



August 18, 2025

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

Via Email: [Cody.Campbell@tdhca.texas.gov](mailto:Cody.Campbell@tdhca.texas.gov)

Re: TDHCA HTC Application #22269 – Retirement Living for Seniors in Stephenville, TX

Mr. Campbell:

We are the consultants for the Development Owner, Retirement Living for Seniors, Ltd. (the “Owner”), who received an allocation of Housing Tax Credits from the Texas Department of Housing and Community Affairs (“TDHCA”) for the construction of Retirement Living for Seniors (the “Development”) in 2022. The 2022 allocation of tax credits required the Development to place in service by December 31, 2024. It should be noted that this transaction also included MFDL funds in the original Application.

On July 6, 2023, the Owner requested a Force Majeure due to delays in permitting, needing a special clearance for the HUD funds in the transaction that was delayed longer than anticipated, delays in closing the MFDL funds, and shortages in labor and materials that made it difficult to engage in construction activities. The request was approved and the new Placed in Service deadline is December 31, 2025.

In March of 2024, the Owner requested to amend the application by reducing the total number of units from 48 to 44—reducing restricted units from 42 to 39 and reducing market units from 6 to 5. This request was as a result of increases in the construction budget and a drop in equity pricing that created a gap and made the transaction infeasible. The application amendment was approved on May 9, 2024.

Since the transaction included MFDL funds through the National Housing Trust Fund in the amount of \$2.5MM, the Developer was working with TDHCA staff to complete the loan documents for the MFDL funds to close the transaction. MFDL loan documents were to be completed in September of 2023. However, there was an issue with the HUD required Environmental Clearance, which must be in place before a transaction can close. The special Environmental Clearance took much longer than anticipated, nine (9) months, and was received in June of 2024.

The MFDL loan document preparation had to be “re-started”, and the loan documents were completed and the transaction closed in October 25, 2024. The Notice-To-Proceed had to be issued before construction could start and it was issued on November 15, 2024 and construction commenced on November 25, 2024.

Unfortunately, the Owner faces the possibility of not being able to meet the deadline as required by §42(h)(1)(E)(i) of the Internal Revenue Code. The need for requesting an extension to meet the required placed-in-service deadlines is the result of events that we believe should fall under the provisions of §11.6(5) of the 2025 Qualified Allocation Plan (“QAP”) relating to Force Majeure. A timeline of events has also been included and is labeled Exhibit A.

#### Background Information

The Development is located in Stephenville, Texas, in Erath County. The City of Stephenville, and quite frankly the entire State of Texas, has experienced significant cost increases, supply chain issues, and labor shortages that as a whole have impacted and delayed the start of construction of the Development, which has had an adverse effect on



the initial construction schedule and anticipated placed-in-service timelines. These issues are the direct result of not one, but several events that together have put extreme upward pricing pressure, supply chain failures, and timing constraints on the construction industry across the entire State of Texas.

The events currently affecting the Development resulted from excessive rainfall that has occurred from March of this year through July, which has hindered the progress of construction (please see rainfall history labeled Exhibit B). The July 4<sup>th</sup> flooding has also caused the Development to lose labor forces from the site to disaster mitigation to Kerr County and the counties south of Erath County, DR 4879, which is attached to this request and labeled Exhibit C. The Development team is also aware of the fact that TDHCA has repeatedly asked Developers not to ask for Force Majeure until after construction has started. This is what the Developer tried to do and was hopeful that construction could be completed in time. However, the Development Period did not allow for any breathing room and the unexpected weather events have delayed construction and put the placed in service deadlines in severe jeopardy of being missed.

### Impact and Request

The result of this Force Majeure event is that the Owner has suffered a significant delay in construction completion due to unforeseeable weather events and runs the risk of not having enough time to construct the Development and meet the federally required Placed-in-Service deadline and meet contractual obligations with its Limited Partner. The Development Owner needs an extension through June 30, 2026, or six (6) months, to complete construction and Place-in-Service to meet all federal, state, and contractual obligations. Therefore, we request the Development Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits to the Owner in the current year in accordance with §11.6(5) of the 2025 QAP relating to Force Majeure with a new Placed in-Service date of **June 30, 2026**. We believe the Owner and Development meet all the requirements in Section 11.6(5), in that:

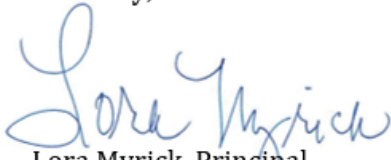
1. The events that caused the delay occurred before issuance of 8609s and were sudden, unforeseen circumstances outside the control of the Development Owner.
2. The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.
3. The Owner has provided evidence and a timeline of the events that was the direct result of the delays labeled Exhibit B.
4. Though there was little that could be done to mitigate the effects of delays resulting from supply chain failures and reduction in equity, and environmental clearance, once a viable option was made available by TDHCA to assist with the cost increases and loss of leveraging the Development proceeded apace. The result of those discussions is that a previous Force Majeure request was granted along with a reduction of units via a redesign through an Application amendment was approved, and financing was restructured with a related party loan made to the Development as part of the application amendment. Currently, the Development is 51% complete as of July 22, 2025. Additionally, the Development was and remains properly insured, and TDHCA was notified of the Force Majeure events.
5. The lack of a Force Majeure threatens to prevent the Owner from meeting the 10% the Placed in Service requirements of the original allocation.
6. The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.



7. The Development is still financially feasible. Additionally, there have not been any insurance proceeds received related to the Force Majeure event.

If you have any questions or would like to discuss these items further, please do not hesitate to contact me directly at (512) 785-3710 or via email at [lora@betcohousinglab.com](mailto:lora@betcohousinglab.com).

Sincerely,

  
Lora Myrick, Principal  
BETCO Consulting, LLC

cc: Emanuel Glockzin, Development Owner  
Claire Palmer, Attorney for Development Owner

**TDHCA #22269 Retirement Living for Seniors**  
**Stephenville, Texas**  
**Timeline**

Exhibit A

- **July 28, 2022** - The development received a 9% award. The development is a 48-unit property of which 42 units are restricted and the remaining 6 units are market.
  - Capital stack included TDHCA MFDL funds, specifically HOME funds
- **July 6, 2023** – The developer requested Force Majeure due to a myriad of delays that included delays in permitting, delays in HUD clearance that required a special clearance for MFDL funds, delays in MFDL loan closing documents, and shortages in labor and materials. The request was approved and new Placed in Service date: 12/31/25.
- **September 2023** – TDHCA loan documents to be completed; however, Environmental Clearance was still delaying the progress of loan closing.
- **March 12, 2024** – Developer was faced with continued rise in construction costs, interest rate spike, and reduction in equity pricing made the transaction infeasible and needed to be redesigned and requested an application amendment to reduce the number of units, change financial structure to include related party loan to help cover some of the budget overruns.
- **May 9, 2024** – Amendment request presented to the TDHCA board and was approved to reduce the number of units from 48 to 44 -> 39 restricted and 5 market.
- **June 2024** – Environmental Clearance was achieved.
- **September 2024** – MFDL loan document preparation had to be “re-started” and loan docs were completed.
- **October 2024** – Transaction closed, MFDL funds.
- **November 15, 2024** – Readiness to Proceed was issued
- **November 24, 2025** – Construction Commenced
- **January 6, 2025 thru May 6, 2025** – Weather delays impeded construction with cold, rain, and some subfreezing temperatures. Weather reports and data attached to the Force Majeure request.
- **August 12, 2025** – Developer has requested a Force Majeure to extend Placed in Service date to make up the weather delay experienced in the first part of the 2025 by requesting an additional 9 month through September 30, 2026.
  - As of July 22, 2025, construction is 51% complete.

## Exhibit B

## Stephenville (Erath County)

32° 15' N 98° 12' W  
1309 ft

	Average Per Weather Gov	Actual Per Weather Gov
January	1.84	1.84
February	2.16	1.15
March	2.82	1.27
April	2.91	4.63
May	4.97	6.07
June	3.33	6.21
July	1.99	3.58
August	2.96	
September	3.32	
October	3.32	
November (2024)	2.33	1.01
December (2025)	2.18	0.89

2.12

Excess Rainfall over average since construction started:

<https://www.weather.gov/fwd/stephenvilleclimatology>

30 Year Normals (1991-2020)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
Maximum (°F)	59.1	63.1	70.4	78.6	85.6	93.1	97.3	97.6	90.2	80.5	68.8	60.5	78.7
Minimum (°F)	30.9	34.9	42.4	50.2	59.9	67.7	70.6	69.6	62.5	51.5	41.1	33.1	51.2
Annual Precipitation (in.)	1.84	2.16	2.82	2.91	4.97	3.33	1.99	2.96	3.32	3.32	2.33	2.18	34.13
Monthly Precipitation													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2025	1.84	1.15	1.27	4.63	6.07	6.21	3.58						
2024	2.55	2.83	6.54	6.04	12.34	2.36	4.25	0.85	5.89	0.53	1.01	0.89	46.08
2023	1.21	2.67	5.06	2.10	7.09	1.69	0.51	0.00	3.96	11.48	0.33	1.98	38.08
2022	0.15	1.44	1.62	2.69	2.53	0.64	1.10	4.58	2.62	3.03	3.49	2.86	26.75
2021	1.57	0.86	1.39	5.49	8.90	3.03	1.04	3.28	2.95	2.58	0.57	0.07	31.73
2020	3.61	2.39	8.33	0.69	3.76	3.82	1.74	1.30	6.85	2.42	0.88	2.15	37.94
2019	0.30	0.54	1.03	6.17	7.83	3.08	1.64	1.76	0.12	2.71	1.09	1.34	27.61
2018		5.75	2.06	0.25	2.81	0.19	1.95	2.89	6.25	11.73	0.99		

# FEMA-4879-DR, Texas Disaster Declaration as of 07/29/2025



FEMA

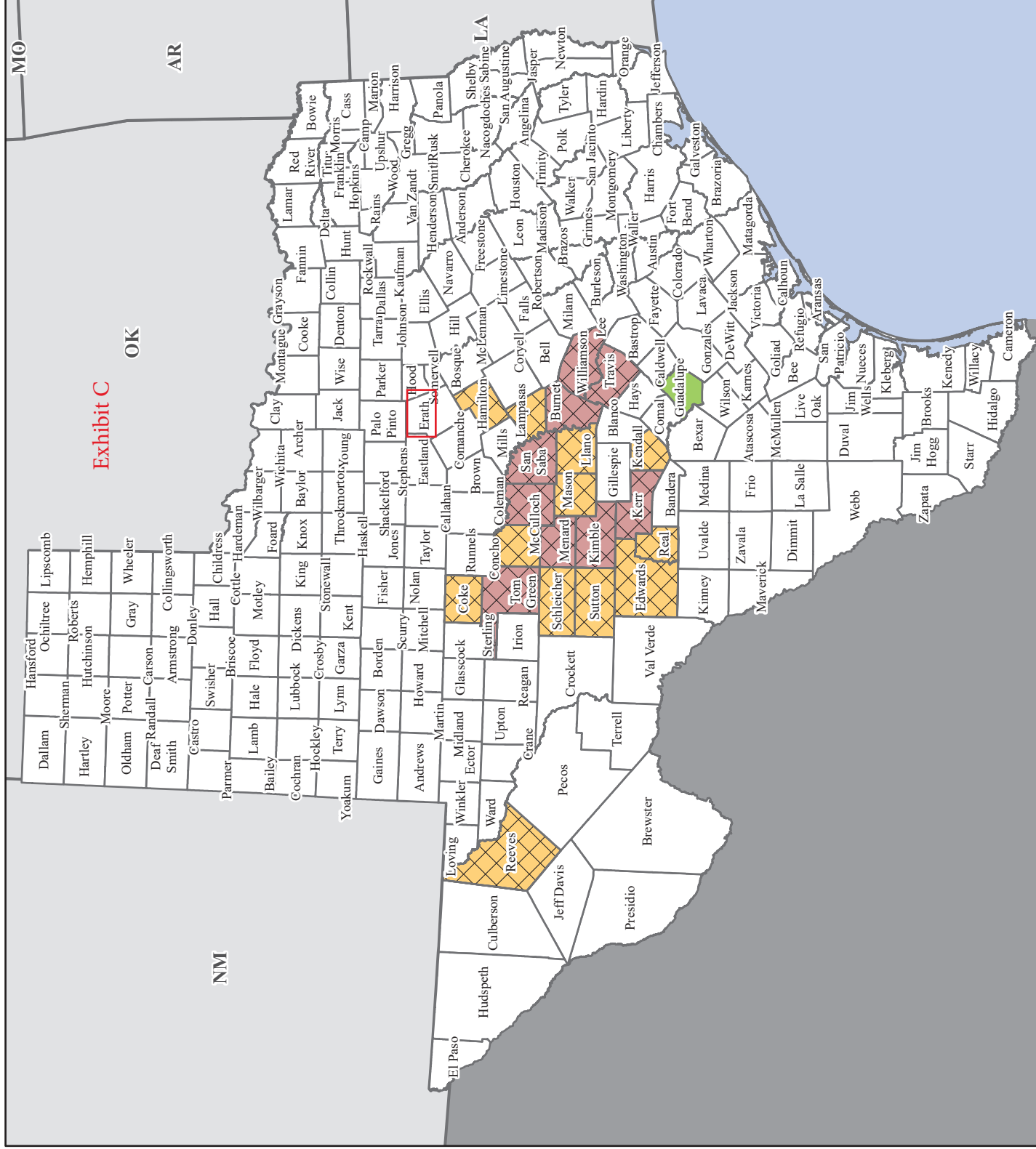
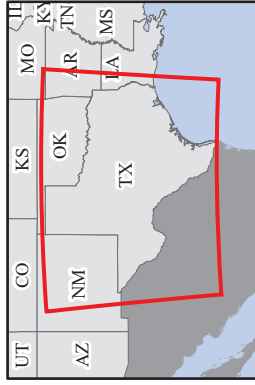


Exhibit C



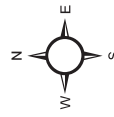
## Data Layer/Map Description:

The types of assistance that have been designated for selected areas in the State of Texas.

Additional designations may be made at a later date if requested by the state and warranted by the results of further damage assessments.

## Designated Counties

- No Designation
- Individual Assistance
- Individual Assistance and Public Assistance (Categories A - G)
- Public Assistance (Categories A - G)



## Data Sources:

FEMA, ESRI;  
Initial Declaration: 07/06/2025  
Disaster Federal Registry Notice: Amendment #5: 07/29/2025  
Datum: North American 1983  
Projection: Lambert Conformal Conic