NEW FAITH SENIOR VILLAGE

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July 14, 2025

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

Re: TDHCA #24076; New Faith Senior Village-Placed-in-Service Extension Request

Dear Mr. Campbell,

New Faith Senior Village, LP was awarded 2024 9% Housing Tax Credits in connection with the development of New Faith Senior Village Apartments, a 120-unit new construction development for senior residents. It will be located on a portion of the New Faith Church campus in the Hiram Clarke TIRZ #25 neighborhood of Houston, Texas.

Since the award, the Applicant has encountered several unforeseen delays impacting advancement of this Project including financing and design approval delays, increases in construction costs, a decline in equity pricing, and funding shortfalls. With each delay, the Applicant has actively sought to resolve them in a timely and complete manner. However, the cumulative setbacks have impacted the date of closing, construction completion timeline and our requirement to place all buildings in service by December 31, 2026. The Applicant respectfully requests a 6-month extension of the Placement in Service deadline to June 30, 2027, under 10 TAC §11.6(5), recognizing the following force majeure events:

- At the time of Application in February 2024, the Applicant submitted evidence of its intentions to apply for gap funding from the FHLB in the amount of $3,000,000. Our application was submitted through Comerica Bank on May 1, 2024. Unfortunately, on October 24, 2024, the Applicant was notified that it did not receive the requested award. Upon learning the news, the Applicant immediately sought alternative sources of required gap funding. Applicant responded to the 2024 HOME Multifamily (NOFA)II: Solicitation No.: N091824 released by the City of Houston on October 14, 2024. We were successfully awarded HOME funds from the City of Houston on November 26, 2024. Upon receipt of the award, the Applicant immediately engaged Phase Engineering to complete a Part-58 environmental clearance, a prerequisite to land acquisition and closing. Both Phase Engineering and the City of Houston worked diligently to complete the process utilizing the timeline imposed by HUD. Unfortunately, HUD's approval process took far longer than anticipated, impacting our Readiness to Proceed requirements and our projected debt and equity closing deadlines. Please see the **attached** clearance timeline recognizing receipt of the AUGF on 4.24.25.

- As noted in our Readiness to Proceed package, we submitted our initial design plans to the City of Houston on 1/6/25 and received and responded to 2 sets of comments through 2/25/25. The following factors are impacting plan approvals:

(a) The City of Houston implemented several cost-cutting initiatives to close its 2025 budget gap including a hiring freeze and a voluntary retirement program to eligible employees across all departments. These events have delayed permitting comments from several reviewing departments constraining the issuance of final permits impacting the closing with our debt and equity partners and construction timelines.

(b) Exacerbating the permitting delays, the engineer that designed all the structural components of the development had a stroke. In early May 2025, we were notified that the structural engineer was no longer in practice. Please see the **attached** letter from Mucasey & Associates, the Architect of Record. This unfortunate outcome put this project on hold. As stated in the letter, we were unable to respond to plan comments from the City of Houston, contract pricing questions from general contractors bidding the project, and plan and cost review inquiries by our debt and equity providers.

Affiliates of the Applicant have a successful record in the LIHTC program. The above-described delays resulting from the loss and replacement of needed gap funding, increases in construction pricing, retirement of the structural engineer of record, and other design plan approval delays were not caused by any act or omission of the Applicant, or any affiliate of the Applicant. To the contrary, once identified the Applicant worked aggressively to mitigate all delays, several of which took time and unfortunately have impacted our tax credit program deadlines.

All permits are expected by mid-August 2025, and all soft funding and environmental clearances are in place. The Applicant and its debt and equity providers are committed to the completion of this project. **Attached** is a detailed timeline recognizing a revised construction completion date of February 2027, past the PIS deadline of December 31, 2026. Approval of the PIS extension will enable the project to proceed with its financial closing and complete construction in the manner described in the timeline.

New Faith Senior Village is very much supported by the City of Houston as recognized in the award of limited HOME funds, and as set forth in the **attached** letter of support from Mayor Pro-Tem Martha Castex-Tatum, whose district includes this development.

We respectfully request the approval of this Force Majeure request, and that this matter be considered at the July 24, 2025, TDHCA Board meeting.

If additional information is required, please contact me at (713) 560-0068.

Sincerely,

Donna Rickenbacker

Donna Rickenbacker,
Representative of New Faith Senior Village

MUCASEY
&
Associates
Architects, LLC

July 11, 2025

Mr. Cody Campbell
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Andover Village Apartments (TDHCA #24084) & New Faith Senior Village (TDHCA #24076), Houston, Texas

Dear Mr. Campbell,

Mucasey and Associates is the architectural firm hired to design the above-described projects. We engaged and currently direct the completion of all work by the Structural and MEP engineers. In late February 2025, the structural engineer that I have worked with for many years on several affordable housing developments in Texas had a stroke. In his absence, his son developed a team of engineers that collaborated and produced plan sets that were adequate for permitting and budget pricing. We felt confident that we would meet our timeline and achieve final permits by the end of April 2025. In early May 2025, I was notified that the structural engineering firm of record was going out of business. This unfortunate outcome put both projects on hold. We were unable to respond to plan comments from the City of Houston, contract pricing questions from the general contractors bidding both projects, and plan and cost review inquiries by the equity providers.

We subsequently engaged a new structural engineering firm and did our best to issue revised structural plan sheets in late May/early June 2025.

We are doing our best with a difficult situation of losing a trusted structural engineer, and dear friend. We believe that we can achieve the following timeline in connection with plan approval.

New Faith:

Final Permit Issue Set – Mid August 2025 **

Andover:

Final Permit Issue Set – Late August 2025/Early September 2025**

** These dates assume plan review and COH comments that are in line with these estimated completion dates.

I would appreciate your accommodation of our client for these two deals. We are excited about their designs and their potentials in the affordable housing market in Houston, and regret the situation that has caused the delays for both projects.

Respectfully,

Mark S. Mucasey, A.I.A., NCARB
Mucasey & Associates, Architects, LLC

Mark S. Mucasey, A.I.A.
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New Faith Timeline

- 3/1/24 - Full Tax Credit Application Submission
- 5/1/24 - FHLB Dallas Full Application Submission through Comerica
- 7/25/24 - Award of 2024 Housing Tax Credits
- 8/29/24 - TDHCA 9% HTC Commitment Notice Signed
- 10/14/24 - Apply for City of Houston HOME funds
- 10/24/24 - FHLB Dallas – Notification of Denial of Funds
- 11/26/24 - Receipt of notification of HOME award
- 12/20/24 - Carryover Allocation Agreement Executed
- 1/6/25 - Submission of Initial Design Package to the City of Houston
- 4/24/25 - Receipt of AUGF from HUD – Part 58 Environmental Approval
- 8/15/25 - Permits Expected
- 9/1/25 - Notice to Proceed
- 2/28/27 - 18-month Completion Date

Martha Castex-Tatum

City of Houston Mayor Pro-Tem
City Council District K

July 13, 2025

Board of Directors
Texas Department of Housing and Community Affairs (TDHCA)
P.O. Box 13941
Austin, TX 78711-3941

RE: TDHCA #24076 - New Faith Senior Village; Support for Placed in Service Extension Request

Dear Members of the Board,

As Mayor Pro-Tem and Houston City Council Member representing District K, I am writing in support of New Faith Senior Village, LP's (Applicant) request for an extension to the Placed-in-Service deadline for New Faith Senior Village. New Faith Senior Village was awarded 2024 9% housing tax credits by TDHCA, and will be located in District K.

This development plays a critical role in our district's broader efforts to expand quality, affordable housing and support equitable community revitalization. While we remain optimistic about the project's long-term impact, I understand that several complex and unforeseen challenges have delayed the closing and start of construction, all of which the Applicant enumerated in its extension request.

Given these circumstances, I respectfully urge the Governing Board of TDHCA to approve this extension request. The New Faith project is aligned with the City of Houston's housing priorities, and its successful completion will serve the interests of our seniors who need these homes the most.

Thank you for your consideration of this request. I appreciate your continued commitment to increasing access to affordable housing across Texas.

Sincerely,

Martha Castex-Tatum

Martha Castex-Tatum
Mayor Pro Tem, City of Houston
Council Member, District K

COMMITTEES: Economic Development, Chair | Budget and Fiscal Affairs | Ethics and Governance | Labor | Proposition A

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