

November 22, 2024

Cody,

We are submitting this amendment request regarding Santa Fe Place in Lubbock, application #23178. This request is being made to ensure financial feasibility, allowing our teams to move forward in developing much-needed affordable, multifamily housing in the City of Lubbock.

At the time of initial application, we applied for 110 total units, 98 of which were income-based, and 12 of which were market rate. Since the time of application, and considering the ever-changing economic climate, our initial design of Santa Fe Place is no longer financially viable or feasible for development.

After working with our design and construction teams over the last few months, we have determined that by **reducing all market rate units, and 8 LIHTC units**, we would be able to proceed with the financial closing and construction of this development.

By approving our unit count reduction request from 110 units to 90 units, TDHCA would be aiding in the development of 90 more homes for Lubbock families in need of safe, high-quality, affordable housing. Without this approval, we feel that financial viability, or lack thereof, would result in no affordable housing being built, versus the 90 units we are proposing. For the families and individuals in Lubbock who need these homes, we know that if allowed to proceed with our proposed plans, we would be fostering positive change in the lives of many.

Our proposed plans include 24 one-bedroom units, 48 two-bedroom units, and 18 three bedroom-units, all of which are income-restricted for those making 30%, 50%, and 60% of the area median income. Please see below for a chart summary of all design changes being made.

Unit Mix	30%			50%			60%			MR		
	P	O	D	P	O	D	P	O	D	P	O	D
1 Bedroom	3	2	1	4	6	-2	17	18	-1	0	4	-4
2 Bedroom	4	6	-2	9	10	-1	35	38	-3	0	4	-4
3 Bedroom	2	2	0	5	4	1	11	12	-1	0	4	-4

Unit Count	P	O	D
1 Bedroom	24	30	-6
2 Bedroom	48	58	-10
3 Bedroom	18	22	-4
Totals	90	110	-20

AMIs	P	O	D
30	9	10	-1
50	18	20	-2
60	63	68	-5
MR	0	12	-12
Totals	90	110	-20

Parking	P	O	D
	120	244	-124

Bldg info	P	O	D
Buildings	4	5	-1
Parking	120	244	-124
NRA	74,100	102,995	-28895
Common SF	12371	13,897	-1526
Total SF	86,471	116,892	-30421

P = Proposed
O = Original
D = Difference

Additionally, the proposed redesign would change the buildings' positioning on the site, though the site footprint itself will not be changing from application. Due to budgetary constraints, our plans no longer include a pool but maintain a clubhouse and other common spaces, with amenities selected to maintain and foster a sense of community; an aspect of our proposed redesign that will remain pivotal to this development as we move forward.

As a result of our proposed changes, we are assuming the financing changes as follows:

- The reduction to the unit count will result in a loss of EGI from \$1,110,511 to \$969,518.
- As a result of having less units and losing economies of scale, the projected operating expense per unit will increase from \$5,634 to \$5,870. Projected NOI has decreased from \$480,891 vs \$441,251.
- The estimated hard costs for the project have increased significantly since the application was submitted almost two years ago. Based upon the current 90 unit configuration, estimated building costs plus site work are \$154,021 per unit vs the original application estimate of \$132,497 per unit. However, in total, building costs plus site work will decrease from \$14,574,650 to \$13,861,904, which will help the project become financially feasible.
- Total development costs will also decrease from \$24,553,715 to \$23,016,730.
- There has been an increase to interest rates and a decrease in equity pricing since the original application was submitted. Currently, we are anticipating a \$5,145,338 perm loan at 7.00%, amortized over 40 years. A decrease from \$5,600,000 and 6.25% from the original app. Equity pricing has decreased from \$0.90 to \$0.86, resulting in a loss of equity in the amount of \$786,981 from the original application.

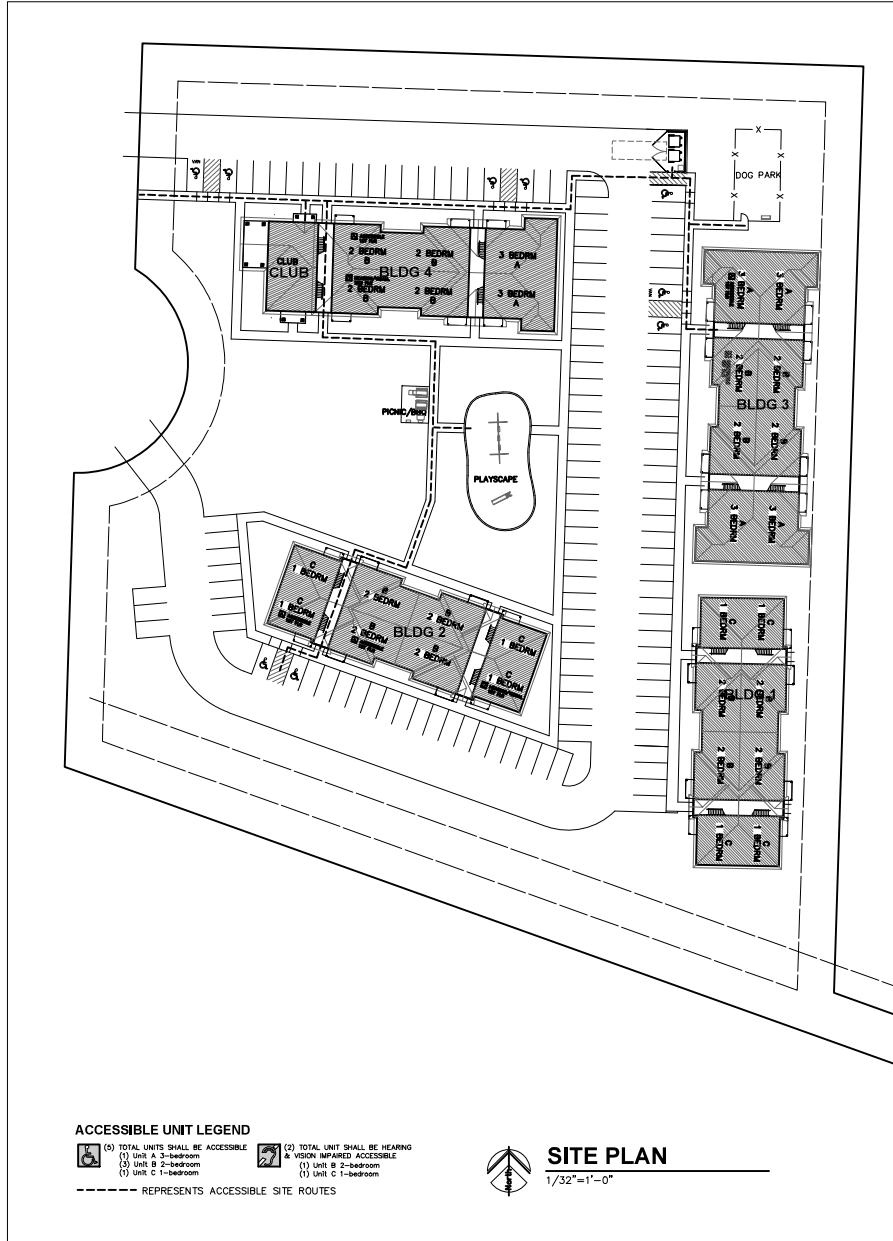
This development was submitted in March of 2023. We believe that the continued significant increases in construction costs and interest rates over the last year and a half could not have been anticipated at the time by the developer.

Please feel free to reach out to me directly with any comments or questions as you review.

Best,



Sarah Anderson
S. Anderson Consulting
512-554-4721



PROJECT UNIT SUMMARY

BUILDING LABEL	FLOORS	UNITS #			HTD SF	UN-HTD SF	TOTAL SF
		3BR	2BR	1BR			
CLUBHOUSE	1				1,321	346	1,667
1	3	0	12	12	17,400	2,676	20,076
2	3	0	12	12	17,400	2,676	20,076
3	3	12	12	0	22,800	2,676	25,476
4	3	6	12	0	16,500	2,676	19,176
TOTALS		18	48	24	75,421	11,050	86,471

ACCESSIBLE/HEARING SUMMARY

BUILDING LABEL	UNIT LABELS	TYPE	ACC	H.V.	NRA SF	TOTAL SF
2,3,4	B	3	1		850	3,400
1,2,3	C	1	1		600	1,200
TOTALS		5	2		2,500	5,650

UNIT SUMMARY

UNIT LABEL	UNIT TYPE	ACCESSIBILITY	LOCATION BUILDING	NET SQUARE FOOTAGE	TOTAL NO. OF UNITS
A	3-BED, 2-BATH	ACCESSIBLE	3	1,050	1
A	3-BED, 2-BATH	STANDARD	3,4	1,050	17
B	2-BED, 2-BATH	ACCESSIBLE / HV	2,3,4	850	4
B	2-BED, 2-BATH	STANDARD	1,2,3,4	850	44
C	1-BED, 1-BATH	ACCESSIBLE / HV	2	600	2
C	1-BED, 1-BATH	STANDARD	2,3	600	22
TOTAL					90

LOT COVERAGE

SITE ACRES	SITE SF	BUILDING(S) TOTAL FOOTPRINT	LOT COVERAGE
4.563 ACRES	198,782 SF	29,939 SF	15.1%

ZONING NOTES
 THIS SITE IS CURRENTLY ZONED HIGH DENSITY RESIDENTIAL (HDR) WITHIN THE CITY OF LUBBOCK TX. MULTI-FAMILY RESIDENTIAL AS DESIGNED MEETS THE INTENT OF THE ZONING CODE.

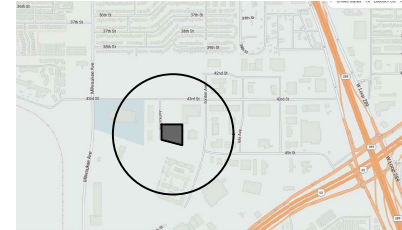
PARKING SUMMARY

ACCESSIBLE PARKING STALLS	9 (2 min)
STANDARD PARKING STALLS	111
TOTAL PARKING STALLS	120
PARKING RATIO (STALLS/UNITS)	1.33

PARKING MEETS LUBBOCK LOCAL REQUIREMENTS.
 RES. APARTMENTS: 1st/1/bed du, 1.25stall/2bed du, 2stall/3bed du

FLOOD PLAN
 THE HEREIN DESCRIBED PROPERTY DOES NOT LIE WITHIN THE SPECIAL FLOOD HAZARD AREAS INUNDATED BY 100 YEAR FLOOD AS DELINEATED ON THE FLOOD INSURANCE RATE MAP FOR THE CITY OF LUBBOCK, TEXAS.

STORM WATER RETENTION
 THE PROPOSED PROJECT SITE HAS A VERY GENTLE SLOPE THAT DRAINS FROM WEST TO EAST. THE PROPOSED PROJECT SITE WILL ULTIMATELY DISCHARGE STORMWATER TO IRONTON AVE. IRONTON AVENUE AND THE DRAINAGE CHANNEL IRONTON AVE DISCHARGES INTO HAVE BEEN DESIGNED TO ACCOMMODATE RUNOFF FROM FULLY DEVELOPED UPSTREAM PROPERTIES. THEREFORE, NO ON-SITE RETENTION OR DETENTION WILL BE REQUIRED FOR THE PROPOSED PROJECT SITE.



VICINITY PLAN
 NOT TO SCALE