



Legislation Text

File #: 24-349, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: February 14, 2024
COUNCIL DISTRICT(S): 11
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

SUBJECT

A public hearing to receive comments regarding an application by 13695 Goldmark Drive Owner, LP, an affiliate of Waterford at Goldmark, LP (Applicant) to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Low Income Housing Tax Credits (4% Housing Tax Credits) for Waterford at Goldmark located at 13695 Goldmark Drive, Dallas Texas 75228; and, at the close of the public hearing authorize a Resolution of No Objection for Applicant, related to its application to TDHCA for the development of Waterford at Goldmark - Financing: No cost consideration to the City

BACKGROUND

The Applicant is Waterford at Goldmark, LP, and its affiliate (Applicant), a to-be-formed Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of Waterford at Goldmark, a 220-unit senior multi-family complex located at 13695 Goldmark Drive, Dallas, TX 75228 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and the Applicant. TDHCA requires 4% Housing Tax Credit applicants provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

When formed, 13695 Goldmark Drive, LP, a Texas limited liability corporation, the general partner of which is anticipated to be West Virginia Manager, LLC, will be a single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). A to-be-formed special limited partnership company will be a to-be-formed special limited partner. West Virginia Member, LLC will be owner of the special limited partner. An amended and restated agreement of limited partnership will be executed to admit the tax credit equity investor as investor member once identified.

On October 10, 2023, the DHFC Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

The Applicant proposes to acquire and renovate 220 units. The 220 units are comprised of 112 one-bedroom and 108 two-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features.

Waterford at Goldmark is a 1997 built, 220-unit, affordable housing property located in Dallas, TX. Community amenities include a business center, clubhouse, fitness center, salon, theater room, swimming pool, elevator service, gated access, on-site laundry facility, barbecue, and picnic area. Residents have public transportation access to downtown, utilizing the stop of the Dallas Area Rapid Transit bus which is walking distance from the Property.

The proposed renovation budget is \$8,880,000.00 (\$40,000.00/unit) in hard costs (exclusive of general contractor requirements, contractor's profit, and overhead). Renovations will include the following: woods and plastic repairs (includes kitchen cabinets, countertops, etc.), drywall/floor/ceiling/paint, plumbing/heating, ventilation, and air conditioning (HVAC) repair, replacement of new roof shingles and underlayment, installation of Luxury Vinyl Plank flooring, interior and exterior paint, mechanical system upgrades, low-flow toilets/showerheads, air conditioner condenser and heat pump system replacement.

Planned rehab includes light tenant-relocation during rehab. During the renovations, there will be upgrades to eight units to be fully Americans with Disabilities Act (ADA) compliant. The scope of work for these units includes the reconfiguration of new kitchen cabinetry to allow for proper clearances, renovated and enlarge bathroom to allow for proper clearances, new paint and flooring and new interior doors. These units will need to be relocated for four weeks. In addition to the ADA upgrades, 142 units will have full unit renovations. The households in these units will need to be out of their apartments for one week to accommodate construction. At all units, residents, and their belongings, will need to be fully relocated while renovations are being completed in their units. Renovations may include new plumbing fixtures, light fixtures, cabinets & countertops, flooring, paint, roofing, appliances, and site amenities. The Applicant has budgeted \$880,000.00 for tenant relocations (\$4,000.00/unit).

The Applicant will also work with the Office of Integrated Public Safety Solutions for security input/upgrades, 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.

The Applicant proposes to provide on-site resident services including:

1. Activity coordination;
2. Spiritual wellness;
3. Exercise programs;
4. Food assistance programs;
5. Benefits counseling;
6. Prescription program;

- 7. Health education programs;
- 8. Computer classes;
- 9. Financial assistance;
- 10. Meals on wheels,
- 11. Financial assistance.

Total development costs are estimated to be approximately \$52,259,996.00 which includes the acquisition price for the land. The construction budget is estimated to be approximately \$13,016,774.00 which is \$59,167.15 per unit.

Proposed Financing Sources	Amount
First Mortgage	\$21,997,721.00
Seller Note	\$ 9,950,000.00
Income from Operations	\$ 2,233,541.00
LIHTC Equity	\$13,550,724.00
Deferred Developer Fee	\$ 4,528,010.00
Total	\$52,259,996.00

Proposed Uses	Amount
Total Purchase Price	\$27,500,000.00
Construction Costs	\$13,016,774.00
Third Party Costs	\$ 1,266,500.00
Financing Costs	\$ 1,118,267.00
Project Reserves + Relocation	\$ 4,325,301.00
Total Developer Fee	\$ 5,033,154.00
Total	\$52,259,996.00

The current income restrictions will be maintained at the property to ensure no residents are displaced due to increased rents. The current rental restrictions are broken down as follows: 50 of the 220 units are reserved for households earning between 0.00%-50.00% of area median income (AMI), 115 of the 220 units are reserved for households earning between 0.00%-60.00% of AMI, and 55 of the units are unrestricted.

On May 9, 2018, the City Council adopted the Comprehensive Housing Policy (CHP), 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 Housing Tax Credits (HTC) through TDHCA.

On June 12, 2019, the City Council authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing Tax Credits through TDHCA by Resolution No. 19-0884.

The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing,

and other requirements.

On April 12, 2023, the City Council adopted the Dallas Housing Policy 2033 (DHP33) to replace the CHP by Resolution No. 23-0443, and the Dallas Housing Resource Catalog to include the approved programs from the CHP by Resolution No. 23-0444.

For developments involving rehabilitation of existing housing, the proposed scope of work must be informed by a Capital Needs Assessment (CNA), prepared by a qualified third-party professional that is independent from the development's architect or engineer, builder/general contractor, or other member of the development team. The City will review the CNA and conduct a site visit. The CNA must demonstrate to the City's satisfaction that the initial scope of work is sufficient to address all City code violations (whether formally cited or not). Further, the scope of work, combined with planned replacement reserve funding, must be determined sufficient to address all projected repairs or replacements of the following items through the entire term of the development's affordability period:

- All major systems including roof, foundation, electrical, HVAC, and plumbing;
- Interior and exterior windows and doors;
- The interiors of all units including the kitchen and bathroom and all major appliances;
- The exterior of the development, including balconies, walkways, railings, and stairs;
- Communal facilities such as community rooms, fitness centers, business centers, etc.;
- Security features including gates and security cameras; and
- Accessibility.

On October 10, 2023, the Dallas Housing Finance Corporation authorized a preliminary inducement resolution declaring intent to issue \$31,000,000.00 in private activity bonds to fund the Waterford at Goldmark.

To receive a staff recommendation for a resolution of no objection, the applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on January 22, 2024. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=12607492&GUID=38F3B7DB-DD39-4367-8105-D2A1101B633C>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=12607492&GUID=38F3B7DB-DD39-4367-8105-D2A1101B633C)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached