



Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: 25501_24030 2910 Motley Senior Living – 40-60 Set-Aside Material Amendment

To Whom it May Concern,

The purpose of this letter is to request approval to change the minimum set-aside election from an Average Income election to a 40-60 election. This change will greatly benefit the project.

The Reason the Change is Necessary & Good Cause for the Change

2910 Motley Senior Living has been in process since 2022. The initial 9% Housing Tax Credit Application was submitted in March 2023 with a Total Development Cost of \$32 million. When it did not successfully receive an award, it was resubmitted in March 2024, but the Total Development Costs for this project increased to \$36.5 million and has continued to increase recently due to potential tariffs inflating construction pricing. In addition to this, interest rates have continued to increase. These factors resulted in a need to fill a funding gap, which we have worked to fill through MFDL funding of \$5,331,290. This funding from TDHCA is crucial to the success of this deal as the local jurisdictions have no funding available to provide to the development. This development is very important to the City of Mesquite as it has been in process since 2022, and the number of market rate units was crucial for the Resolutions of Support and Zoning Change. Per 10 TAC 13.3(d)(2)(a), if average income is elected, no more than 15% of total units can be designated Market Rate and still remain eligible for MFDL funds. With a change to the 40-60 set-aside, the number of Market Rate units can remain the same, the development can be eligible for MFDL funds and receive support from the City of Mesquite.

Updated Financial Exhibits

Please see attached updated financial exhibits under Exhibit A following this letter, which includes updated exhibits. Acknowledgement from the Lender and Equity Syndicator are forthcoming.

An explanation of whether the necessity of the amendment was reasonably foreseeable at the time of Application

Since application in March 2024, Total Development Costs for this project have increased, Equity pricing has decreased, and interest rates continue to rise. No soft funding was considered in the application for tax credits. It was not reasonably foreseeable at initial application that this project would need MFDL in order to remain financially feasible.

We have also sent the required application fee via FedEx with check #661 paid by Riva Switzerland, Inc.

We request that this amendment be approved. If you have any questions, please do not hesitate to contact me via email at chunt@rivaswitzerland.com.

Best Regards,

A handwritten signature in blue ink, appearing to be 'Cody Hunt', with a stylized flourish at the end.

Cody Hunt

Authorized Representative