

TDHCA Asset Management Division  
221 East 11<sup>th</sup> Street  
Austin TX 78701

5/24/2024

## Material Amendment Request TDHCA #23100

We are requesting a material change to application #23100 Cabana Design District. The first change is to the unit count and unit mix for the development. The reason this change needs to be made is due to structural analysis by Thronton Thomasetti our structural engineer. During the application cycle we engaged the structural engineer to undertake a thorough analysis of the building. After award we were able to do laser scanning and modeling of the structure. Once this data was incorporated it was deemed necessary to include shear walls. These walls are continuous and will cut through many of our two bedroom units forcing us to convert them to one bedroom units. The other recommendation is to minimize penetrations through the floor plates. Further details of the structural recommendations can be found in the attached letter from Thornton Thomasetti.

### 1. Change in Unit Count and Mix

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This change will also result in an excess of 30% of one bedroom units. This rule has been changed to exclude Historic Structures so we believe that this change should be approved. These structural conditions were unforeseeable at the time of application and we

### 2. Change in Ownership/Guarantors

This change is necessary because the high risk and budget of this transaction has caused a greater need for guarantors from the equity investors. As the development of this project has moved forward we are seeing a greater amount of interest rate risk and need for stronger guarantors. This was unforeseeable at the time of application and this should be approved to allow this proposed project to move forward.

Thank you,

Jess Krochtengel  
Managing Member  
Cabana Design District, LP

### **11.207 Waiver Request**

We are requesting a waiver for the 30% maximum 1 bedroom/studio rule for the unit mix of TDHCA #23100 Cabana. While we initially turned in an application with a unit mix and architectural drawings that complied with the requirements of the QAP. During the application period we engaged Thornton Thomasetti, the largest structural engineering firm in the world, to complete a structural survey and consult on our architectural plans for the building.

These problems causing the waiver request were not contemplated by the Applicant at the time of application, however, upon further structural investigation that could not have been fully undertaken during the initial application period certain structural recommendations were made that do not allow for our initial architectural plans to be undertaken. The changes, which include the addition of shear walls, the minimizing of floor plate penetration in the tower and the stacking of units do not allow for some of the more complex plans we had initially proposed to be undertaken. The newly revised unit mix and floor plans increases unit count from 160 units to 175 units and keep net rentable close to the same as proposed in the original application. Further, historic deals were exempt from this unit mix requirement in the 2024 9% application round due to the types of issues that we are currently confronting with the structural issue as well as the floor plate issues. Please also see the attached letter from Thornton Thomasetti detailing this further.

Granting this waiver will further the purposes of the department under ex. Gov't Code §§2306.001, 2306.002, and 2306.6701 by assisting the City of Dallas on the redevelopment of the Cabana Hotel which is a goal of their Design District TIF policy. The proposed development is bringing low income units into a sub-market that does not have any affordable LIHTC units.

### **Changes to Organizational Chart**

We are replacing the Bonner Carrington entities (49% ownership) with entities including Hunt Capital Partners (39.5% ownership), Cabana HCP (10.5% ownership) and Finn Architecture and Design (10.5% ownership). Sycamore Strategies will also decrease ownership to 39.5%. These three new entities will provide experience, guarantor capacity as well as percentage changes required for tax planning purposes as it relates to the TIF loans. This new structure has been vetted and is acceptable by all financial parties. Hunt Capital Partners will also act as co-guarantor with Sycamore Strategies.

# Thornton Tomasetti

April 29, 2024

TO: Texas Department of Housing and Community Affairs

RE: Material Amendment for **TDHCA Application #23100**

I am the lead structural engineer for the redevelopment of the Cabana Hotel in Dallas, TX. I have been a structural engineer for 24 years with the majority of that time at Thornton Tomasetti. Working on the submission of the Cabana Hotel for the TDHCA application we undertook a very thorough structural survey of the existing building to determine the feasibility the adaptive reuse of the structure for affordable housing. As we have continued our investigations, while working with the development team towards permit, our recommendations have become clearer and have had an effect on the floor plan of the units

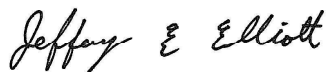
The building is in good condition structurally; however, we have determined that the building needs the addition of shear walls to ensure the building's stability for wind and seismic loads. These proposed shear walls will be solid grouted masonry walls with limited penetrations running from the basement up multiple floors in the tower. The space planning effect of the addition of shear walls is that it cuts through many of the two-bedroom units in the tower which necessitates converting those to one-bedroom units.

The other structural recommendation we have made is to minimize penetrations through the existing floor slabs of the tower. These penetrations include utilities and stairs that are not already in existence. To comply with this recommendation the developer will need to stack identical units for utilities and also eliminate the two-level lofted units within the existing tower levels.

I have reviewed the current documents that are being submitted to TDHCA for the material amendment and they comply with our current structural recommendations. Our understanding of the building and its structural systems has improved greatly since the initial TDHCA application, and we are confident our current recommendations will make the adaptive reuse a success.

Sincerely,

**THORNTON TOMASETTI, INC.**

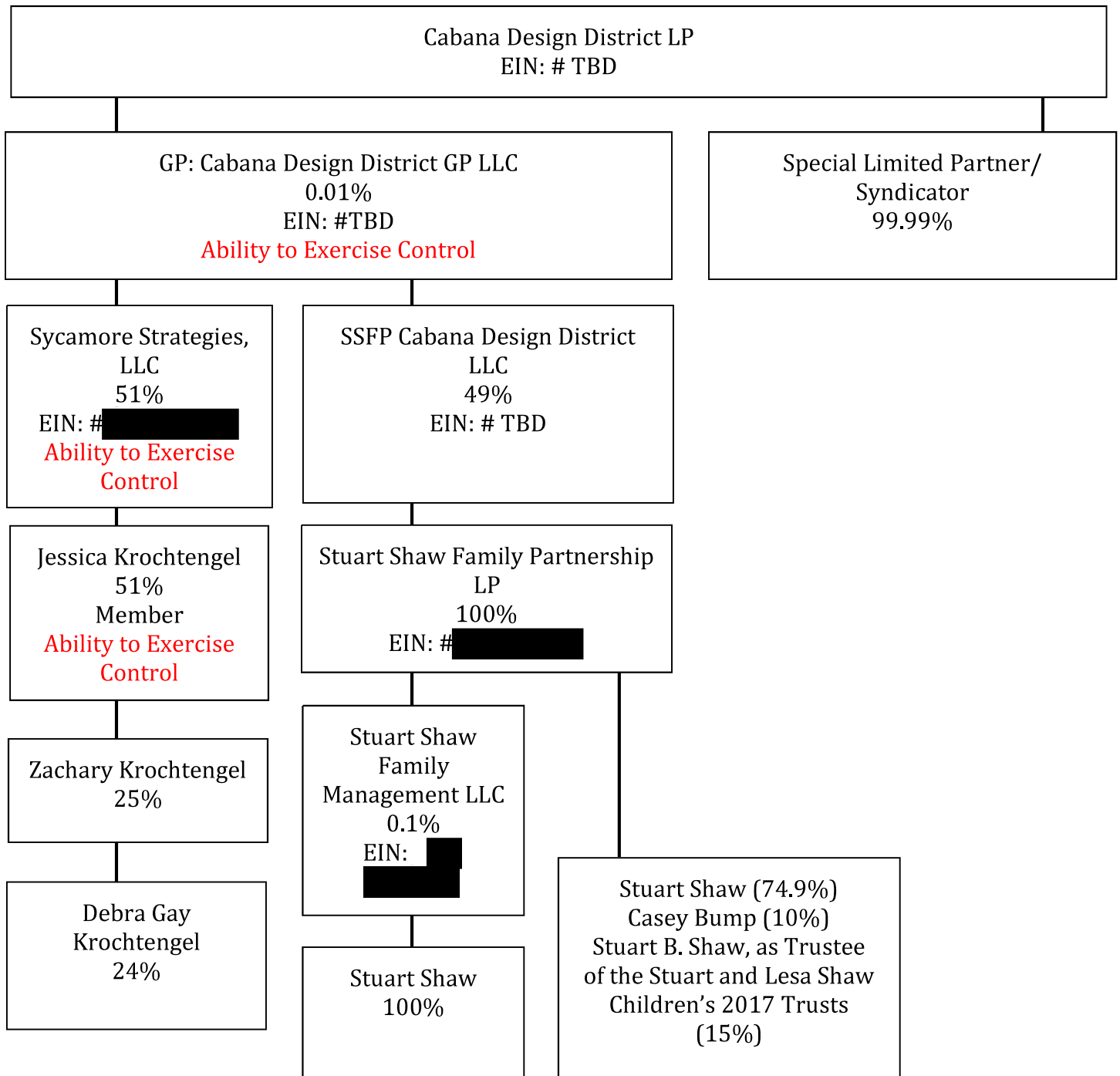


Jeffery E Elliott P.E.  
Senior Principal



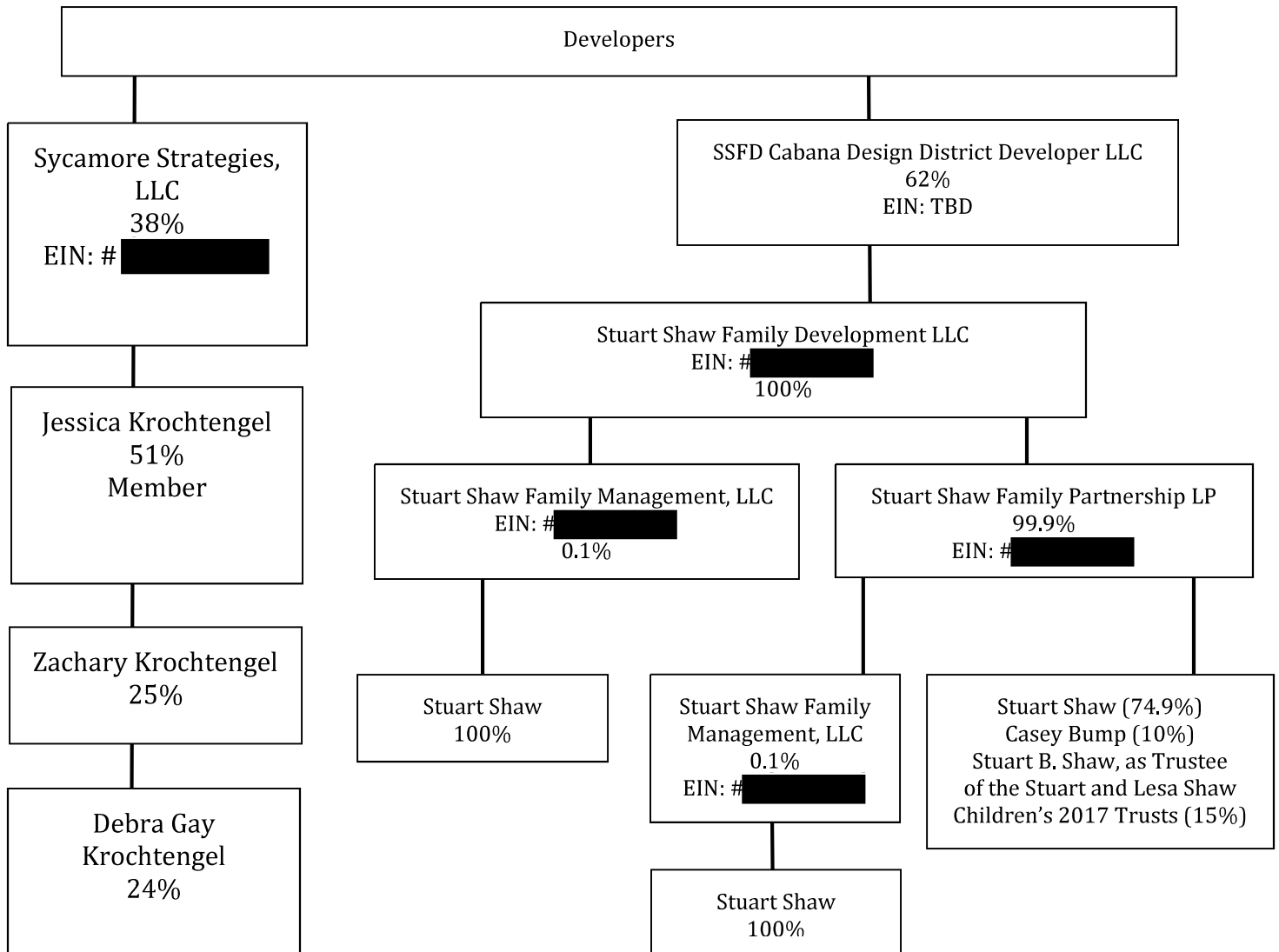
# ORIGINAL SUBMISSION

Cabana Design District: Ownership  
TDHCA #23100  
Organizational Chart



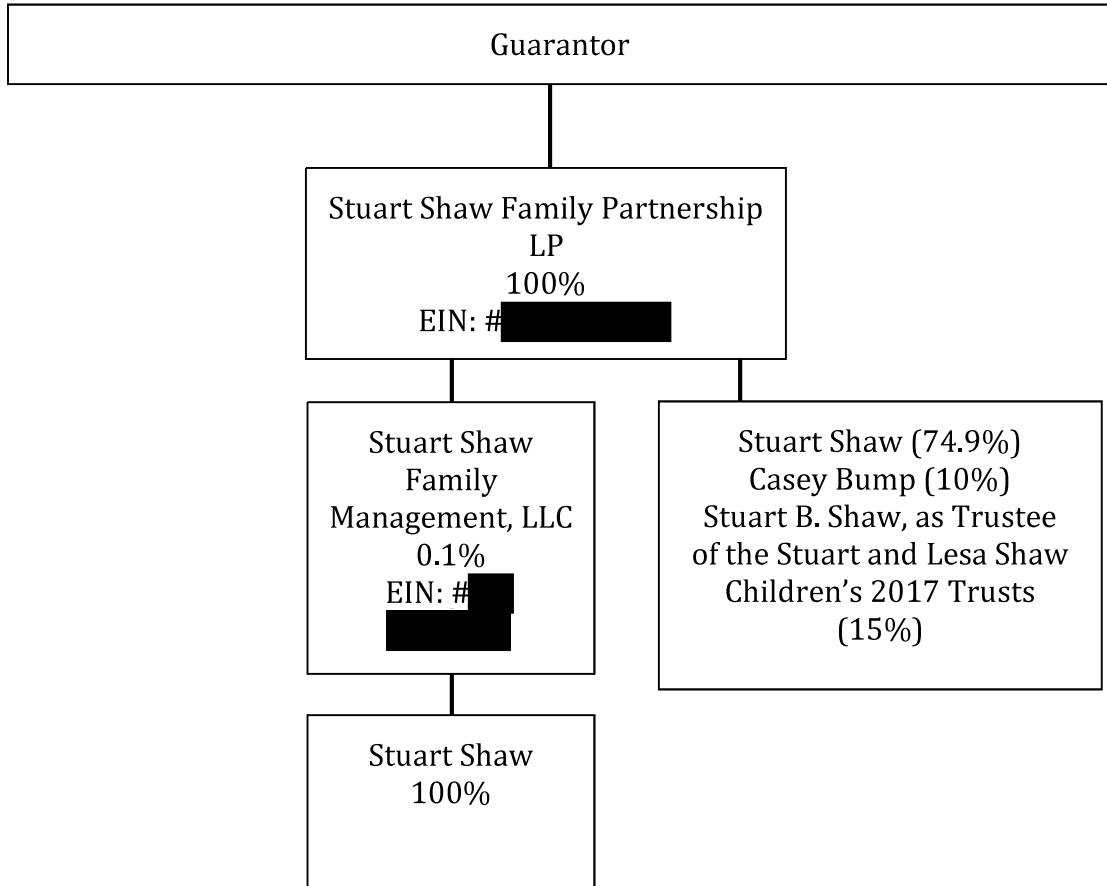
# ORIGINAL SUBMISSION

Cabana Design District: Developer  
TDHCA #23100  
Organizational Chart

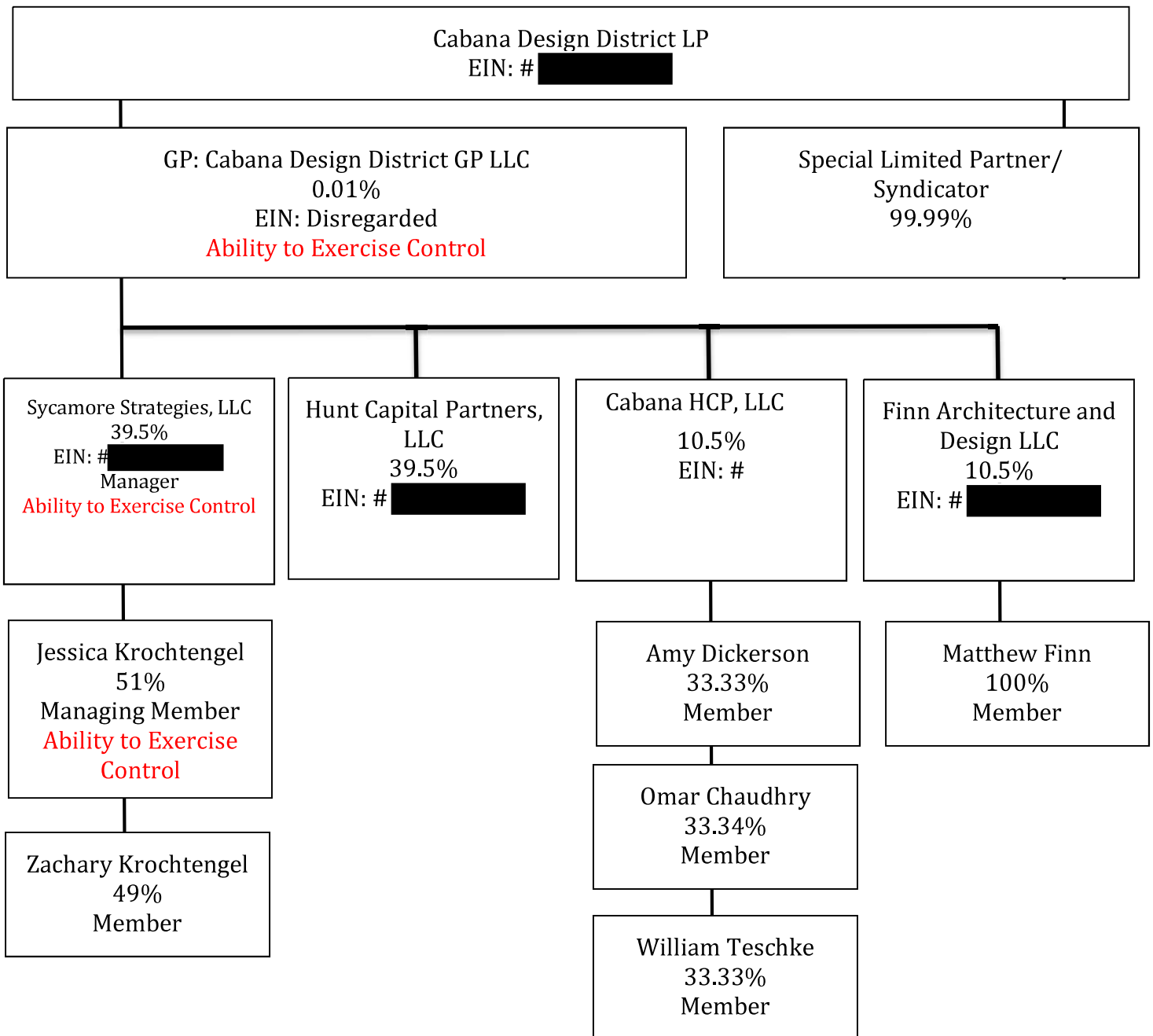


# ORIGINAL SUBMISSION

Cabana Design District: Guarantor  
TDHCA #23100  
Organizational Chart

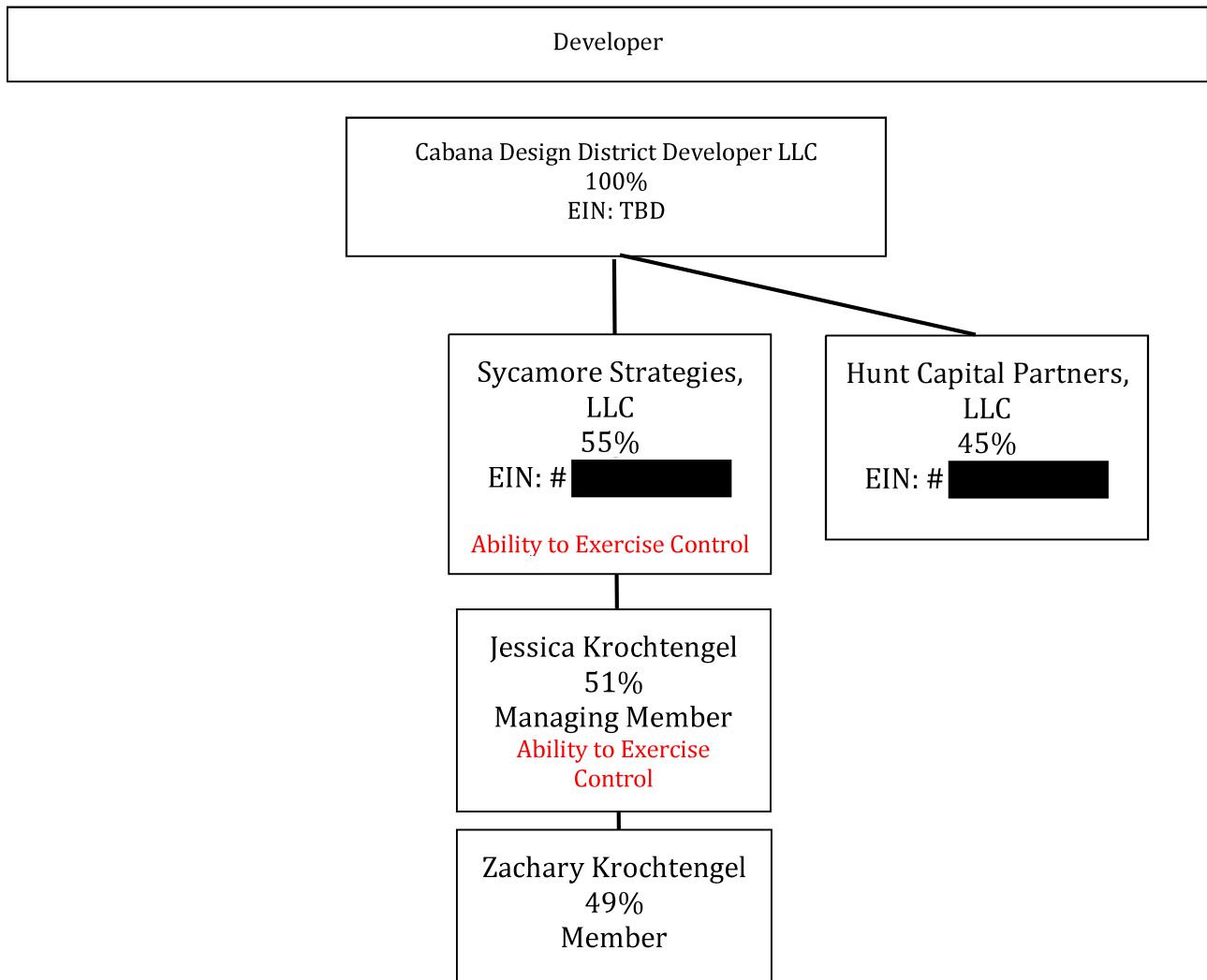


Cabana Design District: Ownership  
TDHCA #23100  
Organizational Chart





Cabana Design District: Developer  
TDHCA #23100  
Organizational Chart



Cabana Design District: Guarantor  
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