

June 4, 2025

VIA EMAIL DELIVERY

Mr. Cody Campbell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Request for an Extension of the Placed in Service date for Paige Estates (the "Development")

TDHCA #21121/23932/24905

Dear Mr. Campbell:

We represent Paige Estates, L.P. ("Owner"), which applied for and received \$1,122,000 in Housing Tax Credits in 2021 for a 64-unit senior development in Waco, Texas. The Development also applied for and received Supplemental Credits in the amount of \$135,000 under the 2023 QAP. We are respectfully requesting a 6-month extension to the current June 30, 2026 Placed in Service (PIS) deadline to December 31, 2026 for Paige Estates.

This request is based on a continuation of similar extraordinary and unforeseeable circumstances that warranted our previously approved Force Majeure extensions. These circumstances, which began during the heights of the COVID-19 pandemic and its resulting impacts on the construction market, have compounded through 2024 and into 2025, creating further unavoidable delays despite our continued diligence and problem-solving efforts. We have taken numerous steps to address the financial gaps in the capital stack and are at the table ready to close with our equity investor.

The Owner has invested as significant amount of time and money into getting Paige Estates across the finish line and closed. We have taken significant steps to get us towards a construction start, including but not limited to the following:

- Acquired and closed on the land
- Completed environmental work needed for the Authority to Use Grant Funds as required for the addition of PBVs as noted below
- Completed architectural and engineering plans
- Applied for building permits and the development is permit ready
- Partnered with the Waco Housing Authority
- Finalizing an allocation of Project Based Vouchers (PBV)
- Received an award of ARPA funds from the City of Waco
- Ready to close on financing with Investor and Lender pending a placed in service extension

All of the aforementioned steps have been taken to allow the development to achieve financial feasibility and provide much needing housing for the citizens of Waco. All of these efforts have been undertaken in good faith with full intent to complete the project; however, these efforts have taken time that has

delayed the start of construction and our ability to meet the placed in service deadline of June 30, 2026. The included construction schedule shows an anticipated construction completion date of August 2026. As stated in the included letter from our equity provider, Merchants Capital, they are requiring a cushion of time between construction completion and the PIS deadline in order to satisfy their investor requirements.

Accordingly, the Development is requesting that the Board repeat its previous action of confirming that this development meets the requirements of the Force Majeure provisions in Section 11.6(5) of the QAP and extend the placed in service Deadline to December 31, 2026.

The development is permit-ready and able to begin construction pending the approval of the placed in service extension and associated closing on equity. The Owner has taken extensive steps to solve the ever-changing financial puzzle and has a significant amount of skin in the game on this development. We are requesting the placed in service extension to satisfy the Investor, which is the final piece needed for closing and a construction start.

Sincerely,

Brian H. Kimes
Executive Vice President

Exhibit A

Construction Start Timeline

Paige Estates Closing and Construction Start Timeline

| | <u>2024</u> | | <u>2025</u> | | | | | | | |
|--------------------------------|---------------------------------|----------|------------------|----------|------------------------------|--------------------------------|------------------------------|------------------------------|-----------------------------------|---------------------------------------|
| | November | December | January | February | March | April | May | June | July | August |
| City of Waco | Finalize ARPA agreement | | | | | Floodplain CLOMR finalized | | Permit Ready | | |
| Waco Housing Authority | Confirmation of PBVs | | | | Operating Agreement Approved | | AHAP Contract Approval | | Partnership Closing | |
| TDHCA | Force Majeure extension request | | | | | | | | | |
| Environmental Clearance | Need for Part 58 identified | | 8-Step Finalized | | Part 58 Finalized | | Authority to Use Grant Funds | | | |
| Investor | Due Dilligence Gathering Begins | | | | | PIS Extension Required | | | Final approval of equity investor | |
| Lender | Due Dilligence Gathering Begins | | | | | Final approval of lender | | | | |
| Construction | Rebid construction pricing | | | | | Finalized construction pricing | | Signed construction contract | | Closing and Construction Start |

Exhibit B

Letter from Merchants Capital



June 4, 2025

Rosalio Banuelos
Cody Campbell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Paige Estates in Waco, Texas (the "**Development**")
TDHCA Nos. 21121, 23932

Dear Mr. Campbell:

We strongly support a request by JES Dev Co., Inc. to extend the placed in service deadline to December 31, 2026 on Paige Estates. The project has been impacted by economic instability caused by fluctuating interest rates, price instability due to tariff risk, and material and labor shortages, requiring additional time for the development team to secure financing. Based on the proposed 14-month development schedule and estimated July 2025 closing, we believe a six-month extension to the placed in service deadline will be sufficient. Without adequate cushion, we will not receive investor approval to close.

We appreciate TDHCA's continued support of this important family development in Waco. Should you need any further assistance, please contact me with any questions at (617) 835-4557 or via email at amurphy@merchantscapital.com.

Sincerely,

A handwritten signature in black ink that reads "Annemarie G. Murphy".

Annemarie Murphy
Senior Vice President
Merchants Capital Investments, LLC

