May 22nd 2025

Lucy Weber
Asset Management
TDHCA
P.O. BOX 13941
Austin, TX 78711-3941

Re: MFDL HTC, 25505_24146 Stella Haven Material Application Amendment Request

Dear Ms. Weber:

This letter concerns a material amendment request for MFDL and HTC, 25505_24146 Stella Haven. Stella Haven is a 9% HTC award for a new construction of a multifamily development that applied for a MFDL after receiving the 9% award. Subsequently the developer has had additional access to the property and additional meetings with the city of Denton, and is requesting the following changes. These changes do not change overall costs for the development, so there is no financial impact from the financial information submitted with the MFDL application.

Tax Credit Designation

At the time of the Application, Stella Haven was approved with 12 units at 30%, 35 units at 50%, 32 units at 60%, and 9 units at 80% of AMI. This structure provided Stella Haven with maximum points for deep rent skewing and Income Averaging at 53.977%. In order to qualify for the $4,800,000 National Housing Trust Fund loan (requested under separate cover), Stella Haven is required to have at least 21 units at 30% of AMI. It is well known that serving Texas families at the 30% income level is exceedingly difficult without layering sources of funds as is proposed in this material amendment and the MFDL application. Therefore, this HTC material amendment reflects significant additional deep rent and income targeting of 30% households with 21 units at 30%, 20 units at 50%, 32 units at 60% and 15 units at 80%. Not only does this result in 75% more units restricted at the most difficult to serve 30% income level than required for maximum 9% HTC scoring, but Stella Haven also retains the exact same Income Averaging of 53.977% to serve the full range of Texas households from 30% to 80% of AMI. Please see Tab 24 submitted with the MFDL application for the proposed tax credit designation.

Change to Site Plan and Parking

At the time of the HTC application, the site plan layout did not consider the location of existing trees on the property. Since then, the City of Denton has asked that the developer preserve as many of the existing trees as possible. Additionally, since the application was awarded, affordability reductions have been published to reduce the parking requirement to 1 parking space per unit. As a result, we are proposing that the overall building footprint be reduced which preserves as many trees as possible, meets the current 1 parking space per unit parking requirement, and saves on construction costs.

At application, the development was proposed to have 4 stories on one half and 5 stories on the other half to accommodate 139 parking spaces. This amendment proposes to reduce the number of parking spaces to 88 total spaces and 7 accessible parking spaces, which complies with the new City of Denton parking requirement. The building footprint is also reduced and reconfigured such that the building is only 4 stories.

Please find the attached updated architectural plans and Tab 23.

Common Area SF

At the time of the Application, Stella Haven was approved with 24,007 SF of common area. The proposed new building and parking layout detailed in the paragraphs above, forced some minor modifications to the common area

The proposed change to the common area space would decrease the square footage to 21,264 SF, an approximately 11.43% decrease. The majority of this decrease is due to the 20% decrease in breezeway square footage due to a reduction in the overall building footprint and change to 4 floors. The only other common areas to experience a decrease in square footage are the entry reception, manager office, coffee bar and restrooms. All other common area spaces will either stay the same or increase slightly in size. In total, if the changes to the breezeway are disregarded, the common area space is increased by 269 square feet. Thus, although percentage wise there appears to be a large decrease in the common area square footage, this proposed change would actually provide the tenants with more useable common area spaces.

Please find the attached updated architectural plans and Tab 23.

NRA SF

At the time of the Application, Stella Haven was approved with 72,900 SF of NRA. This NRA included 22 600 SF one-bedroom units, 48 850 SF two-bedroom units and 18 1050 SF three-bedroom units. The proposed building layout changes also impacted the unit square footages. The square footages of the one and two bedrooms would remain the same, but 6 of the three bedrooms would be increased to 1,148 SF. Overall, this proposed change would increase the NRA to 73,488 SF, an approximately .81% increase. In summation, the proposed unit sizes would be as follows; 22 600 SF one-bedroom units,48 850 SF two-bedroom units, 12 1050 SF three-bedroom units and 6 1,148 SF three bedrooms units. This proposed change would provide tenants with larger living spaces.

Please see updated architectural plans, Tab 23, and Tab 24.

Explanation and Good Cause for the Amendment Request

The original application was based on not requesting any MFDL funds, outdated cost estimates, and city requirements at the time of application. The good cause for these changes would allow for the development to be compliant with MFDL requirements, new local requirements, and would prevent increases in development costs.

Thank you for your attention and please contact me at 512.944.3272 with any questions.

Regards,

Abby Penner