

Memorandum



CITY OF DALLAS

DATE February 28, 2014

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Fiji Townhomes Project

On Monday March 3, 2014, you will be briefed on Fiji Townhomes Project. 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 'Theresa O'Donnell'.

Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Bernadette Mitchell, Housing/Community Services, Interim Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Fiji Townhomes Project

A Briefing To The
Housing Committee

Housing/Community Services Department
March 3, 2014



[Purpose]

- Present a townhome project to be located at 8th Street and Corinth
- Request approval of the Housing Committee for City Council consideration on March 26, 2014

[Neighborhood]

- Council District 4
- Located in South Dallas
- 300 block of Tonga Street
- Across the street from the DART-8th & Corinth station
- Phase I of redevelopment was Fiji Senior Villas 130 units

Development Site



Phase II
50 Townhomes
3BR, 2GrG

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

Phase IIB—60 Bed Assisted Living

Phase IIIB
Office Oncology
19,000 SF

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



[Developer]

- Sphinx Development Corporation (SDC)
 - Jay Oji, President/CEO
 - Dallas based real estate development company committed to affordable housing provision
 - The company's development experience goes back to the mid 80's
 - They have collaborated or joint-ventured more than 1,500 units in the State of Texas
 - They have produced mass housing developments on international initiatives of more than 5,000 housing units within master planned communities

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

[Townhouse Project]

- Developer – Sphinx Development Corporation (SDC)
 - Jay Oji, President/CEO
- Request is for up to \$40,000 grant per unit for 14 townhomes
 - Funds would be used to offset the total cost of the construction of the units
- Units will be located just south of the newly completed senior units on Tonga Street
- Pricing for the homes will range between \$129,000 to \$149,000
- Units will be 3-4 bedroom, 2.5 baths, approximately 1400+ sq.ft.
- Families at 140% area median family income or below may qualify



Sources and Uses

SOURCES

Lender financing	\$1,442,704
City Funding	480,000
Owner equity	<u>448,251</u>
TOTAL SOURCES	\$2,370,955

USES

Land	\$ 194,286
Taxes & Insurance	44,286
Financing	38,818
Soft Costs	211,029
Hard Construction Costs	1,628,571
Developer Fee	<u>253,965</u>
TOTAL USES	\$2,370,955

[Terms of the Conditional Grant]

- Term – 2 years
- Construction must begin prior to 08/01/2014
- Conditional grant funds will be applied to a portion of the construction costs in exchange for sale to low to moderate income families at/or below 140% of area median family income
- Deed Restrictions for affordability
 - 5 years if \$20,000 of grant funds used on home
 - 10 years if \$40,000 of grant funds used on home
- Second Lien Deed of Trust will be placed on property and subordinated to the construction lender to ensure performance

[Requested Approval]

- Housing Committee approval of a conditional grant from 2012 General Obligation Bond funds to SDC Compton Housing, L.P. for the construction of 14 townhomes in the amount of \$480,000

[Next Steps]

- March 26, 2014 - City Council consideration of Fiji Townhome Project funding
- April 2014— contract with SDC
- May 2014 –construction begins on first 5 units