



Legislation Text

File #: 24-389, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: February 14, 2024
COUNCIL DISTRICT(S): 13
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 (TDHCA) for 9% Housing Tax Credits for the development The Heights at Park Lane to be located at 9310 North Central Expressway, Dallas, Texas 75231; 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% Low Income Competitive Housing Tax Credits (9% HTC) for the development of The Heights at Park Lane, a ground-up development of a 162-unit mixed-income multifamily complex located at 9310 North Central Expressway, Dallas, Texas 75231 (Project). The Applicant has executed a purchase agreement with Fellowship Bible Church Dallas, 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

TX Park Lane 2024, Ltd., a to-be-formed Texas limited partnership, will be the ownership entity. The Applicant 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). Generation Housing Partners specializes in the development, construction, management, and ownership of high-quality apartment home communities in urban areas of Texas.

The Applicant proposes to develop 162 units, to include 48 one-bedroom, 89 two-bedroom, and 25 three-bedroom units. The Project will be a four-story construction product. The units will include energy efficient appliances and lighting and other TDHCA-required features. Amenities include a furnished fitness center, enclosed dog park, community business center, furnished community room, security cameras, granite counter tops, walk-in closets, covered entries, nine-foot ceilings, and breakfast bars. The development is located on North Central Expressway allowing easy access to Highway 75. It is located half a mile from North Park Mall and numerous businesses, grocery stores, retailers, pharmacies, a post office, etc. As a transit-oriented development, it is situated 1/10th of a mile from the Park Lane Dallas Area Rapid Transit Light Rail Station.

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 \$45,579,754.00, which includes the acquisition price for the land. The hard cost construction budget is anticipated to be \$21,045,510.00 which is \$129,910.56 per unit. The total construction amount includes a 5.00% contingency.

Proposed Financing Sources	Amount
Conventional Loan/FHA	\$18,903,457.00
LIHTC Syndication Proceeds	\$17,398,260.00
HOME/HFC Funds	\$ 8,000,000.00
Deferred Developer Fee	\$ 1,278,037.00
Total	\$45,579,754.00

Proposed Uses	Costs
Land Acquisition	\$ 6,005,000.00
Hard Construction Cost and Contractor Fees	\$30,494,036.00
Soft Costs & Financing Fees	\$ 3,167,560.00
Developer Fees	\$ 4,750,000.00
Reserves	\$ 1,163,158.00
Total	\$45,579,754.00

Upon completion of the development, 11 of the 162 units will be made available to households earning 0.00%-30.00% of area median income (AMI), 44 of the 162 units will be made available to households earning between 31.00%-50.00% of AMI, and 55 of the 162 units will be made available to households earning between 51.00%-60.00% of AMI. 52 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 61.5 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% (9.2%) and met the required application thresholds. The Market Value Analysis market type is F.

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/LegislationDetail.aspx?ID=6486222&GUID=B4D94CAE-5272-4000-84E9-2E216184F376&Options=&Search=>](https://cityofdallas.legistar.com/LegislationDetail.aspx?ID=6486222&GUID=B4D94CAE-5272-4000-84E9-2E216184F376&Options=&Search=>)

FISCAL INFORMATION

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

MAP

Attached