



Texas Department of Housing and Community Affairs

Governing Board

Board Action Request

File #: 452

Agenda Date: 12/7/2023

Agenda #:

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application for Azalea Trails (HTC #22312)

RECOMMENDED ACTION

WHEREAS, Azalea Trails (the Development) received a 9% Housing Tax Credit (HTC) award in 2022 for the acquisition and rehabilitation of 72 multifamily units in Atlanta, Cass County;

WHEREAS, Azalea Trails Apartments, LP (the Development Owner or Owner) is requesting approval for a 5.38% increase in the residential density as a result of a reduction in site acreage, from 7.891 acres to 7.488 acres, due to a discrepancy between the lot sizes noted between the appraisal reports and an updated ALTA survey;

WHEREAS, 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), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, affect the HTC recommendation, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Azalea Trails 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

Azalea Trails formerly known as Country Place Apartments received a 9% HTC award in 2022 for the acquisition and rehabilitation of 72 multifamily units in Atlanta, Cass County. At Application, the Development was legally four separate entities that would consolidate into one entity and continue to be operated and managed as one property with 7.891 acres. Country Place I and II (4.622 acres) were built in 1980 and consist of 36 two-bedroom units. Country Place III and Country Place IV (3.269 acres) were built in 1981 and consist of 36 two-bedroom units. In a letter dated November 6, 2023, Meredith, representative for the Owner, requested approval for a change in the acreage and residential density noted in the original Application.

At Application the Development site was listed at 7.891 acres based upon the appraisal's use of the Development's legal descriptions. The Owner indicated that, while a new survey was not required with the Application, as this site is a rural USDA property, the old records were inaccurate. Once the appraiser, Gill Group, was provided with an updated survey, they realized the acreage was incorrect and should have been 7.488 acres. Country Place II's lot size was not subtracted from Phase I's tract nor was the easement included. The Owner also stated the site plan has not changed from what was represented at Application, and there is no financial impact to the Development. This request is a correction of the miscalculation of the acreage based on older legal descriptions. This change in acreage from 7.891 acres to 7.488 acres will increase the residential density of the Development by 5.38%, from 9.124 units per acre to 9.615 units per acre. 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).

Staff has reviewed the original Application against this amendment request and has concluded that the changes described above would not have affected the award. The final recommended credit amount will be determined at cost certification. It should be noted that this is a USDA transaction, and therefore, this will not affect the acquisition price because it will be based on the balance of the loan assumed.

Staff recommends approval of the amendment request presented herein.

November 6, 2023

Renee Norred, Asset Manager
TDHCA Asset Management Division
PO Box 13941
Austin, TX 78711

RE: Application Amendment for 22312 Azalea Trails

Dear Renee,

This letter concerns an application amendment for HTC 22312 Azalea Trails, a USDA development in Atlanta, Texas, for changes to the development acreage and residential density identified in the application. The amendment fee check has been mailed to TDHCA.

Change in Acreage

At Application, the development site was listed at 7.891 acres based upon the appraisal's use of the properties' legal descriptions. A new survey was not required with the application as this site is a rural USDA property, and these old records were inaccurate. The new ALTA survey is considered to have the correct information. Once the appraiser, Gill Group, was provided with this survey, they realized that the acreage calculation was incorrect. Country Place II's lot size was not subtracted from Phase I's tract, nor was the easement included. They have provided a letter explaining these discrepancies.

Change in Residential Density

The residential density at Application was 72 units / 7.891 acres for 9.124 units per acre. Due to the acreage changes noted above, the residential density is 72 units / 7.488 acres for 9.615 units per acre. This is an increase in density of 5.38%.

The site outline has not changed from what was represented in the application, and there are no changes to the finance exhibits, thus no financial impact to the development.

Explanation and Good Cause for the Amendment Request

The good cause for this amendment request is to correct misinformation regarding the acreage listed in the Application. There is no actual change to the development site represented in the Application, and this request is a correction of a miscalculation of the acreage based on older legal descriptions.

Thank you for your attention 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



GILL GROUP

NATIONWIDE VALUATION AND MARKET FEASIBILITY EXPERTS

October 23, 2023

Mr. Ryan Hamilton
Rural Housing Developers, LLC
3556 South Culpepper Circle, Suite 7
Springfield, Missouri 68504

RE: Country Place Apartments
(To Be Known as Azalea Trails Apartments)
1300 Courtland Road
Atlanta, Texas 75551

Dear Mr. Hamilton,

Please allow this letter to serve as an addendum letter for the appraisal reports dated February 27, 2022. There was a discrepancy noted between the lot sizes noted between the appraisal reports and the attached survey. The appraisals noted lot sizes totaling 7,891 acres, and the attached survey noted total lot sizes of 7,488 acres. The lot sizes included in the appraisals were obtained from the property's legal descriptions; however, the Country Place II's lot size was not subtracted from Phase I's tract, and the easement was not included. Therefore, the 7,488 acres is correct and should be utilized in the tax credit application. The updated land values following this letter.

Please let me know if we may be of any further assistance.

Sincerely,

Samuel T. Gill
State Certified General Real Estate Appraiser
TX# TX-1329698-G

Country Place I Land Analysis

Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	1300 Courtland Road	704 Taylor Street	105 South Circle Drive	601 Holly Street
City	Atlanta	Atlanta	Texarkana	Atlanta
State	TX	TX	TX	TX
Date	2/8/2022	4/17/2018	10/9/2020	6/24/2021
Price		\$4,000	\$10,000	\$49,900
Acres	2.842	0.32	0.64	6.84
Price Per Acre		\$12,500	\$15,625	\$7,295
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple
Financing	Conventional	Conventional	0.0%	Conventional
Conditions of Sale	Normal	Normal	0.0%	Normal
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295
Market Trends Through	02/08/22	0%	0%	0%
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295
Location	Average	Similar	Superior	Similar
% Adjustment		0%	-5%	0%
\$ Adjustment		\$0	-\$781	\$0
Acres	2.842	0.32	0.64	6.84
% Adjustment		0%	0%	20%
\$ Adjustment		\$0	\$0	\$1,459
Visibility/Access	Average	Similar	Similar	Similar
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Topography	Nearly Level	Nearly Level	Nearly Level	Nearly Level
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Zoning	R-2	C-2	GR	R-2
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Utilities	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Adjusted Price Per Acre		\$12,500	\$14,844	\$8,754
Net adjustments		0.0%	-5.0%	20.0%
Gross adjustments		0.0%	5.0%	20.0%

2.842 acres x \$12,000 per acre = \$34,104

Rounded \$34,000

Country Place II Land Analysis

Land Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	1300 Courtland Road	704 Taylor Street	105 South Circle Drive	601 Holly Street			
City	Atlanta	Atlanta	Texarkana	Atlanta			
State	TX	TX	TX	TX			
Date	2/8/2022	4/17/2018	10/9/2020	6/24/2021			
Price		\$4,000	\$10,000	\$49,900			
Acres	1.031	0.32	0.64	6.84			
Price Per Acre		\$12,500	\$15,625	\$7,295			
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Price Per Acre		\$12,500		\$15,625		\$7,295	
Market Trends Through	02/08/22	0%		0%		0%	
Adjusted Price Per Acre		\$12,500		\$15,625		\$7,295	
Location	Average	Similar		Superior		Similar	
% Adjustment		0%		-5%		0%	
\$ Adjustment		\$0		-\$781		\$0	
Acres	1.031	0.32		0.64		6.84	
% Adjustment		0%		0%		20%	
\$ Adjustment		\$0		\$0		\$1,459	
Visibility/Access	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Topography	Nearly Level	Nearly Level		Nearly Level		Nearly Level	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Zoning	R-2	C-2		GR		R-2	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Utilities	E, G, W, S	E, G, W, S		E, G, W, S		E, G, W, S	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Adjusted Price Per Acre		\$12,500		\$14,844		\$8,754	
Net adjustments		0.0%		-5.0%		20.0%	
Gross adjustments		0.0%		5.0%		20.0%	

1.031 acres x \$12,000 per acre = \$12,372

Rounded \$12,000

Country Place III Land Analysis

Land Analysis Grid		Comp 1	Comp 2	Comp 3			
Address	1300 Courtland Road	704 Taylor Street	105 South Circle Drive	601 Holly Street			
City	Atlanta	Atlanta	Texarkana	Atlanta			
State	TX	TX	TX	TX			
Date	2/8/2022	4/17/2018	10/9/2020	6/24/2021			
Price		\$4,000	\$10,000	\$49,900			
Acres	2.589	0.32	0.64	6.84			
Price Per Acre		\$12,500	\$15,625	\$7,295			
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295			
Market Trends Through 02/08/22		0%	0%	0%			
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295			
Location	Average	Similar	Superior	Similar			
% Adjustment		0%	-5%	0%			
\$ Adjustment		\$0	-\$781	\$0			
Acres	2.589	0.32	0.64	6.84			
% Adjustment		0%	0%	20%			
\$ Adjustment		\$0	\$0	\$1,459			
Visibility/Access	Average	Similar	Similar	Similar			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Topography	Nearly Level	Nearly Level	Nearly Level	Nearly Level			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Zoning	R-2	C-2	GR	R-2			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Utilities	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Adjusted Price Per Acre		\$12,500	\$14,844	\$8,754			
Net adjustments		0.0%	-5.0%	20.0%			
Gross adjustments		0.0%	5.0%	20.0%			

2.589 acres x \$12,000 per acre = \$31,068

Rounded \$31,000

Country Place IV Land Analysis

Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	1300 Courtland Road	704 Taylor Street	105 South Circle Drive	601 Holly Street
City	Atlanta	Atlanta	Texarkana	Atlanta
State	TX	TX	TX	TX
Date	2/8/2022	4/17/2018	10/9/2020	6/24/2021
Price		\$4,000	\$10,000	\$49,900
Acres	1.026	0.32	0.64	6.84
Price Per Acre		\$12,500	\$15,625	\$7,295
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple
Financing	Conventional	Conventional	0.0%	Conventional
Conditions of Sale	Normal	Normal	0.0%	Normal
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295
Market Trends Through	02/08/22	0%	0%	0%
Adjusted Price Per Acre		\$12,500	\$15,625	\$7,295
Location	Average	Similar	Superior	Similar
% Adjustment		0%	-5%	0%
\$ Adjustment		\$0	-\$781	\$0
Acres	1.026	0.32	0.64	6.84
% Adjustment		0%	0%	20%
\$ Adjustment		\$0	\$0	\$1,459
Visibility/Access	Average	Similar	Similar	Similar
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Topography	Nearly Level	Nearly Level	Nearly Level	Nearly Level
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Zoning	R-2	C-2	GR	R-2
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Utilities	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Adjusted Price Per Acre		\$12,500	\$14,844	\$8,754
Net adjustments		0.0%	-5.0%	20.0%
Gross adjustments		0.0%	5.0%	20.0%

1.026 acres x \$12,000 per acre = \$12,312

Rounded \$12,000

