

Memorandum



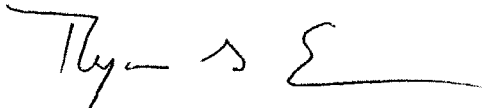
DATE June 1, 2012

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT 2012 Low Income Housing Tax Credit Program Update

On Monday, June 4 2012, you will be briefed on the 2012 Low Income Housing Tax Credit Program Update. A copy of the briefing is attached.

Please let me know if you have any questions.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Stephanie Pegues-Cooper, Assistant to the City Manager

2012 Low Income Housing Tax Credit Program Update

A Briefing To The
Housing Committee

Housing/Community Services Department
June 4, 2012



Key Focus Area: Economic Vibrancy

Purpose

- ❑ Provide a status update for the 2012 Low Income Housing Tax Credit (LIHTC) Projects for Dallas
- ❑ Provide recommendations for the remaining LIHTC applications

Background Information

- January 10, 2012, Preapplications from developers were due to Texas Department of Housing & Community Affairs (TDHCA)
- February 6, 2012, City Council Housing Committee was briefed on the LIHTC Program and notified of the applications which would be located in Dallas
- February 21, 2012, City Council Housing Committee was briefed in more detail on the nine LIHTC development applicants for Dallas
- February 22, 2012, City Council provided approval of four LIHTC development applications:
 - 1701 Canton-Evergreen Residences
 - 1400 Belleview
 - Cadillac Apartments
 - Hatcher Square
- March 1, 2012, final applications for the LIHTC program were due and only four developments for Dallas remained (above-mentioned)

Final LIHTC Applications for 2012

Project Name	Address	Council District	# of Units	Unit Types	Request for Funding
Evergreen Residences	1701 Canton	2	130	Supportive Housing for Families	\$4,603,720
1400 Belleview	1401 Browder St.	2	164	Families-New	None (\$1.65M TIF approved in 2011)
Cadillac Apartments	Cadiz & South Ervay	2	164	Supportive Housing for Single Adults	\$3,653,000
Hatcher Square	4600 Scyene Rd.	7	136	Families-New	\$475,000 (\$1,025,000 Bond approved in 2010)

City of Dallas Participation in LIHTC Program

- TDHCA asks for the Governing Body to provide the following approvals for any proposed project located within the boundaries of the jurisdiction:
 - When the number of tax credit units previously approved exceeds two times the state average
 - When projects involving new construction or adaptive reuse are located less than a mile from another project funded within the prior 3 years and served the same type of household
 - When a proposed project is to be located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract

- Additional support
 - Formal resolution of support from the City Council
 - Letters confirming zoning, location, and inclusion in revitalization areas
 - Provide gap funding for certain projects that meet the City Council goals & objectives

Texas Department of Housing & Community Affairs (TDHCA) Low Income Housing Tax Credit (LIHTC) Program

- For 2012, the estimated tax credit availability is approximately \$7.6 million for the region.
- The Region includes Dallas, Denton, Collin, Tarrant, and Grayson Counties
- Based on the available tax credits and the number of application in the Region, only one or two projects for Dallas will be successful

Evergreen Residences

1701 Canton

- **Description**
 - New construction of 130 Transitional and Permanent Supportive Housing for Families
 - 30 efficiency; 20 one-bedroom; 40 two-bedroom; 30 three-bedroom; 10 four-bedroom
- **Applicant** – EVERgreen Residential, Ltd.
- **Developer/Partners** – FPC Housing, LLC. (affiliated with the First Presbyterian Church); GREENArc, Corp.
 - Rev.Dr. Bruce Buchanan
 - Graham Green
 - Buddy Jordan
 - Family Gateway, Inc.
- **Current TDHCA Scoring:** 19th out of 21 remaining projects in Region 3

Criteria Review for 1701 Canton

1. Does the project fit in the City's priorities? Yes, the project contributes to the City's plan for the creation of supportive housing units and targets a particularly population of homeless families with children.
2. Has the City already provided financial assistance? No
3. Does the project eliminate slum or blight? Yes, the subject property has a City building that is being leased by Family Gateway and Oncor owns a building on site
4. Does the project have appropriate zoning? Yes, currently CA-1(A)-SP which allows for residential and non-residential uses
5. Proximity & capability of schools for project – MLK Jr. Elementary, Billy Earl Dade Middle School, James Madison High School; all have capacity for additional students
6. Comments of owners/residents surrounding project-supported by Downtown Resident Council and Farmer's Market Stakeholders; opposed by 2100 Downtown group
7. Concentration of multifamily projects in an area- mostly multifamily in downtown area but few are affordable and none serve homeless families with children
8. Has applicant agreed to incorporate safety/security features for project? Yes, security station is part of design plan
9. Willingness of applicant to address resident's concerns- Yes, with security and social services planned

Criteria Review for 1701 Canton (continued)

10. Quality of proposed project- Yes, new construction, 5 story building with ground level parking; energy efficient
11. Project design and special accommodations for expected tenants- Yes, project will have four elevators, fire sprinklers in all residential areas, splash pool, recreational amenities
12. Will the project have adverse effect on the neighborhood? No, based on current use
13. Is the project compatible with existing or anticipated development of area? Yes in that additional multifamily housing is anticipated in the downtown area
14. Project compatibility with zoning in area- Yes, CA-1 (A), there are other multifamily units in the downtown area
15. Parking demand & undue burden on public facilities- Adequate number of parking spaces will be created; Most clients will not have vehicles
16. Traffic caused by the project- adjacent and nearby streets are adequate to handle additional traffic
17. Existing or proposed public transit availability- within one mile of Convention Center DART station and bus lines

Criteria Review for 1701 Canton (continued)

18. Location, density, height of buildings effect on future development for area- Development will not be injurious or detrimental to future development of the surrounding area
19. Preservation of natural beauty and concern for landscaping- \$300,000 is budgeted for landscape development with additional funds budgeted for ongoing maintenance
20. Managers reside on site- No
21. Financial capacity of applicant to complete & operate the project- Yes, staff has reviewed financials and proforma; vouchers have been committed to the project for clients
22. Can the market absorb the new rental units? Yes, clients will be consolidated to this site from other scattered sites
23. One mile concern- within one mile of Atmos Lofts which is a Low Income Housing Tax Credit Development which serves families
24. Applicant has presented a suitable development plan for the entire development site- Yes, site plan and architectural drawings
25. Any other factor relevant to the best interest of the City- Yes, continued development of the downtown area

DISD Schools Servicing Evergreen Residences

Elementary (PK thru 5)

City Park Elementary
1738 Gano Street
Dallas, Texas 75215
Enrollment: 214 children
Building Utilization 52%

School to be closed
Children to attend Martin Luther King Jr.

Middle School (6 thru 8)

Billy Earl Dade Middle School
2801 Park Row
Dallas, Texas 75215
Enrollment: 409 children
Building Utilization 89%

High School (9 thru 12)

James Madison High School
3000 MLK
Dallas, Texas 75215
Enrollment: 539 children
Building Utilization 54%

Note: Children may be bused to a school they attended before becoming homeless

1400 Belleview

1401 Browder Street

■ **Description**

- New construction of 164 multifamily units for families
- 46 One Bedroom, 87 Two Bedroom and 31 Three Bedroom Units

■ **Applicant** – 1400 Belleview GP, LLC

■ **Developer/Partners** – Matthews Affordable Income Development, LLC (affiliate of Matthews Southwest with CasaLinda Development Corp.

- Jack Matthews, President
- Kristian Teleki, Sr. VP Development
- Scott Galbraith, President/CEO, Scott Galbraith Consulting
- Casa Linda Development Corporation-Linda Brown & Sara Reidy

■ **Current TDHCA Scoring:** 5th out of 21 remaining projects in Region 3

Criteria Review for 1400 Belleview

1. Does the project fit in the City's priorities? Yes, Transit Oriented Development and Southern Dallas Economic Growth Plan
2. Has the City already provided financial assistance? Yes, TIF financing approved in June 2011
3. Does the project eliminate slum or blight? Yes, this property is currently vacant
4. Does the project have appropriate zoning? Yes, PD 317 (subdistrict 2) allows for multifamily development
5. Proximity & capability of schools for project - MLK Jr. Elementary, Billy Earl Dade Middle School, James Madison High School; all have capacity for additional students
6. Comments of owners/residents surrounding project- supported by the Cedars Neighborhood Association; none in opposition
7. Concentration of multifamily projects in an area- No, mostly vacant land
8. Has applicant agreed to incorporate safety/security features for project? Yes, developer is planing controlled gate access and secured entry to individual residences
9. Willingness of applicant to address resident's concerns-Yes, the Developer has met with the stakeholders throughout the application process

Criteria Review for 1400 Bellevue (continued)

10. Quality of proposed project- Yes, the project will adhere to the district's design criteria which covers streetscaping, sidewalks, and lighting
11. Project design and special accommodations for expected tenants- elevator for 4 story building, 7,500 of retail space, energy efficient appliances, community room, fitness center, business center, theater room
12. Will the project have adverse effect on the neighborhood? No, need development in Cedars Neighborhood
13. Is the project compatible with existing or anticipated development of area? Yes, the zoning is PD 317 (subdistrict 2) allowing for mixed-use developments
14. Project compatibility with zoning in area-Yes, area needs development of this kind
15. Parking demand & undue burden on public facilities- Developer will create required number of parking spaces and rely on DART line for residents/visitors to be transported
16. Traffic caused by the project- Developer has provided design plan to address needed easements and land dedications to match the City approved alignment for the construction of the Bellevue Street Extension
17. Existing or proposed public transit availability- located within 900 feet of DART Blue Line

Criteria Review for 1400 Belleview (continued)

18. Location, density, height of buildings effect on future development for area- No
19. Preservation of natural beauty and concern for landscaping- Trees will be planted and Developer plan to spend \$164,250 on landscaping
20. Managers reside on site - No
21. Financial capacity of applicant to complete & operate the project - Yes, staff has reviewed financials and proforma
22. Can the market absorb the new rental units? Yes, there is a need for affordable rental units in the Cedars Neighborhood
23. One mile concern- within one mile of Atmos Lofts which is a Low Income Housing Tax Credit Development which serves families
24. Applicant has presented a suitable development plan for the entire development site- Developer has submitted a site plan and architectural drawings
25. Any other factor relevant to the best interest of the City- Yes, continued development of downtown areas

DISD Schools Servicing 1400 Bellevue

Elementary (PK thru 5)

City Park Elementary
1738 Gano Street
Dallas, Texas 75215
Enrollment: 214 children
Building Utilization 52%

School to be closed
Children to attend Martin Luther King Jr.

Middle School (6 thru 8)

Billy Earl Dade Middle Learning Center
2801 Park Row
Dallas, Texas 75215
Enrollment: 409 children
Building Utilization 89%

High School (9 thru 12)

James Madison High School
3000 MLK
Dallas, Texas 75215
Enrollment: 539 children
Building Utilization 54%

Cadillac Apartments Cadiz & South Ervay

- **Description**

- New construction of 164 Permanent Supportive Housing for homeless individuals
- All units will be efficiencies with one bathroom and a kitchen

- **Applicant** – Cadillac Apartments, LLC

- **Developer/Partners** – Green Eggs and Ham Developer, LLC

- Rebecca Greenan
- Jill Hamilton
- John Greenan
- Lawrence E. Hamilton III

- **Current TDHCA Scoring:** 6th out of 21 remaining projects in Region 3

Criteria Review for Cadillac Apartments

1. Does the project fit in the City's priorities? Yes, the project contributes to the City's plan for the creation of supportive housing units.
2. Has the City already provided financial assistance? No
3. Does the project eliminate slum or blight? Yes, the subject property is the old Day Resource Center site
4. Does the project have appropriate zoning? Yes, CA-1(A)
5. Proximity & capability of schools for project- not applicable as development will serve adults only
6. Comments of owners/residents surrounding project- supported by Downtown Resident Council; opposed by Farmer's Market Stakeholders and 2100 Downtown group
7. Concentration of multifamily projects in an area- not of PSH units for adults
8. Has applicant agreed to incorporate safety/security features for project? Yes, security on the premises and a security office is part of design plan
9. Willingness of applicant to address resident's concerns- Yes, Developer continues to meet with neighboring groups to address concerns for PSH units

Criteria Review for Cadillac Apartments (continued)

10. Quality of proposed project- Yes, new construction, five stories
11. Project design and special accommodations for expected tenants- Yes, project will have elevators, ground floor leasing, supportive services and recreational space
12. Will the project have adverse effect on the neighborhood? No, based on current use
13. Is the project compatible with existing or anticipated development of area? Yes in that additional multifamily housing is anticipated in the downtown area
14. Project compatibility with zoning in area- Yes, PD-715 allows for homeless assistance center and CA-1 (A) allows all types of uses
15. Parking demand & undue burden on public facilities –Adequate number of parking spaces are in design plan; most clients will not have vehicles
16. Traffic caused by the project- adjacent and nearby streets are adequate to handle additional traffic
17. Existing or proposed public transit availability- within one mile of Convention Center DART station and bus lines

Criteria Review for Cadillac Apartments (continued)

18. Location, density, height of buildings effect on future development for area- Development will not be injurious or detrimental to future development of the surrounding area
19. Preservation of natural beauty and concern for landscaping- developer has budgeted \$44,590 for landscaping
20. Managers reside on site- No
21. Financial capacity of applicant to complete & operate the project- Yes, staff has reviewed financials and proforma; vouchers need to be committed to the project for clients
22. Can the market absorb the new rental units? Yes, PSH units
23. One mile concern- within one mile of Atmos Lofts which is a Low Income Housing Tax Credit Development which serves families but not homeless
24. Applicant has presented a suitable development plan for the entire development site- Yes, site plan and architectural drawings
25. Any other factor relevant to the best interest of the City- Yes, continued development of the downtown area and furthering the Continuum of Care for clients entering the Bridge

Hatcher Square

Scyene & Hatcher

- **Description**

- New construction of 136 units for families
- 5 one bedroom, 100 two bedroom, and 31 three bedroom units

- **Applicant** – Frazier HS, LP.

- **Developer/Partners** – Frazier Revitalization, Inc.-nonprofit; Carleton Residential, LTD.

- Dorothy Hopkins, President, Frazier Revitalization, Inc.
- Printice Gary; Jeff Fulenchek, Will Henderson

- **Current TDHCA Scoring:** 12th out of 21 remaining projects in Region 3

Criteria Review for Hatcher Square

1. Does the project fit in the City's priorities? Yes, Transit Oriented Development and Southern Dallas Economic Growth Plan
2. Has the City already provided financial assistance? Yes, General Obligation Bond financing approved in December 2010
3. Does the project eliminate slum or blight? Yes, the project is on the border of one of the City's Neighborhood Investment Program (NIP) areas
4. Does the project have appropriate zoning? Yes, Site is zoned PD-849 which allows for multifamily with specific use permit and allows commercial retail
5. Proximity & capability of schools for project –Rhoads Learning Center, Anderson Middle Learning Center, Lincoln High School; all have capacity for additional students
6. Comments of owners/residents surrounding project-supported by Bertrand Neighborhood Association; none in opposition
7. Concentration of multifamily projects in an area-No, family apartments are needed
8. Has applicant agreed to incorporate safety/security features for project? Yes, however there is not an amount included for ongoing security in the operating expenses
9. Willingness of applicant to address resident's concerns- Yes, project is supported by residents

Criteria Review for Hatcher Square (continued)

10. Quality of proposed project- Yes, new construction, 136 units, 10,000 feet of commercial/retail space and 3,651 feet for leasing center
11. Project design and special accommodations for expected tenants- Yes, project will have 2 elevators, fire sprinklers, fitness center, theater, business center, and library
12. Will the project have adverse effect on the neighborhood? No, new construction is needed
13. Is the project compatible with existing or anticipated development of area? Yes, project is on border of NIP area with TOD priority as part of master plan
14. Project compatibility with zoning in area- Yes, PD-849 allows for multifamily development and community retail
15. Parking demand & undue burden on public facilities– No, design plan for project calls for 263 uncovered parking spaces and 60 structured parking spaces
16. Traffic caused by the project -No undue burden, Scyene is equipped to handle traffic
17. Existing or proposed public transit availability-Yes, DART Green Line station across street

Criteria Review for Hatcher Square (continued)

18. Location, density, height of buildings effect on future development for area- Positive effect for adjacent neighborhood
19. Preservation of natural beauty and concern for landscaping- Developer has included \$95,000 in budget for landscaping
20. Managers reside on site- No
21. Financial capacity of applicant to complete & operate the project- Yes, staff has reviewed financials and proforma
22. Can the market absorb the new rental units? Yes, this area needs family rental options
23. One mile concern- No LIHTC project within last three years within one mile
24. Applicant has presented a suitable development plan for the entire development site- Develop has submitted site plan and architectural drawings
25. Any other factor relevant to the best interest of the City- Yes, Developer has already invested \$1.4M in equity

DISD Schools Servicing Hatcher Square

Elementary (PK thru 5)

Joseph J. Rhoads Learning Center
4401 Second Avenue
Dallas, Texas 75210
Enrollment: 408 children
Building Utilization 60%

Middle School (6 thru 8)

Pearl Anderson Middle Learning Center
3400 Garden Lane
Dallas, Texas 75215
Enrollment: 400 children
Building Utilization 29%

High School (9 thru 12)

Lincoln High School
2826 Hatcher
Dallas, Texas 75215
Enrollment: 707 children
Building Utilization 50%

LIHTC Applications Recommendations

Project Name	Staff Recommendation	Funding	Ranking
Evergreen Residences * 1701 Canton	Supported by Downtown Resident Council and supports PSH goals, particularly for growing population of homeless families with children	\$650,000 Homeless Bond \$1,953,720 CDBG Funds \$2,000,000 HOME Funds	1
Cadillac Apartments *	Supported by Downtown Resident Council and supports PSH goals; Recommendation subject to Developer obtaining vouchers for clients prior to City funding	\$3,653,000 HOME Funds	2
1400 Belleview *	Recommended based on: Southern Dallas Economic Growth Plan, Supported by Cedars Neighborhood Association, Current Investment	None (\$1.65M TIF approved in 2011)	3
Hatcher Square	Recommended based on: Southern Dallas Economic Growth Plan, previously approved investment, Supported by Bertrand Neighborhood Association	\$475,000 HOME Funds (\$1,025,000 Bond approved in 2010)	4

* Within two miles of each other; TDHCA will only award one of these projects this year

Next Steps

- ❑ June 27, 2012- City Council will consider staff recommendations to formalize funding approvals for 1701 Canton, Cadillac Apartments, and Hatcher Square
- ❑ July 28, 2012 – TDHCA Board will decide on tax credit awards