

September 2nd, 2025

Ms. Lucy Weber
Asset Manager | Regions 3
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Residences at Howard Lane – HTC #21456
Request for Additional Credits

Dear Ms. Weber:

I am writing on behalf of The Residences at Howard Lane Ltd. regarding TDHCA Application #21456 (The Residences at Howard Lane), a 4% Tax Credit Development recently built in Manor, Texas. We respectfully request an increase in the tax credits awarded for this development due to the significant cost overruns stemming from construction delays.

As shown in Exhibit 9A of the Cost Certification, the development qualifies for credits totaling \$2,428,057, representing a 26.95% increase over the original Determination Notice amount of \$1,912,595. This increase reflects significant hard cost overruns totaling approximately \$1.6 million.

The cost overruns stem primarily from a 12-month delay in unit delivery, driven by three major construction challenges:

- Survey Errors: The original civil plans misrepresented the elevation of the wastewater tie-in point, requiring a full redesign and extension of the wastewater line.
- Unforeseen Subsurface Conditions: Gravel backfill around the existing sewer line created unsafe trenching conditions, necessitating wider excavation, enhanced safety measures, and additional paving.
- Permitting and Coordination Delays: Revised plans required multiple rounds of approval from the City of Austin and Austin Water Utility, delaying construction start and utility release.

These delays materially impacted the qualified basis of the project. Our accountant, Novogradac, has reviewed and certified the additional costs and their contribution to the qualified basis.

In accordance with Subchapter E, Section 11.901(7) of the 2019 QAP, we are prepared to submit a check for \$20,618.48 upon request, representing 4% of the increased credit amount (\$515,462 in additional credits per year x .04).

We appreciate your consideration and welcome any questions or requests for further information.

Sincerely,

George Currall
Authorized Representative, The Residences at Howard Lane Ltd.