



November 10, 2025

Rene Ruiz, Asset Manager Region 7
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Ekos City Heights, TDHCA #20701, Austin, Texas

Dear Mr. Ruiz:

Please accept this formal request for a Material LURA amendment to the above referenced development to modify the elderly (55+) target population to General. All committed income and rent limits will remain in place.

SECTION 1

Change Requested

- 1) Modify the current elderly (55+) restriction to allow general occupancy for all ages. All committed income and rent limits will remain in place.

Reason the Change is Necessary

- 1) Despite exhaustive marketing, outreach, and operational adjustments over the past year, the project continues to face severe and ongoing occupancy challenges attributed largely to the elderly demographic restriction. This is evidenced by Realpage traffic and leasing data for the Development.
- 2) After approval from the City of Austin, 20% of the units (36) were marketed to qualified tenants under the age of 55 in February 2025. Traffic subsequently spiked. Once the property met the allowance of family units to lease, the family marketing was reverted back to specifically to 55+ in June 2025. Since then, the property traffic and leasing collapsed. As of October 15, occupancy was 59.8%. At the current absorption rate the hardship is escalating quickly and presenting an imminent threat of default.

Austin Housing Finance Corporation has been notified of this request and is in support. The Letter they received is attached.

Good Cause for the Change

- 1) According to the Realpage traffic and leasing data, we are continuing to receive steady traffic and interest from qualified households under 55 years of age. There are currently 20 individuals and families under the age of 55 on the waitlist for units. The amendment would allow us to capture the multiple families on our waitlist and immediately pursue a broader band of qualified households to achieve and maintain stabilization.
- 2) The issue with occupancy is not a problem unique to Ekos City Heights. According to Apartment MarketData, collected data reveal that affordable senior properties in Austin are significantly reducing rents and providing material concessions to lease up and maintain occupancy, even at the 60% AMI level.

Explanation of Foreseeable or Preventable Nature

- 1) At the time of application and award, the market showed a strong demand for senior affordable in Austin. The Applicant had no knowledge or way to predict the drastic change in market for affordable senior properties.

Financial Impact

- 1) The modification has no financial impact for the TDHCA underwriting. We have closed on acquisition and construction financing; this change will allow the development to prevent foreclosure and convert to a permanent mortgage.

SECTION 2

Attachments

- Letter to Austin Housing Finance Corporation (Bond Issuer)
- Realpage traffic and leasing data for Ekos City Heights
- Austin senior market data from Apartment MarketData
- Notice of Public Hearing – this has been sent to all required parties including the City of Austin, and our lender and equity partner, Wells Fargo.

The \$2,500 amendment fee has been submitted. Thank you for marshalling the amendment request through the system. Please feel free to contact me if you have any additional questions.

Sincerely,



Sarah Andre
Consultant to the Project

McDowell Housing Partners
Ekos City Heights
4400 Nuckols Crossing Road
Austin, TX 78744

October 24, 2025

Deletta Dean
Deputy Director
Austin Housing Finance Corporation
1000 E 11th Street
Austin, TX 78702

Subject: Urgent Request for LURA Amendment – Ekos City Heights (TDHCA Property #20701)

Dear Ms. Dean,

On behalf of McDowell Housing Partners, I am submitting this urgent and earnest request for a Land Use Restriction Agreement (LURA) amendment for Ekos City Heights, age restricted 179-unit affordable housing development, located at 4400 Nuckols Crossing Road, Austin, Texas (“Ekos”). **We are respectfully requesting to modify the current Elderly (55+) restriction to allow general occupancy for all ages, all committed income and rent limits will remain in place.**

The Austin Housing Finance Corporation (AHFC) is the bond issuer and subordinate lender for the development. Ekos is restricted to residents 55 years of age, and older, under the AHFC bond LURA and RHDA loan Declaration of Restrictive covenant. Ekos provides 10 units at 30% AMI, 110 at 50% AMI, and 59 units at 80% AMI.

The property received TCO on August 8, 2024. Preleasing efforts started in October 2023. Despite exhaustive marketing, outreach, and operational adjustments over the past year, the project continues to face severe and ongoing occupancy challenges attributable largely to the elderly demographic restriction. Realpage traffic and leasing data for Ekos City Heights is enclosed here under **Exhibit A**. The data clearly demonstrates the extreme decline of the market over our approximately 24-month leasing period. Overall, the data clearly demonstrates a precipitous fall in traffic, and corresponding lease absorption. Conversely, we are continuing to receive steady traffic and interest from qualified households under 55 years of age.

Timeline of actions taken:

- Commenced pre-leasing in October 2023.
- 8/8/2024: Temporary Certificate of Occupancy (TCO) received.
- 8/30/2024: The City of Austin, through Yolanda Quinton, approved 20% of the units (36) to serve qualified tenants under the age of 55.
- 1/30/2025: The City confirmed MHP could rent 36 units (any set-aside) to residents under 55. The units were not directly marketed to the general family demographic yet they were filled quickly by households that toured the building but were under the minimum age requirement. We continue to get steady leasing traffic from under 55 prospects
- 09/30/24: MHP offered concessions on the 80% units of 2 months free rent.
- In February 2025 the property completed an update of marketing materials to include family for the purpose of renting the 36 family units. Traffic subsequently spiked (see traffic report).
- 03/26/25: MHP further increased the concession on the 80% units to 3 months free rent.
- 6/12/2025: All rent concessions were removed, and 80% AMI rents were reduced to 50% rent levels to encourage occupancy.
- In June 2025 the property met the allowance of family units to lease and subsequently removed the family marketing and updated all marketing specifically to 55+. As a result, the property traffic and leasing collapsed (see traffic report).
- Post-June 2025: Despite these actions, only nine new move-ins have occurred.

Current Property and Occupancy Status:

- As of October 15th occupancy was 59.8%.
- Fifty-Three (53) units remain to be placed in service with qualified (elderly) tenants.
- Seventeen (17) 50% AMI units remain to be placed in service.
- Six (36) 80% AMI units remain to be placed in service.
- 20 individuals and families under 55 are on the waitlist for units.

At the current absorption rate the hardship is escalating quickly and presenting an imminent threat of default. If we are unable to achieve 100% qualified occupancy by year-end, the project will lose one-third of its eligible Low-Income Tax Credits (LIHTCs) - which Wells Fargo (tax credit investor) has indicated they will not acquire. This would result in a further reduction of the final LIHTC equity, compounding the existing downward timing adjusters and placing the entire project

at risk of default. Concurrently, our construction lender (Wells Fargo) and perm lender (Fannie Mae) have both indicated that they cannot extend the current loan commitments beyond the recently extended May 1, 2026 maturity without immediate action. Under Exhibit B, we have provided a summary from leading market analyst Daryl Jack with Apartment MarketData. The data reveals senior affordable properties in Austin are significantly reducing rents and providing material concessions to lease up and maintain occupancy, even at the 60% AMI level.

To date, McDowell Housing Partners has advanced over \$3 million to carry the property through the extended lease up. We remain committed to continuing to fund operating deficits to keep the development solvent but respectfully request the AHFC's support and coordination in approving the LURA amendment, subject to TDHCA approval. The amendment would allow us to capture the multiple families on our waitlist and immediately pursue a broader band of qualified households to achieve and maintain stabilization. We stand ready to provide detailed leasing data, financial statements, lender correspondence, and any other information necessary.

We appreciate your partnership, understanding, and urgent attention to this critical request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Shear".

Chris Shear
President
McDowell Housing Partners

EXHIBIT A

CITY HEIGHTS TRAFFIC AND LEASING DATA



Alpha Barnes Real Estate Services, LLC

Activity Summary (Trend)

Monthly Trend - 15 Periods - Current Month Ending Oct 16, 2025

Analysis of Prospects, Visits, Leasing Activity and Occupancy

Property	Month Ending	Activity					Break		Traffic						Leasing						
		Total Units	MI	MO	Net MI	Occupied	Occupancy %	Break	Skip	Phone	1st Visit	Return Visit	Email	Internet	Fax / Mail	Other	Total	Applied	Canceled	Denied	Net Lsd
Ekos City Heights	Aug - 2024	179	7	0	7	7	3.9%	0	0	502	24	4	1,146	20	0	24	1,720	2	2	0	0
Ekos City Heights	Sep - 2024	179	7	0	7	14	7.8%	0	0	344	22	6	1,164	10	0	17	1,563	17	3	0	14
Ekos City Heights	Oct - 2024	179	11	0	11	25	14.0%	0	0	147	23	7	678	11	0	16	882	23	5	0	18
Ekos City Heights	Nov - 2024	179	16	0	16	41	22.9%	0	0	236	15	4	667	13	0	9	944	19	1	2	16
Ekos City Heights	Dec - 2024	179	13	0	13	54	30.2%	0	0	139	3	2	1,039	9	0	1	1,193	17	1	2	14
Ekos City Heights	Jan - 2025	179	8	0	8	62	34.6%	0	0	109	14	3	632	9	0	9	776	13	2	2	9
Ekos City Heights	Feb - 2025	179	9	0	9	71	39.7%	0	0	230	29	21	621	6	0	19	926	8	2	0	6
Ekos City Heights	Mar - 2025	179	12	2	10	81	45.3%	0	2	365	58	15	6,492	4	2	36	6,972	19	3	2	14
Ekos City Heights	Apr - 2025	179	11	1	10	91	50.8%	0	1	95	24	7	3,367	4	0	10	3,507	7	0	1	6
Ekos City Heights	May - 2025	179	7	1	6	97	54.2%	0	1	112	24	9	2,740	5	0	13	2,903	15	0	2	13
Ekos City Heights	Jun - 2025	179	13	2	11	109	60.0%	2	0	81	16	6	1,308	4	0	6	1,421	6	1	0	7
Ekos City Heights	Jul - 2025	179	2	4	(2)	107	59.8%	1	3	76	12	1	221	5	0	1	316	6	2	0	4
Ekos City Heights	Aug - 2025	179	7	0	7	113	63.1%	0	0	43	1	0	95	3	1	0	143	2	0	0	2
Ekos City Heights	Sep - 2025	179	1	4	(3)	110	61.5%	0	2	23	4	0	111	0	0	0	138	1	0	0	1
Ekos City Heights	Oct - 2025	179	2	5	(3)	107	59.8%	4	1	3	2	1	53	0	0	0	59	1	0	0	0

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EXHIBIT B

AUSTIN SENIOR MARKET/RENT STUDY