



February 10, 2025

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Attention: Bobby Wilkinson, Executive Director

Re: TDHCA #24079 Park at Dogwood, New Braunfels, Comal County, Texas: Request to change to property-tax-exempt structure

Dear Mr. Wilkinson:

Park at Dogwood (the "Project") is a proposed development for families to be located in the City of New Braunfels and funded, in part, by a 2024 award of 9% Housing Tax Credits. As originally structured, The Park Companies ("TPC"), the developer of the Project, proposed a development that would pay property taxes based upon its operation as a tax credit housing development. The Project was provided with support from the City of New Braunfels pursuant to Resolution 2024-R28 on February 26, 2024.

We have recently been advised by TPC that estimated costs for the Project have escalated due to unanticipated redrawing of the FEMA floodplain maps. The increase in interest rates and additional sitework costs to bring the site out of the FEMA floodplain, among other factors, are contributing to the challenges in maintaining financial feasibility. We are aware that this cost escalation has been experienced by many housing developments that have been unable to close on their financing due to the economic changes. TPC has advised that they wish to achieve further necessary savings by forming a public/private partnership with the New Braunfels Housing Authority ("NBHA") whereby NBHA would own the underlying land and enter into a long-term ground lease with the development partnership and an affiliate of NBHA, would also serve as the General Partner of the Project's owner. This restructuring will permit the Project to qualify for a 100% property tax exemption, decreasing the operating costs of the Project and increasing its long-term financial feasibility. The restructuring will also provide the NBHA with a right of first refusal permitting it to ultimately acquire the Project and continue its mission of providing affordable housing to New Braunfels residents. We understand the need to implement these changes to the Project and applaud TPC's efforts to adapt to changing circumstances.

I am pleased to confirm that the City of New Braunfels continues to support Park at Dogwood and I urge the Board of Directors of the TDHCA to continue to support this important project.

Sincerely,

A handwritten signature in blue ink that reads "Neal Linnartz".

Neal Linnartz
Mayor