



Legislation Text

File #: 21-2147, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: December 8, 2021
COUNCIL DISTRICT(S): 8
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Adopt a Resolution of No Objection for Applicant, related to its application to TDHCA for the development of parchAUS at Hickory Trail, a multifamily development - Financing: No cost consideration to the City (This item was deferred on October 27, 2021)

BACKGROUND

Hickory Trail Partners, LP (Applicant), to be formed Texas limited partnership, submitted a Request for Resolution application to the City of Dallas 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 ("Development"), 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 Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.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). 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. Many of the properties that make up the Provident portfolio are located in Texas.

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.

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 improve 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 Market Value Adjustment (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% area median income (AMI). The site is located within ten miles of the City’s Southern Dallas Inland Port (Inland Port), at which a number of companies operate, including Home Depot and Amazon Fulfillment Center. Thus, there are numerous jobs available at the Inland Port and 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
Total	\$ 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
Total	\$ 84,545,786.00

The Development has been found to affirmatively further fair housing by the Office of Fair Housing.

June 29, 2021, 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.

On May 9, 2018, City Council adopted the Comprehensive Housing Policy (CHP), Resolution Nos. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing developments seeking Housing Tax Credits through TDHCA. On June 12, 2019, Council Resolution No. 19-0884 authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing Tax Credits through TDHCA. The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

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.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 29, 2021, the City of Dallas Housing Finance Corporation authorized a preliminary bond inducement for the Development in an amount not to exceed \$54,000,000.00.

The Housing and Homelessness Solutions Committee was briefed on this item on September 23, 2021.

On October 27, 2021, this item was considered by City Council with a public hearing, and was taken under advisement until December 8, 2021, with the public hearing closed by Councilmember Tennell Atkins.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached