

**HOUSTON RE, LP**  
**11 Greenway Plaza, Suite 3150**  
**Houston, TX 77046**

September 11, 2025

Mr. Cody Campbell  
Director of Multifamily Programs  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: TDHCA #24119; Retreat at Esther Placed in Service Extension Request

Dear Mr. Campbell,

Houston RE, LP was awarded 2024 9% Housing Tax Credits for the development of Retreat at Esther, a 103-unit new construction community for senior residents located in the historic Acres Homes neighborhood of Northwest Houston.

Since the award, the project faced unforeseen delays in the progress including the securing of equity commitments, a decline in equity pricing and federal jurisdictional requirements from unexpected funding commitments. Despite the delays the applicant has remained committed to the project and has pursued various ways to resolve the issues affecting a timely financial closing. However, the collective number of setbacks have impacted the date of closing, construction completion, and our requirement to place the project in service by December 31, 2026.

Houston RE, LP respectfully requests a 6-month extension of the placement in service deadline to June 30, 2027, TAC §11.6(5), recognizing the following force majeure events:

**LIHTC Equity.** After the completion of the 2024 9% tax credit cycle several equity syndicators were hesitant to finalize their participation as they awaited clarity on the 2024 Presidential Election. More specifically we were informed by Affordable Housing Partners (Berkshire Hathaway affiliate) in September 2024 that they were not providing letters of intent for new projects until the completion of the 2024 Presidential Election cycle, and clarity of the economic and tax policies of the incoming federal administration. As a result of this the overall equity environment slowed in providing equity commitments. Once we passed the threshold of the election cycle, and reached out to equity syndicators on interest for the project we received quotes of \$0.78 per credit. This was significantly lower than the quotes of \$0.87 per credit we received at the time of our application. In early June of 2025 we were successful in attaining an equity commitment from National Affordable Housing Trust in an amount of \$0.80 per credit. While grateful for the commitment considering the equity environment, this was still lower than the credit pricing we underwrote in our application. This shortfall in credit pricing resulted in a significant funding gap.

**45L Equity.** At the time of our application, we also were pursuing an Energy-star certification for the project in order to attain 45L tax credits which provides credits/equity for including energy efficient measures within the project. With the passing of H.R.1 (One Big Beautiful Bill) the 45L tax credits have been terminated as a source as the Bill requires that the project be completed by June 2026 to be eligible for the credits.

**City of Houston HOME Funds.** The applicant applied for HOME Funds through the City of Houston's 2024 Multifamily (NOFA) II Solicitation released by the City on October 24, 2024. Unfortunately, in November of 2024 we were informed that our project would not receive an award. Unexpectedly in July 2025 we were informed by the City that one of the projects that received an award was no longer moving forward and that Retreat at Esther was next in line to receive an award. Due to the reduction in LIHTC equity pricing and 45L tax credits no longer being a viable source, the applicant made the decision to accept the award. As a prerequisite to approval of the HOME Funds, we are required to attain Part 58 environmental clearance, and include generators within the project. AEI Consultants was engaged in August and on September 5, 2025 provided the City of Houston the information needed to start the environmental clearance process. The overall process will take 30 – 45-days considering the required posting notifications and obtaining City Council approval. We are expecting to complete the process by middle of October 2025, and subsequently obtain City Council approval. We completed the permitting process in June 2025; however, the redesign of the project to accommodate the required generators has since been completed, and revised plans were resubmitted to the City for review on August 29, 2025.

The above-mentioned shortfalls in equity pricing and termination of possible sources were not caused by an act or negligence of the applicant. Once a viable source (HOME Funds) was secured we immediately engaged all the necessary parties to complete the requirements needed to obtain approval.

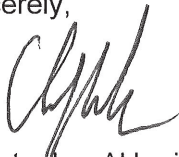
The applicant, lender, investor, and City of Houston are currently working steadfastly towards putting the project in a position to close as soon as the environmental clearance and City Council approval are received. We are currently tracking a late October/early November 2025 closing for the Retreat at Esther. Considering a fourteen (14) month construction timeline, the project would be placed in service by February 2027 which is beyond the December 31, 2026 deadline. for a 2024 LIHTC allocation. The approval of this placed in service extension request will allow the project to proceed with its financial closing, as it is currently in jeopardy as the investor is considering not allowing the project to close without assurance of an extension. The extension approval will appease the concerns of the equity investor regarding the project's ability to complete the project in a realistic timeframe and meet the placed in-service deadline.

Retreat at Esther is supported by the City of Houston as recognized by the receipt of the HOME Funds award, and letter of support from Councilmember Tarsha Jackson whose district is where the project resides.

Houston RE, LP respectfully requests the approval of this force majeure extension request, and that this matter be considered at the October 9, 2025, Board Meeting.

If additional information is needed, please email me at [apps@itexgrp.com](mailto:apps@itexgrp.com).

Sincerely,



Christopher Akbari  
Authorized Representative  
Houston RE, LP



September 9, 2025

Tarsha Jackson  
Houston City Council, District B  
900 Bagby Street, 1st Floor  
Houston, Texas 77002  
(832) 393-3009 | [districtb@houstontx.gov](mailto:districtb@houstontx.gov)

Bobby Wilkinson  
Executive Director  
Texas Department of Housing and Community Affairs (TDHCA)  
221 East 11<sup>th</sup> Street  
Austin, TX 78711-2410

Re: Application No. 24119 – Retreat at Esther; Support for Placed-in-Service Extension Request

Dear Mr. Wilkinson,

As Houston City Council Member for District B, I am writing in support of Houston RE, LP's request for an extension to the placed-in-service deadline for Retreat at Esther (Application #24119). This 103-unit senior housing community, located in the Acres Homes neighborhood, is an essential project that will expand access to safe, high-quality, and affordable homes for our seniors.

I recognize that the development team has encountered significant challenges in securing timely equity commitments due to broader market uncertainty. In addition, we understand that with the recent awarding of HOME funds from the City's Housing Department the developer needs to fulfill additional requirements in order to attain Council approval on the funds. These factors, have slowed progress despite the developer's active efforts to move the project forward.

Approving a modest extension of the placed-in-service deadline will ensure that Retreat at Esther can move to completion and begin serving seniors in Acres Homes. The project aligns with the City of Houston's housing priorities and supports our community's long-term goals of revitalization, stability, and equitable access to housing for older residents on fixed incomes.

I respectfully urge the Governing Board of TDHCA to approve this extension request. The successful completion of Retreat at Esther will provide lasting benefits for Acres Homes and contribute meaningfully to the health and vitality of District B.

Thank you for your consideration and your continued commitment to supporting affordable housing across Texas.

Sincerely,

Tarsha Jackson  
Councilmember, District B  
Houston City Council



# CITY OF HOUSTON

Housing & Community Development Department

**John Whitmire**

Mayor

Michael C. Nichols  
Director  
2100 Travis, 9<sup>th</sup> Floor  
Houston, Texas 77002

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July 23, 2025

Houston RE, LP  
9 Greenway Plaza, Suite 1250  
Houston, TX 77046

Dear Samson Babalola:

Thank you for applying to the 2024 HOME Multifamily Notice of Funding Availability (NOFA) II: Solicitation No.: N091824. This correspondence serves as formal notice that your application has advanced and is now recommended for funding in the amount of \$4,000,000 in HOME funds.

Please be advised that the award recommendation is subject to underwriting and contract negotiations. If either of these processes proves unsuccessful, the award recommendation will be terminated, and another applicant will be chosen.

Housing and Community Development Department's program staff will contact you to begin negotiations and outline the next steps.

We appreciate your application and applaud your pursuit to develop affordable housing in Houston.

Sincerely,

DocuSigned by:

*Jamila Glover*

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Jamila Glover  
Senior Division Manager  
Finance

