



November 20, 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

Re: TDHCA HTC Application #24827 FKA 23152 – Pioneer Crossing, Brownwood, TX

Mr. Campbell:

Brownwood Pioneer Crossing, LLC (the “Owner”) received an allocation of Housing Tax Credits from the Texas Department of Housing and Community Affairs (“TDHCA”) for the construction of Pioneer Crossing (the “Development”) in 2023, and received a 2024 allocation via force majeure in December 2024. The 2024 allocation of tax credits currently requires the Development to meet the 10% test by December 20, 2025 and place the Development in service by December 31, 2026. Unfortunately, the Owner faces the possibility of not being able to meet these deadlines as required by §42(h)(1)(E)(i) & §42(h)(1)(E)(ii) of the Internal Revenue Code. The need for requesting an extension to meet the required 10% test and 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.

Background Information

The Development is located in Brownwood, Texas, in Brown County. The City of Brownwood, 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, labor shortages, supply chain failures, and timing constraints on the construction industry across the entire State of Texas. The events affecting our development are: supply chain failures, labor shortages, and natural disasters.

Owner has been working through gap issues to close this development as quickly as possible. Owner submitted an application for HOME funds under the 2024-2 NOFA on April 30, 2024, and was successfully awarded on December 12, 2024. However, during the MFDL awarding process equity markets shifted drastically and demand for rural developments has eroded to only a few active participants. Owner has been told the earliest an investor fund would become available to place this transaction is Q1 of 2026, and given the expected lead time on final underwriting and closing the HOME funds, this puts the 10% Test and placed in service deadlines in severe jeopardy of being achieved. Based on our previous experience with MFDL funds it takes at least three months for TDHCA to close these funds once all due diligence is submitted for review. This projected timeline puts closing around June of 2026, which extends past our 10% test deadline and would not allow sufficient time to complete construction by December 31, 2026.



Supply Chain Failures

On April 2, 2025 President Trump signed Executive Order 14257 declaring a national emergency and initiating reciprocal tariffs to combat trade deficits that threaten national and economic sovereignty.¹ Since this declaration, which is officially referred to as Liberation Day, multiple trade agreements have since been signed and put into effect. However, Mexico and Canada have yet to agree to any trade agreements². These two countries supply significant amounts of inputs for construction materials. Specifically, in 2024 Canada accounted for 22% of cement imports, 23% of steel imports, 56% of aluminum imports, 29% of gypsum imports, and accounted for a significant source for copper imports. Similarly, in 2024 Mexico accounted for 16% of steel imports, 31% of gypsum imports, and 44% of silver imports.³ As it relates to lumber, Canada dominated this category in 2024, bringing in 47.3% of all imported lumber to the US.⁴ Though progress has been made on trade agreements, these disturbances to major trade suppliers has put upward pressure on pricing for construction inputs and has destabilized the flow of materials through global supply chains.⁵

Labor Shortages

Texas is experiencing a labor shortage in the construction industry as a whole. This is due to several factors, which include a shortage of skilled labor workforce, as well as an increase in demand from growth in the sector. At the recent Economic Resilience Luncheon hosted by the Better Business Bureau (BBB), Dr. Carrie Angell, President & CEO of the BBB found in her recent doctoral research on Texas' construction workforce that currently 92% of firms face unfilled craft positions, and 80% report costly project delays. At that same event, economist Angelos Angelou warned that Central Texas is on track to fall short by 10,000 skilled workers annually by 2030.⁶ The Associated General Contractors of America (AGC) posted similar findings in their recent nationwide survey. Specifically, AGC noted that "92% of construction firms that are hiring report having a hard time finding qualified workers. As a result, 88 percent of firms report having openings for craft construction workers, while four-fifths of firms have openings for salaried workers".⁷

Natural Disasters

The Development is located in Brown County, Texas. Since 2023, Brown County has been hit with multiple extreme weather events, which have disrupted supply chains and caused significant increases to insurance costs. Here's a brief list of the events that have affected the Development since initial award in July of 2023 that will have a lasting effect on supply chains for the area:

- August 11, 2023, Greg Abbott, Governor of the State of Texas issued a disaster declaration for wildfires that began on July 24, 2023. Brown County is included in this declaration.⁸
- May 15, 2024, Greg Abbott, Governor of the State of Texas amends a disaster declaration for severe storms and flooding that began on April 30, 2024, which includes Brown County⁹.
- March 4, 2025, Gregg Abbott, Governor of the State of Texas amends a disaster declaration originally issued on October 14, 2024, for increased fire weather conditions that pose an imminent threat of

¹ <https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and>

² <https://www.tradecomplianceresourcehub.com/2025/11/10/trump-2-0-tariff-tracker/>

³ <https://www.constructconnect.com/construction-economic-news/key-material-inputs-to-construction-materials-is-the-u.s.-dependent-on-imports>

⁴ https://www.globalwood.org/news/2025/news_20250304d.htm

⁵ <https://cmicglobal.com/resources/article/The-Full-Impact-of-Tariffs-on-Construction-in-2025>

⁶ <https://www.bizjournals.com/austin/news/2025/06/09/skilled-labor-crisis-economic-resilience-luncheon.html>

⁷ <https://www.agc.org/news/2025/08/28/construction-workforce-shortages-are-leading-cause-project-delays-immigration-enforcement-affects>

⁸ <https://gov.texas.gov/news/post/governor-abbott-issues-wildfire-disaster-declaration-in-august-2023>

⁹ <https://gov.texas.gov/news/post/governor-abbott-further-amends-severe-weather-disaster-proclamation-in-may-2024-->



widespread or severe damage, injury, or loss of life or property. Brown County is included in this declaration.¹⁰

- November 9, 2025, Gregg Abbott, Governor of the State of Texas amends a disaster declaration originally issued on August 10, 2025, for increased fire weather conditions that pose an imminent threat of widespread or severe damage, injury, or loss of life or property. Brown County is included in this declaration.¹¹

Impact and Request

The Development has been hit with multiple force majeure events since original application. To offset the effects of these events, Owner has secured MFDL funds and has received assurances from Raymond James they expect to be able to place this deal in a fund in Q1 of 2026. Owner has also agreed to provide a sponsor loan of \$550,000 to get the deal closed. However, because of lack of investor appetite for rural transactions and the expected lead time on final underwriting and closing the HOME funds, these delays put the 10% Test and placed in service deadlines in severe jeopardy of being achieved. We request that the 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. 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, see referenced footnotes 1 – 11, and Exhibit A.
4. Though there was little that could be done to mitigate the effects of supply chain failures, severe weather events, and labor shortages, Owner applied for and was awarded funds under the 2024-2 NOFA. Owner also negotiated with the City of Brownwood to allow for value engineering on MEP to be approved. Owner approached six different equity investors to try and find a viable fund to place this transaction, ultimately determining the need for providing a sponsor loan was the only path forward. Owner is willing to do so to close this transaction, but cannot obtain an official commitment from Raymond James until Q1 of 2026 (see Exhibit B). Additionally, the Development was and remains properly insured, and TDHCA was notified of the Force Majeure events.
5. The Force Majeure threatens to prevent the Owner from meeting the 10% Test and Place 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. With the award of HOME funds under the 2024-2 NOFA plus a sponsor loan of \$550,000 being provided by the Developer, the Development continues to be financially feasible. Additionally, there have not been any insurance proceeds received related to the Force Majeure event.

¹⁰ <https://gov.texas.gov/news/post/governor-abbott-amends-renews-wildfire-disaster-proclamation-in-march-2025>

¹¹ <https://gov.texas.gov/news/post/governor-abbott-amends-renews-fire-weather-conditions-disaster-proclamation-in-november-2025>



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.

Sincerely,

Lora Myrick, Principal
BETCO Consulting, LLC

EXHIBIT A

July 2023 – Development was awarded 2023 LIHTCs.

April 30, 2024 – Developer applies for MFDL funds under the 2024-2 NOFA

May 16, 2024 – Pioneer Crossing (Brownwood) is identified as one of the competitive applications for HOME funding on MFDL 2024-2 NOFA application log.

August – September 2024 – Developer receives three deficiencies (during programmatic, MFDL, and legal reviews) regarding the MFDL application and timely responds to all requests.

September 2024 – Developer officially starts closing calls with Raymond James, the Tax Credit Investor, in anticipation of receipt of the MFDL award to get a head start on closing this transaction once (if) the MFDL award is received.

October 2, 2024 – Full plans and specifications were submitted to the City of Brownwood in an application for permits.

October 11, 2024 – Phase I sends the completed Environmental Review report to TDHCA for review to obtain environmental clearance.

December 12, 2024 – TDHCA awards Pioneer Crossing (Brownwood) with HOME funding and grants Force Majeure at the same time as the award.

December 30, 2024 – Development receives AUGF Clearance from HUD.

January 2025 – EPA updates HVAC regulations affecting refrigerant lines, thus requiring a slight update and resubmittal of the MEP plans.

March 31, 2025 – Development closes on the land.

April 15, 2025 – Raymond James notifies the developer the credit pricing has dropped significantly due to investor yield requirements. This forces the Developer to begin shopping other investors and explore some value engineering options to achieve cost savings.

June 2, 2025 – City of Brownwood approves permit set, pending payment of fees.

April 16 – October 1, 2025 – Developer approached five different Duty to Serve equity investors trying to place the deal in a Fannie/Freddie investor fund which was offering high \$0.70's to low \$0.80's on credit pricing. All five of them showed interest and began reviewing the deal but ultimately turned it down because it was too small for their current investment needs.

October 15 – November 15, 2025 – Developer reapproaches Raymond James to reprice the deal. Based on latest quote from the GC, with a \$550,000 sponsor loan the Developer determines it can close the deal if \$0.75 can be provided by Raymond James for the credits. Raymond James quoted \$0.71 due to current investor yield requirements, but gave assurances that in Q1 of 2026 a new fund will open up and they are hopeful to place the deal at \$0.75 at that point in time (See Exhibit B).

EXHIBIT B

RAYMOND JAMES®

November 14, 2025

Khairunissa Jooma
2727 LBJ Freeway, Suite 1020
Dallas, TX 75234

Re: Company: Brownwood Pioneer Crossing, LLC
 Property Name: Pioneer Crossing
 City/State: Brownwood, TX

Dear Khairunissa:

This letter will confirm our agreement (“Agreement”) whereby Raymond James Affordable Housing Investments, Inc. (“RJAHI”) shall attempt to effect a closing (“Closing”) of an investment by a Fund sponsored by RJAHI (the “RJAHI Fund”) in the above named Company (“Company”) on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJAHI and the RJAHI Fund.

Raymond James Affordable Housing Investments, Inc. reserves the right to alter the terms of this investment to meet market conditions. Final terms and conditions will be set forth in definitive documents proposed by Raymond James Affordable Housing Investments, Inc. If the changes are unacceptable, you shall have no obligation to execute definitive documents and this letter shall terminate on the Termination Date, or, if sooner, upon receipt of written notice of termination from you citing the change in terms as the reason for termination.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. New Construction
2. Elderly
3. Units: 49.

B. Tax Credit Information:

1. Requested Credits: \$900,000.
2. Assumed Company Annual Credits: \$900,000.
3. The RJAHI Fund’s Share of Company Annual Credits: 99.99%
4. Assumed the RJAHI Fund’s Annual Credits: \$899,910.
5. DDA/QCT Adjustment: 130%
6. Applicable Fraction: 100%.
7. Applicable Percentage: 9%
8. First Credit Year: 2027.

Raymond James Affordable Housing Investments
A Subsidiary of Raymond James Financial

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C. LIHTC Equity Investment:

1. Currently estimated \$.71 per dollar of the RJAHI Fund's Credits ("Credit Price"), subject to market conditions and availability of funds. Further, RJAHI is attempting to close this investment in the first quarter of 2026 at a price of \$.75 per dollar of the RJAHI Fund's Credits.
2. The RJAHI Fund's Estimated Total Capital: \$6,389,361.
Note that the RJAHI Fund's estimated actual contributions are based on actual credits delivered. If actual RJAHI Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual The RJAHI Fund Credits are greater than the assumed amount ("Excess Credits"), then the RJAHI Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJAHI Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The Managing Members can accept or reject those terms. Any Excess Credits that the RJAHI Fund is unwilling to buy or that the Managing Members are unwilling to sell at the price specified by the RJAHI Fund shall be allocated to the Managing Members.
3. Installment Payment of Estimated Capital Contributions:
 - a. \$1,277,872 (20%) through construction completion, pursuant to a pre-determined contribution schedule mutually agreed upon in the definitive documents.
 - b. \$5,111,489 (80%) at Stabilized Operations ("Stabilization Capital Contribution").

All payments will be subject to various deliveries required by the RJAHI Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJAHI Fund.

No syndication costs or fees will be paid by the Company.

D. Obligations of Managing Members:

1. Managing Member: BWPC GP, LLC.
2. Managing Member's Capital: \$100 (estimate).
3. The Managing Members agree that to the extent any deferred development fee has not been repaid from cash flow at the end of twelve years from the date the property is placed in service (or at the time of removal of the Managing Members), they will contribute sufficient capital so that the Company can pay any amount of the deferred fee outstanding at that time.
4. Guaranties:
Guaranties will be required by the Managing Members and the Guarantors. Such guaranties will include, but are not limited to, a Completion Guaranty, Operating

Deficit Guaranty, and a Tax Credit Guaranty. The requirements of the Guaranties will be provided in the Definitive Documents.

E. Obligations of the Guarantors:

1. Guarantors: The Managing Members, Noorallah Jooma, and Khairunissa Jooma. (Subject to RJAHI approval)
2. Guarantors guarantee that the Managing Members will perform all of their obligations under the Company agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee.

F. Definitive Documents

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Agreement of Limited Company, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJAHI will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. THE RJAHI FUND EXIT RIGHTS

The RJAHI Fund shall have the right to require the Managing Members to acquire its interest after the end of the compliance period for a price equal to the amount the RJAHI Fund would receive if the Company sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the Managing Members fail to acquire the RJAHI Fund's interest, then the RJAHI Fund shall have the right, without the concurrence of the Managing Members, to order a sale of the Project.

III. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Company requires HUD Previous Participation Certification (HUD Form 2530), the ability of the RJAHI Fund and its investor members to request and obtain HUD 2530 approval in accordance with the electronic filing requirements promulgated by HUD.
3. RJAHI and the RJAHI Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJAHI Fund and the fund to be necessary - at the Company's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the Managing Members, other guarantors and their affiliates, verification of background information to be provided by the Managing Members and their affiliates, and references to be provided by the Managing Members.
4. Satisfactory inspection of the property by RJAHI and the RJAHI Fund investors.
5. Approval by the Investment Committee of RJAHI and the RJAHI Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).

IV. TERM

The initial term of this Agreement shall be for a period of 5 months from the date of this letter, with a closing (Closing Date) no later than March 31, 2026, providing that either party may terminate this Agreement by giving the other party at least 30 days written notice and both parties can agree in writing to an extension. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

V. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum.

By acceptance of this letter, you authorize Raymond James Affordable Housing Investments, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the Managing Members, Guarantors, or any significant business operation of Managing Members or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Company.

For more than 25 years Raymond James Affordable Housing Investments and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 2,500 properties nationwide. We look forward to working with you.

Sincerely,



Gary K. Robinson
Vice President - Director of Acquisitions
Raymond James Affordable Housing Investments, Inc.

Accepted:



By: Managing Member

11/19/2025

Date