

Memorandum



CITY OF DALLAS

DATE September 16, 2021

Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – parchAUS at Hickory Trail**

Hickory Trail Partners, LP an affiliate of Provident Realty Advisors, Inc., (Applicant), submitted a Request for a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits) for parchAUS at Hickory Trail, a new 324-unit multifamily development located at 9101 Old Hickory Trail, Dallas, TX 75237 (Property). A resolution of no objection is required for the Applicant to receive 4% Housing Tax Credits from TDHCA. To receive a staff recommendation for a resolution of no objection, the Applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing as described in the Comprehensive Housing Policy (CHP). After review, the Applicant has satisfied all application requirements and staff recommend a resolution of no objection.

Background

Hickory Trail Partners, LP (Applicant), a to be formed Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2021 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of parchAUS at Hickory Trail, a 324-unit affordable “built-to-rent” single-family residential community located at 9101 Old Hickory Trail, Dallas, Texas 75237 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and an affiliate of the Applicant. TDHCA requires 4% Housing Tax Credit applicants provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for residents to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

Hickory Trail Partners, LP, or its affiliate, will serve as the developer and guarantor of the project. The Applicant is an affiliate of Provident Realty Advisors. Provident has successfully completed over 39 properties, 19 of which are multifamily and the others which range from retail/office, mixed-use, medical, industrial, hospitality, self-storage and single family. Much of the Provident portfolio is Texas-centric.

The Applicant proposes to develop 324 units. The 324 units are comprised of 36 1-bedroom, 108 2-bedroom, 120 3-bedroom units, and 60 4-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. Community amenities include a full-size pickle ball court, pool, business center, dog park, and community open space.

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The Applicant proposes to provide on-site resident services including:

1. 12 hours per week of after school tutoring;
2. After school and summer care;
3. Tax preparation;
4. Career training and job placement;
5. Substance abuse meetings;
6. Local law enforcement partnership;
7. Notary services;
8. Organized social gatherings twice a month;
9. Weekly chore and preventative maintenance for elderly and disabled residents;
10. Education scholarships; and
11. A part-time resident services coordinator.

The site is situated in Southwest Dallas between Wheatland Road and Daniieldale Road on Hickory Trail. The property will be designed as a “built-to-rent” single family and townhome development. The single family and townhome rentals allow increased housing options for families who cannot afford a house, offering more space for the price of an apartment. This will diversify the type of affordable housing stock in the area, as well as increase the quality of housing for the families who will live there. The tracts of land surrounding parcHAUS at Hickory Trail are already zoned as MF-2 and are not subject to a Planned Development District.

The MVA market type is uncategorizable as it is vacant land. The MVA states the immediately adjacent neighborhoods are market type ‘F’, also known as emerging markets with a poverty rate greater than 20%. Adjacent neighborhoods are 73% owner-occupied housing and a family income that does not exceed 80% AMI. The site is located very near the City’s Inland Port which, among several others, includes a Home Depot fulfillment center as well as an Amazon fulfillment center. This is a large center of jobs for the surrounding areas.

Total development costs are anticipated to be approximately \$84,545,786.00 which includes the \$4,372,335.00 acquisition price for the land. The anticipated sources and uses are as follows:

Proposed Financing Sources	Amount
Primary Mortgage	\$ 50,208,000.00
Tax Credit Equity	\$ 31,195,140.00
Deferred Developer Fee	\$ 3,142,646.00
	\$ 84,545,786.00

Proposed Uses	Costs
Acquisition	\$ 4,372,335.00
Construction Costs	\$ 56,120,060.00
Financing Fees, Soft Costs	\$ 12,995,910.00
Reserves	\$ 1,376,264.00
Developer Fee	\$ 9,681,217.00
	\$ 84,545,786.00

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After the development is complete, 291 of the 324 units will be made available to households earning 0%-60% of Area Median Income (AMI) and 33 of the 324 units will not be income restricted. The Development has been found to affirmatively further fair housing by the Office of Fair Housing.

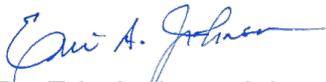
June 29, 2021, the City of Dallas Housing Finance Corporation Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

To receive a staff recommendation for a resolution of no objection, the applicant must satisfy all threshold requirements, TDHCA underwriting standards, and affirmatively further fair housing. After review, the Applicant has satisfied all application requirements and staff recommends a resolution of no objection.

Recommendation

The Development satisfies the threshold requirements of the Comprehensive Housing Policy and Staff recommends City Council authorize a resolution of no objection for Hickory Trail Partners, LP's application to the Texas Department of Housing and Community Affairs for Non-Competitive 4% Housing Tax Credits.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@DallasCityHall.com or 214-670-3619.



Dr. Eric Anthony Johnson
Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
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Kimberly Bizer Tolbert, Chief of Staff to the City Manager
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Jon Fortune, Assistant City Manager
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M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors