



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

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**File #:** 1393

**Agenda Date:** 4/9/2026

**Agenda #:**

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Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for The Ashbourne (HTC #25073)

**RECOMMENDED ACTION**

**WHEREAS**, The Ashbourne (Development) received an award of 9% Housing Tax Credits (HTCs) in 2025 for the new construction of 72 multifamily units for the general population in Houston, Harris County;

**WHEREAS**, the HTC Application 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;

**WHEREAS**, the proposed HUB, Lapstone Holdings LLC, has elected to withdraw as a member of the General Partner and relinquish all rights and interest in the Development, and 9677 South Kirkwood Drive Propco, L.P. (the Applicant) is requesting approval to remove the requirement for participation by a HUB; and

**WHEREAS**, the requested change does not negatively affect the Development, impact the viability of the transaction, would not have affected the selection of the Application in the competitive round, or affect the amount of the tax credits awarded;

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested material amendment for The Ashbourne is approved as presented to 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**

The Ashbourne was approved for a 9% HTC award in 2025 for the construction of 72 units, all of which are designated as low-income units, of multifamily housing for the general population in Houston, Harris County. 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 Applicant, cash flow from operations, and Developer Fee. The HUB is also required to materially participate in the development and operation of the Development

throughout the Compliance Period.

At closing of the equity financing and construction loan for the Development, the HUB was anticipated to be a 40% owner of the general partner. However, in a letter dated February 20, 2026, Will Sternlicht, representative for the Applicant, requested approval remove the requirement for participation by a historically underutilized business. Since the award of tax credits, the HUB has elected to withdraw as a member of the general partner and relinquish all rights and interests in the Development. The Applicant indicated that, because of changes to program structures and statewide practices that have shifted away from prioritizing historically underutilized business participation in the manner that existed at the time of the Application, the Applicant does not believe that bringing in a replacement historically underutilized business would provide meaningful benefit to the Development. With this proposed amendment, the proposed HUB would not be part of the ownership structure of the Development, and Impact Residential Development, L.L.C. will remain as the sole member and manager of the general partner. There are no new members being added.

In an Affidavit dated February 18, 2026, Jessica Mullins, Manager of Lapstone Holdings LLC, the proposed HUB, requested approval to remove the ongoing HUB participation requirement from the Application. The Affidavit also states that the HUB was not removed from its position and its decision to exit the ownership structure of the general partner, the partnership, and the Development is an action of its own volition.

Staff confirmed that the loss of the Sponsor Characteristics points would not have affected the award. The requested change does not materially alter the Development in a negative manner or impact the viability of the transaction. Because closing on this transaction has not occurred, a public hearing was not requested for this amendment.

Staff recommends approval of the material amendment as presented herein.

February 20, 2026

**VIA HAND DELIVERY**

Mr. Rosalio Banuelos  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 25073; The Ashbourne (the "**Property**")

Dear Mr. Banuelos:

Lapstone Holdings LLC, a Texas limited liability company (the "**HUB**"), is the anticipated 40% owner of 9677 South Kirkwood Drive Propco GP, L.L.C., a Delaware limited liability company (the "**General Partner**"), which is the sole general partner of 9677 South Kirkwood Drive Propco, L.P., a Delaware limited partnership (the "**Partnership**"), at the closing of the equity financing and construction loan for the development of the Property. The Partnership is the proposed owner and operator of the Property.

The Partnership submits this letter as a formal request for approval of a material amendment to its 2025 Housing Tax Credit Application in Region 6 (the "**Application**"), pursuant to 10 Texas Administrative Code §10.405, to remove the requirement for participation by a historically underutilized business.

**Request for HUB Restriction Removal**

The Application included a commitment to ownership participation by a historically underutilized business throughout the development and compliance periods, with the HUB fulfilling that obligation. Since the award of tax credits, however, the HUB has elected to withdraw as a member of the General Partner and relinquish all rights and interests in the Property.

Furthermore, the Partnership notes that the landscape for the promotion and incentives for participation by historically underutilized businesses in Texas has changed. TDHCA program structures and statewide practices have shifted away from prioritizing historically underutilized business participation in the manner that existed at the time of the Application. Considering these changes, the Partnership does not believe that bringing in a replacement historically underutilized business would provide meaningful benefit to the Property. Accordingly, the Partnership respectfully requests removal of the historically underutilized business participation requirement from the Application.

### **Scoring and Award Integrity**

The Application received a total score of 171 points, inclusive of two (2) points attributable to the HUB participation commitment (the "**HUB Points**"). Without the HUB Points, the Application would have received a score of 169 points. Based on the scoring thresholds and award determinations applicable to the 2025 competitive cycle in Region 6, the Application would have received a tax credit award even without the HUB Points. Removal of the HUB Points would not have altered the ranking of the Application relative to other applicants in Region 6 for the 2025 competitive cycle. Accordingly, removal of the HUB requirement will not adversely affect the competitive selection process or the integrity of the award.

### **Good Cause; No Adverse Impact**

The need for this amendment was not reasonably foreseeable at the time of Application. The HUB's decision to withdraw from the ownership structure of the Partnership occurred after the award of credits and was not known to, nor reasonably foreseeable by the applicant as the time the Application was submitted. This requested amendment will not result in any adverse financial impact to the Property and will not affect the Property's future operations, affordability restrictions, or compliance with applicable program requirements.

### **Acknowledgement of Material Amendment Process**

The Partnership acknowledges that this request constitutes a material application amendment under 10 TAC §10.405 and will require approval by the Department's Governing Board. The Partnership further acknowledges and agrees to comply with all applicable procedural requirements, including providing a signed affidavit from the HUB and submitting the required amendment fee in the amount currently required by the Department, made payable to TDHCA.

A copy of the required HUB affidavit is attached and submitted concurrently with this request. Thank you for your consideration. Please do not hesitate to contact the undersigned if you have any questions or require further information.

Sincerely,

**9677 SOUTH KIRKWOOD DRIVE PROPCO, L.P.,**  
a Delaware limited partnership

By: 9677 South Kirkwood Drive Propco GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: William Sternlicht  
Name: Will Sternlicht  
Title: Authorized Signatory

STATE OF TEXAS §

COUNTY OF HARRIS §

**AFFIDAVIT**

I, Jessica Mullins, on behalf of Lapstone Holdings LLC, a Texas limited liability company (the "**HUB**"), being first duly sworn on oath, depose and say that:

1. I am the owner, sole member, and manager of the HUB. I am fully familiar with all the HUB's business and financial affairs, including, without limiting the generality of the foregoing, all of the matters herein described.

2. At closing of the equity financing and construction loan for the development of the Property, as defined below, the HUB is anticipated to be a 40% owner of 9677 South Kirkwood Drive Propco GP, L.L.C., a Delaware limited liability company (the "**General Partner**"), the sole general partner of 9677 South Kirkwood Drive Propco, L.P., a Delaware limited partnership (the "**Partnership**"). The Partnership is the proposed owner and operator of The Ashbourne, an affordable housing development to be constructed in Houston, Harris County, Texas (the "**Property**").

3. The HUB is the historically underutilized business serving in the structure of the Partnership pursuant to the original 9% Housing Tax Credit Application (TDHCA #25073) (the "**Application**").

4. This Affidavit is given in connection with the Partnership's request to the Texas Department of Housing and Community Affairs ("**TDHCA**") to amend the Application to remove the requirement for participation by a historically underutilized business in accordance with §10.405 of the Texas Administrative Code.

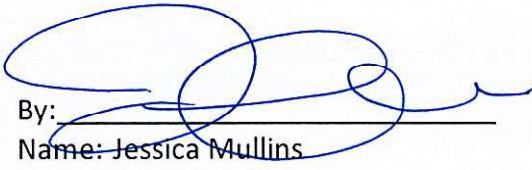
5. In conjunction with the other member of the General Partner, we have determined that it is in the Partnership's best interest for the HUB to withdraw as a member of the General Partner and relinquish all rights and interests in the Property. The HUB was not removed from its position and its decision to exit the ownership structure of the General Partner, the Partnership, and the Property is an action of its own volition.

6. The HUB is respectfully requesting TDHCA's approval to remove the ongoing historically underutilized business participation requirement from the Application.

*[Signature Page Follows]*

HUB:

LAPSTONE HOLDINGS LLC,  
a Texas limited liability company

By:   
Name: Jessica Mullins  
Title: Manager

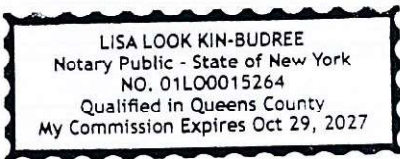
ACKNOWLEDGEMENT

STATE OF NEW YORK §

COUNTY OF QUEENS §

Sworn to and subscribed before me this 18 day of February, 2026, by Jessica Mullins, Manager of Lapstone Holdings LLC, a Texas limited liability company, on behalf of said limited liability company.

[Notary Seal]



  
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Notary Public, State of New York