

# Memorandum



CITY OF DALLAS

DATE January 13, 2017

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Multifamily Rental Housing Development Projects

On Tuesday, January 17, 2017, you will be briefed on the Multifamily Rental Housing Development Projects. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in blue ink, appearing to read 'Alan E. Sims'.

Alan E. Sims  
Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Larry Casto, City Attorney  
Craig Kinton, City Auditor  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P. E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# MULTIFAMILY RENTAL HOUSING DEVELOPMENT PROJECTS

A Briefing to the Housing Committee

Housing/Community Services Department  
January 17, 2017



# PURPOSE

- ❑ Present the multifamily rental housing development projects that were submitted under the Notice of Funding Availability (NOFA) issued in November 2016
- ❑ Provide recommendations for supporting applications

# APPLICATION PROCESS

- November 9, 2016 - City Council directed staff to issue a Notice of Funding Availability (NOFA) for multifamily rental housing projects
- November 11, 2016 - a NOFA was issued
  - Posted on City of Dallas website
  - Provided to all known developers
- December 12, 2016 - Applications were due
- December 22, 2016 - Review Committee met with each applicant and evaluated each application

# REVIEW COMMITTEE

- ▶ Housing/Community Services – Miguel Serrano, Bobby Cano, Rodney Beck
- ▶ Economic Development – Karl Stundins
- ▶ Planning and Urban Design – Seferinus Okoth
- ▶ BOK Financial – Gilbert Gerst
- ▶ Inwood Bank – Michon Fulgham

# APPLICATIONS

- Sixteen applications were submitted
- Four were submitted late and deemed unresponsive
- One applicant withdrew
- Eleven applications were evaluated
- The applications included a mixture of developments that want to seek housing tax credits (HTC) with the State of Texas and those that do not
  - Four are seeking 9% HTC
  - Four are seeking 4% HTC
  - Three are providing private financing
- Total amount requested \$16,152,590
- Total amount available \$5,500,000

# REVIEW OF PROJECTS

- Developer's experience and partners
- Cost reasonableness based on market costs
- Leveraging of other resources
- Financial feasibility and funding requested
- Shovel-ready projects to start in 2017
- Developments meeting the housing placement policy
  - High Opportunity Area
  - Projects located in a Community Revitalization Plan Area
- Fair Housing Analysis

# APPLICANTS SEEKING SUPPORT FOR 9% HTC

Council District	Project Name/Developer	Address	# of Units	Unit Types	Request for Funding	Poverty Rate
1	Wynnewood Seniors Housing II, Phase III Central Dallas CDC	1805 S. Zang Blvd.	140	Seniors	\$250,000 & Debt Forgiveness	31.58%
2	Evergreen Residential Evergreen Residential, Ltd	1701 Canton	122	Permanent Supportive Housing	\$1,000,000	29.1%
4	Gateway at Clarendon Family Gateway Affordable Housing and RMGM Developers III, LLC	1524 & 1526 E. Clarendon Dr.	139	Families	\$1,027,590	49.2%
7	The Residences at Hatcher Station Frazier Revitalization Inc.	4510 Scyene Rd.	78	Families	\$1,295,000	37.9%
<b>Non Responsive</b>						
4	Sphinx at Fiji Lofts / SDC Corinth III, LP	301 S. Corinth St.	170	Families		<b>NA</b>
7	Villas at Elsie Faye Heggins / OM Housing, LLC	Elsie Faye Higgins St.	100	Families		<b>NA</b>
11	Carolina Chase Apartments / CHR Carolina Chase, LP	5351 Peterson Lane	200	Families		<b>NA</b>



# APPLICANTS SEEKING SUPPORT FOR 4% HTC

Council District	Project Name/Developer	Address	# of Units	Unit Types	Request for Funding	Poverty Rate
3	Oak Hill on Clark Apts. NIF Foundation	10000 Clark Rd.	180	Families	\$1,000,000	18%
6	EMLI at Royal Lane Station Royal TC I, LP, Liberty Multifamily, LLC, LM Royal GP, LLC	2757 Royal Lane	384	Families	\$0	43.3%
8	Kingston Communities Camden Homes, LLC and Fair Housing Partners, LLC	Teagarden Rd., St. Augustine & Haymarket Rd.	184	Families	\$500,000	22%
14	Flora Lofts La Reunion TX & GREENarc Corp.	2121 Flora Street	52	Families	\$2,500,000	14.7%
<b>Withdrew or Non Responsive</b>						
3	Arborstone Apartment Homes Dalcour Affordable Housing I, LLC	6500 South Cockrell Hill	536	Families	NA	
7	Royal Garden Apartments The Michaels Organization	4000 Delanfield Lane	240	Families	NA	

# APPLICANTS PRIVATELY FINANCING

Council District	Project Name/Developer	Address	# of Units	Unit Types	Request for Funding	Poverty Rate
2	Villa Santa Maria Phase II Villa Santa Maria Inc.	1808, 1830 and 1850 Bennett	113	Seniors	\$1,080,000	39.6%
8	Quinnite Development Paul Quinn College and RMGM Developers, LLC	Highland Hills and Simpson Stuart	202	Families	\$5,000,000	43.7%
13	St. Jude Center St Jude Inc.	2920 Forest Lane	100	Permanent Supportive Housing	\$2,500,000	10.3%

# WYNNEWOOD SENIORS HOUSING II, PHASE III

## 1805 S. ZANG BLVD.

### **Description**

- New construction of 140 multifamily units for seniors
- 107 one-bedroom; 32 two-bedroom; 1 three-bedroom
- Average unit size of 675 sq. ft.
- 139 affordable units at or below 60% AMFI; 1 market rate
- Two and three story building with ground level parking

### **Applicant** –

- Developer/Partners – Central Dallas CDC

### **Review Notes**

- Census tract is 62 with poverty rate of 31.58%
- School rating is Met Standard
- Project is located in the Wynnewood Village CRP and Phase III of redevelopment plan
- Request forgiveness of existing City debt in the amount of \$425,000

# WYNNEWOOD SENIORS HOUSING II, PHASE III

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 18,998,100
Private financing	\$ 3,277,484
Deferred Developers Fee	\$ 1,802,926
Loan Forgiveness	\$ 425,000
City of Dallas Funds	<u>\$ 250,000</u>
Total Sources	\$ 24,753,510

### USES

Acquisition	\$ 1,400,000
Construction Costs	\$ 16,239,152
Reserves	\$ 883,092
Soft Costs	\$ 3,481,266
Developer fee	<u>\$ 2,750,000</u>
Total Uses	\$ 24,753,510

Note: Total cost per unit \$176,810

# EVERGREEN RESIDENTIAL

## 1701 CANTON

### **Description**

- New construction of 122 multifamily units as permanent supportive housing
- 7 one-bedroom; 79 two-bedroom; 32 three-bedroom; 4 four-bedroom
- Average unit size of 971 sq. ft.
- 122 affordable units at or below 60% AMFI
- Four story building with ground level parking

### **Applicant** –

- Developer/Partners – Evergreen Residential, Ltd & Family Gateway

### **Review Notes**

- Census tract is 204 with poverty rate of 29.1%
- School rating is Met Standard
- Project is located in the Downtown TIF

# EVERGREEN RESIDENTIAL SOURCES AND USES

## SOURCES

Housing Tax Credits	\$ 20,670,000
Private financing	\$ 6,502,375
City of Dallas Funds	<u>\$ 1,000,000</u>
Total Sources	\$ 28,172,375

## USES

Acquisition	\$ 2,615,000
Construction Costs	\$ 14,250,000
Reserves	\$ 2,250,000
Soft Costs	\$ 4,727,500
Financing	\$ 1,745,000
Developer fee	<u>\$ 2,584,875</u>
Total Uses	\$ 28,172,375

Note: Total cost per unit \$230,921

# **GATEWAY AT CLARENDON**

## **1524 & 1526 E. CLARENDON DR.**

### **Description**

- New construction of 139 multifamily units for families
- 40 one-bedroom; 52 two-bedroom; 47 three-bedroom
- Average unit size of 791 sq. ft.
- 125 affordable units at or below 60% AMFI; 14 market rate
- Four story building with ground level parking

### **Applicant** –

- Developer/Partners – Family Gateway Affordable Housing & RMGM Developers III, LLC

### **Review Notes**

- Census tract is 41.00 with poverty rate of 49.2%
- School rating is Met Standard
- Project is located in 8<sup>th</sup> and Corinth TOD and in Lancaster Corridor TIF

# GATEWAY AT CLARENDON

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 12,930,255
Private mortgage	\$ 8,430,000
Non profit fundraising	\$ 619,612
Rebate	\$ 82,500
Developer Equity	\$ 7,519
City of Dallas Funds	<u>\$ 1,027,590</u>
Total Sources	\$ 23,097,476

### USES

Acquisition	\$ 1,000,000
Construction Costs	\$ 14,736,462
Reserves	\$ 916,507
Soft Costs	\$ 1,888,878
Financing	\$ 1,092,063
Developer fee	<u>\$ 3,463,566</u>
Total Uses	\$ 23,097,476

Note: Total cost per unit \$166,168



# THE RESIDENCES AT HATCHER STATION VILLAGE 4510 SCYENE RD.

## **Description**

- New construction of 78 multifamily units for families
- 36 one-bedroom; 40 two-bedroom; 2 three-bedroom
- Average unit size of 956 sq. ft.
- 68 affordable units at or below 60% AMFI; 10 market rate
- Three and four story building with ground level parking

## **Applicant** –

- Developer/Partners – Frazier Revitalization, Inc.

## **Review Notes**

- Census tract is 27.02 with poverty rate of 37.9%
- School rating is Met Standard
- Project is located in South Dallas/Greater Fair Park CRP
- Includes a community grocery store operated by Bon Ton Farms

# THE RESIDENCES AT HATCHER STATION VILLAGE

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 10,442,850
Private financing	\$ 2,500,000
Hoblitzell	\$ 407,249
Deferred Dev Fee	\$ 258,689
City of Dallas Funds	<u>\$ 1,995,000</u>
Total Sources	\$ 15,603,788

### USES

Acquisition	\$ 860,000
Construction Costs	\$ 10,108,060
Reserves	\$ 396,148
Soft Costs	\$ 2,459,580
Developer fee	<u>\$ 1,780,000</u>
Total Uses	\$ 15,603,788

Note: Total cost per unit \$200,049

# OAK HILL ON CLARK APARTMENTS

## 10000 CLARK ROAD

### **Description**

- New construction of 180 multifamily units for families
- 84 one-bedroom; 72 two-bedroom; 24 three-bedroom
- Average unit size of 897 sq. ft.
- 164 affordable units at or below 60% AMFI; 16 market rate
- Three story building with ground level parking

### **Applicant** –

- Developer/Partners – NIF Foundation Oakhill Clark, LP

### **Review Notes**

- Census tract is 165.11 with poverty rate of 18%
- School rating is Met Standard
- Project is located in a High Opportunity Area

# OAK HILL ON CLARK APARTMENTS

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 7,420,126
Tax Exempt Bonds	\$ 12,500,000
Deferred Developer Fee	\$ 1,274,568
City of Dallas Funds	<u>\$ 1,000,000</u>
Total Sources	\$ 22,194,694

### USES

Acquisition	\$ 391,400
Construction Costs	\$ 15,536,700
Reserves	\$ 789,736
Soft Costs	\$ 1,513,596
Financing	\$ 1,336,900
Developer fee	<u>\$ 2,626,362</u>
Total Uses	\$ 22,194,694

Note: Total cost per unit \$123,303

# **EMLI AT ROYAL LANE STATION**

## **2757 ROYAL LANE**

### **Description**

- New construction of 384 multifamily units for families
- 92 one-bedroom; 192 two-bedroom; 100 three-bedroom
- Average unit size of 1103 sq. ft.
- 288 affordable units at or below 60% AMFI; 96 market rate
- Two and three story building with ground level parking

### **Applicant** –

- Developer/Partners – Royal TCI, LP

### **Review Notes**

- Census tract is 96.1 with poverty rate of 43.3%
- School rating is Met Standard
- Project is located in the Royal Lane Dart Station TOD

# EMLI AT ROYAL LANE STATION

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 15,963,808
Private mortgage	\$ 49,905,191
Deferred Developer Fee	<u>\$ 3,485,412</u>
Total Sources	\$ 69,354,411

### USES

Acquisition	\$ 3,000,000
Construction Costs	\$ 47,282,753
Reserves	\$ 3,867,876
Soft Costs	\$ 2,617,837
Financing	\$ 4,932,814
Developer fee	<u>\$ 7,653,131</u>
Total Uses	\$ 69,354,411

Note: Total cost per unit \$180,610

# **KINGSTON COMMUNITIES TEAGARDEN, ST. AUGUSTINE AND HAYMARKET**

## **Description**

- New construction of 184 single family rental homes for families
- 184 Four-bedroom homes
- Average unit size of 1774 sq. ft.
- 74 affordable units at or below 60% AMFI; 110 market rate
- One and two story homes on separate lots

## **Applicant –**

Developer/Partners – Fair Housing Partners, LLC

## **Review Notes**

- Census tract is 171.02 with poverty rate of 22%
- School rating is Met Standard
- Project is a single development of 184 concentrated rental units

# KINGSTON COMMUNITIES

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 5,916,400
HUD 221 (d) 4	\$ 23,929,831
Developer Equity	<u>\$ 3,275,000</u>
Total Sources	\$ 33,121,231

### USES

Acquisition	\$ 5,520,000
Construction Costs	\$ 21,672,072
Soft Costs	\$ 2,300,000
Developer fee	<u>\$ 3,629,159</u>
Total Uses	\$ 33,121,231

Note: Total cost per unit \$180,007



# FLORA LOFTS

## 2121 FLORA STREET

### **Description**

- New construction of 52 multifamily units for families
- 33 one-bedroom; 17 two-bedroom; 2 three-bedroom
- Average unit size of 1259 sq. ft.
- 43 affordable units at or below 60% AMFI; 9 market rate
- Six story building with ground level parking

### **Applicant** –

- Developer/Partners – La Reunion Tx & GREENarc Corp.

### **Review Notes**

- Census tract is 21 with poverty rate of 14.7%
- School rating is Met Standard
- Project is located in a High Opportunity Area and within half mile of DART Station

# FLORA LOFTS

## SOURCES AND USES

### SOURCES

Housing Tax Credits	\$ 4,546,978
HFC Bonds	\$ 13,907,886
Deferred Developer Fee	\$ 1,403,826
Private financing	\$ 2,501,000
City of Dallas Funds	<u>\$ 2,500,000</u>
Total Sources	\$ 24,859,690

### USES

Acquisition	\$ 1,251,893
Construction Costs	\$ 15,886,730
Reserves	\$ 354,791
Soft Costs	\$ 1,591,519
Financing	\$ 2,924,757
Developer fee	<u>\$ 2,850,000</u>
Total Uses	\$ 24,859,690

Note: Total cost per unit \$478,071

# VILLA SANTA MARIA PHASE II 1808, 1830 & 1850 BENNETT

## Description

- New construction of 45 multifamily units for seniors
- 45 one-bedroom units
- Average unit size of 638 sq. ft.
- 45 affordable units at or below 80% AMFI
- Three story building with ground level parking

## Applicant –

- Developer/Partners – Villa Santa Maria, Inc.

## Review Notes

- Census tract is 9.00 with poverty rate of 39.6%
- School rating is Met Standard
- Senior housing project

# VILLA SANTA MARIA PHASE II

## SOURCES AND USES

### SOURCES

Equity	\$ 951,500
Foundations/private	\$ 2,584,550
City of Dallas	<u>\$ 1,080,000</u>
Total Sources	\$ 4,616,050

### USES

Acquisition	\$ 1,351,500
Construction costs	\$ 3,014,550
Soft Costs	<u>\$ 250,000</u>
Total Uses	\$ 4,616,050

Note: Total cost per unit \$102,579

# QUINNITE DEVELOPMENT HIGHLAND HILLS AND SIMPSON STUART

## **Description**

- New construction of 200 multifamily units for families
- 20 Studio; 80 one-bedroom; 100 two-bedroom
- Average unit size of 720 sq. ft.
- 200 affordable units at or below 80% AMFI
- Four story building with ground level parking

## **Applicant** –

Developer/Partners – Paul Quinn College & RMGM Developers, LLC

## **Review Notes**

- Census tract is 114.01 with poverty rate of 43.7%
- School rating is Improvement Required
- Grow South funds of \$5.5M to be matched

# QUINNITE DEVELOPMENT SOURCES AND USES

## SOURCES

Private financing	\$ 16,600,000
Mezzanine Loans	\$ 5,500,000
Living Cities Loan	\$ 1,100,000
Philanthropic Funds	\$ 3,241,675
Paul Quinn Land	\$ 1,882,021
City Funds	<u>\$ 5,000,000</u>
Total Sources	\$ 33,323,696

## USES

Land	\$ 2,154,881
Construction Costs	\$ 26,485,870
Soft Costs	\$ 2,243,498
Grow South fees	\$ 240,000
Developer fee	\$ 1,434,992
Lease Up	\$ 164,455
FF&E	<u>\$ 600,000</u>
Total Uses	\$ 33,323,696

Note: Total cost per unit \$166,618

# ST JUDE CENTER 2920 FOREST LANE

## **Description**

- Rehabilitation of 100 multifamily units for permanent supportive housing
- All efficiency units
- Average unit size of 564 sq. ft.
- 100 affordable units at or below 80% AMFI
- Three story building with ground level parking

## **Applicant** –

- Developer/Partners – St. Jude Inc. & Catholic Charities of Dallas

## **Review Notes**

- Census tract is 96.11 with poverty rate of 10.3%
- School rating is Met Standard
- Permanent Supportive Housing project for homeless
- Project is located in a High Opportunity Area

# ST JUDE CENTER SOURCES AND USES

## SOURCES

Foundations/private	\$ 1,150,000
City of Dallas	<u>\$ 2,500,000</u>
Total Sources	\$ 3,650,000

## USES

Acquisition	\$ 2,900,000
Rehabilitation	<u>\$ 750,000</u>
Total Uses	\$ 3,650,000

Note: Total cost per unit \$36,500



# DEPARTMENT RECOMMENDATIONS

- Flora Lofts with \$2,500,000 Bond Funds
  - Located in a High Opportunity Area
- Oak Hill on Clark Apartments with \$1,000,000 HOME Funds
  - Located in a High Opportunity Area
- St Jude Center with \$2,000,000 HOME funds
  - Located in a High Opportunity Area
- Wynnewood Senior Housing II with \$0 funds and debt forgiveness of \$425,000
  - Located in a CRP

# **FAIR HOUSING DISCUSSION**

# NEXT STEPS

- Staff will work with developers to complete any required due diligence
- On February 8, 2017 – all projects will be presented to the full City Council for consideration of funding and/or City support