development will continue to meet the accessibility requirements. The final recommended HTC amount will be determined upon finalization of the cost certification review process.

Staff recommends approval of the amendment request as presented herein.

Material Alterations as defined in Texas Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)

Application

Amendment





May 29, 2025

TDHCA

Attn: Karen Treadwell, Senior Asset Manager | Regions 9 & 13
Asset Management Division
221 E. 11th St.
Austin, TX 78701

Re: The Reserves at Holdsworth, 23926/21114

Dear Ms. Treadwell,

Overland Property Group, on behalf of The Reserves at Holdsworth, is requesting a material amendment to the common area square footage.

During the permit design period, changes were made to the common area space, resulting in a deduction of 282 square feet from the clubhouse, bringing the common area square footage to 1,314 SF down from the original 1,596 SF.

While working on our permit drawings, inefficiencies in design were identified, so there were small adjustments made to the design of the clubhouse, which were implemented during construction. After receiving our tax credit award, additional site work was required and made apparent after geotechnical studies had been performed and the site had been fully cleared. By implementing these small changes to the clubhouse design, we were able to offset costs, enabling construction and lease up to progress quickly.

The substantial area of change to the clubhouse design was to the library, which was eliminated during design, post-application submission. With this change, the hallways were slightly narrowed, and storage space was minimized in order to maximize the community room and warming kitchen space, the two amenity spaces historically most utilized by our residents.

We are requesting approval of this amendment to memorialize the changes to the design that were implemented during the construction period. While we are always looking to avoid instances that warrant a material amendment, at the time of application these changes were unforeseeable due to the inability to begin site work prior to award.

Please reach out to me should you have any questions as you review.

Sincerely,

April Engstrom | Director of Development

Overland Property Group

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