



## Texas Department of Housing and Community Affairs

### Governing Board

#### Board Action Request

**File #:** 1071

**Agenda Date:** 7/10/2025

**Agenda #:**

Presentation, discussion, and possible action regarding a Material Application Amendment to the Housing Tax Credit Application, changes to the ownership structure, and a waiver of 10 TAC §11.9(b)(2)(A) for 930 Military Parkway Living (HTC #24023)

#### **RECOMMENDED ACTION**

**WHEREAS**, 930 Military Parkway Living (the Development) received a 9% Housing Tax Credit (HTC) award in 2024 for the construction of 111 units, of which 88 are designated as low income units, in Mesquite, Dallas County;

**WHEREAS**, due to the need to fill a funding gap, which is expected to be filled by obtaining Multifamily Direct Loan (MFDL) funding from the Department, 930 Military Parkway Living, Ltd. (the Applicant) requests approval to change the income and rent restrictions in order to qualify for the National Housing Trust Fund loan;

**WHEREAS**, the income targeting of the Development had to shift significantly to make way for 10 additional units restricted at the higher of the poverty line or 30% of Area Median Income (AMI), decrease the number of market units from 23 to 16, and still maintain an average income of 54% or lower, as per 10 TAC §13.3(d)(2)(a), if average income is elected no more than 15% of the total units can be designated market rate and still remain eligible for MFDL funds;

**WHEREAS**, in lieu of a Parkland Dedication fee, the City of Mesquite (the City) has agreed to the donation of an undeveloped parcel of 3.992 acres as parkland, which will result in a 45.72% decrease to the acreage of the Development, from 8.732 acres to 4.74 acres, and an 84.22% increase to the residential density, going from 12.71 units per acre to 23.42 units per acre;

**WHEREAS**, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Applicant has complied with the amendment requirements therein;

**WHEREAS**, to improve the financial feasibility of the Development by obtaining a property tax exemption, the Applicant is seeking to replace the originally proposed General Partner, Mesquite 930 Military Parkway Living GP, LLC, with Mesquite 930 Military Parkway GP, LLC, of which the Mesquite Housing Finance Corporation will be the sole member;

**WHEREAS**, the HTC Application for the Development received two points for agreeing to include a certified Historically Underutilized Business (HUB) in the ownership structure of the General Partner and materially participating in the development and operation of the Development throughout the Compliance Period, and receiving a combination of ownership interest in the General Partner of the Applicant, cash flow from operations, and developer fee

which taken together equal at least 50% and no less than 5% for any category;

**WHEREAS**, Applicant is seeking to revise the ownership structure by adding a Class B Limited Partner, 930 Military Parkway Living SLP, LLC, and moving the HUB, The Land Experts, LLC, from the ownership structure of the originally proposed general partner to the newly formed Class B Limited Partner, 930 Military Parkway Living SLP, LLC, which will be 34% owned by the HUB as well as 66% owned by 930 Military Parkway Living GP MGR, Inc.;

**WHEREAS**, the Applicant requests a waiver of the specific requirement in 10 TAC §11.9(b)(2)(A) that states the HUB must have an ownership interest in the General Partner, allowing the Development to continue to qualify for the two points for Sponsor Characteristics with the HUB in the ownership structure of the Class B Limited Partner and continuing to meet the intent of 10 TAC §11.9(b)(2)(A) to have a HUB materially participate in the Development; and

**WHEREAS**, the requested changes and waiver do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or impact the HTC award;

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested material amendment to the Housing Tax Credit Application, changes to the ownership structure, and a waiver of the 10 TAC §11.9(b)(2)(A) for 930 Military Parkway Living are each approved, subject to clearance of the previous participation review, 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.

### **BACKGROUND**

930 Military Parkway Living (HTC #24023) was approved for a 9% HTC award in 2024 for the new construction of 111 units, of which 88 are designated as low-income units, for the general population in Mesquite, Dallas County. Construction of the Development has not begun. The Applicant elected Average Income as the Qualified Low Income Housing Development Election, with an average income of 54% or lower.

In a letter as of May 20, 2025, Cody Hunt, the representative for the Applicant, requested approval for a material amendment to the Application to revise the income targeting in order to qualify for the National Housing Trust Fund loan. With this change, the Development would still have an average income of under 54%, but would have 19 units at 30% AMI and 16 market units instead of the nine units at 30% AMI and 23 market units proposed at application.

Additionally, in lieu of a Parkland Dedication fee, the City of Mesquite has agreed to the donation and dedication of 3.992 acres of an undeveloped portion of the Development site as parkland. The change of site acreage will increase residential density by 84.22%, from 12.71 units per acre to 23.42 units per acre. Despite this change, the site plan remains the same as in

the initial Application. The Applicant stated that when the initial Application was submitted, the Applicant did not have confirmation that the City of Mesquite would allow them to dedicate the back parcel of the site in lieu of Parkland Dedication fees. Now that they have confirmation, the Applicant can move forward developing on solely the front portion of the site. It was not reasonably foreseeable that the City would agree to this structure, but is now essential to the financial feasibility of the Development.

In addition to the amendment for the change in income targeting and residential density, the Applicant is requesting approval for changes to the ownership structure, which will require a waiver for a requirement related to ownership by a Historically Underutilized Business (HUB), as the HTC Application for the Development received two points because the Development was structured to include a Historically Underutilized Business (HUB) in the ownership structure that would have some combination of ownership interest in the General Partner of the Owner, cash flow from operations, and Developer Fee, which taken together equal at least 50% and no less than 5% for any category. The HUB was also required to materially participate in the development and operation of the Development throughout the Compliance Period.

In a letter dated May 21, 2025, Michelle Snedden, on behalf of the Applicant, proposed changes to the ownership structure for the Development, which requires a waiver of the provision in 10 TAC §11.9(b)(2)(A) that specifies the HUB is required to have an ownership interest in the General Partner. The Applicant is seeking to add a Class B Limited Partner, 930 Military Parkway Living SLP, LLC, and move the HUB, The Land Experts, LLC, from the ownership structure of the General Partner to the newly formed Class B Limited Partner, which will be 34% owned by the HUB as well as 66% owned by 930 Military Parkway living GP MGR, Inc. Mesquite 930 Military Parkway GP, LLC will be added as the new General Partner, of which the sole member will be the Mesquite Housing Finance Corporation. The requested changes to the ownership structure, along with a ground lease structure, will improve the financial feasibility of the Development by providing an ad valorem tax exemption.

However, this change to the ownership structure would result in the HUB no longer meeting the requirements for the two Sponsor Characteristics points awarded at Application because it will no longer be in the ownership structure of the General Partner. Therefore, the Applicant requests to waive this specific requirement and to allow the Development to continue to qualify for the two Sponsor Characteristics points with the HUB in the ownership structure of the Class B Limited Partner. The Applicant states that the Class B Limited Partner will perform the same duties, materially participate, and be functionally equivalent to the general partner. The HUB would continue to be required to meet all other requirements in 10 TAC §11.9(b)(2)(A), including the requirement to materially participate in the development and operation of the Development throughout the Compliance Period. This revised ownership requirement would be codified in the LURA for the Development.

The Applicant provided Resolution No. 07-2025, as of February 17, 2025, from the City of Mesquite stating that the City continues to support the Development, including the change in structure to allow for a property tax exemption.

The Development was re-underwritten with the proposed amendment and revised financial information. The analysis supports no change to the HTC allocation and demonstrates the Development remains feasible with the additional proposed changes to the financing structure. Additionally, staff reviewed the original Application and scoring documentation against this amendment request and has concluded that none of the changes would have affected the scoring or selection of the Application in the competitive round. The recommendation for the direct loan funds from the Department will be presented separately from this amendment to the HTC Application.

Staff recommends approval of the Application amendment, changes to the ownership structure subject to clearance of the previous participation review, and the waiver of 10 TAC §11.9(b)(2) (A) as presented herein.



Real Estate Analysis Division

June 23, 2025

Addendum to Underwriting Report

TDHCA Application #: **25504\_24023** Program(s): **9% HTC/MDL**

**930 Military Parkway Living**

Address/Location: **940 Military Parkway**

City: **Mesquite** County: **Dallas** Zip: **75149**

	APPLICATION HISTORY
Report Date	PURPOSE
06/23/25	Amendment & MDL Award - 2025-1 NOFA - NHTF
08/05/24	Initial Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm. Lien	Const. Term	Const. Lien
MF Direct Loan Const. to Perm. (Repayable)					\$4,000,000	2.00%	35	40.0 yrs	2	24M	3
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

\* Multifamily Direct Loan and HOME ARP Terms:

\* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

\*\* Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

## CONDITIONS STATUS

### 1 Receipt and acceptance before Direct Loan Contract:

- Board approval of a new ownership structure, or written confirmation from Borrower that no organizational changes will be made.

**Status:** To be cleared by Program Staff

- b: Board approval to reduce the development site acreage from 8.732 acres down to 4.74 acres.

**Status:** To be cleared by Program Staff

### 2 Receipt and acceptance before Direct Loan Closing:

- a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

- b: Substantially final construction contract with Schedule of Values.

- c: Updated term sheets with substantially final terms from all lenders.

- d: Substantially final draft of limited partnership agreement.

- e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR.

- f: Substantially final ground lease.

### 3 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.

### 4 Receipt and acceptance by Cost Certification:

- a: 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.

- b: 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.

- c: 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.

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-ASIDE

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	35
70% of AMI	70% of AMI	6
80% of AMI	80% of AMI	2

### CURRENT SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	19
50% of AMI	50% of AMI	38
60% of AMI	60% of AMI	13
70% of AMI	70% of AMI	12
80% of AMI	80% of AMI	13

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	18

### ANALYSIS

The development originally received a 9% HTC allocation of \$2,000,000 in August 2024.

The applicant is now applying for a MDL 2025-1 NHTF loan of \$4,000,000. The MDL loan will have an interest rate of 2% and amortization period of 35 years allowing this Project to be feasible under DCR requirements.

The Applicant added Mesquite Housing Finance Corporation to the ownership structure. There is going to be a ground lease which will allow for a property tax exemption.

In addition, the Applicant is submitting a material amendment to change the development acreage from 8.732 acres down to 4.74 acres. Per the applicant, this change does not alter the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre.

The 3.99 acres of undeveloped land will be dedicated to the city.

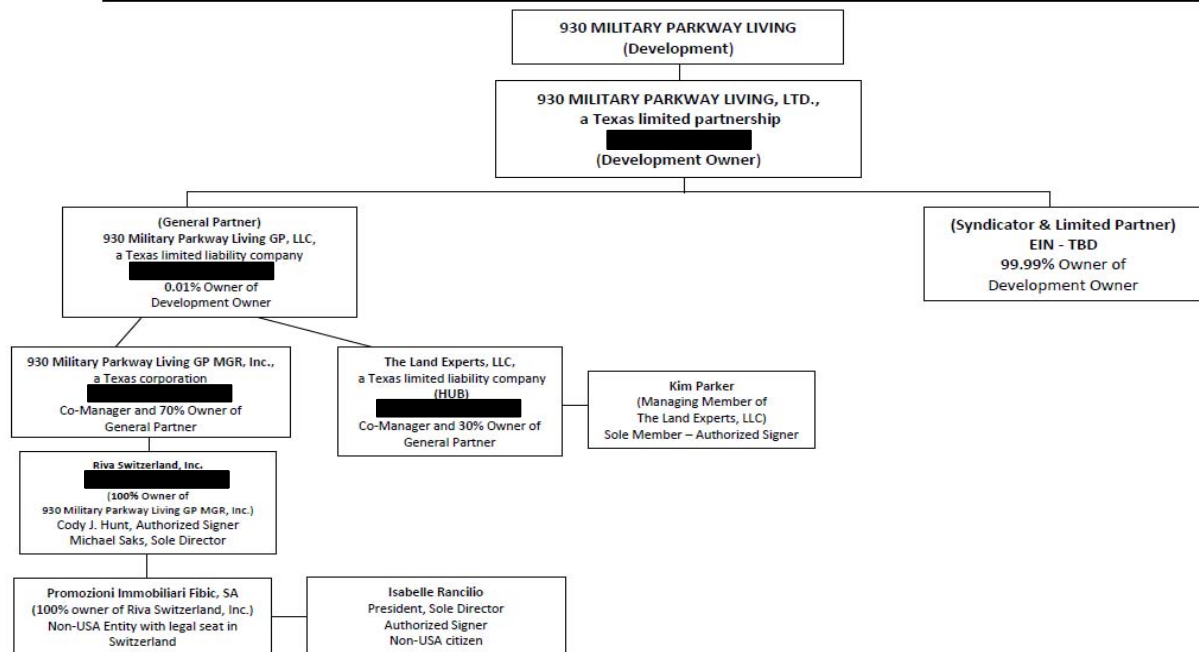




## PREVIOUS OWNERSHIP STRUCTURE

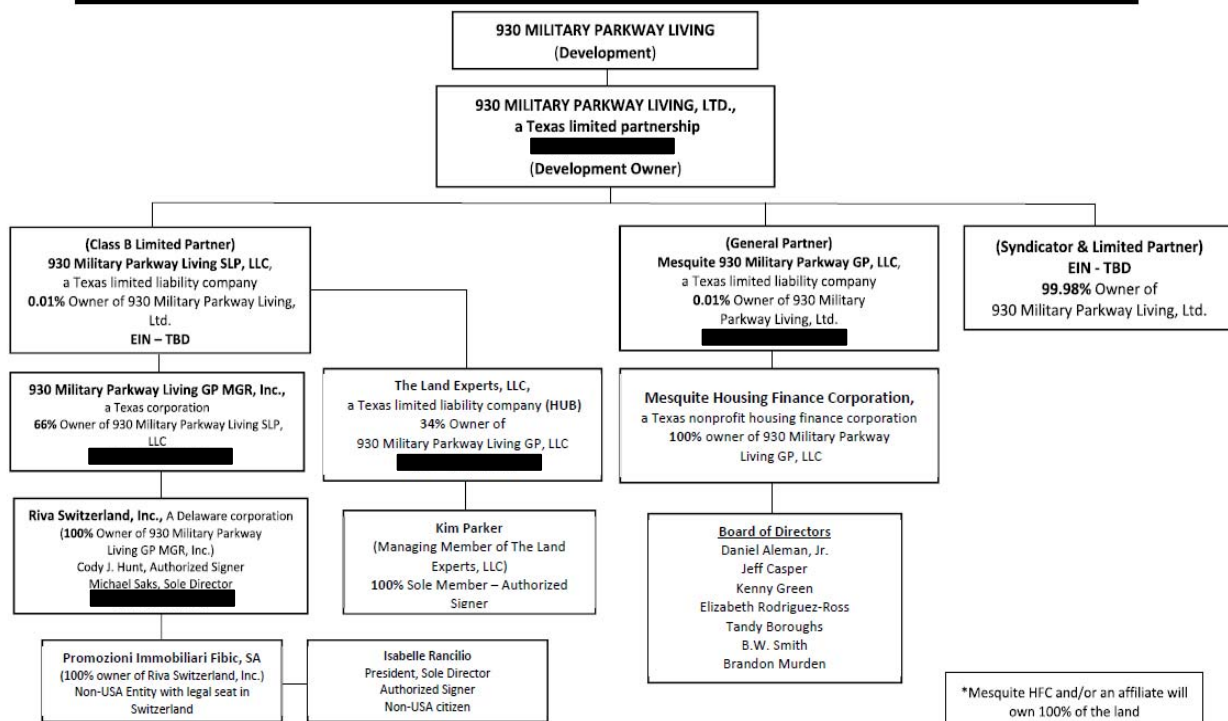
Cody J. Hunt has Ability to Exercise Control

### 930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE (2024 9% Housing Tax Credit Application)



## NEW OWNERSHIP STRUCTURE

### 930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE (2024 9% Housing Tax Credit Application)



\*Mesquite HFC and/or an affiliate will own 100% of the land

### **Operating Pro Forma**

Underwriter is using the most current 2025 program rent limits for 9% HTC and 2025 limits for NHTF. The Applicant submitted a rent schedule using the 2024 program rent limits for 9% HTC however, the Underwriter updated the Applicant's rent schedule with the 2025 HTC rents.

Effective Gross Income increased by \$113K, Total expenses decreased by \$93K, and as a result, Net Operating Income increased by \$207K.

Applicant is not expecting to collect full market rate for their market rent units which also affects the 80% units not collecting max program limits.

The Applicant is discounting their TC80 units by 8% two-bedroom and 6% three-bedroom units to the maximum net program rent collected.

Tax exemption is now expected for this property because of the inclusion of the Mesquite Housing Finance Corporation as the General Partner in the ownership structure.

Without the tax exemption, DCR falls to 0.84 resulting in negative cash flow which would characterize the development as infeasible.

Insurance quote provided for \$700/per unit.

### **Development Cost**

Site work costs were most affected from previous underwriting with an increase of \$2.46M

Total Housing Development Costs have increased by \$3.1M

Developer Fee has decreased by \$11K.

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.

Underwriter adjusted the base cost for a 5-story build.

Building cost decreased by \$187k.

### Sources of Funds

The construction to perm loan lender did not change (Regions Bank - HUD 221(d)4) but the Construction to Perm loan increased from \$13M to \$14.3M and the interest rate increased from 5.25% to 5.75%.

The senior financing is a FHA 221(d)4 construction-to-permanent loan and has a separate MIP fee of 0.25%.

Application was submitted with MDL construction interest of 2% - per Multifamily Direct Loan rule 13.8(b)(2) "No interest will accrue during the construction term;"

Underwriter adjusted construction interest from 2% to 0%.

The equity bridge loan lender did not change (Regions Bank). Equity bridge loan decreased from \$14.5M to \$12.9M and the interest rate increased from 5% to 6.85%.

The equity investor remains Region Bank and the capital contribution decreased by \$600K and the credit price decreasing from \$0.91 to \$0.88.

Applicant is now including \$4M MDL NHTF loan construction to permanent loan 0% during construction and 2% in the permanent period. TDHCA will be in the third lien position during construction and in the second lien during the permanent period.

The deferred developer fee has decreased by \$1.5M and pays off in three years.

The Debt Coverage Ratio on the senior debt is 1.20. The Combined DCR for a Multifamily Direct Loan subordinate to FHA debt is determined based on 75% of Surplus Cash remaining after the senior debt service. The Combined DCR is 1.00 as required by the QAP.

Underwriter adjusted the amortization period from 40 to 35 years. During the 40-year period, the DCR exceeded the maximum allowable 1.5x and adjusting the amortization to 35 years resolved the issue.

Underwriter recommends a second lien, fully amortized Multifamily Direct Loan of \$4,000,000 at 2% interest, 40 year term, and a 35 year amortization period. Under these terms, the annualized debt service payment is \$159,006. The construction term is assumed at 24 months.

The MDL funding is 2025-1 NHTF funds.

The original annual 9% HTC allocation of \$2,000,000 is still recommended.

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

**930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504\_24023**

LOCATION DATA	
CITY:	Mesquite
COUNTY:	Dallas
Area Median Income	\$117,300
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2025

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	NHTF	ARP	Match
Eff	-	0.0%	0	0	0	0
1	30	27.0%	0	6	0	3
2	62	55.9%	0	9	0	6
3	19	17.1%	0	3	0	1
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL						
	111	100.0%	-	18	-	10

PRO FORMA ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	83.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	940 sf

<b>54%</b>	<b>Income</b>	20%	30%	40%	50%	60%	70%	80%	EO / MR	<b>TOTAL</b>
<b>Average</b>	<b># Units</b>	-	19	-	38	13	12	13	16	<b>111</b>
<b>Income</b>	<b>% Total</b>	0.0%	17.1%	0.0%	34.2%	11.7%	10.8%	11.7%	14.4%	<b>100.0%</b>

## UNIT MIX / MONTHLY RENT SCHEDULE

HTC		MFDL NHTF Units		Match Units	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Match Units	# 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%	\$660	NHTF 30%	\$660		6	1	1	750	\$660	\$65	\$595	\$0	\$0.79	\$595	\$3,570	\$3,570	\$595	\$0.79	\$0	\$1,624	\$2.17	\$1,804
TC 30%	\$660				1	1	1	750	\$660	\$65	\$595	\$0	\$0.79	\$595	\$595	\$595	\$595	\$0.79	\$0	\$1,624	\$2.17	\$1,804
TC 50%	\$1,100			3	22	1	1	750	\$1,100	\$65	\$1,035	\$0	\$1.38	\$1,035	\$22,770	\$22,770	\$1,035	\$1.38	\$0	\$1,624	\$2.17	\$1,804
MR					1	1	1	750	\$0	\$65		NA	\$2.17	\$1,624	\$1,624	\$1,624	\$1,624	\$2.17	NA	\$1,624	\$2.17	\$1,804
TC 30%	\$792	NHTF 30%	\$792		8	2	2	960	\$792	\$86	\$706	\$0	\$0.74	\$706	\$5,648	\$5,648	\$706	\$0.74	\$0	\$1,869	\$1.95	\$2,077
TC 30%	\$792	NHTF 30%	\$792		1	2	2	1,005	\$792	\$86	\$706	\$0	\$0.70	\$706	\$706	\$706	\$706	\$0.70	\$0	\$1,869	\$1.86	\$2,077
TC 50%	\$1,320			1	16	2	2	960	\$1,320	\$86	\$1,234	\$0	\$1.29	\$1,234	\$19,744	\$19,744	\$1,234	\$1.29	\$0	\$1,869	\$1.95	\$2,077
TC 60%	\$1,584			5	12	2	2	960	\$1,584	\$86	\$1,498	\$0	\$1.56	\$1,498	\$17,976	\$17,976	\$1,498	\$1.56	\$0	\$1,869	\$1.95	\$2,077
TC 70%	\$1,848				12	2	2	960	\$1,848	\$86	\$1,762	\$0	\$1.84	\$1,762	\$21,144	\$21,144	\$1,762	\$1.84	\$0	\$1,869	\$1.95	\$2,077
TC 80%	\$2,112				10	2	2	960	\$2,112	\$86	\$2,026	(\$157)	\$1.95	\$1,869	\$18,690	\$18,690	\$1,869	\$1.95	(\$157)	\$1,869	\$1.95	\$2,077
MR					3	2	2	1,005	\$0	\$86		NA	\$1.86	\$1,869	\$5,607	\$5,607	\$1,869	\$1.86	NA	\$1,869	\$1.86	\$2,077
TC 30%	\$915	NHTF 30%	\$915		3	3	2	1,164	\$915	\$107	\$808	\$0	\$0.69	\$808	\$2,424	\$2,424	\$808	\$0.69	\$0	\$2,182	\$1.87	\$2,424
TC 60%	\$1,830			1	1	3	2	1,164	\$1,830	\$107	\$1,723	\$0	\$1.48	\$1,723	\$1,723	\$1,723	\$1,723	\$1.48	\$0	\$2,182	\$1.87	\$2,424
TC 80%	\$2,440				3	3	2	1,164	\$2,440	\$107	\$2,333	(\$151)	\$1.87	\$2,182	\$6,546	\$6,546	\$2,182	\$1.87	(\$151)	\$2,182	\$1.87	\$2,424
MR					12	3	2	1,164	\$0	\$107		NA	\$1.87	\$2,182	\$26,184	\$26,184	\$2,182	\$1.87	NA	\$2,182	\$1.87	\$2,424
TOTALS/AVERAGES:					111	104,316						(\$18)	\$1.49	\$1,396	\$154,951	\$154,951	\$1,396	\$1.49	(\$18)	\$1,856	\$1.98	\$2,063

### ANNUAL POTENTIAL GROSS RENT:

\$1,859,412    \$1,859,412

\*MFDL units float among Unit Types

\*\* Match Units will be restricted at 50 percent income / LOW HOME rents, and 60 percent income/HIGH HOME rents.

<b>STABILIZED PRO FORMA</b>
<b>930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023</b>

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Dallas County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.49	\$1,396	\$1,859,412	\$1,737,012	\$1,737,012	\$1,859,412	\$1,396	\$1.49		0.0%	\$0
Application, Pet, Late, and NSF Fees					\$25.00	\$33,300	21,108							
Laundry, Vending, Cable					\$0.00	\$0	12,120							
Total Secondary Income					\$25.00			33,228	\$33,300	\$25.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,892,712	\$1,770,240	\$1,770,240	\$1,892,712				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(141,953)	(132,768)	(132,768)	(141,953)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME						\$1,750,759	\$1,637,472	\$1,637,472	\$1,750,759				0.0%	\$0

General & Administrative	\$66,963	\$603/Unit	\$85,414	\$769	4.49%	\$0.75	\$708	\$78,570	\$48,094	\$59,748	\$85,414	\$769	\$0.82	4.88%	-8.0%	(6,844)
Management	\$54,409	3.1% EGI	\$58,548	\$527	4.00%	\$0.67	\$631	\$70,030	\$81,874	\$81,874	\$70,030	\$631	\$0.67	4.00%	0.0%	-
Payroll & Payroll Tax	\$160,404	\$1,445/Unit	\$176,172	\$1,587	9.87%	\$1.66	\$1,556	\$172,769	\$161,969	\$160,404	\$176,172	\$1,587	\$1.69	10.06%	-1.9%	(3,403)
Repairs & Maintenance	\$89,442	\$806/Unit	\$78,508	\$707	4.32%	\$0.73	\$682	\$75,655	\$75,654	\$72,150	\$72,150	\$650	\$0.69	4.12%	4.9%	3,505
Electric/Gas	\$31,611	\$285/Unit	\$15,166	\$137	1.21%	\$0.20	\$191	\$21,241	\$21,241	\$19,221	\$15,166	\$137	\$0.15	0.87%	40.1%	6,075
Water, Sewer, & Trash	\$95,238	\$858/Unit	\$95,033	\$856	4.51%	\$0.76	\$711	\$78,973	\$63,373	\$77,255	\$95,033	\$856	\$0.91	5.43%	-16.9%	(16,060)
Property Insurance	\$75,197	\$0.72 /sf	\$99,596	\$897	4.44%	\$0.74	\$700	\$77,700	\$77,700	\$77,700	\$77,700	\$700	\$0.74	4.44%	0.0%	-
Property Tax (@ 0%) 2.334446	\$130,498	\$1,176/Unit	\$118,297	\$1,066	0.00%	\$0.00	\$0	\$0	\$138,750	\$138,750	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.59%	\$0.27	\$250	\$27,750	\$27,750	\$27,750	\$27,750	\$250	\$0.27	1.59%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.22%	\$0.04	\$34	\$3,800	\$3,520	\$3,520	\$3,800	\$34	\$0.04	0.22%	0.0%	-
TOTAL EXPENSES					34.64%	\$5.81	\$5,464	\$606,488	\$699,925	\$718,373	\$623,215	\$5,615	\$5.97	35.60%	-2.7%	\$ (16,726)
NET OPERATING INCOME ("NOI")					65.36%	\$10.97	\$10,309	\$1,144,270	\$937,547	\$919,099	\$1,127,544	\$10,158	\$10.81	64.40%	1.5%	\$ 16,726

CONTROLLABLE EXPENSES	\$3,849/Unit		\$3,999/Unit	
-----------------------	--------------	--	--------------	--

<b>CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS</b>
<b>930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504 24023</b>

		DEBT / GRANT SOURCES																			
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE										
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				
Regions Bank - HUD 221(d)(4)	0.25%	1.19	1.20	950,186	5.75%	40	40.0	\$14,300,000	\$13,072,400	\$13,072,400	\$14,300,000	40.0	40.0	5.75%	\$950,185	1.2	39.7%				
TDHCA MFDL 2025-1		1.03	1.04	\$145,356	2.00%	40	40.0	\$4,000,000			\$4,000,000	40.0	35.0	2.00%	\$159,006	1.0	11.1%				
CASH FLOW DEBT / GRANTS																					
City of Mesquite		1.03	1.04		0.00%	0	0.0	\$500	\$500	\$500	\$500	0.0	0.0	0.00%		1.0	0.0%				
				\$1,095,542	TOTAL DEBT / GRANT SOURCES			\$18,300,500	\$13,072,900	\$13,072,900	\$18,300,500	TOTAL DEBT SERVICE			\$1,109,191	1.0	50.8%				
NET CASH FLOW		\$32,002	\$48,728	APPLICANT NET OPERATING INCOME														\$1,144,270	\$35,079	NET CASH FLOW	

EQUITY SOURCES													
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
						Applicant	TDHCA						
Regions Bank	LIHTC Equity	48.8%	\$2,000,000	\$0.88	\$17,598,240	\$18,198,180	\$18,198,180	\$17,598,240	\$0.88	\$2,000,000	48.8%	\$18,018	Previous Allocation
GP Equity	GP Equity	0.0%			\$100	\$100	\$100	\$100			0.0%		
RIVA, MHFC, and TLE HUB	Deferred Developer Fees	0.4%	(4% Deferred)		\$134,475	\$1,639,669	\$1,628,426	\$134,475	(4% Deferred)		0.4%	Total Developer Fee: \$3,719,186	
Additional (Excess) Funds Req'd		0.0%						\$0			0.0%		
TOTAL EQUITY SOURCES		49.2%			\$17,732,815	\$19,837,949	\$19,826,706	\$17,732,815			49.2%		
TOTAL CAPITALIZATION						\$36,033,315	\$32,910,849	\$32,899,606	\$36,033,315	15-Yr Cash Flow after Deferred Fee: \$2,348,145			

		DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE				
		Eligible Basis		Total Costs		Applicant		TDHCA		Total Costs		Eligible Basis		%	\$	
		Acquisition	New Const. Rehab									New Const. Rehab	Acquisition			
Land Acquisition				\$14,414 / Unit	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$14,414 / Unit				0.0%	\$0		
Broker Fees					\$48,000	\$48,000	\$48,000	\$48,000					0.0%	\$0		
Off-Sites				\$ / Unit	\$0	\$0	\$0	\$ / Unit			\$0		0.0%	\$0		
Site Work			\$3,751,471	\$33,797 / Unit	\$3,751,471	\$1,293,473	\$1,293,473	\$3,751,471	\$33,797 / Unit		\$3,751,471		0.0%	\$0		
Site Amenities			\$973,430	\$8,770 / Unit	\$973,430	\$967,242	\$967,242	\$973,430	\$8,770 / Unit		\$973,430		0.0%	\$0		
Building Cost			\$15,444,231	\$148.05 /sf	\$139,137/Unit	\$15,444,231	\$15,630,948	\$15,453,840	\$13,859,348	\$124,859/Unit	\$132.86 /sf	\$13,859,348	11.4%	\$1,584,883		
Contingency			\$862,175	4.27%	4.27%	\$862,175	\$758,376	\$758,376	\$862,175	4.64%	4.64%	\$862,175	0.0%	\$0		
Contractor Fees			\$2,794,365	13.29%	13.29%	\$2,794,365	\$2,504,833	\$2,504,833	\$2,722,499	14.00%	14.00%	\$2,722,499	2.6%	\$71,866		
Soft Costs			\$0	\$2,265,328	\$22,717 / Unit	\$2,521,578	\$2,663,071	\$2,663,071	\$2,521,578	\$22,717 / Unit		\$2,265,328	\$0	0.0%	\$0	
Financing			\$0	\$1,416,813	\$26,654 / Unit	\$2,958,543	\$2,423,992	\$2,423,992	\$2,958,543	\$26,654 / Unit		\$1,416,813	\$0	0.0%	\$0	
Developer Fee			\$0	\$3,719,186	13.52%	13.52%	\$3,719,186	\$3,730,429	\$3,692,620	\$3,719,186	14.39%	14.39%	\$3,719,186	\$0	0.0%	\$0
Reserves					10 Months	\$1,360,336	\$1,290,485	\$1,290,485	\$1,360,336	9 Months				0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)			\$0	\$31,226,999	\$324,624 / Unit	\$36,033,315	\$32,910,849	\$32,695,932	\$34,376,566	\$309,699 / Unit		\$29,570,250	\$0	4.8%	\$1,656,749	
Acquisition Cost			\$0			\$0	\$0									
Contingency				\$0		\$0	\$0									
Contractor's Fee				\$0		\$0	\$0									
Financing Cost				\$0												
Developer Fee			\$0	\$0		\$0	(\$11,243)									
Reserves						\$0	\$0									
ADJUSTED BASIS / COST			\$0	\$31,226,999	\$324,624/unit	\$36,033,315	\$32,899,606	\$32,695,932	\$34,376,566	\$309,699/unit		\$29,570,250	\$0	4.8%	\$1,656,749	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$36,033,315										

<b>CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS</b> <b>930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504_24023</b>
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CREDIT CALCULATION ON QUALIFIED BASIS				
Applicant		TDHCA		
Acquisition	Construction Rehabilitation	Acquisition	Construction	
ADJUSTED BASIS	\$0	\$31,226,999	\$0	\$29,570,250
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$31,226,999	\$0	\$29,570,250
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$40,595,099	\$0	\$38,441,326
Applicable Fraction	83.00%	83.00%	83%	83%
TOTAL QUALIFIED BASIS	\$0	\$33,694,212	\$0	\$31,906,566
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$3,032,479	\$0	\$2,871,591
CREDITS ON QUALIFIED BASIS	\$3,032,479		\$2,871,591	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS			FINAL ANNUAL LIHTC ALLOCATION		
Method	Annual Credits	Proceeds	Credit Price \$0.8799	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$3,032,479	\$26,683,147	----	----	----
Needed to Fill Gap	\$2,015,283	\$17,732,715	----	----	----
Previous Allocation	\$2,000,000	\$17,598,240	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	104,316 SF	\$102.72	10,714,911
Adjustments				
Exterior Wall Finish	3.60%		3.70	\$385,737
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.45%		3.54	369,664
Roof Adjustment(s)			(0.25)	(26,079)
Subfloor			0.60	62,590
Floor Cover			3.68	383,883
Breezeways	\$56.01	16,378	8.79	917,311
Balconies	\$55.80	8,339	4.46	465,283
Plumbing Fixtures	\$1,420	266	3.62	377,720
Rough-ins	\$700	222	1.49	155,400
Built-In Appliances	\$2,280	111	2.43	253,080
Exterior Stairs	\$4,250	16	0.65	68,000
Heating/Cooling			3.12	325,466
Storage Space	\$56.01	0	0.00	0
Carports	\$21.40	3,240	0.66	69,336
Garages	\$30.00	0	0.00	0
Common/Support Area	\$125.67	5,325	6.42	669,214
Elevators	\$247,819	2	4.75	495,638
Other:			0.00	0
Fire Sprinklers	\$4.60	126,019	5.56	579,687
SUBTOTAL			155.94	\$16,266,840
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			155.94	\$16,266,840
Plans, specs, survey, bldg permits	3.30%		(5.15)	(\$536,806)
Contractor's OH & Profit	11.50%		(17.93)	(1,870,687)
NET BUILDING COSTS		\$124,859/unit	\$132.86/sf	\$13,859,348

## Long-Term Pro Forma

**930 Military Parkway Living , Mesquite, 9% HTC/MDL #25504\_24023**

	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%	\$1,750,759	\$1,785,774	\$1,821,489	\$1,857,919	\$1,895,077	\$2,092,319	\$2,310,089	\$2,550,525	\$2,815,985	\$3,109,075	\$3,432,670	\$3,789,946
TOTAL EXPENSES	3.00%	\$606,488	\$623,983	\$641,988	\$660,519	\$679,591	\$783,649	\$903,844	\$1,042,703	\$1,203,148	\$1,388,561	\$1,602,859	\$1,850,575
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$1,144,270</b>	<b>\$1,161,791</b>	<b>\$1,179,501</b>	<b>\$1,197,400</b>	<b>\$1,215,486</b>	<b>\$1,308,670</b>	<b>\$1,406,244</b>	<b>\$1,507,821</b>	<b>\$1,612,837</b>	<b>\$1,720,514</b>	<b>\$1,829,811</b>	<b>\$1,939,371</b>
EXPENSE/INCOME RATIO		34.6%	34.9%	35.2%	35.6%	35.9%	37.5%	39.1%	40.9%	42.7%	44.7%	46.7%	48.8%
<b>MUST -PAY DEBT SERVICE</b>													
Regions Bank - HUD 221(d)(4)		\$950,185	\$949,949	\$949,698	\$949,433	\$949,151	\$947,477	\$945,246	\$942,273	\$938,314	\$933,039	\$926,013	\$916,652
TDHCA MFDL 2025-1		\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006	\$159,006
TOTAL DEBT SERVICE		\$1,109,191	\$1,108,955	\$1,108,704	\$1,108,439	\$1,108,158	\$1,106,483	\$1,104,252	\$1,101,280	\$1,097,320	\$1,092,045	\$1,085,019	\$1,075,658
DEBT COVERAGE RATIO		0.99	1.00	1.01	1.02	1.04	1.10	1.17	1.24	1.32	1.40	1.48	1.80
<b>ANNUAL CASH FLOW</b>													
Deferred Developer Fee Balance		\$99,396	\$46,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$24,238</b>	<b>\$113,199</b>	<b>\$220,528</b>	<b>\$1,039,739</b>	<b>\$2,348,145</b>	<b>\$4,169,912</b>	<b>\$6,527,856</b>	<b>\$9,442,813</b>	<b>\$12,932,920</b>	<b>\$17,012,784</b>





May 20th, 2025

Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

RE: 25504\_24023 930 Military Parkway Living – Unit Mix and Site Acreage Change Material  
Amendment

To Whom it May Concern,

The purpose of this letter is to request approval of two changes to the originally proposed development. First, to change the unit mix to allow for the use of National Housing Trust Funds through THDCA's Multifamily Direct Loan Program. These additional funds are necessary to fill our financial gap that has come from increased construction costs, and rising interest rates. Second, to change the site acreage from 8.732 acres to 4.74 acres. This change is crucial to the success of the project and will greatly benefit the City of Mesquite.

### **UNIT MIX AMENDMENT**

#### **The Reason the Change is Necessary & Good Cause for the Change**

930 Military Parkway has been in process since 2022. Due the site constraints mentioned below; to make the development work, it became necessary to increase the height of the development by one story before resubmitting our 9% housing tax credit application in March 2024. By increasing the development from four-stories to five-stories, the construction standards became one of a commercial development and became much more expensive. These expenses have continued to rise due to inflated construction pricing and interest rates continuing to rise. These factors resulted in a funding gap that we have been working to fill.

In March 2025, an application was submitted to TDHCA's 2025-1 NOFA. However, the NOFA is for National Housing Trust Funds which are only able to fund 30% units. To meet the minimum request amount of \$4,000,000 the unit mix of the development had to shift significantly to make way for 10 additional 30% units. The development is now providing more affordable units than before and offering deeper affordability across the development.

## **Updated Exhibits**

Please see attached updated rent schedule showing new unit mix. This has also been provided in the Multifamily Direct Loan application.

## **An explanation of whether the necessity of the amendment was reasonably foreseeable at the time of Application**

When the initial application was submitted, we did not have National Housing Trust Funds layered into the financing structure. Once those funds were added into the capital stack, the unit mix had to change to account for the additional 30% units. There was no way to foresee the need for additional funding that required more deeply affordable units.

## **RESIDENTIAL DENSITY AMENDMENT**

### **The Reason the Change is Necessary & Good Cause for the Change**

930 Military Parkway has been in process since 2022. From initial communications with the landowners, it was clearly established that both parcels of the site must be acquired together. However, through the architectural and engineering process it was determined that only a portion of the front parcel was able to be developed due to the topography and flood zone of the back parcel. From the initial application submittal in March 2023, all improvements were located in the front parcel of the site out of the flood zone.

As mentioned in the previous amendment, these factors resulted in a funding gap that we have been working to fill. In addition to applying for MFDL funds through TDHCA, we have been working with the City of Mesquite on an impact fee waiver structure. In lieu of a Parkland Dedication fee, the City has agreed to the donation of the undeveloped second parcel as Parkland.

This change of site acreage does not fundamentally change the development in any way other than the residential density. The residential density will increase from approximately 13 units per acre to 24 units per acre. Despite this change, the site plan remains exactly the same as our initial application and MFDL application. The Parkland Dedication fee waiver is crucial to filling the financial gap of the development and the City of Mesquite is looking forward to maintaining the other parcel as Parkland.

## **Updated Exhibits**

Please see attached letter from the City of Mesquite acknowledging the dedication of the second parcel of the site and the subsequent fee waiver. Also attached is the site plan and the map of the parcel that is being dedicated to show the site plan will not be changing.

**An explanation of whether the necessity of the amendment was reasonably foreseeable at the time of Application**

When the initial application was submitted, we did not have confirmation that the City of Mesquite would allow us to dedicate the back parcel of the site in lieu of Parkland Dedication fees. Now that we have confirmation, we can move forward developing on solely the front portion of the site. It was not reasonably foreseeable that the City would agree to this structure but is now essential to the financial feasibility of the development.

We have also sent the required application fee via FedEx with check #676 paid by Riva Switzerland, Inc.

We request that this amendment be approved. If you have any questions, please do not hesitate to contact me via email at [chunt@rivaswitzerland.com](mailto:chunt@rivaswitzerland.com).

Best Regards,



Cody Hunt

Authorized Representative



**Daniel Alemán Jr.**  
Mayor

**Jeff Casper**  
District 1

**Kenny Green**  
District 2

**Elizabeth Rodriguez-  
Ross**  
District 3

**Tandy Boroughs**  
District 4

**B.W. Smith**  
District 5

**Brandon Murden**  
District 6

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**Cliff Keheley**  
City Manager

April 30, 2025

Cody J. Hunt  
Authorized Representative  
930 Military Parkway Living, Ltd.  
13455 Noel Road, Suite 400  
Dallas, Texas 75240

Dear Mr. Hunt,

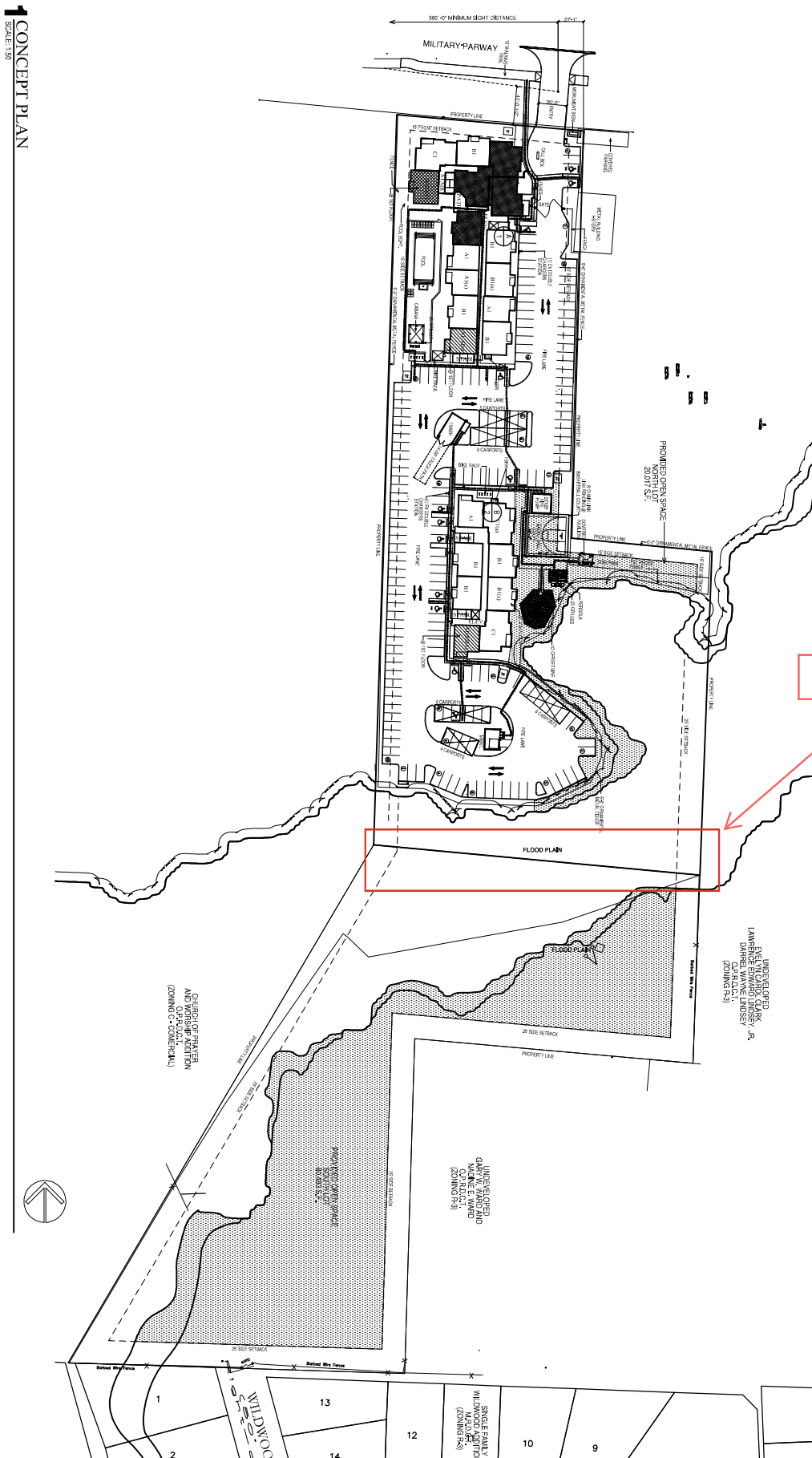
Please accept this letter as formal acknowledgment that 930 Military Parkway Living, Ltd. will be dedicating a portion of their land to the City of Mesquite to address additional parkland needs for the community based on the impact of the Building Improvements as described in Article VI of the City of Mesquite's Subdivision Ordinance, Appendix B to the City's Code of Ordinances.

930 Military Parkway Living, Ltd. is dedicating Dallas County Parcel ID 65034265410190100, approximately 3.998 acres, for City use. This land dedication will waive any Parkland Fee requirement for 930 Military Parkway Living, Ltd. As a property owner in Mesquite.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cliff Keheley", with a stylized flourish at the end.

Cliff Keheley, ICMA-CM  
City Manager





May 21, 2025

Ms. Lucy Weber  
Texas Department of Housing and Community Affairs  
Asset Management Division  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA Project No. 24023; 930 Military Parkway Living (the “**Project**”);  
Our File No. 52265.1

Dear Ms. Weber:

This law firm represents 930 Military Parkway Living, Ltd. (“**Applicant**”). The Applicant has requested that I prepare this letter, pursuant to Section 10.406 of the Texas Administrative Code describing a proposed ownership transfer to the Texas Department of Housing and Community Affairs (“**TDHCA**”) and requesting TDHCA’s approval of the contemplated transfer.

On behalf of Applicant, we are also writing to the TDHCA to request a waiver of §11.9(b)(2), Sponsor. Due to extenuating circumstances out the Applicant's control, a change in the ownership structure is necessary. The waiver will allow the change in the ownership structure documented in this request to reflect the admission to Applicant of (i) a new general partner and (ii) a class b limited partner.

This waiver is needed because §11.9(b)(2) states the HUB (defined hereinafter) must have ownership interest in the general partner. Under the proposed structure the HUB will have interest in the lass b limited partner member, but will perform the same duties, materially participate and be functionally equivalent to the general partner.

In its tax credit Application to TDHCA, the Applicant identified its general partner as 930 Military Parkway Living GP, LLC (the “**Initial General Partner**”), owned 70% by 930 Military Parkway Living GP MGR, Inc. (“**GP MGR**”) and 30% by The Land Experts, LLC (“**TLE**”), which is acting as the HUB in the transaction (“**HUB**”) (collectively, the “**Initial GP Members**”).

To protect the long-term feasibility of the Project, the Applicant now desires to make certain changes to utilize a 100% ad valorem tax exemption for the Project, including:

- Replacing the Initial General Partner with Mesquite 930 Military Parkway GP, LLC, a Texas limited liability company (“**Mesquite 930 GP**”), which is wholly owned by Mesquite Housing Finance Corporation (“**MHFC**”) and MHFC will act as a co-

developer. An affiliate of MHFC will also own the fee estate in the Project and act as the ground lessor under a Ground Lease to be entered into with the Applicant.

- Adding 930 Military Parkway Living SLP, LLC (the “**Class B Partner**”) as the class b limited partner of the Applicant to accommodate the addition of Mesquite 930 GP and the 100% ownership of Mesquite 930 GP by MHFC. The Class B Limited Partner will be owned by the Initial GP Members. We have updated the organizational charts accordingly in the package.

We are submitting this letter and the enclosed change of ownership application to seek TDHCA’s approval of the transfer of the Property. Per TDHCA’s change of ownership requirements, we have enclosed the following documentation:

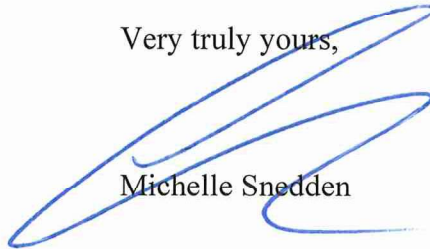
<b>Tab 1.</b>	<u>Letter of Explanation.</u>	Provided herein.
<b>Tab 2.</b>	<u>Ownership Transfer Information.</u>	Enclosed.
<b>Tab 3.</b>	<u>Pre-Transfer and Post-Transfer Organizational Charts.</u>	Enclosed.
<b>Tab 4.</b>	<u>New Organizational Chart Information.</u>	Enclosed.
<b>Tab 5.</b>	<u>Uniform Previous Participation.</u>	Enclosed.
<b>Tab 6.</b>	<u>Agreements Among Parties to the Transfer.</u>	Enclosed: Assignment & Assumption of Interests in General Partner.  [The Partnership’s Amended and Restated Limited Partnership Agreement and the Ground Lease will be provided upon receipt].
<b>Tab 7.</b>	<u>Certificate of Tenant Notification.</u>	N/A
<b>Tab 8.</b>	<u>Credit Limit Certification Form.</u>	Enclosed.
<b>Tab 9.</b>	<u>Owner Certification Form.</u>	Enclosed.
<b>Tab 10.</b>	<u>Certification of Financial Statements</u>	Not Applicable .
<b>Exhibit A</b>	<u>Organizational Documents.</u>	Enclosed.
<b>Exhibit B</b>	<b>through Exhibit G</b>	Not Applicable.

May 21, 2025

Page 3

A material amendment request is being submitted simultaneously with the above request, along with a check for \$2,500. We have been advised that the \$1,000 transfer request fee can be waived in this instance. If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,



Michelle Snedden

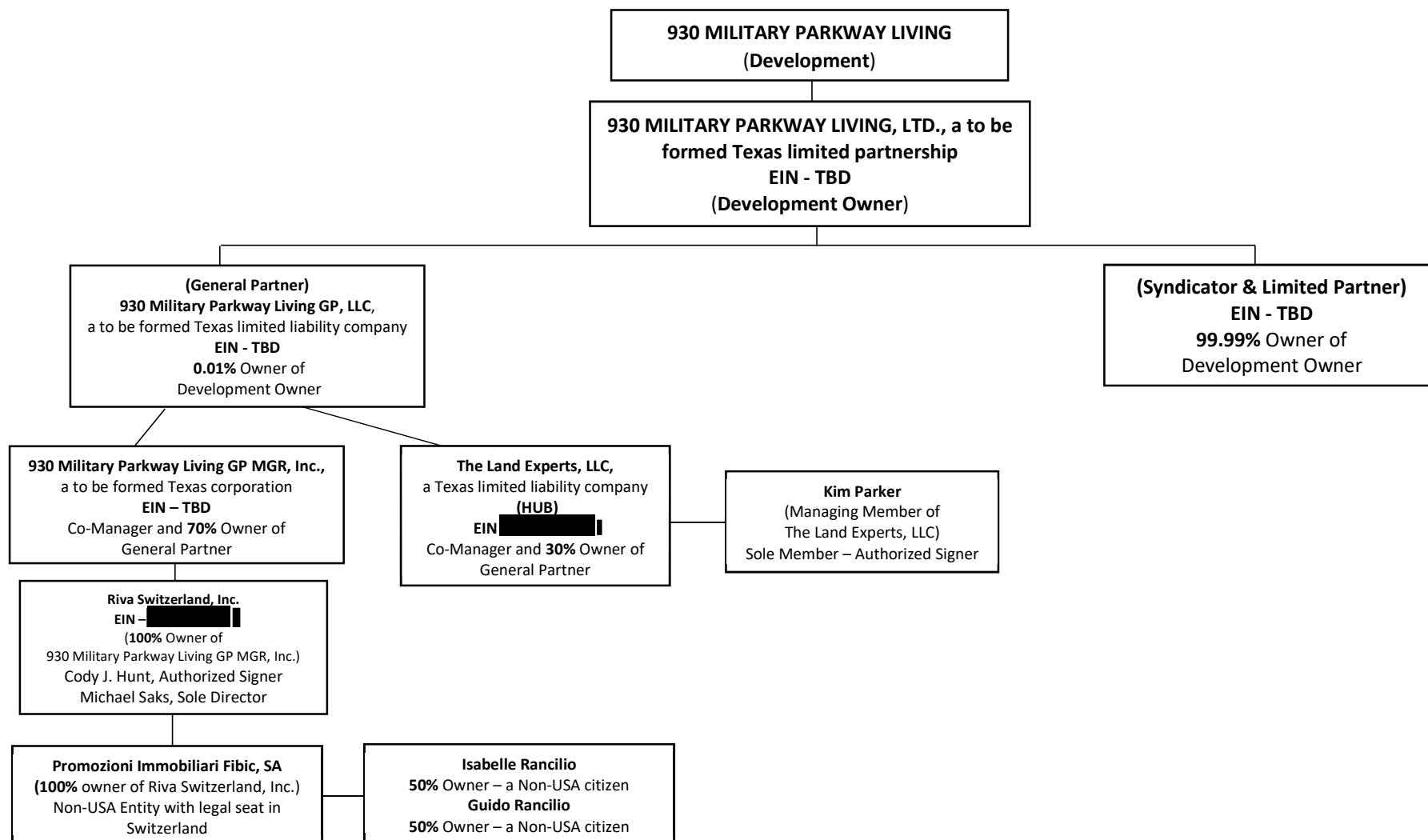
R:\SHACKLAW\Military Parkway (52265)\1 - Organization & Maintenance\TDHCA  
Transfer\Tab 1 - Letter of Explanation.final.doc

**Shackelford, McKinley & Norton, LLP**

Dallas Austin Fort Worth Houston New Orleans

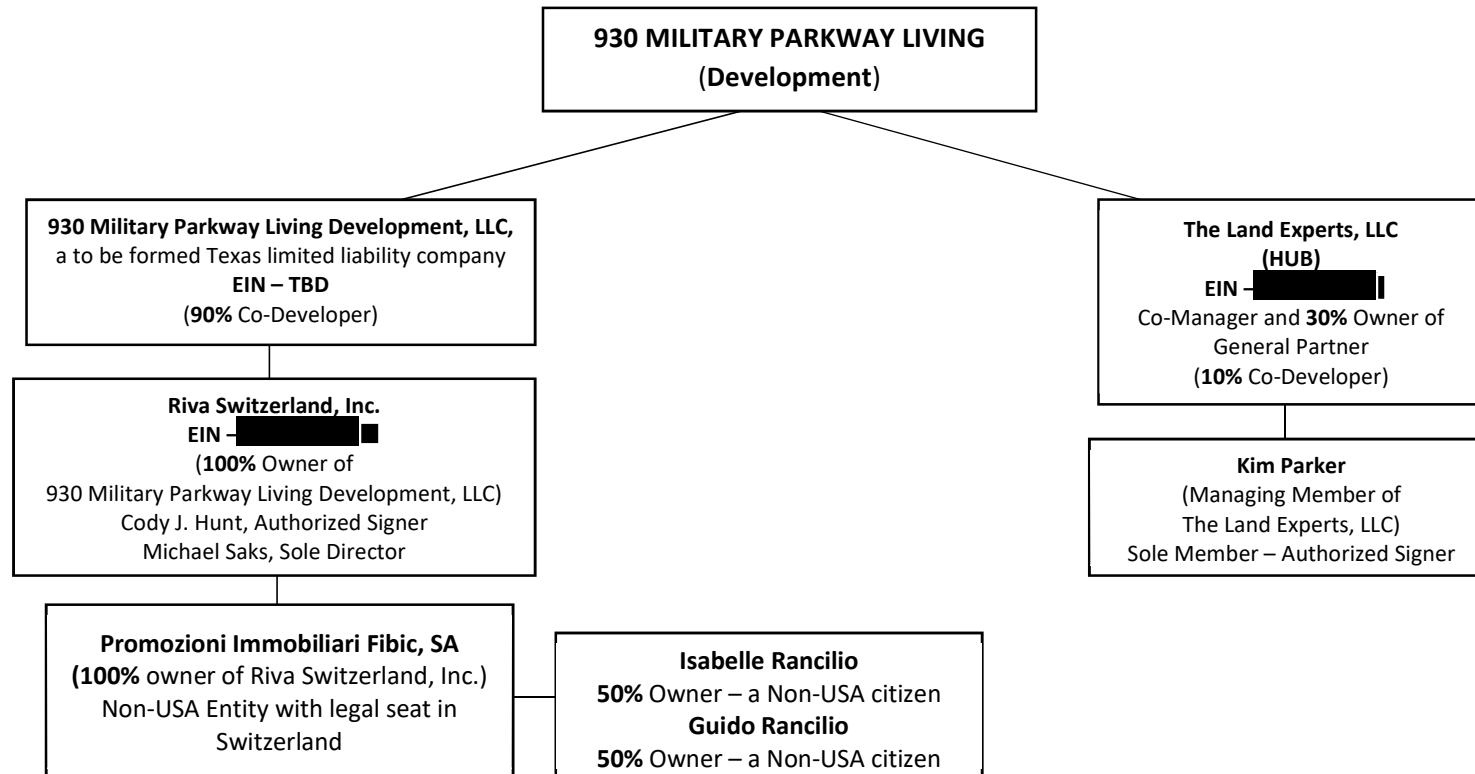


**930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE  
(2023 9% Housing Tax Credit Application)**



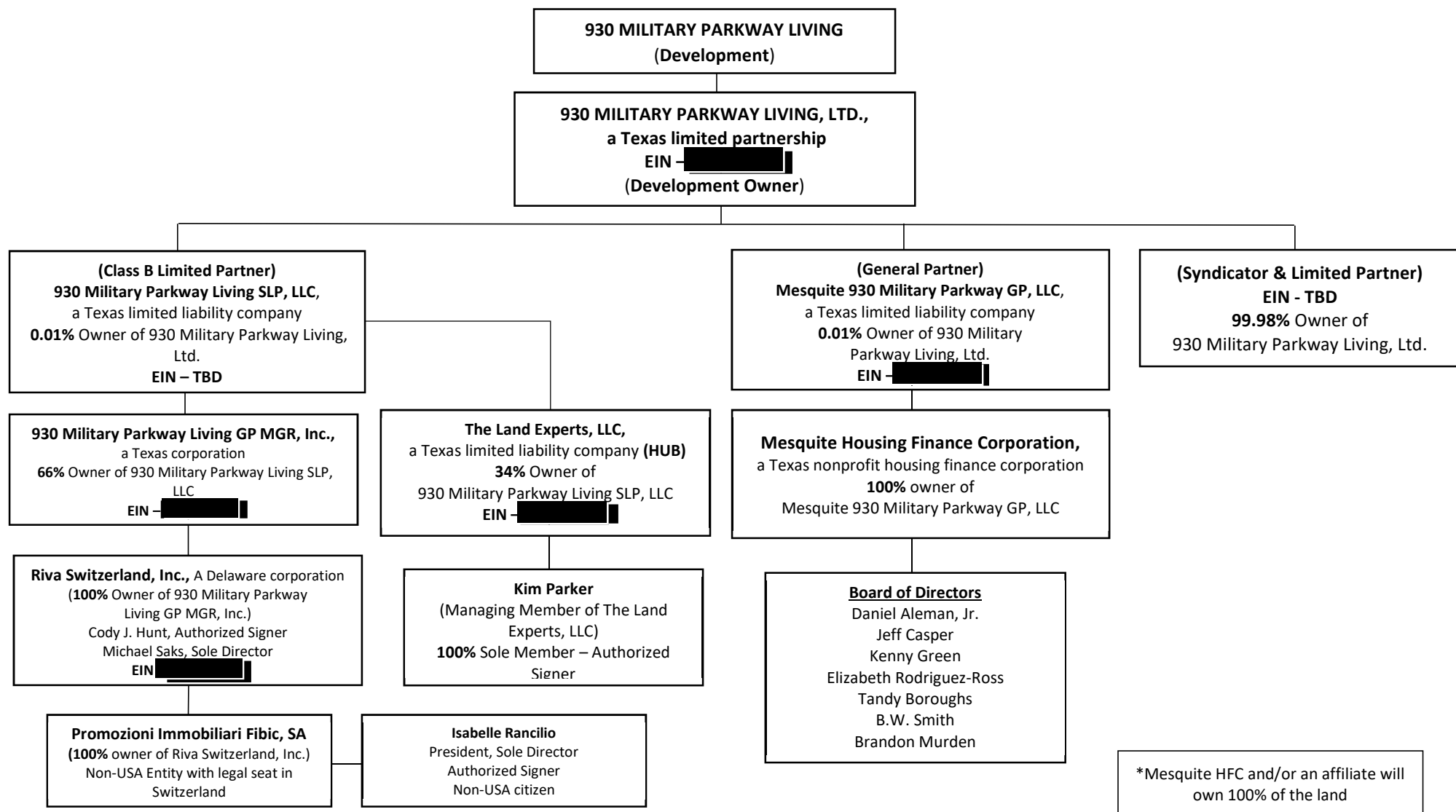
**930 MILITARY PARKWAY LIVING DEVELOPER STRUCTURE  
(2023 9% Housing Tax Credit Application)**

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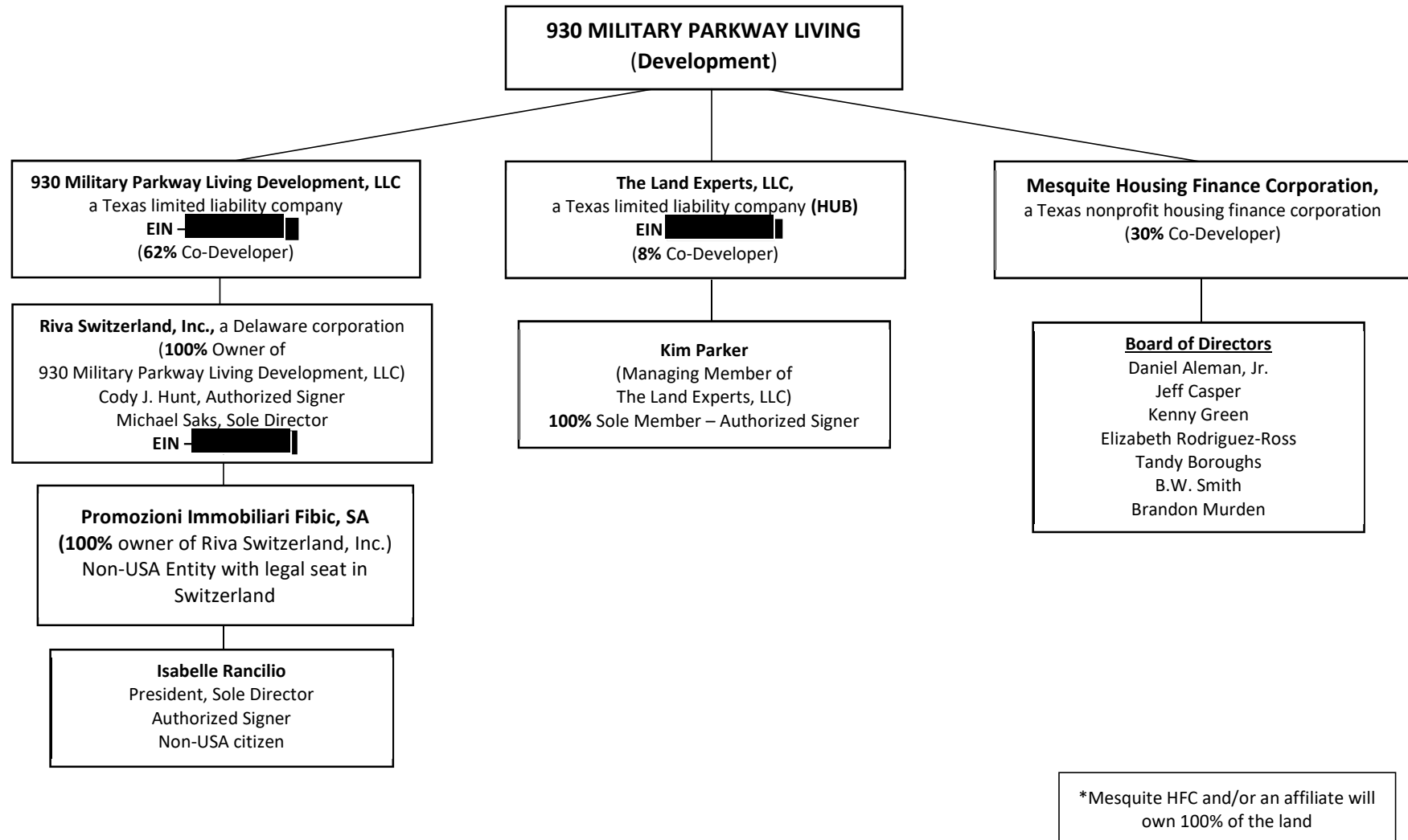


## **Post-Transfer Organization Chart**

**930 MILITARY PARKWAY LIVING OWNERSHIP STRUCTURE  
(2024 9% Housing Tax Credit Application)**



**930 MILITARY PARKWAY LIVING DEVELOPER STRUCTURE  
(2024 9% Housing Tax Credit Application)**



RESOLUTION NO. 07-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, SUPPORTING 930 MILITARY PARKWAY LIVING, LTD'S APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (THE "TDHCA"), FOR THE CONSTRUCTION OF AN APPROXIMATELY 111-UNIT AFFORDABLE MULTI-FAMILY RENTAL HOUSING DEVELOPMENT TO BE LOCATED AT 930 MILITARY PARKWAY, IN ACCORDANCE WITH CHAPTER 2306 OF THE TEXAS GOVERNMENT CODE; AND AUTHORIZING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TDHCA.

WHEREAS, 930 Military Parkway Living, Ltd. (the "**Applicant**"), proposed the construction of an approximately 111-unit affordable multi-family rental housing development located at 930 Military Parkway in the City of Mesquite in Dallas County (the "**Development**") that was adopted on February 19, 2024, pursuant to Resolution No. 10-2024; and

WHEREAS, the Applicant submitted an application to the Texas Department of Housing and Community Affairs ("**TDHCA**") for 2024 Competitive 9% Housing Tax Credits for the Proposed Development (the "**Application**"); and

WHEREAS, the Applicant is currently seeking approval of an organizational change from TDHCA to allow for a public-private partnership with Mesquite Housing Finance Corporation (the "**TDHCA Approval**"); and

WHEREAS, the City of Mesquite ("**City**"), acting through its governing body ("**City Council**"), previously approved the following Resolutions in support of the Development: (a) Resolution No. 02-2023, dated January 17, 2023, for 2023 competitive 9% housing tax credits program; and (b) Resolution No. 10-2024, dated February 19, 2024, for 2024 competitive 9% housing tax credits program

WHEREAS, subject to receipt of the TDHCA Approval, the Applicant intends to structure the Development to allow for a 100% property tax exemption under Chapter 394 of the Texas Local Government Code (the "**Code**"); and

WHEREAS, the City, acting through its governing body, continues to express its support for the aforementioned Development, and the terms and conditions of the application to TDHCA, including for a change in structure to allow for a property tax exemption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. After due consideration of the information provided by the Applicant and public comment at a duly called and noticed public hearing, the City Council, as the governing body of the City, continues supporting approval of Applicant's application to the TDHCA, and the restructure sought by the Applicant to apply for a 100% property tax exemption, as permitted under applicable law, for the Development.

Planning and Development / Continuing Support of 930 Military Parkway Proposed Affordable Rental Housing Units / February 17, 2025

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SECTION 2. This resolution is solely related to potential TDHCA financing for the proposed Development and is not a statement of approval for any other matter, including, but not limited to requirements of the City's Subdivision Ordinance, Zoning Ordinance, and other applicable regulations; Applicant has made no application for any permit as defined in Chapter 245 of the Texas Local Government Code.

SECTION 3. The City Secretary of the City of Mesquite, Texas, is hereby authorized, empowered, and directed to certify this resolution to the TDHCA. The City Manager is hereby authorized to provide correspondence to the TDHCA confirming the continued support of the Development.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on this 17th day of February 2025.

Signed by:

*Daniel Alemán, Jr.*

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Daniel Alemán, Jr.

Mayor

ATTEST:

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*Sonja Land*

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Sonja Land

City Secretary

APPROVED AS TO LEGAL FORM:

Signed by:

*David L. Paschall*

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David L. Paschall

City Attorney