

Memorandum



CITY OF DALLAS

DATE April 16, 2010

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT Update on 2010 Low Income Housing Tax Credit Projects for Dallas

On Monday, April 19, 2010, you will be briefed on Update on 2010 Low Income Housing Tax Credit Projects for Dallas. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Helena Stevens-Thompson, Assistant to the City Manager

Update on 2010 Low Income Housing Tax Credit Projects for Dallas

A Briefing To The
Housing Committee

Housing/Community Services Department
April 19, 2010



Key Focus Area: Economic Vibrancy

Purpose

- ❑ Provide information regarding fourteen Low Income Housing Tax Credit (LIHTC) Projects for Dallas that applied for 9% tax credits from the Texas Department of Housing & Community Affairs (TDHCA)

- ❑ Provide further recommendations for:
 - ❑ the remaining projects
 - ❑ funding for certain applicants

Background Information

- December 2009, Texas Department of Housing & Community Affairs (TDHCA) released the Qualified Allocation Plan and Rules to allow for developers to apply for 2010 Low Income Housing Tax Credits (LIHTCs)
- January 8, 2010, Preapplications from developers were due to TDHCA
- January 22, 2010, applications from developers were due to the City of Dallas
- February 1, 2010, City Council Housing Committee was briefed on the LIHTC Program and notified of the applications which had been submitted to the City of Dallas
- February 16, 2010, City Council Housing Committee was briefed and the Committee recommended support of certain LIHTC projects
- February 24, 2010, City Council approved recommendations for support of LIHTC projects
- March 1, 2010, final applications from developers were due to TDHCA

TDHCA LIHTC Allocations & Scoring

- In 2010, TDHCA will provide approximately \$10M per year for 10 years for the North Texas Region including Dallas, Denton, Collin, Tarrant, and Grayson Counties
- 89.5% of that allocation (\$9.6M) will be provided to urban projects and 10.5% (\$1.1M) will be provided to rural projects
- TDHCA further categorizes projects statewide into a general pool and an “At Risk” pool
 - The “At Risk” projects are those where the units are currently low income and they are at risk of losing all financial benefits available to the development to keep them affordable
 - The “At Risk” pool will be funded for 15% of the total state allocation or approximately \$7.6M
- The LIHTC point based scoring system has a maximum of 240 points

LIHTC Applications Received by City of Dallas

Project Name	Address	Council District	# of Units	Unit Types	Ranking by Score
Atmos Lofts	300 S.Harwood/1900 Jackson	14	107	Families	3 of 27
Greenhaus at East Side	4611 East Side Ave.	2	24	SRO-PSH	4 of 27
Champion Homes at Copperridge	5542 Maple Ave.	2	107	Families	6 of 27
Kleberg Commons	12700 Kleberg Rd.	8	200	Senior	9 of 27
Hillside West Seniors	32 Pinnacle Park	3	130	Senior	12 of 27
Jackson Square	1701 Jackson St.	14	100	Families	14 of 27
Sphinx at Lawnview	4120 Lawnview	7	130	Senior	19 of 27
Evergreen Residences	3800 Willow	2	100	SRO-PSH	21 of 27
Prince of Wales	4515 Live Oak	2	63	SRO-PSH	6 of 18 (At Risk Category)
Wynnewood Village	1500 S.Zang	3	140	Senior	7 of 18 (At Risk Category)
Akard Plaza	1011 S. Akard	2	203	SRO-PSH	Withdrawn
Terrace at Founders Square	1400 Englewood (at Tilden)	3	172	Senior	Withdrawn
Hatcher Square	4600 Scyene	7	126	Families	Withdrawn
Evergreen Residences	2012 Jackson St.	14	100	SRO-PSH	Withdrawn

Texas Department of Housing & Community Affairs (TDHCA) -One Mile Rule

- Within counties with populations of one million or greater, for applicants whose projects are one mile or less from each other, TDHCA will only fund one project per funding cycle

- Applications with one mile concerns:
 - Atmos Lofts and Jackson Square
 - Greenhaus at East Side, Evergreen Residences (Willow), and Prince of Wales

LIHTC Applications Recommendations

Project Name	Support or Deny	GAP Funding Requested	Funding Recommended	Comments
Atmos Lofts	Support	\$1.5M Sec.108	\$1.5M Sec.108	Sec.108 in process; TIF Reimbursement approved by City Council
Greenhaus at East Side	Support	\$400K CDBG	\$400K CDBG	Funds already approved & invested
Champion Homes at Copperridge	Support	\$1M	\$1M Sec.108	Seek Sec.108 approval from City Council by June 2010
Kleberg Commons	Support	\$1.5M	\$1.5M Sec.108	Seek Sec.108 approval from City Council by June 2010
Hillside West Seniors	Support	\$1.6M TIF	\$1.6M TIF	Seek TIF Board & City Council approval by June 2010
Jackson Square	Support	\$6.7M	\$4.6M Sec.108	Seek Sec.108 approval from City Council by June 2010
Sphinx at Lawnview	Support	\$1.6M	\$1.6M Sec. 108	Seek Sec.108 approval from City Council by June 2010
Evergreen Residences Willow	Deny	\$4M	No Funding Recommended	Lack of Community Support
Prince of Wales	Support	\$2.2M	No Funding Recommended	This project has 13 more years left on tax credit compliance
Wynnewood Village	Support	\$1.5M	\$1.5M Sec.108	Seek Sec.108 approval from City Council by June 2010

Next Steps

- ❑ Considerations for zoning, TIF, or other funding presented to City Council individually
- ❑ TDHCA Board will decide on tax credit awards by July 31, 2010

Attachment A

Detail of each LIHTC project
(not withdrawn) from
February 16, 2010
Housing Committee briefing

Atmos Lofts 1900 Jackson St.

- **Description:**
 - Adaptive/Reuse of office buildings to create 107 multifamily units for families
 - 37 efficiencies, 56 one-bedrooms, 14 two-bedrooms
 - 6 units for households at or below 30% area median family income
 - 49 units for households at or below 50% area median family income
 - 52 units for households at or below 60% area median family income

- **Applicant** –FC Atmos,Inc.
 - Partners Include:
 - Lawrence E Hamilton and Lawrence E Hamilton III

- **Developer** – Hamilton Development & Central Dallas Ministries

- **Property Manager** – Pinnacle, an American management Services Central Co.

Atmos Lofts

Sources and Uses

Sources

Section 108 Loan	\$1,546,390 *
Tax Credit Equity	11,077,205
Total Sources	\$12,623,595

Uses

Hard Costs	\$8,486,166
Indirect Costs	864,076
Developer Fee	2,100,494
Construction Bridge Loan	760,576
Other Financing Costs	85,892
Reserves	326,391
Total Uses	\$12,623,595

* Requested City of Dallas Support; \$9 M has already been approved

Greenhaus at East Side

4611 East Side Ave.

- **Description:**
 - New construction of 24 Permanent Supportive Housing units
 - 12 two bedrooms and 12 three bedrooms for households below 30% area median family income
 - Energy efficient-LEED Platinum
- **Applicant** – Shared Housing Center, Inc. –nonprofit agency
- **Developer** – OM Housing, LLC
- **Property Manager** – To be determined
- **Service Provider** – Shared Housing Center, Inc.

Greenhaus at East Side

Sources and Uses

Sources

Conventional Loan	\$630,000
Tax Credit Equity	2,443,134
Developer's Note	339,700
City Loan	400,000 *
Total Sources	\$3,812,834

Uses

Land Acquisition	\$350,000
Sitework	208,800
Hard Construction Costs	1,992,300
Soft Costs	456,332
Financing Costs	191,925
Developer Fee	535,476
Operating Reserve	52,001
Syndication Costs	5,000
Real Estate & Mortgage Costs	21,000
Total Uses	\$3,812,834

* City of Dallas support provided 11/9/09

Champion Homes of Copperidge

5542 Maple Ave.

- **Description:**
 - New construction of 107 multifamily units for families
 - 53 One Bedroom Units and 54 Two Bedroom Units
 - 6 units for households at or below 30% area median family income
 - 38 units for households at or below 50% area median family income
 - 63 units for households at or below 60% area median family income
 - Near Maple/Inwood DART Station

- **Applicant** – Chickory Court IX, LP, Odyssey Residential Holdings, LP
 - Partners include:
 - Saleem Jafar, Bill Fisher

- **Developer** – Saleem Jafar & Bill Fisher

- **Property Manager** – Odyssey Residential Management, LLC

Champion Homes at Copperidge

Sources & Uses

SOURCES

Permanent Debt	\$3,150,000
City's Loan	1,000,000 *
Tax Credit Equity	9,739,545
Deferred Developer Fee	150,474
Total Sources	\$14,040,019

USES

Land Acquisition	\$2,120,000
Sitework	963,000
Hard Construction Costs	5,904,520
Contractor's Fees	961,453
Contingency	343,376
Professional Fees	680,000
Interim Financing Costs	1,089,250
Permanent Financing Fees	316,420
Development Fee	1,262,000
Reserves & Other Costs	400,000
Total Uses	\$14,040,019

* Requested City of Dallas Support

Kleberg Commons Housing

12700 Kleberg

■ **Description:**

- New construction of 200 multifamily units for seniors
- 100 one-bedrooms and 100 two-bedrooms
- 30 units for households at or below 30% area median family income
- 70 units for households at or below 50% area median family income
- 100 units for households at or below 60% area median family income

■ **Applicant** – Kleberg Leased Housing, L.P.

■ Partners include:

- Dale Lancaster and Jeffrey spicer

■ **Developer** – Arrington Developers, LLC

■ **Property Manager** – Guardian Asset Management, Inc.

Kleberg Commons

Sources and Uses

SOURCES

Taxable Loan	\$3,700,000
City Loan	1,500,000 *
Tax Credit Equity	13,727,417
Deferred developer fee	559,285
Total Sources	\$19,486,702

USES

Land Acquisition	\$1,800,000
Hard Construction Costs	13,197,096
Architect/Engineering	303,500
Permits and Fees	95,600
Financing	356,720
Construction Period Interest	444,000
Tax Credit Costs	103,432
Soft Costs	58,681
Legal	40,000
FFE	152,300
Prestabilization Costs	210,000
Reserves	569,707
Developer Fee	2,155,666
Total Uses	\$19,486,702

* Requested City of Dallas Support

Hillside West Seniors

32 Pinnacle Park

- **Description:**
 - New construction of 130 senior units
 - 40 one-bedrooms and 90 two-bedrooms
 - 7 units for households at or below 30% area median family income
 - 65 units for households at or below 50% area median family income
 - 58 units for households at or below 60% area median family income

- **Applicant** – Hillside West Seniors, LP
 - Partners include:
 - Brandon Bolin and Alan McDonald

- **Developer** – Hillside West Seniors, LP

- **Property Manager** – To be determined

Hillside West Seniors

Sources and Uses

SOURCES

Conventional Loan	\$4,850,000
Equity	8,858,993
Developer's Note	1,587,413
Construction Loan Bridge	<u>1,656,613</u> *
Total Sources	\$16,953,019

USES

Land Acquisition	\$2,000,000
Taxes and Insurance	355,000
Financing	1,143,006
Architectural/Engineering	599,935
Legal	167,500
Site Work	1,169,996
Hard Construction Costs	8,054,082
Soft Costs	1,336,087
Contingency	540,000
Developer Fee	<u>1,587,413</u>
Total Uses	\$16,953,019

* Requested City of Dallas Support from TIF Funds

Jackson Square 1701 Jackson Street

- **Description:**
 - 100 units for families
 - 28 one-bedrooms, 55 two-bedrooms and 11 three-bedrooms
 - 5 units for households at or below 30% area median family income
 - 45 units for households at or below 50% area median family income
 - 50 units for households at or below 60% area median family income

- **Applicant** –Forest City Residential Group, Inc., Jim Truitt, Vice-Pres.
 - Partnership not yet formed

- **Developer** – Forest City Residential Group, Inc.

- **Property Manager** – Forest City Residential Management, Inc.

Jackson Square

Sources and Uses

SOURCES

Conventional Loan	\$3,106,500
City Loan Section 108	6,750,000 *
Tax Credit Equity	12,348,159
Forest City Equity	(17,122)
Total Sources	\$22,187,537

USES

Land Acquisition	\$2,592,694
Hard Construction Costs	12,055,594
Architect/Engineering	600,000
Office	132,500
F/F/E	200,000
Legal	100,000
Marketing	195,000
Tax and Insurance	142,995
Developer Fee	1,627,505
Construction Manager	482,224
Financing	526,584
Reserves	789,857
Section 108 Interest Reserve/start-up	865,000
Contingency	1,205,559
Operating Deficit	672,025
Total Uses	\$22,187,537

* Requested City of Dallas Support

Sphinx at Lawnview

4120 Lawnview Ave.

- **Description:**

- New construction of 130 Units for seniors
- 7 units for households at or below 30% area median family income
- 45 units for households at or below 50% area median family income
- 78 units for households at or below 60% area median family income

- **Applicant** – SDC Lawnview Villas, LP

- Partners include:
 - Jay Oji

- **Developer** – Sphinx Development Corporation

- **Property Manager** – Alpha Barnes

Sphinx at Lawnview

Sources and Uses

SOURCES

Conventional Loan	\$3,289,000
City of Dallas Loan	1,600,000 *
Tax Credit Equity	10,498,950
Deferred Developer Fee	630,426
Total Sources	\$16,018,376

USES

Land Acquisition/Demolition	\$767,150
Hard Construction Costs	10,370,965
Architect and Engineering	510,500
Permits and Fees	180,100
Financing	516,500
Construction Period Interest	475,000
Tax Credit Costs	84,850
Soft Costs	128,914
Legal Fees	127,500
FFE/Pre-Stabilization	614,075
Reserves	438,639
Developer Fees	1,804,183
Total Uses	\$16,018,376

* Requested City of Dallas Support

Evergreen Residences

3800 Willow

- **Description:**
 - New construction of 100 Permanent Supportive Housing Units
 - 100 efficiency units for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** –Evergreen Residential, Ltd, FPC Housing, LLC, GREENarc Corp
 - Partners include:
 - Rev. Dr. Bruce Buchanan, Janice Estes, Lee Hutchins, Graham Greene

- **Developer** – Graham Greene and Rev. Dr. Bruce Buchanan

- **Property Manager** – FPC Housing, LLC

- **Service Provider** – First Presbyterian Church/Stewpot

Evergreen Residences 3800 Willow

Sources and Uses

SOURCES

Conventional Loan	\$910,116
City Loan	4,000,000 *
Tax Credit Equity	9,750,000
Equity Contribution	853,234
Total Sources	\$15,513,350

USES

Land Acquisition	\$1,500,000
Hard Construction Costs	8,480,000
Soft Costs	2,679,000
Financing Costs	70,000
Developer Fee	1,804,350
Syndication Costs	300,000
Debt Service Fund	350,000
Real Estate and Mortgage Costs	330,000
Total Uses	\$15,513,350

* Requested City of Dallas Support

Prince of Wales 4515 Live Oak

- **Description:**
 - Rehabilitation of 63 Permanent Supportive Housing units
 - 61 efficiencies and 2 one-bedrooms for households below 30% area median family income

- **Applicant** – Prince of Wales, Partnership, Ltd., Prince of Wales, LLC, Undermain Corp, Greenfield Operations, LLC
 - Partners include:
 - Eric Anderson, Graham Greene

- **Developer** – Prince of Wales Partnership, Ltd. And Undermain Corp.

- **Property Manager** – Prince of Wales, LLC with the First Presbyterian Church/Stewpot

Prince of Wales

Sources and Uses

SOURCES

First Lien City Loan	\$2,205,000 *
Tax Credit Equity	4,568,996
Equity Contribution	207,527
Total Sources	\$6,981,523

USES

Construction Costs	\$3,392,000
Soft Costs	928,620
Financing Costs	200,000
Developer Fee	910,603
Syndication Costs	200,000
Debt Service Reserve Fund	300,300
Real Estate and Mortgage Costs	1,050,000
Total Uses	\$6,981,523

* Requested City of Dallas Support

Wynnewood Village

1500 S. Zang Blvd.

- **Description:**

- New construction of 140 units for Seniors
- 73 one bedrooms and 67 two bedrooms
- 7 units for households at or below 30% area median family income
- 56 units for households at or below 50% area median family income
- 77 units for households at or below 60% area median family income

- **Applicant** – Wynnewood Senior Housing, L.P.

- Partners Include:

- Central Dallas CDC, Banc of America Community Development Corporation

- **Developer** – Bank of America, CDC

- **Property Manager** – To be determined

Wynnewood Village

Sources and Uses

SOURCES

Conventional Loan	1,755,838
Section 108 Loan	1,459,247 *
Tax Credit Equity	14,714,548
Deferred Developer Fee	1,465,225
Total Sources	\$19,394,858

USES

Land Acquisition/Demolition	\$2,337,500
Hard Construction Costs	10,630,145
Rehabilitation Soft Costs	2,909,085
Developer Fees	2,520,001
Other Soft Costs	284,325
Reserves & Others	713,802
Total Uses	\$19,394,858

* Requested City of Dallas Support

Attachment B

Texas Department of Housing & Community Affairs Application Log with Current Scoring