

# Memorandum



CITY OF DALLAS

DATE November 30, 2012

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

SUBJECT 1701 Canton Purchase

On Wednesday, December 5, 2012, you will be briefed on the 1701 Canton Purchase. 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 'Ry - S E'.

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  
Daniel Solis, 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

# 1701 Canton Purchase

A Briefing To The  
Housing Committee

Housing/Community Services Department  
December 5, 2012



# Key Focus Area: Economic Vibrancy

## Purpose

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- ❑ Provide information regarding a proposed affordable housing development
- ❑ Provide a recommendation regarding the purchase of the property at 1701 Canton presently owned and occupied by Oncor



**1701 Canton Street**  
**EVERgreen Residences**

1925 San Jacinto #300  
Dallas, TX 75201  
214.954.0430 x 1

**LOCATION MAP**

-  Civic Center District
-  Farmer's Market District
-  Proposed Site
-  Dart Bus Line
-  Civic Parade Route



# 1701 Canton -Background

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- In March 2012 EVERgreen Residential, Ltd., applied to the Texas Department of Housing and Community Affairs (TDHCA) for 9% low income housing tax credits
- The Developer/Partners included – FPC Housing, LLC. (affiliated with the First Presbyterian Church); GREENArc, Corp.
  - Rev.Dr. Bruce Buchanan
  - Graham Green
  - Buddy Jordan
  - Family Gateway, Inc.
- The project included:
  - New construction of 130 transitional and permanent supportive housing units for homeless families
  - 30 efficiency; 20 one-bedroom; 40 two-bedroom; 30 three-bedroom; 10 four-bedroom
  - Five story building with ground level parking, leasing services, and community space.

# 1701 Canton -Background

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- The City Council supported this project and approved funding up to \$2.6M, conditioned on tax credit approval
  - The original project called for the City of Dallas to acquire the property and lease back the land for the vertical development
  - Under this structure, EVERgreen Residential, Ltd. would have assigned the Contract for Sale to the City of Dallas
  - 2012 LIHTC Criteria Review can be found in the Appendix
- The Farmer's Market Stakeholders also supported this project
- The project was unsuccessful in its application for tax credits in 2012

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MAY NOT BE USED FOR  
REGULATORY APPROVAL  
PERMITTING, OR  
CONSTRUCTION



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# Developer Request

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- Due to the unsuccessful LIHTC application, EVERgreen Residential, Ltd. has requested that the City of Dallas move ahead with the acquisition of the site to maintain the viability of a supportive housing project for homeless families and an addition to the Family Gateway operations
  - this would include the demolition and clearance of the site to prepare for the vertical development
  - the Contract for Sale will expire in March 2013
- EVERgreen Residential, Ltd. has also requested a right to develop the property subject to further negotiations on a formal Development Agreement and Long Term Lease

# Staff Recommendation

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- Request that the City Council approve an Assignment of Purchase and Sale Agreement and Option to Develop with EVERgreen Residential, Ltd that allows for the purchase and allows the developer a right to develop the project for a period up to two years
- Request that the City Council allow the City of Dallas to purchase the property, to include demolition, clearance, and applicable closing costs in an amount not to exceed \$1,642,625, conditioned upon final appraisal and agreement on other settlement costs

# Next Steps

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- ❑ December 12, 2012 City Council will consider staff recommendations to approve the Assignment of Purchase and Sale Agreement and Option to Develop with EVERgreen Residential, Ltd
- ❑ December 12, 2012, City Council consider the purchase of the property at 1701 Canton, to include demolition, clearance, and applicable closing costs in an amount not to exceed \$1,642,625, conditioned upon final appraisal and agreement on other settlement costs
- ❑ March 31, 2012 or within 90 days following the purchase, a formal Development Agreement with EVERgreen Residential, Ltd is executed
- ❑ Development of the property would be initiated within a two year period

# Appendix

2012 LIHTC Review Criteria  
for 1701 Canton

# LIHTC 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 an old City property and an Oncor 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

# LIHTC Criteria Review for 1701 Canton (continued)

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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

# LIHTC Criteria Review for 1701 Canton (continued)

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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 being budget 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