



May 14, 2025

Asset Management Division  
Texas Department of Housing & Community Affairs  
221 E. 11th Street  
Austin, TX 78701

RE: TDCHA Application 24038, 3606 S Cockrell Hill Road Senior Living Placed-in-Service Deadline Extension

To Whom it May Concern,

The purpose of this letter is to request an extension for the Placed-in-Service deadline of 3606 S Cockrell Hill Road Senior Living (the "Project") from December 31, 2026 to June 30, 2027 as well as an extension on the 10% Test to December 31, 2025.

Under §11.6.Competitive HTC Allocation Process of the 2024 Qualified Allocation Plan ("QAP"), subsection (5) provides provisions for Credits Returned Resulting from Force Majeure Events and allows the original allocation to be returned and reallocated to the Project under the current QAP while not being subject to the requirements of §11.6 paragraph (2), so long as certain criteria are met. Below are the criteria along with explanations as to how each is met.

- (A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress.
- **Explanation of criteria being met:** At the time of submission of the tax credit application in 2024, total development costs were estimated at \$31.3 million. Since then, total development costs for this project have increased to \$35 million due to construction pricing increases which were unforeseen at the time of application. The combination of this plus high interest rates has caused a financing gap of \$5 million, resulting in the need for seeking soft financing from the City of Dallas. The City has awarded the funding and is currently underwriting HOME funding to serve as the source for the gap. However, due to the funding being a federal source, we are required to receive



environmental clearance (choice limiting action) before land can be purchased. These items were not in control of the Development Owner and could not have been foreseen.

(B) Acts or events caused by the negligent or willful act or omission of the Development Owner, Affiliate or a Related Party shall under no circumstance be considered to be caused by Force Majeure. In order for rainfall, material shortages, or labor shortages to constitute Force Majeure, the Development Owner must clearly explain and document how such events could not have been reasonably foreseen and mitigated through appropriate planning and risk management. Staff may use Construction Status reports for the subject or other Developments in conducting their review and forming a recommendation to the Board.

- **Explanation of criteria being met:** Continued high interest rates and construction pricing increases could not have been reasonably foreseen by the Development Owner and could not have been reasonably mitigated by the Development Owner.

(C) A Development Owner claiming Force Majeure must provide evidence of the type of event, as described in subparagraph (A) of this paragraph, when the event occurred, and that the loss was a direct result of the event.

- **Explanation of criteria being met:** As detailed in (A) above, interest rates have remained high and total development costs have increased by \$3.7 million due to unforeseen construction pricing increases.

(D) The Development Owner must prove that reasonable steps were taken to minimize or mitigate any delay or damages, that the Development Owner substantially fulfilled all obligations not impeded by the event, including timely closing of all financing and start of construction, that the Development and Development Owner were properly insured and that the Department was timely notified of the likelihood or actual occurrence of an event described in subparagraph (A) of this paragraph.

- **Explanation of criteria being met:** This request is being submitted before closing on the financing and commencing construction in order to ensure the request is submitted and considered in a timely manner, and due to investor requirements to have a placed-in-service extension in hand prior to closing. The Development Owner has applied for a HOME funding through the City of Dallas, which has been awarded and will allow the development to close in September 2025.

(E) The event prevents the Development Owner from meeting the placement in service requirements of the original allocation.

- **Explanation of criteria being met:** As detailed in (A) above, the project is being awarded HOME funds which require environmental approval to close. It is estimated that the development will close in September 2025, which will not allow the development to be placed in service by December 31, 2026.

(F) The requested current year Carryover Agreement allocates the same amount of credit as that which was returned.



- **Explanation of criteria being met:** There will be no changes to the originally-requested credits.

(G) The Department's Real Estate Analysis Division determines that the Development continues to be financially feasible in accordance with the Department's underwriting rules after taking into account any insurance proceeds related to the event.

- **Explanation of criteria being met:** No insurance proceeds are being received as a result of the requested extension and all criteria used during underwriting has been approved by REA.

If you have any questions regarding this matter, please contact Tom Huth via email at [tom@palladiumusa.com](mailto:tom@palladiumusa.com).

Best Regards,

A handwritten signature in blue ink, appearing to read 'T. Huth', with a long horizontal flourish extending to the right.

Thomas E. Huth  
Authorized Representative

# Memorandum



CITY OF DALLAS

DATE May 27, 2025

Honorable Members of the City Council Housing and Homelessness Solutions  
TO Committee: Jesse Moreno (Chair), Cara Mendelsohn (Vice Chair), Zarin Gracey, Chad West, Gay Donnell Willis

SUBJECT **Upcoming Agenda Item: NOFA Development Project – 3606 Cockrell Hill Road Senior Living**

This purpose of this memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on June 25, 2025 to authorize the City Manager to negotiate and execute a development loan agreement and security documents with 3606 S Cockrell Hill Rd, Ltd., an affiliate of Palladium USA, Inc. (Applicant) conditioned upon the Applicant, or the entity named receiving 2024 9% Housing Tax Credit award and other funding source subject to approval of the City for the development of 3606 Cockrell Hill Road Senior Living, a 120-unit multifamily senior housing complex located at 3606 and 3626 South Cockrell Hill Road, Dallas, Texas 75236 (Project) - Not to exceed \$5,000,000.00 – Financing: HOME Investment Partnerships Program Funds

## **BACKGROUND**

Palladium USA, Inc. submitted a proposal under the City's Notice of Funding Availability (NOFA), as amended, to receive gap financing in the form of a cash flow loan to support the construction of a 120-unit multifamily senior housing complex known as 3606 Cockrell Hill Road Senior Living. The NOFA was issued by the Department of Housing and Community Development (Housing) in accordance with the City's Dallas Housing Policy 2033 (DHP33) and Dallas Housing Resource Catalog (DHRC).

Housing administers programs to appropriately incentivize private investment for the development of quality, sustainable housing that is affordable to the residents of the City. Specifically, Housing administers the New Construction and Substantial Rehabilitation Program, which where necessary, seeks to provide financial assistance to new developments or substantial rehabilitation of existing developments. All projects seeking financial assistance are required to submit a Notice of Intent to apply for financial assistance through NOFA to develop affordable homeownership and rental housing. As outlined in the NOFA, multiple sources of funding are available. However, proposed projects must meet specific thresholds to qualify for the use of a specific funding source.

The NOFA scorecard criteria for multi-family rental development include the following:

Scoring Criteria	Maximum Points	Awarded Points
Project Attributes	21	16
Equity & City Initiatives	40	23
Readiness	53	53
Developer Experience and Capacity	27	27
Bonus Points	28	2
Penalty for Nonperforming Previously Funded Projects	-10	0
<b>Total</b>	<b>169</b>	<b>121</b>

The Applicant received a fundable score of 121 of 169 points.

Housing proposes to authorize the NOFA funding request totaling \$5,000,000.00 comprised of HOME Investment Partnerships Program Funds for acquisition costs and hard construction (e.g., vertical construction such as framing, roofing, carpentry, etc.) and other soft costs as allowed by federal regulations and the DHRC.

The Applicant is a Texas-based developer dedicated to identifying high-quality urban infill development and redevelopment opportunities within its target markets. The firm specializes in value-added and complex transactions that often present significant barriers to entry. Palladium USA’s experienced team is proficient in managing projects of large scale, guiding them through all phases, including conceptual selection, site planning, design, cost estimation, construction, lease-up, management, and unit sales.

The Applicant proposes to develop 120 multi-family senior housing units on over five acres. The 120 units are comprised of 68 one-bedroom, and 52 two-bedroom units. The project will include common area amenities, such as on-site leasing center, fitness center, resort-style pool with gazebo, clubhouse with community room, business center, and high-speed Wi-Fi. Unit amenities will include energy efficient appliances, LED lighting, dishwasher, natural stone or quartz countertops, wood style flooring, designer fixtures, and covered balcony with storage units.

Additionally, the Applicant will provide modern security features to include a camera system and controlled access in accordance with the NOFA criteria and the Office of Emergency Management and Crisis Response recommendations to ensure a safe living environment for all residents and staff. The project also features targeted resident services including financial literacy classes, monthly calendar of events, exercise classes, senior volunteer programs, and market food pantry access.

The proposed development is located in the established Kiest Cliff Neighborhood at the center of multiple high frequency DART stops, and 2.5 miles from the Westmoreland Rail Station. The site is within one mile of two full-scale grocery stores, a pharmacy, and multiple parks.

The unit mix and rental rates are as follows:

Unit Type	AMI	Units	Rent
1BR	30%	12	\$ 621.00
1BR	50%	33	\$1,035.00
1BR	60%	7	\$1,242.00
1BR	70%	2	\$1,441.00
1BR	80%	2	\$1,441.00
1BR	Market	12	\$1,374.00
2BR	30%	6	\$ 744.00
2BR	50%	3	\$1,241.00
2BR	60%	18	\$1,489.00
2BR	70%	1	\$1,737.00
2BR	80%	4	\$1,759.00
2BR	Market	20	\$1,670.00

Total development costs are anticipated to be approximately \$34,927,425.00 which includes the acquisition price for the land. The construction budget is anticipated to be approximately \$22,663,015.00 which is \$188,858.46 per unit.

The anticipated financing sources and uses are as follows:

Financing Sources	Amount
HUD 221(d)(4)	\$ 10,482,700.00
Tax Credit Equity	\$ 3,180,278.00
Developer Fee + GP Equity	\$ 2,538,685.00
City of Dallas HOME Loan	\$ 5,000,000.00
Bridge Loan Equity	\$ 13,725,261.00
<b>Total</b>	<b>\$ 34,927,425.00</b>

Proposed Uses	Costs
Acquisition	\$ 2,884,000.00
Hard Construction Costs	\$ 22,663,015.00
Financing Fees, Soft Costs	\$ 1,569,196.00
Developer Fee	\$ 3,831,226.00

Reserves	\$ 3,979,988.00
<b>Total</b>	<b>\$ 34,927,425.00</b>

After the development is complete, 18 of the 120 units to be made available to households earning 0.00%-30.00% Area Median Income (AMI), 36 of the 120 units to households earning 31.00% - 50.00% AMI, 25 of the 120 units to households earning 51.00% - 60.00% AMI, 3 of the 120 units to households earning 61.00% - 70.00% AMI, and 6 of the 120 units to households earning 71.00% - 80.00% AMI.

The development is currently under review by the Office of Equity and Inclusion Fair Housing Division. **Staff recommends approval of this item** as it furthers the mixed-income housing goals of the DHP33 and Housing Action Plan by creating more rental housing for those making 50% AMI or below, meets the threshold requirements of the NOFA, and confirmation of the financial gap by third-party underwriting.

Should you have any questions or require any additional information, please contact Cynthia Rogers-Ellickson, Director, Department of Housing and Community Development at [Cynthia.rogersellic@dallas.gov](mailto:Cynthia.rogersellic@dallas.gov) or 214-670-3601.

Service First, Now!



Robin Bently  
Assistant City Manager

c: Kimberly Bizzor Tolbert, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety  
Dev Rastogi, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager  
Robin Bentley, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors



Department of  
**Housing & Neighborhood  
Revitalization**

Date: December 13, 2024

Palladium USA  
Elizabeth Perrot  
3606 S Cockrell Hill Rd, Ltd  
3606 & 3636 S Cockrell Hill Rd  
Dallas, Tx 75236

Re: NOFA Developer Application

Good morning/afternoon,

The purpose of this letter is to inform you that the evaluation of your proposal submitted in response to our developer NOFA has been completed. Our team evaluates all proposals in accordance with evaluation criteria set forth in the NOFA application and the Housing Resource Catalog.

We appreciate the effort you and your team put into preparing this proposal. Upon review, your updated application has received a qualifying score. Your NOFA application will be sent to our Project Management team for the next round of review. Once the project reaches underwriting, you will be contacted if additional information is needed.

We will be back in contact soon. If you have any questions or need further assistance, please contact us at (214) 670-3644. A copy of this letter is mailed and kept electronically on file.

Best Regards,

*Michael Stovall*

Program Coordinator  
Department of Housing & Neighborhood Revitalization

Cc: Jasmine Bazley

*JB*

**Signature:** *Jasmine Bazley*

**Email:** jasmine.bazley@dallas.gov

**Signature:** *Kenesha Greer*  
Kenesha Greer (Dec 13, 2024 16:08 CST)

**Email:** kenesha.greer@dallas.gov