Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 1577 **Agenda Date:** 9/3/2026 **Agenda #:**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Carson Crossings (HTC #22450)

RECOMMENDED ACTION

WHEREAS, Carson Crossings formerly known as Airport Gateway Apartments (the Development) received a 4% Housing Tax Credit (HTC) award in 2022 to construct 288 units, all of which are designated as low-income units, of multifamily housing in Austin, Travis County;

WHEREAS, to preserve this Development as set forth in the Application, after delays caused by a lengthy municipal permitting process coupled with significant cost escalations and a rapid rise in interest rates, Austin Gateway Apartments, LP (Development Owner or Owner) and its affiliates elected to build an overall master development under a single plan of financing, and as a result, the Owner requests approval to decrease the size of the Development site from 26.17 acres to 22.861 acres and to increase the number of units from 288 units to 592 units, without changing the number of low-income units, which results in a 135.31% increase in residential density, going from 11.01 units per acre to 25.90 units per acre;

WHEREAS, Board approval is required for a significant modification of the site plan, a modification of the number of units or bedroom mix of units, and a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(1), (2), and (6) and 10 TAC §10.405(a)(4)(A), (B), and (F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Applicant at the time of Application, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Carson Crossings 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 Board's determination.

BACKGROUND

Carson Crossings formerly known as Airport Gateway Apartments received a 4% Housing Tax

Credit award in 2022 to construct 288 units, all designated as low-income units, of multifamily housing in Austin, Travis County. Construction of the Development was completed in 2025, and during the review of the request to originate the Land Use Restriction Agreement (LURA), a change in acreage was identified and it was determined that a greater than 5% change in residential density had occurred since the representation at Application. In a letter dated June 4, 2026, Matthew Iacopetta, the representative for the Development Owner, requested approval for two changes that occurred at the Development since the issuance of the Determination Notice. First, the Owner requests approval to modify the total acreage to represent the actual size of the Development site due to the dedication of land for right-of-way and parkland. Second, the Owner requests approval for a restructuring of the development plan as a single, larger mixed-income community under one plan of financing.

At the time of Application, the development plan contemplated a phased development plan whereby the overall acquired 41+ acre site would be bifurcated to accommodate Phase I or North Phase of approximately 26 acres, which would be the HTC Development, and a future Phase II of approximately 15 acres. Phase I became Unit 1 upon formation of the condominium regime. Unit 2 is a proposed Workforce Development Component. Delays caused by a lengthy municipal permitting process coupled with significant cost escalations/inflation and a rapid rise in interest rates materially impaired project economics making a standalone HTC project infeasible. To preserve development of the HTC project as set forth in the Application, the Development Owner and its affiliates elected to build the overall master development at once as a combined 592-apartment, mixed-income complex, under a single plan of financing. As a single larger project, the team was able to achieve construction and operational efficiencies as well as more favorable financing through Freddie Mac. While the overall project has been expanded to 592 apartments, the 288 HTC apartments and income targeting mixes, as well as the site plan and building plans remain in line with the Application.

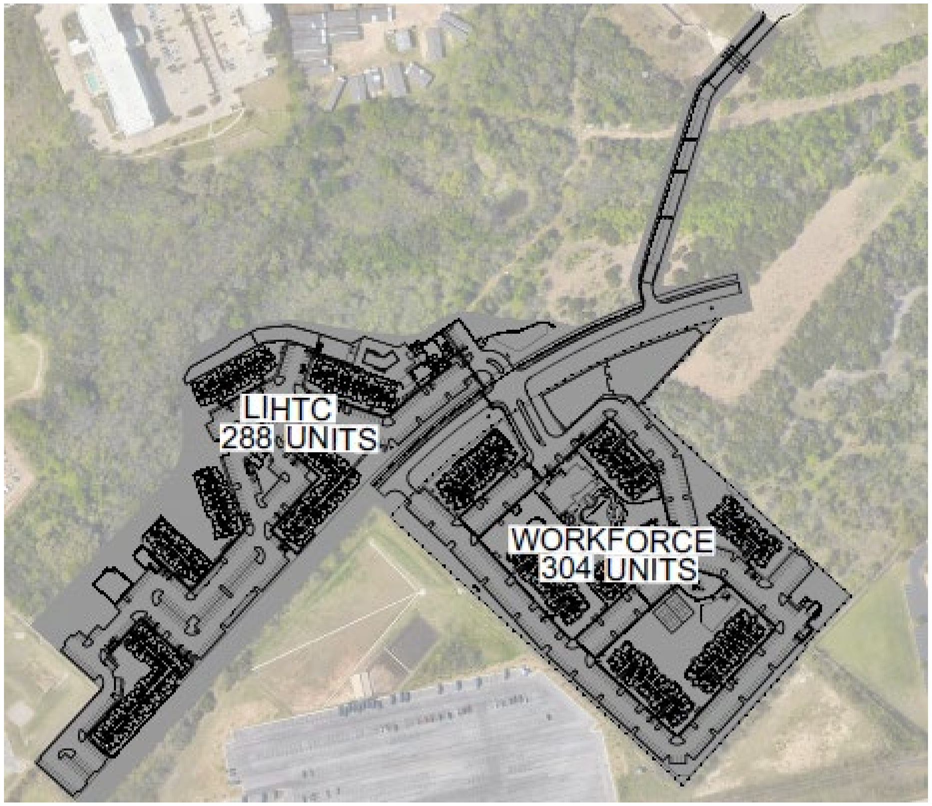
As a result of the increase in the number of units, the net rentable area of the overall Development will increase from 264,584 square feet at Application to 553,854 square feet. The unit mix of the Development will now consist of 268 one-bedroom units, 232 two-bedroom units, and 92 three-bedroom units. At Application, the unit mix included 84 one-bedroom units, 136 two-bedroom units, and 68 three-bedroom units, and this unit mix will remain on the HTC portion of the condominium regime.

As part of the City of Austin's site plan and permitting approvals for the overall multiphase development, the City required public dedications of street right-of-way (3.107 acres) and public parkland (15.167 acres) or a total of 18.274 acres which was applied to Phase I, Unit 1. The final acreage of Unit 1 is 10.951 acres and the addition of Unit 2 at 11.910 acres results in 22.861 acres for the overall Development site. The dedicated land consisted of street right-of-way and floodplain area that were not part of the developable footprint and were, from inception, designated for public use and maintenance by the City. The developable footprint, the building locations, and the site plan all remain as submitted in the Application, and the 288 HTC apartments continue to occupy the same developable area.

As a result of the increase in the total number of units and reduction to acreage, the residential density changed from 11.01 to 25.90 units per acre, which represents an increase of 135.31%, requiring approval by the Board under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

The requested amendment does not materially alter the Development in a negative manner and would not have affected the selection of the Development for the HTC award. The underwriting analysis for this amendment indicates the Development remains feasible and reflects a change to the annual HTC amount, but the final recommended HTC amount will be determined through the cost certification process. The Owner will be required to pay any applicable fee for the increase to the HTC amount from the amount in the Determination Notice upon finalization of the cost certification review process.

Staff recommends approval of the requested material amendment to the Application, and if approved, the LURA will be recorded to reflect the increased number of units, the increased number of 504 accessible units, and the final revised acreage.

<table>
<tr><th colspan="2">Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(1), (2), and (6) and 10 TAC §10.405(a)(4)(A), (B), and (F)</th></tr>
<tr><th>Application</th><th>Amendment</th></tr>
<tr><td>Density: 11.00 units/acre (288 units on a 26.17-acre tract)
</td><td>Density: 25.90 units/acre (592 units on a 22.861-acre tract)
</td></tr>
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AUSTIN GATEWAY APARTMENTS, LP
c/o The Richman Group
777 West Putnam Avenue, Greenwich, CT 06830
(203) 413-0338

June 4, 2026

VIA EMAIL

Texas Department of Housing and Community Affairs
Asset Management Division
Attn: Rosalio Banuelos / Lee Ann Chance
221 East 11th Street
Austin, Texas 78701

Re: Formal Request for Approval of Amendment to Application (10 TAC §10.405)

Development:	Airport Gateway Apartments
TDHCA Application No.:	22450 (4% Housing Tax Credits)
Building Identification Nos.:	TX-22-45001 – TX-22-45099
Development Owner:	Austin Gateway Apartments, LP
Bond Issuer:	Travis County Housing Finance Corporation
Determination Notice:	Effective October 13, 2022; Annual Credit Amount $3,383,026

Dear Rosalio Banuelos:

On behalf of Austin Gateway Apartments, LP, and pursuant to 10 TAC §10.405 (Amendments and Extensions) of the Department's Post Award and Asset Management Requirements, we respectfully submit this request for the Department's review and approval of certain changes to the above-referenced Development that have occurred since submission of the Application and issuance of the Determination Notice. The Department has advised that these changes constitute a material amendment under §10.405(a)(4). The applicable amendment fee under Chapter 11, Subchapter E ($2,500) has been mailed to TDHCA.

Set out below is (i) a summary of the Development as set forth in the Application and initially approved, and (ii) a description of each change and the reason it became necessary. It should be noted that the core elements of the development as set forth in the Application and Determination Notice remain intact - 288 LIHTC apartments, the unit and AMI mix, the site plan, and the building plans.

I. The Development as Approved

As reflected in the Real Estate Analysis Division Underwriting Report dated September 20, 2022, and the Determination Notice, Airport Gateway is to consist of a 288-apartment, new-construction, 4% Housing Tax Credit project located at 3335 Caseybridge Court, Austin, Travis County, Texas 78741. The unit mix is 84 one-bedroom, 136 two-bedroom, and 68 three-bedroom units, with income/rent restrictions of 57 units at 40% AMI, 87 units at 50% AMI, and 144 units at 60% AMI. As described in the Application and Underwriting Report, the development plan contemplated a phased development plan whereby an overall

41+ acre site would be bifurcated to accommodate Phase I or North Phase of approx. 26 +/- acres (subject of the TDHCA Application) and a future Phase II.

The legal description used in the Application was Lot 1, Airport Gateway Phase II (Document No. 201800228, Official Public Records of Travis County, Texas).

II. Description of the Changes and the Reasons They Became Necessary

Since issuance of the Determination Notice, two changes have occurred: (1) a reduction in the site acreage of Phase I/Unit 1 resulting from public dedications required by the City of Austin; and (2) a restructuring of the development plan as a single, larger mixed-income community under one plan of financing. Each is described below.

1. Change to the Development Site acreage (City-required dedications). At acquisition, an affiliate of the Development Owner acquired an approximately 41.135-acre tract, of which approximately 26 acres were allocated to Phase I, which became Unit 1 upon formation of the condominium regime. As part of the City of Austin's site plan and permitting approvals for the overall multiphase development, the City required public dedications of (i) street right-of-way and (ii) public parkland, each of which was applied to Unit 1. The parkland obligation was initially contemplated as an easement and therefore not included in the Application but was ultimately satisfied by deed. The following table reconciles the development site acreage from the Application through completion of the City-required dedications:

Stage	Unit 1 (LIHTC)	Unit 2 (Workforce)	Total
Overall site per Application	—	—	41.135
Condominium formation (Nov. 22, 2022)	29.225	11.910	41.135
Less: street right-of-way dedication (Jan. 15, 2025)	(3.107)	—	(3.107)
Less: public parkland dedication (Dec. 2025)	(15.167)	—	(15.167)
Final development acreage	**10.951**	**11.910**	**22.861**

As reflected above, the final acreage of the overall development site is 22.861 acres — 10.951 acres for Unit 1 (the LIHTC Component) and 11.910 acres for Unit 2 (the Workforce Component). As detailed in the enclosed Summary of Site Control and Legal Description, the dedicated land consisted of street right-of-way and floodplain area that was never part of the developable footprint and was, from inception, designated for public use and maintenance by the City. Although the parkland dedication represents substantial acreage, that portion of the site consists of wetlands that were never considered developable area. Accordingly, while the gross acreage of Unit 1 was reduced, the developable footprint, the building locations, and the site plan all remain as submitted in the Application, and the 288 LIHTC apartments continue to occupy the same developable area. The dedications were required by the City of Austin as a condition of its site plan and permitting approvals and were not within the developer's discretion.

-A detailed acreage reconciliation keyed to the recorded instruments — including the street / right-of-way deed (Document No. 2025004533) and the parkland dedications (Document No. 2025137213) — together with excerpts from the recorded condominium plats and plans, is attached as Exhibit A.

-The Final ALTA Survey is also enclosed as a separate attachment.

2. Restructuring as a larger overall mixed-income development. Delays caused by a lengthy municipal permitting process coupled with significant cost escalations/inflation and a rapid rise in interest rates materially impaired project economics making a standalone LIHTC project infeasible. To preserve development of the LIHTC project as set forth in the Application, the Development Owner and its affiliates elected to build the overall master development at once as a combined 592-aparment, mixed-income complex, under a single plan of financing. As a single larger project, the team was able to achieve construction and operational efficiencies as well as more favorable financing through Freddie Mac. While the overall project has been expanded to 592 apartments, the 288 LIHTC apartments and AMI mixes, as well as the site plan and building plans reviewed by TDHCA leading up to issuance of the Determination Notice, remain in line with the Application. These circumstances were external to, and beyond the reasonable control of, the developer and were not reasonably foreseeable at the time the Application was submitted.

V. Enclosures

1. Alta Survey
2. Exhibit A — Site Acreage Reconciliation and Chain of Recorded Instruments (with excerpts from the recorded condominium plats and plans)
3. Summary of Site Control and Legal Description (with supporting deed/dedication references)

VI. Request

Based on the foregoing, the Development Owner respectfully requests that the Department review and approve this material amendment. The Development Owner will provide any additional information the Department or its Governing Board may require, will work within the Department's schedule for Board consideration, and welcomes the opportunity to discuss this request at the Department's convenience.

Thank you for your consideration.

Respectfully submitted,

AUSTIN GATEWAY APARTMENTS, LP
By: Austin Gateway GP, LLC
By: TRG Ausitn Gateway Member, LLC

Matthew Iacopetta

Name: Matthew Iacopetta
Title: Vice President

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cc: Travis County Housing Finance Corporation; [Bond Counsel]; [Tax Credit Investor]; [Asset Manager]

EXHIBIT A

Site Acreage Reconciliation and Chain of Recorded Instruments

Airport Gateway Apartments | TDHCA Application No. 22450

This Exhibit reconciles the Development Site acreage from the original platted tract through the City-required dedications, identifies the recorded instruments effecting each change, and includes excerpts from the recorded condominium plats and plans (Austin Gateway Condominium, Document No. 2022183442). All recording references are to the Official Public Records of Travis County, Texas ("O.P.R.T.C."), unless otherwise indicated.

1. Acreage Reconciliation

Stage	Unit 1 (LIHTC)	Unit 2 (Workforce)	Total
Lot 1, Airport Gateway Phase II (Doc. No. 201800228)	—	—	41.135
Condominium formation (Doc. No. 2022183442)	29.225	11.910	41.130
Less: street / right-of-way deed (Doc. No. 2025004533)	(3.107)	—	(3.107)
Less: parkland dedication — Tract 1 (Doc. No. 2025137213)	(11.461)	—	(11.461)
Less: parkland dedication — Tract 2 (Doc. No. 2025137213)	(3.706)	—	(3.706)
Final development acreage	**10.951**	**11.910**	**22.861**

Note: The parkland dedicated to the City of Austin (Tracts 1 and 2, totaling 15.167 acres) consists of floodplain / wetland area along Carson Creek that was never part of the developable footprint. As reflected above, the final acreage of the overall development is 22.861 acres — 10.951 acres for Unit 1 (the low-income component) and 11.910 acres for Unit 2 (the workforce component). The usable development site, residential density, and site plan remain as submitted in the Application.

2. Chain of Recorded Instruments

Instrument	Date	Document No.	Effect
Plat — Lot 1, Airport Gateway Phase II	—	201800228 (P.R.T.C.)	Original platted tract (≈41.13 ac)
Declaration of Condominium Regime — Austin Gateway Condominium	Nov. 2022	2022183442	Divided the tract into Unit 1 (29.220 ac) and Unit 2 (11.910 ac)
Ground Lease (Memorandum) — TCHFC Airport Gateway Land LLC, as landlord, to TRG-	Nov. 22, 2022	2022183707	Master leasehold of the entire regime

TCHFC Austin Gateway Mixed Income, LLC, as tenant			
Sublease (Memorandum) — TRG-TCHFC Austin Gateway Mixed Income, LLC, as sublandlord, to Austin Gateway Apartments, LP, as subtenant	Nov. 22, 2022	2022183708	Subleasehold of Unit 1 (low-income component)
Street / Right-of-Way Deed to City of Austin	2025	2025004533	Conveyed 3.107 ac out of Unit 1
Parkland Dedication (Tracts 1 & 2) to City of Austin	Dec. 2025	2025137213	Conveyed 15.167 ac (11.461 + 3.706) out of Unit 1

3. Recorded Plat — Overall Site

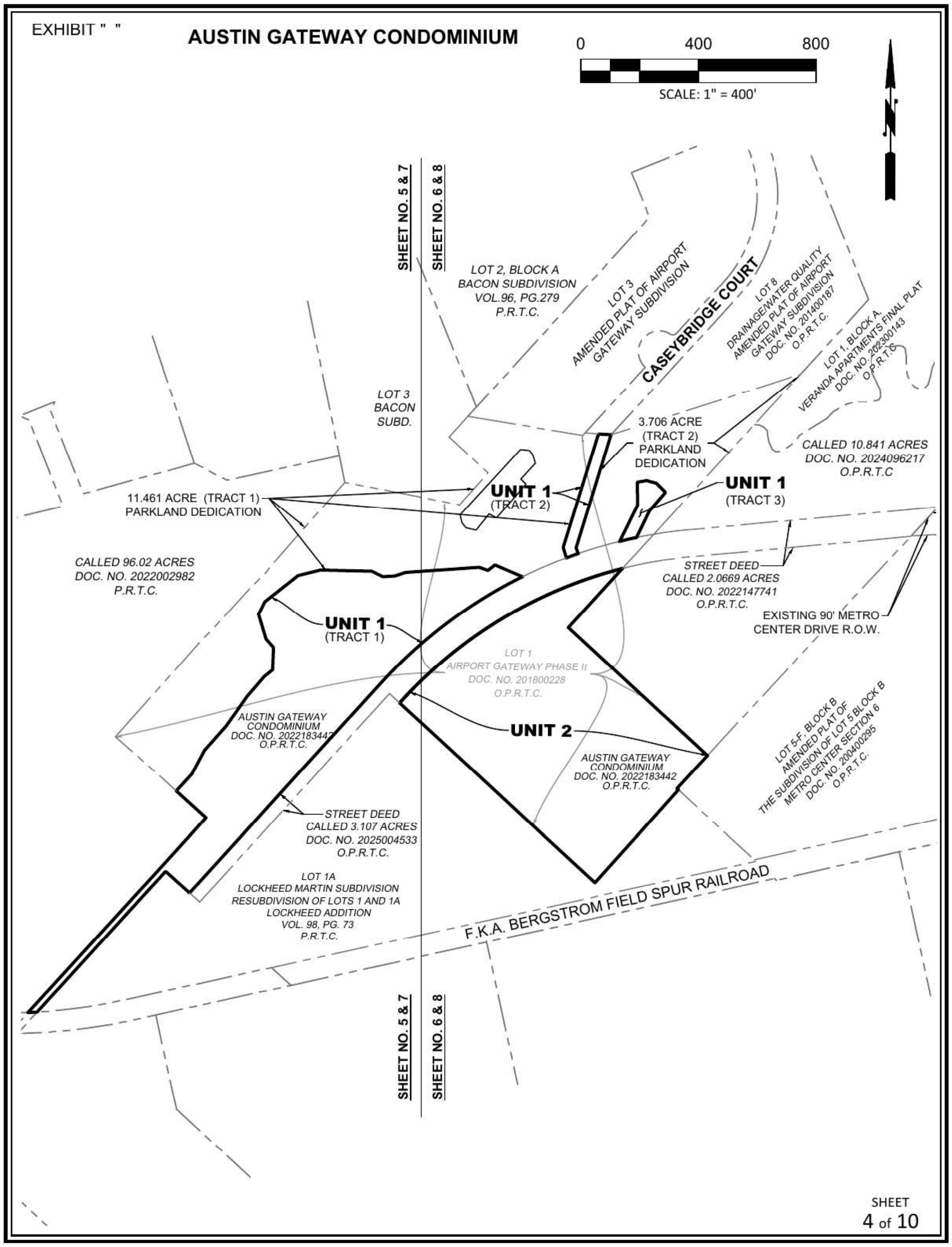

Figure 1 — Austin Gateway Condominium, overall plat (Sheet 4 of 10). *Depicts Unit 1 (Tracts 1–3, the low-income component), Unit 2 (the workforce component), the 3.107-acre street / right-of-way deed (Doc. No. 2025004533), and the parkland dedication tracts of 11.461 and 3.706 acres (Doc. No. 2025137213). Source: recorded condominium plats and plans, Project No. 22-0049.01, SurveyWorks.*

4. Recorded Plat — Flood Zones

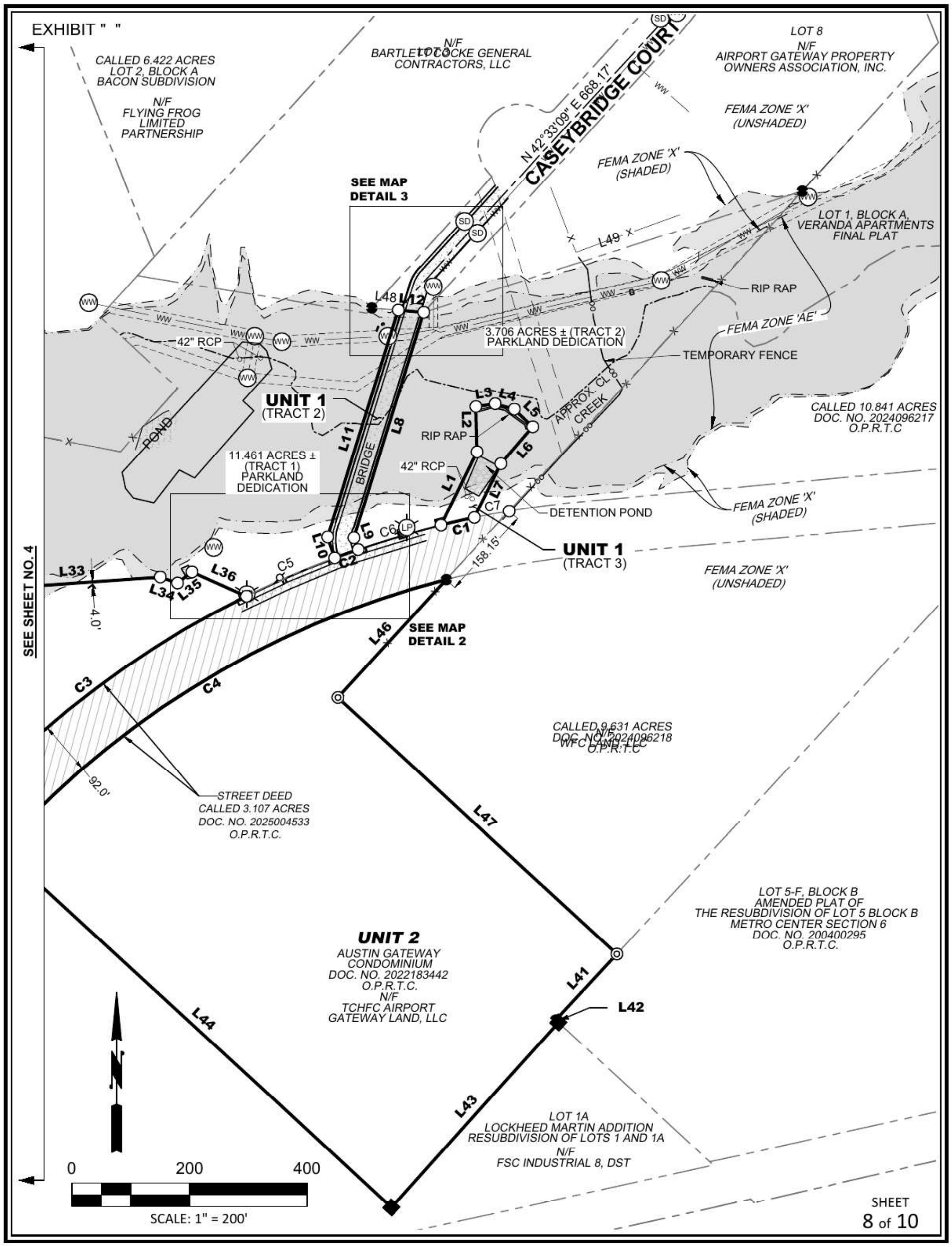

Figure 2 — Flood zones (Sheet 8 of 10). *The parkland dedication tracts (11.461 and 3.706 acres) lie within FEMA Zone AE / Zone X along Carson Creek and were never part of the developable footprint; the developable Unit 2 lies outside the floodplain. Source: recorded condominium plats and plans, Project No. 22-0049.01, SurveyWorks.*