



December 1, 2025

Cody Campbell
Director of Multifamily Programs
PO Box 13941
Austin, TX 78701-3941
Cody.campbell@tdhca.state.tx.us

RE: Request Force Majeure — #24207 The Residence at Red Cedar

Dear Mr. Campbell,

Overland Property Group is submitting this request for a Force Majeure extension for The Residence at Red Cedar, Application No. 24207. Following the award, and during post award engineering and design coordination, our team encountered a significant and unforeseeable infrastructure issue that was not identified during the feasibility study and was not disclosed or suggested in any early conversations with the City.

During detailed planning and engineering review, our engineers discovered that the fire hydrant closest to the site, along with the line feeding it, are not functioning. At no point prior to this discovery did the City indicate that the water line was inactive or unavailable for connection. Only later did the City inform us that the project would not be permitted to connect to the previously understood tie in point. Instead, the City is now requiring that the project construct an extended water line loop of more than 1,800 linear feet connecting back to Park Row, along with a booster system to address low pressure. The City has also stated that it is unwilling to assist in any way with addressing the hydrant issue, the pressure deficiency, or the offsite improvements now required.

These new requirements have created both time and cost implications. The need for an extended water line loop, pressure boosting, additional surveying, and multiple rounds of engineering and design revisions has resulted in more than \$500,000 in unexpected cost. None of these conditions could have been anticipated at application and were entirely outside the control of the project team.

During this same period, financial conditions have shifted in ways that further challenge the project. At the time of application, we received equity pricing indications of 87 cents per credit. Since then, pricing has steadily declined into the mid to high seventies. In response to these market changes, and in an effort to offset a portion of the financial pressure, we reduced the land area from five acres to three acres, lowering the acquisition cost from 800,000 dollars to 600,000 dollars. This reduction was pursued specifically to help mitigate the gap created by declining equity pricing, but the new water infrastructure requirements have created additional burdens that go beyond what can be absorbed at this time.

In an effort to address the financial pressures caused by the changing market and infrastructure issues, we also reached out to the local Housing Authority to request Project Based Vouchers. We were informed that the Authority does not partner with developers in any capacity and could not provide assistance. In addition, we researched all potential soft funding sources at the federal, state, and local levels, and confirmed that none are available for this project and its location. These avenues were explored to help offset the impacts of declining equity pricing and rising construction costs, but no external support was available.

Despite these challenges, the development team has remained committed to moving the project forward. We have already applied for and obtained full building permit approval, demonstrating our continued effort to advance the project while working through these issues.

Given these circumstances, we respectfully request additional time under the Force Majeure provisions. This time will allow us to continue coordinating with the City to resolve the offsite water infrastructure requirements, to complete the necessary redesign and permitting, and to manage the project timeline as market conditions hopefully improve. Additionally, this will provide us the time to apply for an AHP/FHLB loan in their 2026 round to help close the gap.

We remain fully committed to delivering this important affordable housing development for the Corsicana community. Thank you for your consideration. We are available to provide any additional information the Department may need.

Best,

A handwritten signature in black ink, reading "April Engstrom". The signature is fluid and cursive, with the first name "April" and last name "Engstrom" clearly distinguishable.

April Engstrom | Director of Development

Overland Property Group

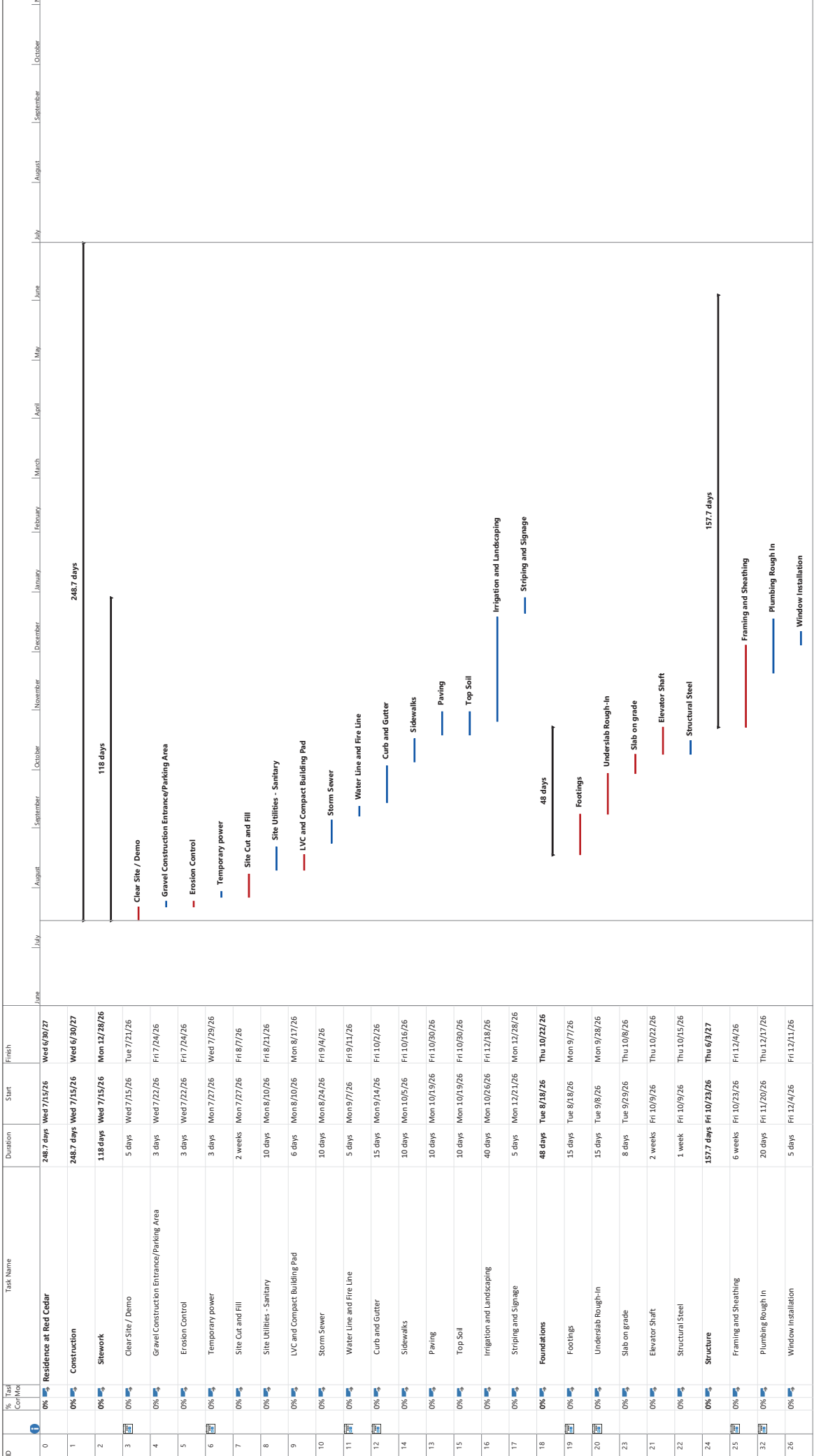
5345 W. 151st Terrace, Leawood, Kansas 66224

C: 785.212.0810

aengstrom@overlandpg.com | www.overlandpg.com



Example Timeline





ID	% Total Comp	Task Name	Duration	Start	Finish
31	0%	Dry-in Roof	5 days	Fri 12/4/26	Fri 12/11/26
33	0%	Fire Sprinkler Rough-In	4 weeks	Fri 12/4/26	Tue 1/5/27
34	0%	Electrical Rough-In	4 weeks	Mon 12/7/26	Wed 1/20/27
27	0%	Masonry	4 weeks	Fri 12/11/26	Tue 1/12/27
28	0%	Siding	4 weeks	Fri 12/11/26	Tue 1/12/27
35	0%	Mechanical Rough-In	4 weeks	Fri 12/11/26	Tue 1/12/27
29	0%	Exterior Caulking	1 week	Tue 1/12/27	Tue 1/19/27
30	0%	Exterior Painting	2 weeks	Tue 1/19/27	Tue 2/2/27
36	0%	MEP/FLS Rough Inspection	1 day	Wed 1/20/27	Thu 1/21/27
37	0%	Elevator Installation	3 weeks	Thu 1/21/27	Thu 2/11/27
38	0%	Insulation & Sheetrock Installation	4 weeks	Thu 1/21/27	Thu 2/18/27
39	0%	Tape , Finish, Texture Sheetrock	5 weeks	Thu 2/4/27	Thu 3/11/27
40	0%	Gypcrete	2 days	Thu 3/11/27	Mon 3/15/27
41	0%	Doors and Trim	15 days	Thu 3/11/27	Thu 4/1/27
42	0%	Final Paint	15 days	Thu 3/18/27	Thu 4/8/27
43	0%	MEP Trimouts Finishes	15 days	Thu 3/18/27	Thu 4/8/27
44	0%	Flooring Hardgoods	10 days	Thu 4/8/27	Thu 4/22/27
46	0%	Base Shoe and Hardware	10 days	Thu 4/15/27	Thu 4/29/27
45	0%	Milwork	15 days	Thu 4/22/27	Thu 5/13/27
47	0%	Flooring Carpet	10 days	Thu 4/29/27	Thu 5/13/27
48	0%	Rough-Cleaning	5 days	Thu 5/13/27	Thu 5/20/27
49	0%	Appliance Installation (Apartments)	10 days	Thu 5/20/27	Thu 6/3/27
50	0%	MCI Punch List and Final Clean	10 days	Thu 5/20/27	Thu 6/3/27
51	0%	Closeout	21 days	Tue 6/1/27	Wed 6/30/27
52	0%	City Final Inspection and TCO	2 days	Tue 6/1/27	Thu 6/3/27
53	0%	Architect and Owner Punch	5 days	Thu 6/3/27	Thu 6/10/27
54	0%	Final Punch Completion/Clean	12 days	Thu 6/10/27	Mon 6/28/27
55	0%	Final CO	2 days	Mon 6/28/27	Wed 6/30/27