



February 20, 2025

Mr. Cody Campbell
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
211 E 11th Street
Austin, Texas 78701

Via Email: Cody.Campbell@tdhca.texas.gov

Re: Force Majeure Request - TDHCA HTC Application #24079 – Park at Dogwood, New Braunfels, TX

Mr. Campbell:

Comal Partners, L.P. (the “Owner”) received an allocation of Housing Tax Credits from the Texas Department of Housing and Community Affairs (“TDHCA”) for the construction of Park at Dogwood (the “Development”) in 2024. The 2024 allocation of tax credits currently requires the Development to meet the 10% test by July 1, 2025 and place the Development in service by December 31, 2026. Unfortunately, the Owner faces the possibility of not being able to meet these deadlines as required by §42(h)(1)(E)(i) & §42(h)(1)(E)(ii) of the Internal Revenue Code. The need for requesting an extension to meet the required 10% test and placed in service deadlines is the result of events that we believe should fall under the provisions of §11.6(5) of the 2024 Qualified Allocation Plan (“QAP”) relating to Force Majeure.

The Development is located in New Braunfels, Texas, in Comal County. At the time of Application, the Development Site contained a sliver of AE floodplain, estimated at 4% of the site (see Exhibit A). On May 8, 2024 FEMA unexpectedly updated the flood maps, significantly increasing the amount of floodplain on site to approximately 70% (see Exhibit B). In order to get a floodplain permit and building permits, the City of New Braunfels will require: completion of a grading plan to prove there will be “no-rise” impact to the floodplain, a hydraulic study report, preparation of elevation certificates for all proposed buildings, and submission and approval of a FEMA CLOMR application. These additional steps were unforeseeable at the time the Owner submitted its application to TDHCA. It is estimated the earliest these steps could be completed and permits received would be October of 2025. The additional time needed to accommodate these extra steps extends past our 10% test deadline and would not allow sufficient time to complete construction.

To mitigate the increased floodplain on the site, additional fill dirt must be hauled in to ensure finished ground floor elevations are at least two feet above floodplain and drive areas are no lower than six inches below the floodplain. The additional and unforeseeable costs related to hauling in off-site dirt to get the site above the 100-year floodplain is currently estimated at \$616,262.

Additionally, at the time of Application submission, Regions Bank proposed to purchase the tax credits at a rate of \$0.88 per dollar. Since then, tax credit pricing has been negatively affected by speculation of a proposed reduction to corporate tax rates by the incoming new administration, the saturation of energy credits in the market, and no bonus depreciation. Today’s proposed equity pricing from Regions is \$0.81 per dollar, which results in a loss of \$1,399,860 in total equity.



These unforeseeable events have impacted and delayed closing and construction commencement, which has had an adverse effect on meeting Readiness to Proceed, 10% Test and anticipated Placed in Service timelines.

The Owner has been working through gap issues to close this development as quickly as possible. A request to amend the Application to bring in the New Braunfels Housing Authority and reduce the total number of units to maintain financial feasibility has been submitted to TDHCA. The Owner is unable to close on the Development Site until a decision is made regarding the number of units to be built. A timeline of events is included as Exhibit C in this request.

We request that the Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits to the Owner in the current year in accordance with §11.6(5) of the 2024 QAP relating to Force Majeure. We believe the Owner and Development meet all the requirements in Section 11.6(5), in that:

1. The events that caused the delay occurred before issuance of 8609s and were sudden, unforeseen circumstances outside the control of the Development Owner.
2. The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.
3. The Owner has provided evidence and a timeline of the events that was the direct result of the delays.
4. Though there was little that could be done to mitigate the effects of a changed floodplain map and equity pricing issues, the Owner immediately contacted the proposed financial partners of the Development and began working out a viable financing option that we believe will assist in making the Development feasible once again. Should TDHCA approve the requested amendment request, the Development will become financially feasible once again.
5. The Force Majeure threatens to prevent the Owner from meeting the Readiness to Proceed deadline, 10% Test, and Place in Service requirements of the original allocation.
6. The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.
7. If the proposed requests are granted, the Development will become financially feasible again.

Furthermore, because the aforementioned events were unforeseeable and beyond the reasonable control of the Applicant, we respectfully request to waive the penalty point deduction as outlined in §11.9(f).



If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at (512) 785-3710 or via email at lora@betcohousinglab.com.

Sincerely,

Lora Myrick, Principal
BETCO Consulting, LLC

National Flood Hazard Layer FIRMette

EXHIBIT A - Flood Map from Application



98°7'3"W 29°41'12"N

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

Legend

	Without Base Flood Elevation (BFE) <i>Zone A, V, A99</i>
	With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i>
	Regulatory Floodway
	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i>
	Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>
	Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i>
	Area with Flood Risk due to Levee <i>Zone D</i>
	NO SCREEN <i>Zone X</i>
	Area of Minimal Flood Hazard <i>Zone X</i>
	Effective LOMRs <i>Zone D</i>
	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
	20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
	17.5 Coastal Transect
	8 Base Flood Elevation Line (BFE)
	33 Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/26/2024 at 7:22 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

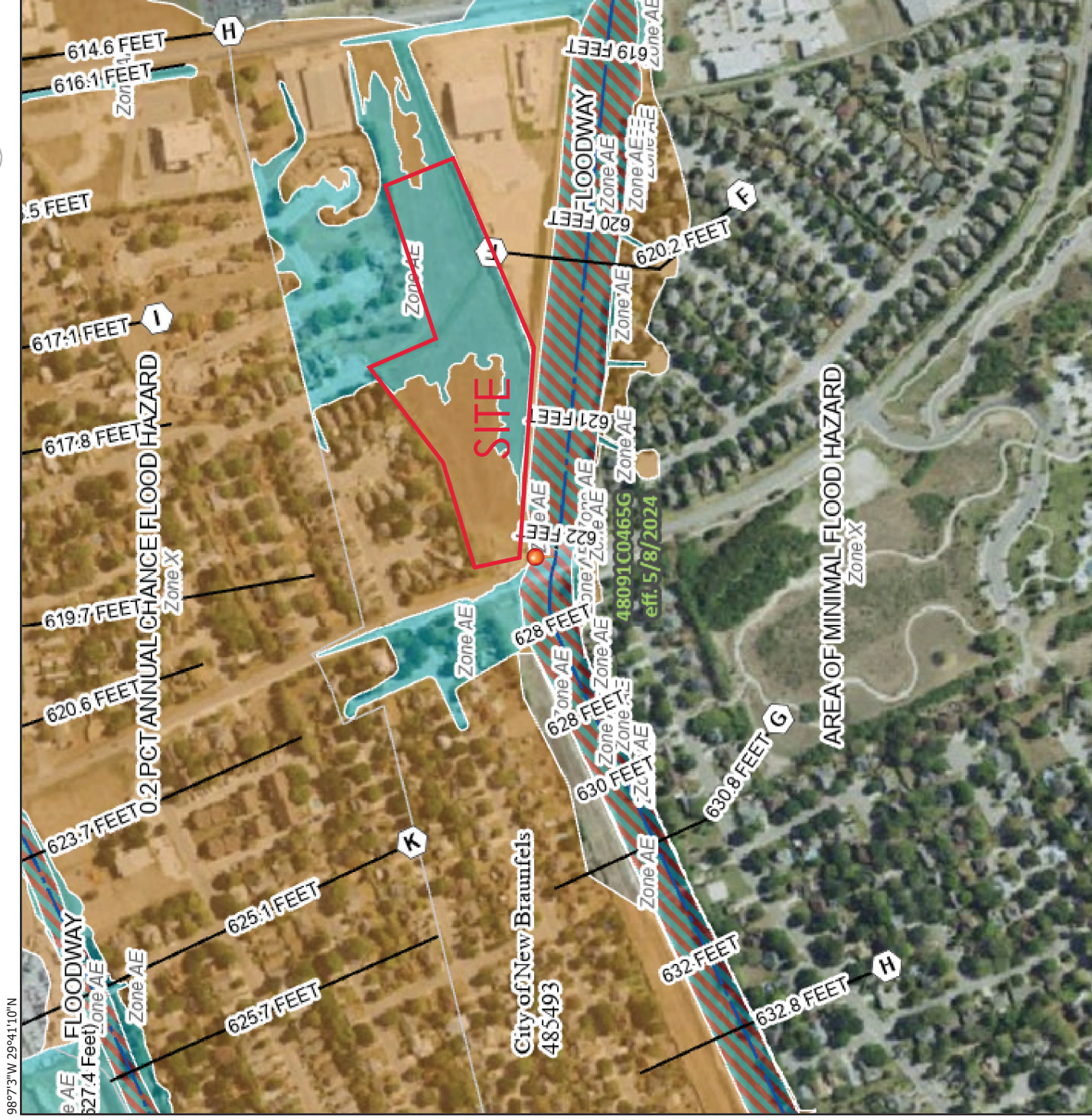


National Flood Hazard Layer FIRMette

EXHIBIT B - Current Flood Map



98°7'3"W 29°41'10"N



98°6'26"W 29°40'39"N

Basemap Imagery Source: USGS National Map 2023

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
Zone A, V, A99
- With BFE or Depth
Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile
Zone X
- Future Conditions 1% Annual Chance Flood Hazard
Zone X
- Area with Reduced Flood Risk due to Levee. See Notes.
Zone X
- Area with Flood Risk due to Levee
Zone D

OTHER AREAS

- Area of Minimal Flood Hazard
Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard
Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

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The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **12/20/2024 at 9:48 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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Exhibit C

March 1, 2024	Application submitted
May 8, 2024	FEMA Updated flood maps
July 25, 2024	Park at Dogwood Awarded tax credits
August 26, 2024	Park at Dogwood Received tax credit Commitment
September 2024	Fully engaged architect and engineers to submit for building permits
December 2024	Architectural drawings & civil engineering drawings 95% complete
	Received reduced equity pricing from investors
	Received construction pricing from contractors
	Began searching for non-profit partner
February 2025	Submitted building permits & floodplain permits to City
	Notified from City that CLOMR is required from FEMA to get building permits
March 2025	Submit CLOMR and Endangered Species Report to FEMA and City of New Braunfels
April 2025	City's First Floodplain Review & Comments
June 2025	City's Second Floodplain Review & Comments
July 2025	City's Third Floodplain Review and Issue of Floodplain permit
October 2025	FEMA approval of CLOMR
November 2025	Receive building permits from City
	Close on LIHTC equity financing and construction loan
	Commence Construction
April 2027	100% of units Placed in Service
June 2027	100% of units leased