



Legislation Details (With Text)

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File created: 1/21/2024 **In control:** Department of Housing & Neighborhood Revitalization

On agenda: 2/14/2024 **Final action:**

Title: Authorize (1) the adoption of a Resolution of Support for Generation Housing Partners, LLC and/or its affiliate(s) (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Housing Tax Credits for the development Patriot Pointe at Markville to be located at 9222 Markville Dr., Dallas, Texas 75243; and (2) an agreement with the Applicant for a line of credit in the amount of \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: General Fund

Sponsors:

Indexes: 10

Code sections:

Attachments: 1. Map, 2. Resolution

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: February 14, 2024

COUNCIL DISTRICT(S): 10

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize **(1)** the adoption of a Resolution of Support for Generation Housing Partners, LLC and/or its affiliate(s) (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Housing Tax Credits for the development Patriot Pointe at Markville to be located at 9222 Markville Dr., Dallas, Texas 75243; and **(2)** an agreement with the Applicant for a line of credit in the amount of \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: General Fund

BACKGROUND

Generation Housing Partners, LLC (“GHP” or the “Applicant”) submitted a pre-application to the Texas Department of Housing and Community Affairs (TDHCA) for 2024 9% Competitive Housing Tax Credits (9% HTC) for the development of Patriot Pointe at Markville, a ground-up development of a 165-unit mixed-income multifamily complex with a focus on veterans located at 9222 Markville Dr., Dallas, TX 75243 (Project). Generation Housing Partners, LLC has executed a purchase and sale

agreement with Ink & Sons, LLC, the current property owner. The Applicant may transfer the purchase contract to an affiliate.

In the administration of its **9%** HTC Program, TDHCA awards application points for a resolution from a governing body of a local municipality on the following basis:

Within a municipality, the application will receive:

- **17** points for a resolution from the governing body of that municipality expressly setting forth that the municipality supports (Resolution of Support) the application or development; or
- **14** points for a resolution from the governing body of that municipality expressly setting forth that the municipality has no objection (Resolution of No Objection) to the application or development.
- **1** point for a commitment of development funding by a local political subdivision in the form of a loan, grant, reduced fees, or contribution of value that equals \$500.00 or more for applications in urban subregions.

Within the extraterritorial jurisdiction of a municipality, the Application may receive:

- **8.5** points for a resolution from the governing body of that municipality expressly setting forth that the municipality supports (Resolution of Support) the Application or Development; or
- **7** points for a resolution from the governing body of that municipality expressly setting forth that the municipality has no objection (Resolution of No Objection) to the Application or Development

Generation Housing Partners is a Dallas, Texas based developer, owner, and asset manager of Class A multi family assets located throughout the southwest. As a long term owner, GHP has been involved in the development, construction, and management of over 4,000 units, with a capitalization value of approximately \$385,000,000.00. They have partnered with the City of Dallas and the Dallas Housing Finance Corporation on three other developments (Estates at Ferguson, Estates at Shiloh, and Westmoreland Station).

The Applicant proposes to develop 165 units, to include 82 one-bedroom and 83 two-bedroom units. Leasing preference will be given to applicants qualifying under a veteran status. Unit amenities will include Energy Star Appliances, dishwasher, ceiling fans, laundry connections, High-efficiency heating, ventilation, and air conditioning, faux wood flooring, Low energy windows, Low flow fixtures, covered entries, nine foot ceilings, microwave ovens, and additional storage. Community Amenities include an art studio, art gallery, indoor/outdoor community event & performance space, computer learning center, fitness room, and resort style pool. Planned resident services will also include weekly classes for adults, income tax preparation, career training, arts/crafts/recreational activities, social events, and a tuition saving plan or scholarship program for residents.

All supportive services and classes will be provided to residents completely free of charge. The proposed development, a veteran-focused property, is located near resources for veterans, including the Dallas Vet Center and the University of Texas at Dallas Military and Veteran Center. Of the estimated 4,500 homeless persons currently living in the North Texas area, approximately 10.00% of them are veterans. With the extremely limited number of properties willing to accept housing vouchers, homeless veterans may receive a housing voucher yet still struggle to find a community that will accept them. Patriot Pointe at Markville will accept housing vouchers and help to address

this issue.

If awarded tax credits by TDHCA, Applicant will work with the Office of Integrated Public Safety Solutions throughout the planning and design process for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design. Additionally, the Applicant will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

Total development costs are anticipated to be approximately \$45,111,248.00 which includes the acquisition price for the land. The hard cost construction budget is anticipated to be \$20,997,808.00 which is \$127,259.44 per unit. The total construction amount includes a 9.00% contingency.

| Proposed Financing Sources | Amount |
|-----------------------------------|-------------------------|
| Permanent Loan | \$ 16,876,201.00 |
| Housing Tax Credits Equity | \$ 17,398,260.00 |
| TBD City Loan | \$ 8,125,000.00 |
| Deferred Developer Fee | \$ 2,711,787.00 |
| Total | \$ 45,111,248.00 |

| Proposed Uses | Costs |
|---|-------------------------|
| Acquisition | \$ 6,200,000.00 |
| Hard Construction Costs and Fees | \$ 30,430,950.00 |
| Soft Costs & Financing Fees | \$ 2,727,560.00 |
| Developer Fees | \$ 4,719,472.00 |
| Reserves | \$ 1,033,266.00 |
| Total | \$ 45,111,248.00 |

Upon completion of the development, 13 of the 165 units will be made available to households earning 0.00%-30.00% of area median income (AMI), 52 of the 165 units will be made available to households earning between 31.00%-50.00% of AMI, and 65 of the 165 units will be made available to households earning between 51.00%-60.00% of AMI. 35 units will remain as non-income-restricted market-rate units.

On May 9, 2018, the City Council adopted the Comprehensive Housing Policy (CHP), as restated in the Dallas Housing Policy 2033 (DHP33) and Dallas Housing Resource Catalog (DHRC), Resolution Nos. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing developments seeking HTC through TDHCA.

On June 12, 2019, the City Council authorized an amendment to the CHP, as restated in the DHP33 and DHRC, to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking HTC through TDHCA by Resolution No. 19-0884.

The modified evaluation criteria include standard thresholds for both 4.00% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

The evaluation criteria for 9% HTC applications seeking a Resolution of Support also requires applications meet a priority housing need of the City. The applications must meet at least one of the following six priorities:

- The project has been selected to receive City funding such as Community Development Block Grants, Home Investment Partnerships Program, or General Obligation Bond funding;
- The applicant intends to partner with the Dallas Housing Finance Corporation or Public Facility Corporation,
- The proposal involves the redevelopment of public housing owned by the Dallas Housing Authority under the Choice Neighborhoods, Rental Assistance Demonstration, HOPE IV, or other similar U.S. Department of Housing and Urban Development programs that may be created;
- The project is located in a census tract with a poverty rate below 20.00%;
- The project located in a Redevelopment Reinvestment Strategy Area (RSA) or Stabilization RSA; and
- A 50-unit project dedicating 20.00% of the units for tenants referred from the Continuum of Care list.

Applications that do not qualify as a priority housing need must score at least 50 points based on if the proposed project is mixed income, includes a non-profit or historically underutilized business, its proximity of amenities to the development site, and resident services to be provided.

The Project is qualified to receive a staff recommendation for a resolution of support as it scored 58.5 points and is a priority housing need development involving a partnership with the Dallas Housing Finance Corporation, is located in a census tract with a poverty rate below 20.00% (16.9%) and met the required application thresholds. The proposed site has insufficient data to provide a Market Value Analysis market type but is surrounded by 'C' and 'E' market types.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Housing and Homelessness Solutions was briefed by memorandum regarding this matter on January 22, 2024. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=12607503&GUID=90099065-F098-4CC8-B8CF-BBC4D970BE30>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=12607503&GUID=90099065-F098-4CC8-B8CF-BBC4D970BE30)

FISCAL INFORMATION

| Fund | FY 2024 | FY 2025 | Future Years |
|--------------|----------|---------|--------------|
| General Fund | \$500.00 | \$0.00 | \$0.00 |

MAP

Attached