

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 12, 2024

Presentation, discussion, and possible action regarding a Material Amendment to the 9% Housing Tax Credit Application for The Reserve at Red Cedar (HTC #24207).

RECOMMENDED ACTION

WHEREAS, The Reserve at Red Cedar (the Development) received a 9% Housing Tax Credit (HTC) award in 2024 for the new construction of 32 multifamily units in Corsicana, Navarro County;

WHEREAS, OPG Red Cedar Partners, LLC (the Development Owner or Owner) is requesting approval for a 66.7% increase in the residential density from 6.40 units per acre to 10.67 units per acre, because of decreasing the site's acreage from 5.00 acres to 3.00 acres;

WHEREAS, Board approval is required for modification of a development's residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein;

WHEREAS, the requested change will not decrease the portion of the site that will contain the Development's improvements and will leave a portion of the site as vacant land, reducing the site's acreage will not diminish the utility of the Development to tenants; and

WHEREAS, the increase in residential density does not materially alter the Development in a negative manner, and would not have adversely affected the selection of the Application for an award of tax credits;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for The Reserve at Red Cedar is approved as presented to this meeting, and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Reserve at Red Cedar received a 9% HTC award in 2024 for the new construction of 32 multifamily units in Corsicana, Navarro County. In a letter revised on October 29, 2024, Meredith Edwards, representative for the Owner, requested approval for a change in the residential density noted in the Application. The Owner originally contracted to purchase 5.00 acres of land, for \$800,000. The Owner has since negotiated a reduction in the acreage to 3.00 acres for \$600,000.

The decrease in acreage increases the residential density from 6.40 units per acre to 10.67 units per acre, an increase of 66.7%. The increased density of the Development has no effect on the utility of the site to tenants because the area of the site that is to be developed does not change. The original 5 acre site included an extensive area that was to remain undeveloped, and the proposed 3 acre site still includes a substantial area that will not be developed. The score of the application is not affected. The Real Estate Analysis Division found that re-underwriting the application as amended is not necessary because the change in costs will not change the recommended amount of tax credits. Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). This change does not alter the Development in a negative manner, nor does it adversely affect the selection of the Application for an award of 9% tax credits.

Staff recommends approval of the amendment request presented herein.

September 23, 2024

Lucy Weber, Asset Manager
TDHCA Asset Management Division
PO Box 13941
Austin, TX 78711

RE: Application Amendment for 24207 The Residence at Red Cedar

Dear Ms. Weber,

This letter concerns an application for a material amendment for HTC 24207 The Residence at Red Cedar, a new construction development in Corsicana, Texas, for changes to the development acreage and residential density identified in the application as well as the resultant financial alterations.

Change in Acreage

At Application, the development site was listed at 5 acres. As a result of higher General Contractor fees and hard costs, to make the application financially feasible, the site will be reduced to 3 acres. The building and unit layouts remain unchanged from what was presented in the application (see Appendix A). The site control has been amended (see Appendix B).

Change in Residential Density

The residential density at Application was 32 units / 5 acres for 6.4 units per acre. Due to the acreage changes noted above, the residential density is 32 units / 3 acres for 10.67 units per acre. This is an increase in density of 66.72%.

Financial Impact to the Development

As mentioned above there has been an increase in costs. There has also been a change to the purchase price due to the reduction in acreage, changing from \$800,000 to \$600,000. Please see updated financial exhibits in Appendix C.

Explanation and Good Cause for the Amendment Request

The good cause for this amendment request is to render the development financially feasible despite changing costs. Reducing the acreage will have negligible effect to the physical site but will allow development construction to move forward. The fee for the amendment has been sent to TDHCA.

Thank you for your attention to this matter and please contact me at 303-513-0544 with any questions.

Regards,

Meredith Edwards
S. Anderson Consulting
1305 East 6th Street, Suite 12
Austin, TX 78702

PROPOSED SITE PLAN

UNIT SUMMARY

UNIT LABEL	UNIT TYPE	ACCESSIBILITY	NET SQUARE FOOTAGE	TOTAL NO. OF UNITS
1-BD	1-BED, 1-BATH	STANDARD	600	14
1-BD	1-BED, 1-BATH	ACCESSIBLE	600	1
1-BD	1-BED, 1-BATH	HEARING	600	1
2-BD	2-BED, 1-BATH	ACCESSIBLE	850	1
2-BD	2-BED, 1-BATH	STANDARD	850	15
TOTAL				32

ACCESSIBLE/HEARING SUMMARY

UNIT LABELS	TYPE	NRA SF	TOTAL SF
1-BD	ACC	600	1,200
2-BD	1	850	850
TOTALS		1,450	2,050
3			

PROJECT UNIT SUMMARY

BUILDING LABEL	UNITS #	NRA SF	COMMON SF	TOTAL SF
1-3D 2-BD				
APT BLDG	16	23,200	6,454	29,654
TOTALS	16	23,200	6,454	29,654
32				

APARTMENT BUILDING

FIRST FLOOR

UNIT LABEL	UNIT TYPE	NRA (HTP) SF PER UNIT	Common Area	UNITS #	NRA (COND) SF PER FLR	COMMON AREA SF	TOTAL SF
			Tenant Utility	1BR	2BR		
COMMON AREA			2,453	354		2,717	2,717
1-BD	1-BED, 1-BATH	600		3		1,800	1,800
1-BD	ACCESSIBLE, 1-BED, 1-BATH	600		1		600	600
1-BD	HEARING, 1-BED, 1-BATH	600		1		600	600
2-BD	2-BED, 1-BATH	850		4		3,400	3,400
TOTAL PER FLOOR				5	4	6,400	2,717
							9,117

SECOND FLOOR

UNIT LABEL	UNIT TYPE	NRA (HTP) SF PER UNIT	Common Area	UNITS #	NRA (COND) SF PER FLR	COMMON AREA SF	TOTAL SF
			Tenant Utility	1BR	2BR		
COMMON AREA			1,602	354		1,956	1,956
1-BD	1-BED, 1-BATH	600		5		3,000	3,000
2-BD	ACCESSIBLE, 2-BED, 1-BATH	850		1		850	850
2-BD	2-BED, 1-BATH	850		6		5,100	5,100
TOTAL PER FLOOR				5	7	8,950	1,956
							10,816

THIRD FLOOR

UNIT LABEL	UNIT TYPE	NRA (HTP) SF PER UNIT	Common Area	UNITS #	NRA (COND) SF PER FLR	COMMON AREA SF	TOTAL SF
			Tenant Utility	1BR	2BR		
COMMON AREA			1,607	354		1,961	1,961
1-BD	1-BED, 1-BATH	600		6		3,600	3,600
2-BD	2-BED, 1-BATH	850		5		4,250	4,250
TOTAL PER FLOOR				6	5	7,850	1,961
							9,721

BUILDING TOTALS

16	16	23,200	5,454	29,654
32				

BUILDING COMMON SPACE COND. & UN-COND. SPACES

AREA	TENANT	RESTRICTED	CONDITIONED SF	UN-CONDITIONED SF	TOTAL SF
FIRST FLOOR					
TENANT COMMON USE					
OFFICE	162		162		
CLUB ROOM	619		619		
RESTROOMS	75		75		
ELEVATOR	98		98		
HALLWAYS	1,125		1,125		
STAIRS	374		374		
RESTRICTED USE					
ELECT. & MECH		264	264		
TOTALS	2,453	264	2,717	0	2,717
SECOND FLOOR					
TENANT COMMON USE					
ELEVATOR	98		98		
HALLWAYS	1,130		1,130		
STAIRS	374		374		
RESTRICTED USE					
ELECT. & MECH		264	264		
TOTALS	1,902	264	1,866	0	1,866
THIRD FLOOR					
TENANT COMMON USE					
ELEVATOR	98		98		
HALLWAYS	1,135		1,135		
STAIRS	374		374		
RESTRICTED USE					
ELECT. & MECH		264	264		
TOTALS	1,907	264	1,871	0	1,871



A SITE PLAN
1/32"=1'-0"

APPLICATION SITE PLAN

PARKING TABLE			
REQUIREMENT	#	SPACES REQUIRED	SPACES PROVIDED
MULTIFAMILY	2 PS / UNIT	32 BR	61
ACCESSIBLE	3 PS / 51-75 PS	3	6
TOTAL		64	64

THIS SITE PLAN MATERIALLY ADHERES TO ALL APPLICABLE ZONING, SITE DEVELOPMENT AND BUILDING CODE ORDINANCES.

PROPERTY FOR RESIDENTIAL USE



LEGEND	
EXISTING ASPHALT PAVEMENT	
EXISTING POWER POLE	
EXISTING OVER HEAD ELECTRIC	
EXISTING STORM PIPE	
PROPERTY BOUNDARY	
ADJACENT PROPERTY BOUNDARY	
MAJOR CONTOUR	
MINOR CONTOUR	
PROP. STORM PIPE	
PROP. SANITARY SEWER LINE	
PROP. SANITARY SEWER FORCE MAIN	
PROP. FIRE HYDRANT	
PROP. WATER LINE	
PROP. FIRE WATER LINE	
EXISTING LAND USE	
EX. ZONING/PROP. ZONING	
PROP. LAND USE	
PROP. SIDEWALK	
EXISTING SIDEWALK	

- NOTES:**
- ON-PREMISE SIGN SHALL CONFORM TO CITY OF CORSICANA ZONING ORDINANCE.
 - ALL PAVED DRIVES SHALL BE CONCRETE PAVEMENT.
 - APPROVED ADDRESSES SHALL BE POSTED FOR ALL BUILDINGS IN SUCH A POSITION AS TO BE PLAINLY VISIBLE AND LEGIBLE FROM THE STREET FRONTING THE PROPERTY. EACH BUILDING WITHIN THE COMPLEX MUST HAVE ITS OWN UNIQUE STREET ADDRESS SO THAT EMERGENCY VEHICLES MAY EASILY IDENTIFY THE CORRECT LOCATION OF THE INCIDENT.
 - APARTMENT BUILDING IDENTIFICATION SIGNS SHALL BE IN ACCORDANCE WITH SECTION 805.1 OF THE INTERNATIONAL FIRE CODE. APARTMENT NUMBERS MUST NOT REPEAT. FOR ADDITIONAL INFORMATION CONTACT THE FORT WORTH FIRE DEPARTMENT @ 817-392-6800.
 - ALL BUILDINGS SHALL HAVE AN AUTOMATIC FIRE PROTECTION SPRINKLER SYSTEM.
 - ALL FIRE LANES SHALL HAVE A MINIMUM 25' INSIDE TURNING RADIUS.
 - ALL IMPROVEMENTS TO BE CONSTRUCTED IN A SINGLE PHASE.
 - EXCEPT FOR REQUIRED FRONT YARDS, NO SPACE OR AREA LESS THAN 20 FEET IN EITHER DIMENSION HAS BEEN COUNTED AS OPEN SPACE.
 - ALL DIMENSIONS ARE TO THE FACE OF CURB.

SITE DATA	
GROSS ACREAGE	5.00
EXISTING ZONING	MF-1
EXISTING LAND USE	UNDEVELOPED
PROPOSED ZONING	MF-1
PROPOSED LAND USE	MULTIFAMILY
TOTAL UNITS	32
GROSS DENSITY	7 DU/AC

mima
civil engineering surveying landscape architecture planning

louisiana registration number: 1728
texas registration/license number: 1038800
519 east border
ottisburg, louisiana 70601
817-489-1671
fax: 817-274-8757
www.mimacorp.com
02/27/2024 SHEET 1 OF 1

TDHCA SITE PLAN
RED CEDAR RESIDENCE
CORSICANA, TEXAS



COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Wheelock Energy, LP

Address: P.O. Box 1239, Corsicana, TX 75151-1239

Phone: (903)654-4030 E-mail: wheefrank@sbcglobal.net

Mobile: _____ Fax or Other: _____

Buyer: Overland Land Group, LLC

Address: 5341 W. 151st Terrace, Leawood, KS 67401

Phone: (913)396-6310 E-mail: matt@overlandpg.com

Mobile: _____ Fax or Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Navarro County, Texas at 701 N. 45th Street, Corsicana, TX 75110

(address) and that is legally described on the attached Exhibit _____ or as follows:

A 5.00-acre tract of land in Block 1636-1645, City of Corsicana, Navarro County, Texas, which is at the far NW corner of Sellers larger parcel. It will be surveyed to be 5.00 acres exactly, with 310 feet of frontage on 45th Street, parallel side boundaries, and a rear boundary perpendicular to the side boundaries. The new Survey will provide the final legal description.

B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing \$ 800,000.00

(2) Sum of all financing described in Paragraph 4 \$ _____

(3) Sales price (sum of 3A(1) and 3A(2)) \$ 800,000.00

AMENDMENT OF CONTRACT



COMMERCIAL CONTRACT AMENDMENT (FOURTH AMENDMENT)

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AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER
CONCERNING THE PROPERTY AT

701 S. 45th Street, Corsicana, TX 75110

Effective September 11, 2024, Seller and Buyer amend the contract as follows: (Check all applicable boxes.)

- A. The Property is reduced to 3.00 acres, with the same road frontage as the original 5.00-acre Property, but with less depth. Buyer shall pay for new Survey showing this Property.
- B. The Sales Price is changed to \$600,000.
- C. All the Earnest Money shall be released to the Seller, if Seller makes request to Title, on September 20, 2024. It shall all be deemed non-refundable but applicable to the Sales Price at Closing.

Seller: Wheelock Energy, LP

By: FSW Interests, Inc. (General Partner)

By (signature): Frank S. Wheelock 09/13/24
Printed Name: Frank S. Wheelock
Title: President of FSW Interests, Inc.

Buyer: Overland Land Group, LLC

(Assigned to OPG Red Cedar Partners, LLC)

By:

By (signature): Matt Gillam 09/12/24
Printed Name: Matt Gillam
Title: _____