

TDHCA
Cody Campbell
Director of Multifamily Programs
221 East 11th Street
Austin, TX 78701

June 2, 2025

RE: Request for extension of the Placed in Service ("PIS") Deadline for the 2024 Multifamily Uniform Application #24196 (the "Application") - Buena Vida Supportive Housing (the "Project")

Mr. Campbell:

Due to unforeseen, or otherwise uncontrollable, delays encountered while proceeding to Closing the Buena Vida transaction, BHOC VDC SH, LP respectfully submits the following request for force majeure relief.

PROJECT TIMELINE

The Buena Vida redevelopment is utilizing a HUD program formerly known as Faircloth to RAD, which has been rebranded to Restore - Rebuild. While a powerful tool in increasing the inventory of affordable housing units, the Buena Vida transactions represent only the second time this program has been utilized by a housing authority in Texas. Due to the utilization of this rarely used program, significant time was spent exchanging information to get underwriters comfortable with the program and processes.

Additionally, each step in the HUD approval process has added time to our original Closing target of May 2025. Reductions in HUD staffing levels has extended their review and approval timelines, primarily driven by voluntary separation and early retirement programs. Ownership now anticipates Closing in July 2025 with an 18-month construction timeline. Further, our investor groups have requested that an extension request be filed at this juncture to provide them comfort as we progress toward Closing.

HUD FHEO Approval - HUD's Office of Fair Housing and Equal Opportunity (FHEO) was required to review and approve our intent to deliver eighty (80) units of Family, eighty-two (82) units of Senior, and fifty (50) units of Supportive Housing to the Brownsville market in one localized area. There are three (3) phases in the overall Buena Vida redevelopment strategy. Determinations had to be made as to whether this would unduly burden or disadvantage one demographic versus others.

Ownership requested guidance from HUD FHEO regarding Site and Neighborhoods Standards in late July of 2024. Unfortunately, clear guidance was not received from FHEO until October 2024. The Site and Neighborhoods Standards documents were then submitted to the HUD Field Office on December 11, 2024. Ultimately, FHEO provided their approval on February 20, 2025.

HUD Part 58 Environmental Review Approval - This is a required step before demolition activity can begin. While many environmental reports had previously been completed, the official approval from HUD was received on March 24, 2025. The demolition scope is extensive with forty-eight (48) residential buildings and one (1) office structure located across the 13-acre site. Hence, the estimated duration of demolition is ten (10) weeks to clear the six (6) city block area.

To expedite schedules and decrease the construction timeline, the Brownsville Housing Opportunity Corporation's (BHOC) board has authorized \$900,000 in pre-closing funding to allow the demolition to occur prior to Closing.

HUD Mixed Finance Development Proposal (Pending Approval) - The proposal was submitted to HUD on February 2, 2025 and resubmitted on May 30, 2025. Approval is pending final alignment of all numbers from underwriters on tax credit equity, state tax credit investor, construction lender, and permanent lender teams, as well as final HUD approval.

HUD Evidentiary Document Review (Pending Approval) - Ground Leases, Partnership Agreements, Loan Commitments, Organizational Documents, Title Inspection Review, and other evidentiary documents are in the final stages of the review process. Approval is anticipated in approximately two (2) weeks.

CURRENT PROJECT STATUS & SCHEDULE

- Plat pending signature by Brownsville Public Utilities Board (BPUB)
- Building Permits - Ready to Issue pending plat recordation (All city comments cleared)
- Freddie Mac Closing Package to be submitted the week of June 9th
- Demolition Permit - Ready to Issue
- Demolition Start Date - 6/9/2025
- Demolition Duration - 10 Weeks
- New Construction Estimated Start Date - 7/14/2025
- Construction Duration - 18 Months

REQUEST FOR FORCE MAJEURE RELIEF

Unfortunately, due to the time expended at each step, the Project is in jeopardy of not meeting the original Placed in Service (PIS) Deadline of December 31, 2026. The construction schedule is projected to take 18 months, concluding in January 2027. Therefore, we respectfully request force majeure relief with a 6-month extension of the PIS deadline to June 30, 2027. Ownership concurrently requests a waiver of 2024 QAP Section 11.6(5)(D) requiring Closing of all financing to have occurred with construction underway, as transaction delays have materially impeded Owner's ability to begin construction.

CONCLUSION

We do not believe the factors precipitating project delays could have been foreseen, nor were they preventable, and the extended HUD review periods could not have been predicted. The assumptions made in the application were reasonable and based on the best information available at the time.

While challenges have presented themselves, the development team has continued moving forward in good faith as expeditiously as possible to ensure Buena Vida can be delivered to the Brownsville community. The Project is now poised to get underway with Closing to be scheduled in July 2025. Thank you for your consideration.

Very respectfully,

A handwritten signature in blue ink, appearing to read 'D. Hendren', with a long horizontal flourish extending to the right.

Daniel Hendren
Development Manager

TDHCA
Cody Campbell
Director of Multifamily Programs
221 East 11th Street
Austin, TX 78701

June 2, 2025

RE: Request for extension of the Placed in Service ("PIS") Deadline for the 2024 Multifamily Uniform Application #24197 (the "Application") - Buena Vida Family Apartments (the "Project")

Mr. Campbell:

Due to unforeseen, or otherwise uncontrollable, delays encountered while proceeding to Closing the Buena Vida transaction, BHOC VDC Family, LP respectfully submits the following request for force majeure relief.

PROJECT TIMELINE

The Buena Vida redevelopment is utilizing a HUD program formerly known as Faircloth to RAD, which has been rebranded to Restore - Rebuild. While a powerful tool in increasing the inventory of affordable housing units, the Buena Vida transactions represent only the second time this program has been utilized by a housing authority in Texas. Due to the utilization of this rarely used program, significant time was spent exchanging information to get underwriters comfortable with the program and processes.

Additionally, each step in the HUD approval process has added time to our original Closing target of May 2025. Reductions in HUD staffing levels has extended their review and approval timelines, primarily driven by voluntary separation and early retirement programs. Ownership now anticipates Closing in July 2025 with an 18-month construction timeline. Further, our investor groups have requested that an extension request be filed at this juncture to provide them comfort as we progress toward Closing.

HUD FHEO Approval - HUD's Office of Fair Housing and Equal Opportunity (FHEO) was required to review and approve our intent to deliver eighty (80) units of Family, eighty-two (82) units of Senior, and fifty (50) units of Supportive Housing to the Brownsville market in one localized area. There are three (3) phases in the overall Buena Vida redevelopment strategy. Determinations had to be made as to whether this would unduly burden or disadvantage one demographic versus others.

Ownership requested guidance from HUD FHEO regarding Site and Neighborhoods Standards in late July of 2024. Unfortunately, clear guidance was not received from FHEO until October 2024. The Site and Neighborhoods Standards documents were then submitted to the HUD Field Office on December 11, 2024. Ultimately, FHEO provided their approval on February 20, 2025.

HUD Part 58 Environmental Review Approval - This is a required step before demolition activity can begin. While many environmental reports had previously been completed, the official approval from HUD was received on March 24, 2025. The demolition scope is extensive with forty-eight (48) residential buildings and one (1) office structure located across the 13-acre site. Hence, the estimated duration of demolition is ten (10) weeks to clear the six (6) city block area.

To expedite schedules and decrease the construction timeline, the Brownsville Housing Opportunity Corporation's (BHOC) board has authorized \$900,000 in pre-closing funding to allow the demolition to occur prior to Closing.

HUD Mixed Finance Development Proposal (Pending Approval) - The proposal was submitted to HUD on February 2, 2025 and resubmitted on May 30, 2025. Approval is pending final alignment of all numbers from underwriters on tax credit equity, state tax credit investor, construction lender, and permanent lender teams, as well as final HUD approval.

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REQUEST FOR FORCE MAJEURE RELIEF

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While challenges have presented themselves, the development team has continued moving forward in good faith as expeditiously as possible to ensure Buena Vida can be delivered to the Brownsville community. The Project is now poised to get underway with Closing to be scheduled in July 2025. Thank you for your consideration.

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Daniel Hendren
Development Manager

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June 2, 2025

RE: Request for extension of the Placed in Service ("PIS") Deadline for the 2024 Multifamily Uniform Application #24198 (the "Application") - Buena Vida Senior Living (the "Project")

Mr. Campbell:

Due to unforeseen, or otherwise uncontrollable, delays encountered while proceeding to Closing the Buena Vida transaction, BHOC VDC Senior, LP respectfully submits the following request for force majeure relief.

PROJECT TIMELINE

The Buena Vida redevelopment is utilizing a HUD program formerly known as Faircloth to RAD, which has been rebranded to Restore - Rebuild. While a powerful tool in increasing the inventory of affordable housing units, the Buena Vida transactions represent only the second time this program has been utilized by a housing authority in Texas. Due to the utilization of this rarely used program, significant time was spent exchanging information to get underwriters comfortable with the program and processes.

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