City Walk at Akard
Multifamily Project

A Briefing To The
Economic Development and Housing Committee

Housing Department
March 6, 2006
Purpose

- Consideration of an approval of a waiver of the City’s multifamily policy for the City Walk at Akard

- City Walk at Akard – Rehab (Council District 14)

- The Project fits under priority No. 2 under the current policy adopted on January 11, 2006 which is rehabilitation of an existing property

- This project must still compete for funding following City Council approval

- The project will contain a 20% retail component that does not require City assistance at this time consisting of one floor of retail and two floors of office space

- The City Walk at Akard is the only Texas Department of Housing and Community Affairs Project 9% applicant to apply for the City of Dallas multifamily pre-application waiver.
Aerial Map of City Walk at Akard – 511 N. Akard
City Walk at Akard – 511 N. Akard
City Walk at Akard – 511 N. Akard
Market Analysis (Cont’d)

- HISTORY OF TAX CREDIT PROJECTS
  - 118 Projects with 21,184 Units completed, under construction, or commencing construction pending closing since 1988
  - 101 Projects with 18,088 Units are completed
  - 12 tax credit projects consisting of 2,368 units are currently under construction in the City of Dallas
  - 5 Projects with 728 Units are waiting to close on their construction loans
  - Includes projects with bonds issued by DHFC, TDHCA and DHA
Market Analysis

Competing Projects

- Currently 12 tax credit projects consisting of 2,368 units are currently under construction in the City of Dallas
- There are no projects within one mile of this project that have received tax credits within the last three years
  - The property is located in Downtown Dallas with the nearest tax credit projects approved within the last three years being
    - Frazier Fellowship, Wahoo Frazier, Mill City Park (all replacement housing developed by the Housing Authority) and the Rosemont at Meadow Lane (also replacement housing of the Emmanuel Village Apts.)
    - These projects are located approximately four miles away from the City Walk at Akard
    - Frazier Fellowship, Wahoo Frazier and Mill City Park are not in lease-up yet.
    - Rosemont at Meadow Lane is currently 89% occupied

Intown Housing reported occupancy of 94.5% in 4th Quarter 2005
City Walk at Akard
Description

- 511 North Akard, Council District 14
- 209 unit existing multifamily project
  - 132 – studio apartments, 75 one-bedrooms and 2 two-bedrooms
  - 21 units for households at or below 30% area median family income (AMFI)
  - 179 units for households at or below 60% area median family income (AMFI)
  - 9 Market rate units
  - Rents set at tax credit rents based on income levels
- **Applicant** – Akard Walk LP created by Central Dallas Community Development Corporation
  - Central Dallas Community Development Corporation, General Partner
    - LLC ownership – 100% owned by CDCDC
    - Will be the initial 100% owner
  - Tax credit investor will be limited partner
- **Developer** – Co-developed by McCaslin and CDCDC
- **Property Manager** – To be selected in early summer with the following criteria – (1) successful management of tax-credit projects; (2) experience with mixed-use and mixed income; and (3) experience with unique or unusual properties.
City Walk at Akard

SOURCES
Tax Credit Equity $11,048,400
Loans 6,276,394
Grants 64,622
City Funding 1,750,000
TDHCA Housing Trust Fund 37,500
TOTAL SOURCES $19,176,916

USES
Acquisition $5,052,000
Site Work 233,421
Hard Construction Costs 7,237,628
Other Direct Construction Costs 1,940,094
Soft Costs 984,701
Financing Costs 1,529,072
Developer Fee 2,200,000
TOTAL USES $19,176,916
Shortfall on the Sources and Uses

- There is a shortfall of approximately $1.75 Million which should consist of
  - $1,750,000 City Funding from General Obligation Bond money allocated for housing for the homeless
  - In March, the City will pursue the use of $1,750,000 of its Homeless Bond Funds to cover the funding gap
Central Dallas Ministries and McCaslin Development as Co-Developers

- Central Dallas Ministries and McCaslin Development

  Central Dallas Ministries has developed the following projects for low to moderate income families:

  - Ashby Commons – 21 Unit town-home style project for families located at Deer Street/ Rusk Street
  - Eastside Commons – 143 Unit project for families located at North Hall Street at Central
  - Gaston Street – 10 Unit project for families located at 5444 Gaston Ave.
  - Reiger Avenue – 16 Unit project for families located at 4514 Reiger Ave.
Central Dallas Ministries and McCaslin Development as Co-Developers

- McCaslin Development has developed the following properties in the Dallas area:
  - The Wimberly Apartment Homes – 372 Unit luxury apartment for families located at Midway Road and Horizon North Parkway
  - The Brazos Apartment Homes – 286 Unit luxury apartment for families located at Midway Road and Horizon North Parkway
  - The Quarters at City Place (kna AMLI at City Place) - 244 Unit luxury apartment for families located next to City Place Center at US75 and Lemmon Avenue
City Walk at Akard
Property Management

- Management Issues with regard to single residence occupants
- Turnover is higher than average – more than 25%
- There is a need for more intensive social service outreach for special needs and job training
- Maintaining the requisite amount of homeless individuals could be challenging – 100 units out of 209 will be set aside for homeless tenants
  - Applicant has applied for 100 homeless vouchers from the Dallas Housing Authority
  - Applicant has also been awarded $982,458 over a 2 year period to lease ninety-one permanent supportive housing unit
- Security can be enhanced by having only one entrance at all times, requiring guests to sign in and various other rules for tenants must be adhered to as a condition to avoid violating their lease
- Noise and daily maintenance rules and procedures need to be developed and enforced to mitigate maintenance expenses and increased operating costs for the project which is already burdened with enhanced social service demands
- Advice should be sought from successful owners and managers of large SROs in Austin and Houston
To address these issues, Central Dallas CDC and Central Dallas Ministries will both move their headquarters to City Walk @ Akard
- They believe this hands-on involvement is necessary to insure the success of the project
- Desk Clerk and Doorman operating 24 hours per day, seven days per week year round to insure that the rules are obeyed
- A representative of the chosen property management company will also be a resident on-site
- Central Dallas Ministries will provide case management to the formerly homeless residents of City Walk at Akard
  - Screening of tenants to identify ineligible tenants due to criminal records and ongoing drug use
  - Health screening and services, legal services and job training will be provided to tenants based on needs or referrals will be made to mental health agencies, vocational rehabilitation and treatment facilities for drug and alcohol abuse.
Next Steps

☐ March 6, 2006

- Economic Development and Housing Committee Recommends Waiver to Council

☐ March 8, 2006

- City Council Grants Waiver and Authorizes Housing Department to Complete Underwriting and Bring Forth Recommendation on April 12, 2006