

SONOMA HOUSING ADVISORS, LLC

Attn: BILL FISHER

16812 Dallas Parkway

Dallas, TX 75248

214-608-7201

Bill.fisher@sonomaadvisors.com

Ms. Lee Ann Chance
TDHCA, Senior Asset Manager
211 E. 11th Street
Austin, TX 77011

January 8, 2025

RE: Material Amendment request for proposed change in targeting for Lakeview Seniors #17435, Lakeway Apartments #18441 and TX Manor Apartments #19471

Dear Lee Ann Chance

The Sponsors have applied for and are receiving an allocation of tax-exempt volume cap in 2025 for the 3 projects referenced above. The cap is allocated under Priority 1 B which requires a change in the income and rent targeting. Currently all units in each are 100% at 60% AMFI income and rents. The use of the 1 B bond allocation requires 15% of the units currently at 60% of AMFI income and rent to be restricted to 30% of AMFI income and rent. An amendment to change in targeting requires acknowledgement from the lender and investor, which is attached to this request for each development modifying the targeting as required by the supplemental bond allocations under Priority 1 B.

The amendments are in the best interest of the State, the residents and the properties. The need for more units targeted at or below 30% in these markets is well documented. The QAP and governing statutes prioritize low income targeting to serve Texans with the most need for affordable housing. For the project, the demand for lower income targeted units enhances overall occupancy and reduces turnover. The supplement bonds trigger the 4% HTC percentage floor adding substantial additional equity to the development financing. This enhances long term feasibility and reduces debt. Only Lakeview has an existing LURA, so this amendment should be considered a request to amend the LURA for the additional targeting.

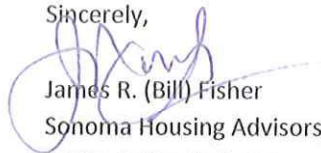
The required notices to the public and the residents are made and included in the application submission materials. There are a couple of public hearings to be conducted. At which time the public and residents will be given additional notices under the TEFRA and HTC board action agendas.

In addition to this letter request the submissions for each development include:

1. Lender and investor acknowledgment of the targeting changes
2. Lender and investor financing term sheets that tie to the new financial projection tabs. The term sheets reflect the additional housing tax credits and additional bonds being allocated. They also document the projected term loan. The loan sizing reflects the current 2024 rents and expense applying the additional targeting at 30% of AMFI income and rent.
3. Updated financial tabs with back up for the UA, sources and uses of funds and pro forma.
4. The lender and investor have signed the tabs required for their confirmation of long term financial feasibility.
5. This submission is intended to meet the minimum requirement for a submission which is subject to further review and underwriting. Sufficient to allow the sponsors to use the tax-exempt volume cap being allocated by the BRB. See attached.

On behalf of and as authorized by the sponsors, I request your acceptance of this submission and confirmation if receipt to the BRB prior to the deadlines. If you have questions, please let me know. 214-608-7201.

Sincerely,



James R. (Bill) Fisher

Sonoma Housing Advisors, LLC

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Dallas, TX 75248

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Ms. Lee Ann Chance
Senior Asset Manager
TDHCA
211 E. 11th Street
Austin, TX 77011

January 4, 2025

RE: Lender and Investor Acknowledgement of proposed change in targeting for Lakeview Seniors #17435, Lakeway Apartments #18441 and TX Manor Apartments #19471

Dear Lee Ann Chance

The Sponsors have applied for and are receiving an allocation of tax-exempt volume cap in 2025 for the 3 projects referenced above. The cap is allocated under Priority 1 B which requires a change in the income and rent targeting. Currently all units in each are 100% at 60% AMFI income and rents. The use of the 1 B bond allocation requires 15% of the units currently at 60% of AMFI income and rent to be restricted to 30% of AMFI income and rent. An amendment to change in targeting requires acknowledgement from the lender and investor. IBC Bank is the current lender for all three communities. 42 Equity Partners is the tax credit investor currently.

Below is an acknowledgement from IBC and 42 of this use of bond proceeds with additional income and rent targeting. If you have questions, please let me know. 214-608-7201.

Sincerely,

James R. (Bill) Fisher
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Dallas, TX 75248
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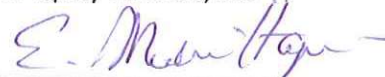
Acknowledgement of change in targeting for the 3 projects, Lakeview, Lakeway and TX Manor to allow for 15% of the units to be restricted at or below 30% of AMFI income and rent. As required by Priority 1 B bond allocation rules:

IBC Bank, Brownsville



W. Lee Reed IV, President

42 Equity Partners, LLC



E. Michael Haynes, Managing Director