

November 25, 2025

Cody Campbell
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.1676
Fax: 512.475.3359

RE: Melody Grove, TDHCA# 23080
Force Majeure Request

Dear Mr. Campbell,

Request for extension to Placed In Service deadline

Melody Grove Development I, LP ("Melody Grove 1" or "MG1") is a 2023 TDHCA 9% award for acquisition and rehabilitation of 79 units of residential housing. Construction began on January 28, 2025, and as of November 24, 2025, construction is 73% complete. The construction progressed quickly and the property is on pace to meet placed in service requirements under the minimum rehab expenditure test (able to support the full credit award) by the current placed in service deadline of December 31, 2025.

The need for the extension request centers around delays by HUD in granting project approval. Final HUD approval (disposition authorization from HUD's special applications center) came in November 2024; Waco HA submitted their disposition request to HUD in February 2024. Typically, the HUD review is 60-90 days, but the review for Melody Grove 1 required 270 days. Consequently, we were unable to close and begin construction until after receiving this HUD approval (we began construction in January 2025).

Construction progress has been good, we have been able to complete units and begin leasing the completed units to residents, and we should be able to meet placed in service through the minimum expenditure test by December, 31, 2025. An extension to placed in service would substantially benefit the project. This property has significant basis in excess of the credit allocation; an extension in PIS would allow more basis to be included in the basis boost and first year credits claimed by the investor. Although we don't know the exact number yet, this should be somewhere near \$3MM in basis difference between PIS 12/31/25 and PIS with a 6-month extension.

The extension, allowing additional basis, will provide a benefit to the development by counteracting the effect of credit adjusters, providing more cash to counteract cost overruns, and reducing the need for excess debt burden to balance sources and uses, each of which should benefit the residents by strengthening the project.

Accordingly, Melody Grove 1 respectfully requests that the Housing Tax Credits allocated in 2023 be returned and that the Texas Department of Housing and Community Affairs (TDHCA) reallocate the Housing Tax Credits to the Owner in the current year, in accordance with §11.6(5) of the 2025 Qualified Allocation Plan (QAP) relating to *Force Majeure* and that the Placed in Service date be extended to June 30th, 2026.

Sincerely,

Micah Strange
Intergrand Development
On behalf of
Melody Grove Development I, LP