

December 1st, 2025

Mr. Rene Ruiz
Asset Manager | Regions 1 & 7
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: El Prado at Estancia – HTC #21457
Request for Additional Credits

Dear Ms. Ruiz:

I am writing on behalf of El Prado at Estancia Ltd. regarding TDHCA Application #21457 (El Prado at Estancia), a 4% Tax Credit Development recently built in Austin, 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 \$2,645,494, representing a 20.44% increase over the original Determination Notice amount of \$2,196,552. This increase reflects significant hard cost and development cost overruns totaling approximately \$11 million.

The cost overruns stem primarily from an 11-month delay in unit turns driven by the following, but not all-encompassing, major construction challenges:

- **Market/Inflation Impacts:** approx. \$800k of change orders were due to unexpected increases in the prices of construction materials such as plumbing (\$264k), precast concrete (\$56k), cabinets (\$52k), HVAC (\$223k), and more. These inflation-driven costs exceeded the original budget estimates and required use of contingency funds.
- **Regulatory, Code, and Permit-Driven Changes:** changes required by city officials or discovered during the permitting process led to revisions in civil, structural, and mechanical plans. Examples include added stormwater features, pressure-reducing valves, and foundation changes, all of which increased costs (approx. \$400k) and, in some cases, delayed work.
- **External Delays (Weather & Utilities):** Over 80 days of documented weather delays (rain, mud, storms), especially during sitework and foundation phases. Additionally, 57 days of delay due to a delayed water meter application impacting the ability to proceed with framing and inspections.

These delays and issues 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 \$17,957.68 upon request, representing 4% of the increased credit amount (\$448,942 in additional credits per year x .04).



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Cleveland, Ohio 44115
Phone (216) 475-8900
www.nrpgroup.com

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'George Currall', with a stylized, cursive script.

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