

July 11th, 2025

Jonathan Chilson
Asset Management
TDHCA
P.O. BOX 13941
Austin, TX 78711-3941

Re: HTC 24168 The Bryan Material Amendment Request

Dear Mr. Chilson:

This letter concerns a material amendment request for HTC 24168 The Bryan to reduce the total number of units from 113 units to 91 units (with associated architectural changes) and to reduce the site acreage from 3.742 acres to 3.16 acres. This request is due to financing challenges that are out of the Applicant's control.

At the time of the 2024 application submittal, many of the disruptions caused by COVID-19 in the housing industry had begun to stabilize. However, since then, the developer has faced significant and compounding financial challenges, including new increases in construction costs, declining equity pricing, and rising interest rates, all of which have created a substantial budget gap.

One of the primary drivers of increased construction costs has been the uncertainty concerning tariffs on key building materials. Cost increases due to tariffs have had widespread impact across the construction industry. In response, the developer sought competitive bids from multiple contractors to mitigate costs, but even the most favorable estimates were still significantly higher than those available at the time of the original application.

As a result of the construction cost increases, the developer now requires a larger loan to close the funding gap. At the time of the original application, a letter of intent was secured for financing at a 6.25% interest rate. That rate has since increased to 7.10% during the construction period and 6.88% during the permanent period, adding further pressure to the project's financial feasibility. Compounding the situation is a significant drop in equity pricing. Tax credit pricing has been negatively affected by speculation of a proposed reduction to corporate tax rates by the new administration and a saturation of energy credits in the market. While equity was originally priced at \$0.90 per tax credit dollar, the highest offer available now is \$0.84, representing an 6.7% decline in equity proceeds.

These converging factors have resulted in unforeseen and unprecedented financial strain since the application was submitted. The Applicant has worked diligently to adjust to these conditions, explore all viable funding options, and preserve the financial viability of the project. The application is currently infeasible as submitted in the original application. In order to preserve tax base for the local municipality and avoid requesting a 100% property tax exemption for the development, a reduction of low income units is being requested in order to reduce costs.

At the time of application, 113 total units, all low income, were proposed. This amendment requests a reduction to 91 total units, all low income, which is a decrease of 19.5%. We understand that this decrease is more than the 10% that the TDHCA Board has approved in the past; however, the most recent amendment for a reduction in low income units approved for 24079 Park at Dogwood also included a request to add a local government entity to the ownership structure because a 100% tax exemption was *also required* to maintain financial feasibility. This request does not propose adding a local government entity for a 100% tax exemption and therefore needs a greater reduction in units in order to maintain feasible.

In the original application, 113 units were proposed with 104 1-bed/1-bath units and 9 2-bed/2-bath units. All 9 2-bed/2-bath units are being eliminated and 91 1-bed/1-bath units will remain. The NRA at application was 78,962 square feet, which is reduced to 59,991 SF in the amendment. The income and rent level percentages for 30%, 50%, and 60% units remains the same as at application. The overall architectural style and layout of the building is similar to that at application, but common area has decreased from 36,260 square feet to 32,214 square feet, which represents a decrease of 11.2%.

The total acreage and number of parking spaces have been reduced to correspond to the reduction in total units. At application, the acreage was 3.742 acres with an additional 0.2386-acre easement for site access. This amendment proposes 3.16 acres with an additional 0.43 acres that will be non-exclusive access easements to the development that will be shared with future development on the road frontage. This reduction in acreage reduces land costs as shown in the attached development cost schedule. Please see the current site control contract for the new acreage. Total parking is now 95 spaces which meets local requirements.

Please see the attached architectural plans and application forms regarding this unit reduction. Financing letters are provided by Citi Bank which has reviewed this project and will work towards closing upon approval of this amendment. Please also find the attached letter from Boston Financial that explains the need for this amendment and confirms that the development is infeasible without the reduction in units.

The developer has had numerous meetings with the City of Mission regarding this amendment and the proposed changes, and the City is still very supportive of the development. Please see the attached letter from Mr. Mike R. Perez, City Manager of the City of Mission, regarding leadership's support, as well as the attached letter from Mr. Xavier Cervantes, Director of Planning, regarding subdivision approval timing for the new site plan. The developer has been working with the City and will be able to obtain the necessary approvals and permits.

In addition to the above changes, Cesar Chavez Foundation, a California 501(c)3 non-profit, is being added as a guarantor. Rufino Contreras Affordable Housing Corp is the Texas Affiliate of Cesar Chavez Foundation. Please see attached for the update guarantor org chart, org and principals, Cesar Chavez previous participation and organizational documents.

Thank you for your attention and consideration of this amendment request. If this amendment is approved, the developer is prepared to close in December 2025 and begin construction shortly thereafter. The good cause for this amendment is to enable this project to move forward and provide much needed affordable units in Mission. This application is also requesting a Credit Return Resulting from Force Majeure Events that will be submitted under separate cover.

Please contact me at 512-689-9409 with any questions.

Sincerely,

Bronte Bejarano

Bronte Bejarano

July 2, 2025

Ellen Moskalik
Acquisitions Manager
Cesar Chavez Foundation
5225 Jain Lane
Austin, TX 78721

Re: Citi Construction Loan
The Bryan
Mission, TX
91 units

Dear Ms. Moskalik:

Citi understands that Rufino Contreras Affordable Housing Corporation, the Texas subsidiary of the Cesar Chavez Foundation, made a previous submission to TDHCA for The Bryan that assumed 113 units. Based on subsequent cost estimates, those assumptions created significant financing gap for the project.

To address the gap, Rufino Contreras reduced to unit count by roughly 20%. Citi has reviewed an updated Proforma dated June 27, 2025 that reduced the project from 113 units to 91 units. Citi concurs with the revised Proforma and agrees with assumptions contained in the model, including the unit mix, sources & uses, operating expenses, and general underwriting parameters. As such, Citi's current underwriting is based off of the June 27, 2025, proforma model.

Based on these factors, Citi is comfortable issuing a Construction to Permanent Loan commitment to Rufino Contreras Affordable Housing Corporation for the financing of The Bryan.

We look forward to working with you to provide financing for your project.

Sincerely,



Hao Li
Director
Citi Community Capital



Boston Financial
Investment Management, LP
a Limited Partnership
8335 Sunset Boulevard, Ste 203
West Hollywood, CA 90069
T: 310.860.4550
www.bfim.com

June 30, 2025

Alfredo Izmajtovich
Executive Vice President, Housing
and Economic Development Fund
Cesar Chavez Foundation
555 N. Broadway, Unit B103
Los Angeles, CA 90012

**Re: The Bryan
Mission, TX**

Dear Alfredo,

The Bryan is facing significant financial challenges and the current high interest rate environment along with a material increase in construction costs is resulting in an infeasible project as presently structured. As discussed, reducing the size and scope of the development, including a 20% reduction in the unit count, will provide relief and help balance the transaction. Should you be successful in re-structuring the deal such that the sources and uses are in balance, resulting in an appropriately sized cash developer fee, we would be very interested in partnering with you.

For more than 50 years, Boston Financial has been a leader in the multi-family marketplace. We currently manage over \$15B of equity and own more than 200,000 units in 2,000 properties nationwide. Boston Financial is one of the largest owners of affordable apartment properties in the United States. We continually evaluate our developer partners and the Rufino Contreras Affordable Housing Corp., the Texas subsidiary of the Cesar Chavez Foundation is consistently ranked among our highest nationwide.

If you have questions or need additional information, please contact me at 310-860-4550.

Sincerely,

Roy Faerber
Senior Vice President



CITY OF MISSION

*Norie Gonzalez Garza, Mayor
Ruben Plata, Mayor Pro-Tem
Jessica Ortega, Councilwoman
Marissa Ortega Gerlach, Councilwoman
Alberto Vela, Councilman
Mike R. Perez, City Manager*

May 14, 2025

Bobby Wilkinson
Executive Director
TDHCA
221 East 11th Street
Austin, TX 78701

RE: TDHCA Application #24168 The Bryan

Dear Mr. Wilkinson,

I am writing this letter in support of the amendment request for #24168 The Bryan. There is a great need for affordable housing in the City of Mission. When representatives of the Rufino Contreras Affordable Housing Corporation, the Texas subsidiary of the Cesar Chavez Foundation, met with us last year about this project, we were very supportive because our city had not had any new construction housing tax credit developments in years. From 2019 through 2023, the City of Mission had received only two Housing Tax Credit awards and they were for existing affordable housing: one was the rehabilitation of 99 existing single-family homes already covered by a HAP contract and the other was the reconstruction of public housing. We were excited when The Bryan received an award of Housing Tax Credits last July because it would be the first brand new affordable units added to our city since 2017.

We have had several discussions with the developer since that award and understand the financial challenges concerning the development given the current economy. They have come to us with a proposal to reduce the number of units along with other changes that would enable the development to move forward. I want to emphasize that we are still very supportive of The Bryan and urge you to approve this amendment request. Our City is also searching for ways that it can provide financial support to this project in the event that it needs additional funds.

Please approve The Bryan's amendment request so that we can all work together to bring affordable housing to Mission.

Sincerely,

Mike R. Perez
City Manager

BUILDING TYPE I

UNIT TYPE	DESCRIPTION	# OF UNITS	UNIT SQ. FT.
UNIT TYPE 'A1'	1 BD BA	85	657
UNIT TYPE 'A2'	1 BD BA	6	691
TOTAL	-	91	-

DESCRIPTION	SQ. FT.
CIRCULATION (LOBBY/CORRIDORS/STAIRS/ ELEVATORS)	18,435
RENTABLE SPACE	59,991
COMMUNITY AREAS (COMMUNITY ROOMS, LAUNDRY ROOMS, MAIL ROOM, LEASING OFFICE, TRASH ROOM)	7,670
BUILDING MAINTENANCE (MECHANICAL ROOMS, BOILER ROOM, STORAGE, JANITOR CLOSET)	3,465
TOTAL BUILDING TYPE I (3-STORIES)	89,561
SITE AREA	3.16 ACRE (137649 SQ. FT.)
ACCESS EASEMENTS	0.43 ACRE (18730 SQ. FT.)
COURTYARD AREA	6109

PARKING MATRIX 1/1 RATIO

DESCRIPTION	SQ. FT.
STANDARD OPEN PARKING (NON-ADA)	83
ACCESSIBLE OPEN PARKING (STANDARD - ADA)	6
ACCESSIBLE OPEN PARKING (VAN - ADA)	2
CARPORTS AND GARAGES	0
GUEST - EMPLOYEE	4 (1 ACCESS. PKG)
TOTAL PARKING	95

CITY OF MISSION PARKING REQUIREMENTS

DIVISION 4. - OFF-STREET PARKING | Code of Ordinances | Mission, TX | Municode Library

Sec. 110-463. - Minimum requirements.

(7) Sanatorium, convalescent homes, home for the aged, or other similar uses: One space for each two beds.

SITE ACCESSIBILITY

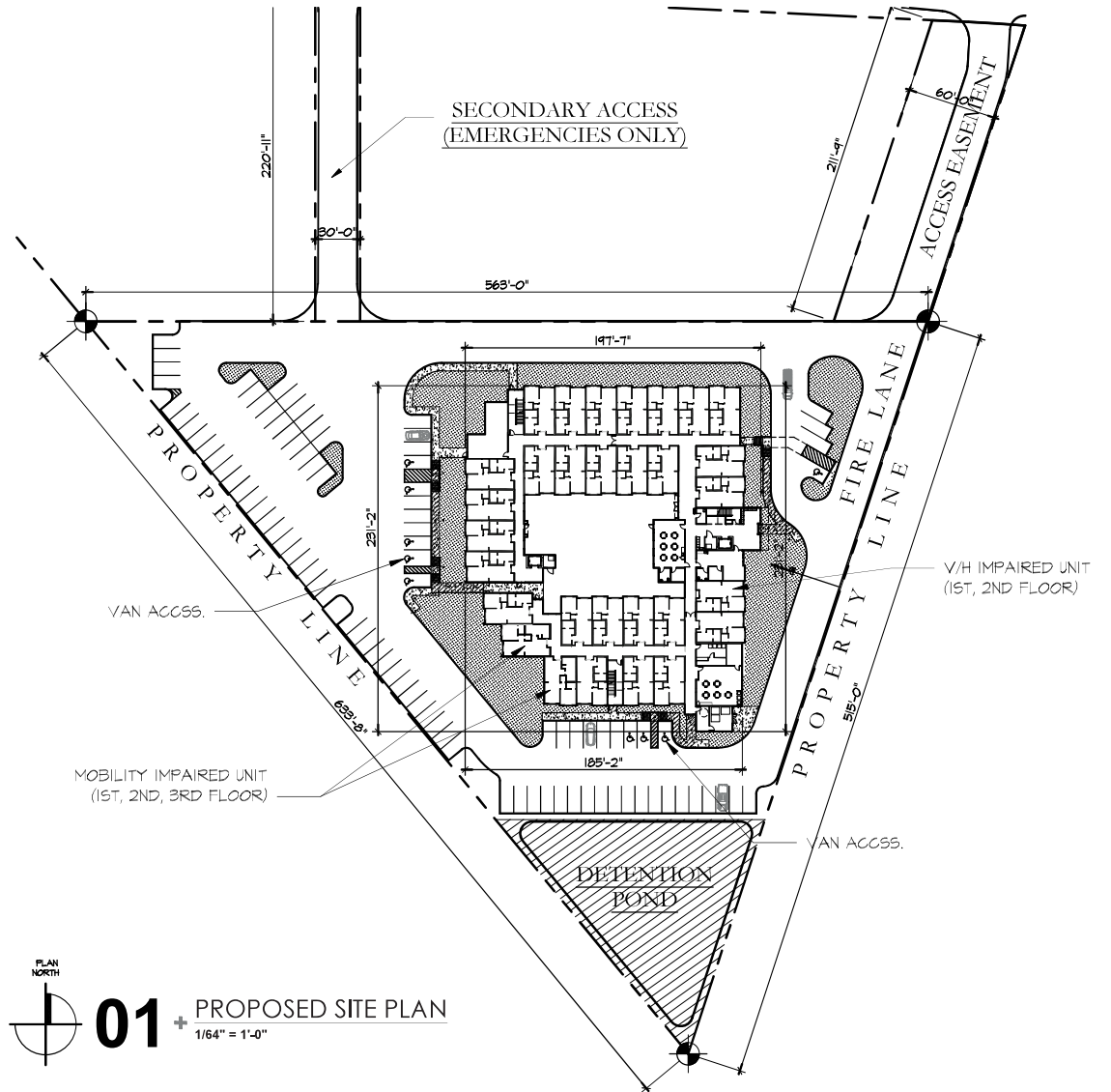
ACCESSIBLE ROUTES ON SITE WILL BE DESIGNED IN COMPLIANCE TO FAIR HOURLY DESIGN MANUAL.

FLOOD ZONE

THIS PROPERTY IS NOT LOCATED IN THE FLOOD ZONE.

ROOF CONSTRUCTION

WHITE T.P.O. ROOF MEMBRANE OVER PREMANUFACTURED WOOD TRUSS.



TRUE NORTH
PLAN NORTH
01 + PROPOSED SITE PLAN
1/64" = 1'-0"

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit". "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq. Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns T through AF.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):	<input type="checkbox"/>	Single Family Construction	<input type="checkbox"/>	SRO	<input type="checkbox"/>	Transitional (per §42(i)(3)(B))	<input type="checkbox"/>	Duplex
	<input type="checkbox"/>	Scattered Site	<input type="checkbox"/>	Fourplex	<input checked="" type="checkbox"/>	> 4 Units Per Building	<input type="checkbox"/>	Townhome
Development will have:	<input type="checkbox"/>	Fire Sprinklers	<input checked="" type="checkbox"/>	Elevators	<input type="text" value="2"/>	# of Elevators	<input type="text" value="3500"/>	Wt. Capacity
Number of Parking Spaces (consistent with Architectural Drawings):	Free		Paid		Free		Paid	
	<input type="text" value=""/>	<input type="text" value=""/>	Shed or Flat Roof Carport Spaces		<input type="text" value=""/>	<input type="text" value=""/>	Detached Garage Spaces	
	<input type="text" value=""/>	<input type="text" value=""/>	Attached Garage Spaces		<input type="text" value="95"/>	<input type="text" value=""/>	Uncovered Spaces	
	<input type="text" value=""/>	<input type="text" value=""/>	Structured Parking Garage Spaces					

Floor Composition/Wall Height:	<input type="text" value="99"/>	% Carpet/Vinyl/Resilient Flooring	<input type="text" value="9'"/>	Ceiling Height
	<input type="text" value="1"/>	% Ceramic Tile	<input type="text"/>	Upper Floor(s) Ceiling Height (Townhome Only)
	<input type="text"/>	% Other	Describe: <input type="text"/>	

You are not required to distinguish the HC or AV Units from other Units that are the same size/floor plan.

[illegible]

If a revised form is submitted, date of submission:

Net Rentable Square Footage from Rent Schedule:

Common Area Square Footage (as specified on Architect Certification) :	32,214
--	--------

Note: 10 TAC §11.9(e)(2) allows 75 square feet of Common Area per unit to be added to NRA for scoring only if the Development is Supportive Housing and only if at least 50 square feet of each 75 square feet of the Common Area added is conditioned space.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: NA this is for supp

Use this number to calculate points for **Supportive Housing** under 11.9(e)(2) only if the conditions are met for the number above: NA this is for supp

Updated Organizational Chart

Guarantor

Rufino Contreras Affordable Housing Corp., Inc
*a Texas 501(c) 3 non-profit and a Texas Affiliate
of Cesar Chavez Foundation*

TIN: [REDACTED]

Board

Paul F. Chavez, President/Member*
Juanita Valdez-Cox, Treasurer
Maria Gonzalez, Member
Maria de Los Angeles Rivera, Member
Paul S. Park, Secretary*

* denotes persons who have ability to exercise control

Cesar Chavez Foundation
*a California 501(c) (3) non-profit
corporation | Controlling entity of Rufino*
Paul F. Chavez*, Chief Executive Officer
Paul S. Park*, Secretary
Manuel H. Bernal, Chief Financial Officer

* denotes persons who have ability to exercise control

EIN: [REDACTED]