

February 25, 2026

Rosalio Banuelos, Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

Re: Vintage Ranch #22453 – Request for Additional Tax Credits

Mr. Banuelos,

The Determination Notice issued on 7/15/2022 for the above referenced application reflected an Annual Tax Credit Amount of \$2,425,895. The final Eligible Basis of \$61,547,260 (adjusted \$80,011,439) now calculates an Annual Tax Credit amount of \$3,200,458 which is approximately 31.93% higher. These figures are supported by an Independent Auditor's Report which has been included in the Cost Certification Package. Per TDHCA rules any increase over 20% from the initial Tax Credit amount must be approved by the board. Therefore, LDG is formally requesting the additional credits due to unavoidable obstacles and increased costs during the construction of this development.

Below are some of the main reasons for the cost increases since the time of the initial application:

Construction Costs:

- Direct construction costs were underestimated at the time of application as we did not have actual construction bids at that time. Therefore, Building Costs and Site Work Costs had significant variances from the time of initial application. Additionally, there were several change orders and material price escalations which also increased the direct construction costs. These change orders are included within the Cost Cert package.
- Lumber/Trim had a significant price escalation during this timeframe.
- Per request of the City of Denton, the building plans were changed to modify the building exteriors from siding to stucco in several areas.
- Additional cost increases included: a gazebo replacement, drywall plan changes, gas plan changes, and additional light poles throughout the property.
- Subcontractor price increases for paving, site concrete, and drywall added to increases in construction costs.
- General Conditions and Overhead costs increased due to lengthened schedule/construction delays from issues described in the following paragraph:

Construction Delays:

- After permits were received the City changed easements on the project from private to public which required new easement agreements and halted any work until all revised easements were executed. (+6 months delay)
- Weather: Rain and storms attributed to delays in the construction during several aspects of development such as the foundation pouring and sitework phases. (+2 months)

Financing Costs:

- Construction delays caused an increase to financing costs such as construction interest and financing fees.

Developer Fees:

- Developer fees are calculated at 15% of the project's eligible costs and this increase is a direct result of the increases detailed above.

Please let us know if you need any further information to process this request.

Sincerely,

Jason Trevino

Jason Trevino
Owner Representative
LDG Development, LLC
512-578-8488