



July 16, 2024

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Appeal of Underwriting Analysis
Reserve at Woodland Heights, Lufkin, Texas, # 24178

Dear Mr. Wilkinson:

Please accept this appeal to the Underwriting Report issued on July 15, 2024 for the proposed Development # 24178, Reserve at Woodland Heights.

SUMMARY

The Department issued a deficiency for the Application on June 24, 2024, requesting that the rents for the larger 2 bedroom units be consistent with REA's rent tool. The Applicant submitted a response within 2 calendar days. The Applicant also gathered necessary additional information associated with the clarification but did not include anything that was not expressly requested. Without these necessary clarifications, REA found the development infeasible. We respectfully request that you consider the necessary items that will satisfy the underwriting concerns.

BACKGROUND

The Reserve at Woodland Heights has two 2-bedroom unit sizes at 985 and 995 square feet. The Applicant mistakenly used the 3-bedroom rents in the third category on the rent schedule, rather than the 2-bedroom rents. On June 24th the Department requested that the Applicant address the inconsistency in a deficiency and the Applicant complied on June 26th. The change in rent caused inconsistencies in the Full Application. It is important to note that **the inconsistencies fall under the Administrative Deficiency definition and are curable through the Deficiency process.** Anticipating a future deficiency or request for information, the Applicant gathered all necessary items to correspond with the modified rents. Following standard practice and the QAP requirement for a deficiency response, the Applicant did not include this information in the deficiency response.