

Memorandum



DATE April 1, 2011

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

SUBJECT Sphinx at Fiji Townhomes Bond Project

On Monday, April 4, 2011, you will be briefed on Sphinx at Fiji Townhomes Bond Project. A copy of the briefing is attached.

Please let me know if you have any questions.



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

Sphinx at Fiji Townhomes Bond Project

A Briefing To The
Housing Committee

Housing/Community Services Department

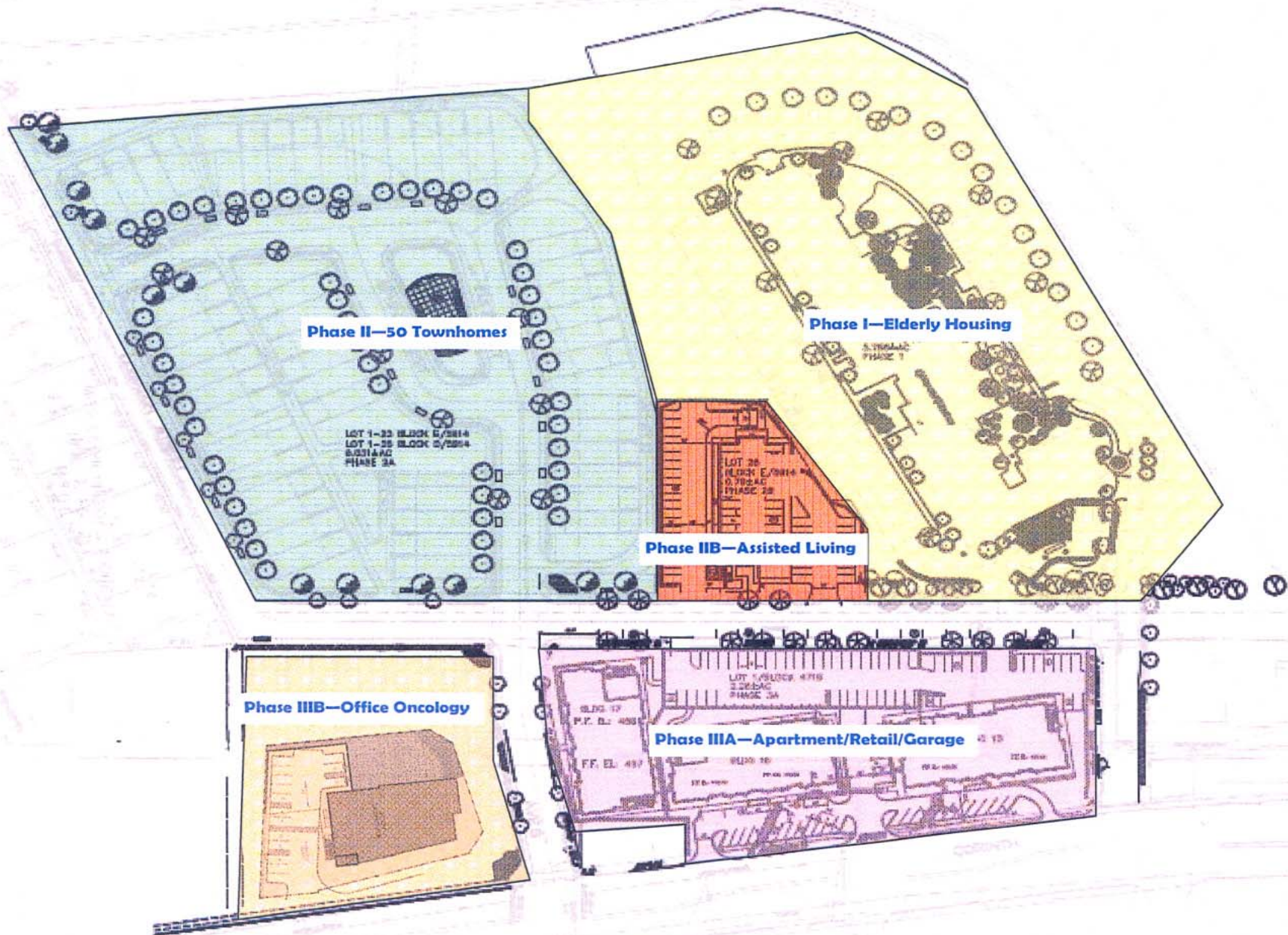
April 4, 2011



[Key Focus Area: Economic Vibrancy]

Purpose

- Recommend funding up to \$240,000 in Proposition 8 General Obligation Bond funds to assist in the development of twelve townhomes in the Fiji- Compton mixed-use transit-oriented development





**Phase I
Elderly Housing
130 Units (1&2 BR)**

**Phase II
50 Townhomes
3BR, 2Grg**

Phase IIB—60 Bed Assisted Living

**Phase IIIA
Apartment—74 Units
Retail—12,000SF
Garage—240 Spaces**

**Phase IIIB
Office Oncology
19,000 SF**



Fiji-Compton Master Planned Development

- Sphinx Development Corporation (SDC) Project
 - The twenty (20) acre master planned project is located within a quarter mile of two DART Stations at 8th & Corinth and Morrell Street Stations
 - The planned development consists of:
 - Pedestrian access to public transportation
 - Viable work force commuter options
 - Multi-family, senior, and single-family housing
 - Adjacent and immediate proximity to office space and retail

[Townhouse Project]

- Developer – Sphinx Development Corporation (SDC)
 - Jay Oji, President/CEO
- Owner – SDC Compton Housing, LLC
- General Contractor – SDC Construction, LLC
- Request is for \$20,000 grant per unit for 50 townhomes
 - Funds would be used to offset the total price of the units to allow families at 80% or below to purchase them
- Units will be located just south of the newly completed senior units at 201 Fran Way (130 units)
- Pricing for the homes will range between \$134,000 to \$139,000
- Units will be 3 bedroom, 2.5 baths, approximately 1400+ sq.ft.

SDC Experience

- SDC has developed eight projects in the metroplex with 6 of those projects in Dallas
 - Ewing Villas (2001)
 - \$10M Town Home project adjacent to Dallas Zoo and DART Station
 - 80-unit rental project with 100% of units at 60% or below Area Median Family Income (AMFI)
 - Sphinx at Murdeaux Villas (2002)
 - \$15.1M Multi-Family (MF) project at Ledbetter @ Murdeaux Lane (Southeast Dallas)
 - 240-unit rental project with 100% of units at 50% AMFI
 - Sphinx @ Delafield Villas (2004)
 - \$18M Town Home project in Pleasant Grove at Delafield and Hoyle Ave
 - 204-unit rental project with 100% of units at 60% or below AMFI
 - Sphinx @ Luxar (2005)
 - \$10.5M MF project at Cockrell Hill and West Kiest
 - 100-unit rental project with 100% of units at 60% or below AMFI
 - Reese Townhomes (2005)
 - \$8.7M MF project at 1201 S. Ewing
 - 80-unit rental project with 100% of units at 60% or below AMFI
 - Fiji Senior Villas (2009)
 - 201 Fran Way
 - 130 unit rental project with 100% of units at 60% or below AMFI

Sources and Uses

SDC Fiji Senior Project

SOURCES

Lender financing	\$114,183
Deferred Developer Fee	17,126
City Funding	20,000
Owner equity	<u>8,532</u>
TOTAL SOURCES	\$159,841

USES

Land	\$ 13,600
Taxes & Insurance	1,100
Financing	6,561
Other Soft Costs	14,522
Permits/Fees	1,932
Hard Construction Costs	105,000
Developer Fee	<u>17,126</u>
TOTAL USES	\$159,841

[Terms of Grant]

- The City of Dallas economic development grant terms:
 - Term – 2 years
 - Construction must begin prior to 9/30/2011
 - Grant will be applied to a portion of the construction costs in exchange for sale to low to moderate income families at or below 80% of area median family income
 - Deed Restrictions for affordability for 5 years

[Recommendation]

- Approval of a \$240,000 economic development grant to Sphinx Development Corporation or a wholly owned subsidiary for the construction of 12 townhomes in the Fiji-Compton mixed-use transit oriented development

[Next Steps]

- April 27, 2011-City Council consideration of a \$240,000 economic development grant for the construction of twelve (12) townhomes as a part of the master planned Fiji-Compton project to SDC or wholly owned subsidiary
- May 2011 – contract with SDC or wholly owned subsidiary
- May/June 2011 –construction begins on first 6 units