

TEXAS HOUSING DEVELOPERS, LLC

809 S Lamar Blvd, Suite A • Austin, TX 78704

3556 South Culpepper Circle, Suite 4 • Springfield, MO 65804

Re: Rehabilitation of an Existing Affordable Housing Community

To all interested parties:

The purpose of this letter is to provide you with information on the proposed acquisition and substantial rehabilitation of the affordable apartment complex currently known as Mineola Seniors, located at 1136 N. Newsom Mineola, TX 75773

Texas Housing Developers, LLC (THD) is an affiliate of *Rural Housing Developers*, and *Murdoch Contracting*, and is the sponsor developer behind this proposed plan. THD will be submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) to obtain Housing Tax Credits to assist in the financing of this rehabilitation. Additionally, this development will be financed with the help of the USDA Rural Development 515 loan program.

Texas Housing Developers, LLC and its affiliates have significant experience in the development & management of Multi-Family, Affordable Housing properties. If the TDHCA tax credit funding application is successful, Mineola Seniors will be acquired by a new entity, *Piney Wood Estates, LP*. The Principal Member of this LP entity is the same Principal Member of the Owner/Developer, THD.

All units will continue to be rent and income restricted units, in addition to remaining an age-restricted property for seniors. THD is proposing to do a full rehabilitation of the property to bring it up to “like-new” standards. The developer will work with 3rd party architects and engineers to create an all-encompassing scope of work based on the current and future estimated capital needs for the property. The rehab will address general improvements as well as any structural and/or health and safety concerns, including bringing the property in line with all current ADA accessibility standards. This even goes so far as requiring the retrofitting of existing units, if necessary, to comply with current regulations. All new energy efficient appliances will be installed in each unit including but not limited to refrigerators, stove/ranges, microwaves, and HVAC units. Kitchens and bathrooms will be updated in all units and all flooring replaced. Additionally, new and improved shared amenities will be provided including, but not limited to a new or improved community room for social activities, a new computer workstation area with internet access and printer/scanner capabilities, as well as new outdoor covered seating & gathering areas.

We want to take a moment to reiterate the depth of the rehab work we are proposing. Our architects and general contractor are inspecting the property this week and we anticipate budgeting \$50,000 to \$55,000 per unit of hard dollar construction costs for renovations. This figure does not include any contractors fees/profit, or overhead, it is purely “sticks & bricks”. Furthermore, both TDHCA & USDA RD play a significant oversight role in the rehabilitation process, and upon completion will require the Developer to have an independent 3rd party accounting firm prepare a final Cost Certification to prove that all funds were spent in accordance with the appropriate guidelines before they can receive their final compensation.

This property was built 30 years ago and is need of substantial improvements. If this were a typical market rate property, one could undertake renovations and upgrades, then charge higher rents long term to recoup those costs. As a rent-restricted community however, rental rates are legally bound to preset

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levels. Thus, seeking outside funding via housing tax credits is the only way for us purchase the property from existing ownership and obtain the \$55,000 per unit needed to adequately rehabilitate it.

The only thing we are requesting from the City of Mineola is a symbolic resolution of support from City Council, and a letter or resolution from the City committing \$250 (total, not per unit) to the project should it move forward. These two items are required for our tax credits application and needed prior to the March 1 deadline for that application to the TDHCA.

We are excited about this opportunity and are confident that properly rehabbing this development to like-new standards will serve to not only have a positive impact in the lives of the individuals who reside there, but in the surrounding community as well.

Please don't hesitate to reach out to me directly should you have any questions.

Sincerely,



Michael Fogel
Texas Housing Developers, LLC
713.409.0211 – cell
mfogel@trinityhousingdevelopment.com

**CITY OF MINEOLA RESOLUTION FOR PINEY WOODS ESTATES
DEVELOPMENT**

WHEREAS, Piney Woods Estates, LP has proposed the rehabilitation of affordable rental housing at 1136 N. Newsom named Mineola Seniors in the City of Mineola; and

WHEREAS, there is a need for affordable housing in the City of Mineola for citizens of modest means; and

WHEREAS, Piney Woods Estates, LP intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2023 Low Income Housing Tax Credit Program for Piney Woods Estates.

THEREFORE BE IT RESOLVED that the City of Mineola, acting through its Governing Body:

Hereby supports the rehabilitation of the above named development; and

The City of Mineola, Texas also affirms that it will provide a building permit fee waiver for the benefit of the development in the amount of \$250.

This resolution was duly passed and approved by the City Council of the City of Mineola, Texas on the 19th day of December, 2023.

Jayne Lankford, Mayor

ATTEST:

Cindy Karch, City Secretary