



May 19, 2025

Asset Management Division
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDCHA Application 24023, 930 Military Parkway Living Placed-in-Service Deadline Extension

To Whom it May Concern,

The purpose of this letter is to request an extension for the Placed-in-Service deadline of 930 Military Parkway Living (the "Project") from December 31, 2026 to June 30, 2027 as well as an extension on the 10% Test to December 31, 2025.

Under §11.6.Competitive HTC Allocation Process of the 2024 Qualified Allocation Plan ("QAP"), subsection (5) provides provisions for Credits Returned Resulting from Force Majeure Events and allows the original allocation to be returned and reallocated to the Project under the current QAP while not being subject to the requirements of §11.6 paragraph (2), so long as certain criteria are met. Below are the criteria along with explanations as to how each is met.

(A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress.

- **Explanation of criteria being met:** At the time of submission of the tax credit application in 2024, total development costs were estimated at \$33 million. Since then, total development costs for this project have increased to \$35.9 million due to construction pricing increases which were unforeseen at the time of application. The combination of this plus high interest rates has caused a financing gap of \$4 million, resulting in the need for seeking soft financing from TDHCA's 2025-1 MFDL NOFA. This funding is currently in underwriting with REA, and is expected to be approved at the next TDHCA Board Meeting. However, due to the funding being a federal source, we are required to receive environmental clearance (choice limiting action) before land can be purchased. In addition, our investor and lender will not authorize closing until we have a MFDL



contract executed. These items were not in control of the Development Owner and could not have been foreseen.

(B) Acts or events caused by the negligent or willful act or omission of the Development Owner, Affiliate or a Related Party shall under no circumstance be considered to be caused by Force Majeure. In order for rainfall, material shortages, or labor shortages to constitute Force Majeure, the Development Owner must clearly explain and document how such events could not have been reasonably foreseen and mitigated through appropriate planning and risk management. Staff may use Construction Status reports for the subject or other Developments in conducting their review and forming a recommendation to the Board.

- **Explanation of criteria being met:** Continued high interest rates and construction pricing increases could not have been reasonably foreseen by the Development Owner and could not have been reasonably mitigated by the Development Owner.

(C) A Development Owner claiming Force Majeure must provide evidence of the type of event, as described in subparagraph (A) of this paragraph, when the event occurred, and that the loss was a direct result of the event.

- **Explanation of criteria being met:** As detailed in (A) above, interest rates have remained high and total development costs have increased by almost \$3 million due to unforeseen construction pricing increases.

(D) The Development Owner must prove that reasonable steps were taken to minimize or mitigate any delay or damages, that the Development Owner substantially fulfilled all obligations not impeded by the event, including timely closing of all financing and start of construction, that the Development and Development Owner were properly insured and that the Department was timely notified of the likelihood or actual occurrence of an event described in subparagraph (A) of this paragraph.

- **Explanation of criteria being met:** This request is being submitted before closing on the financing and commencing construction in order to ensure the request is submitted and considered in a timely manner, and due to investor requirements to have a placed-in-service extension in hand prior to closing. The Development Owner has applied for NHTF funding through TDHCA, which is expected to be awarded and will allow the development to close in August 2025.

(E) The event prevents the Development Owner from meeting the placement in service requirements of the original allocation.

- **Explanation of criteria being met:** As detailed in (A) above, the project is being awarded NHTF funds which require environmental approval to close. It is estimated that the development will close in August 2025, which will not allow the development to be placed in service by December 31, 2026.

(F) The requested current year Carryover Agreement allocates the same amount of credit as that which was returned.



- **Explanation of criteria being met:** There will be no changes to the originally-requested credits.

(G) The Department's Real Estate Analysis Division determines that the Development continues to be financially feasible in accordance with the Department's underwriting rules after taking into account any insurance proceeds related to the event.

- **Explanation of criteria being met:** No insurance proceeds are being received as a result of the requested extension and REA is currently underwriting the MFDL.

If you have any questions regarding this matter, please contact Cody Hunt via email at chunt@rivaswitzerland.com.

Best Regards,

A blue ink handwritten signature, appearing to read "Cody Hunt", with a stylized flourish at the end.

Cody Hunt
Authorized Representative



930 Military Parkway Living
HTC App # 24023
Placed In Service Extension Request

Closing Timeline

HUD Submission Date	June 6 th , 2025
Approval of MFDL Loan, Material Amendment and Force Majeure Request	July 10 th , 2025
Receive Firm Commitment	July 18 th , 2025
Financial Closing	August 21 st , 2025
Construction Begins	August 25 th , 2025
Lease Up Begins	July 26 th , 2026
Construction Completion	January 25 th , 2027
Placed In Service Request	June 30 th , 2027

**c/o John C. Shackelford, Shackelford, Bowen, McKinley & Norton, LLP
9201 N. Central Expressway, Fourth Floor
Dallas, Texas 75231
Tel: (214) 780-1414**