



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

RE: 24511_23007 305 E Round Grove Living – 40-60 Set-Aside Material Amendment

To Whom it May Concern,

The purpose of this letter is to request approval to change the minimum set-aside election from an Average Income election to a 40-60 election. This change will greatly benefit the project.

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

Since initial application in March 2023, Total Development Costs for this project have increased from \$26.6 million to \$30.1 million. In addition to this, interest rates since March 2023 have continued to increase. These factors resulted in a need to fill a funding gap, which we have worked to fill through MFDL funding of \$4,438,911 as well as fee waivers through the City of Lewisville in the amount of \$657,600 through an Economic Incentive Agreement. Both of these are material and necessary to successfully close the deal. One of the major factors in the City of Lewisville granting this incentive to the development is due to the number of market units (36.7% of total units) being provided to the community. If the number of market units is decreased, then the City of Lewisville will remove the fee waiver incentive. Per 10 TAC 13.3(d)(2)(a), if average income is elected, no more than 15% of total units can be designated Market Rate and still remain eligible for MFDL funds. With a change to the 40-60 set-aside, the number of Market Rate units can remain the same, the development can be eligible for MFDL funds, and receive the fee waivers from the City of Lewisville.

Updated Financial Exhibits

Please see attached updated financial exhibits under Exhibit A following this letter. Acknowledgement from the Lender and Equity Syndicator are forthcoming.

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

Since initial application in March 2023, Total Development Costs for this project have increased from \$26.6 million to \$30.1 million. It was not reasonably foreseeable at initial application that this project would need both MFDL funds and fee waivers in order to remain financially feasible.



We have also sent the required application fee via FedEx with check number 539 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.

Best Regards,

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

Cody Hunt
Authorized Representative