



A LIMITED LIABILITY PARTNERSHIP
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May 28, 2024

Via Email

Board of Directors
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78711

RE: TDHCA #s: 20114 / 22802; 3300 Caroline, Houston, Texas ("**Project**");
Our File No. 30233.1

Dear TDHCA Board of Directors:

This law firm represents Magnificat Permanent Affordable, LLC, a Texas limited liability company ("**Development Owner**"). I have been requested by NHPF Caroline MM, LLC, Managing Member of Development Owner, to request a waiver to allow for an extension of the 10% Test deadline.

Background:

This Project is a competitive 9% housing tax credit transaction. Development Owner submitted an application to TDHCA in 2020. Pursuant to Section 11.2 of the Qualified Allocation Plan ("**QAP**"), Development Owner was required to submit evidence to the Texas Department of Housing and Community Affairs ("**TDHCA**") that at least ten percent (10%) of the construction budget had been expended on the Project prior to 7/1/2022 (the "**10% Test Deadline**"). Due to the COVID Pandemic, the Project was granted a Force Majeure extension of one year, which extended the 10% Test Deadline to 7/1/23.

Development Owner and its affiliates are experienced operators in the affordable housing industry, with substantial experience constructing and managing Tax Credit Properties. Development Owner complied with the spending requirements of the 10% Test, as evidenced by the report (the "**Report**") submitted to TDHCA on May 28, 2024, which substantiates Development Owner's expenditures on the Project prior to the 10% Test Deadline. The Report shows that as of the 10% Test Deadline the Project satisfied the requirements of the 10% Test. However, due to human oversight, Development Owner mistakenly failed to submit the required information prior to the 10% Test Deadline.

Development Owner and its affiliates operate hundreds of comparable projects in Texas and across the United States and this is the first time an oversight of this kind has occurred. Further, Development Owner has implemented safeguards to avoid the recurrence of such an incident at all of their projects.

Requested Waiver:

We respectfully request that the Board waive the provisions of Sections 10 TAC §10.401(a) and 10 TAC §11.2(a) and grant an extension of the 10% Test Deadline, as permitted by 10 TAC §10.405(c).

Statutory Basis for Waiver:

As provided by Section 11.207 of the QAP, it is within the discretion of the Board to grant the waiver requested herein. Furthermore, 10 TAC §10.405(c) does allow for the Board to grant an extension of the 10% Test Deadline.

Policy Basis for Waiver:

Granting the waiver better serves the policies and purposes articulated in Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701 (which are general in nature and apply to the role of the Department and its programs, including the Housing Tax Credit program) than not granting the waiver. This project is 100% dedicated to providing housing for homeless individuals, one of the most underserved populations in our State. However, the future of the Project will be jeopardized if the Board does not grant the waiver requested herein.

The Board granting this waiver allows the Project to continue on the same development path commenced in 2020. To do so better serves the purposes articulated in Tex. Gov't Code §2306.001(2) by providing affordable housing to meet the needs of individuals and families and Tex. Gov't Code §2306.001(3) by contributing to the development of neighborhoods and communities.

Conclusion:

Your consideration of this request for a waiver of Sections 10 TAC §10.401(a) and 10 TAC §11.2(a) pursuant to 10 TAC §11.207 of the QAP with respect to the deadline to submit the 10% Test is greatly appreciated. Please let us know if you have questions regarding this matter or if there is any specific information we can provide.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michelle J. Snedden", written over a large, stylized flourish.

Michelle J. Snedden

cc: John Welsh (*via email*)
Mark Nightingale (*via email*)