



Legislation Text

File #: 21-169, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: February 24, 2021
COUNCIL DISTRICT(S): 12
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize **(1)** the adoption of a Resolution of Support for Mapleshade Senior Living, Ltd. or its affiliate (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of Mapleshade Senior Living; 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

Applicant submitted a pre-application to the Texas Department of Housing and Community Affairs (TDHCA) for 2021 9% Competitive Housing Tax Credits (9% HTC) for the development of Mapleshade Senior Living, a ground-up development of an 109-unit mixed-income multifamily complex for seniors aged 62 or above located at the Northeast quadrant of Creek Drive and Mapleshade Lane in Dallas, TX 75252.

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.

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.

The Applicant, a to be formed Texas limited partnership, will include Mapleshade Senior Living GP, LLC a to be formed Texas limited liability company (LLC) with Palladium USA International, LLC as 70 percent owner and a to be determined Historically Underutilized Business (HUB) as 30 percent owner of the General Partner. An investment limited partner will be admitted into the to be formed limited partnership once a tax equity investor is identified.

The Applicant proposes to develop 103 units. The 103 units will be comprised of 63 one-bedrooms and 40 two-bedrooms. The interior will include nine-foot ceilings, natural stone countertops and wood style flooring. Planned amenities feature a swimming pool, clubhouse with community room, movie theater, business center, high speed Wi-Fi and state of the art fitness center.

Total development costs are anticipated to be approximately \$21,819,810.00 which includes the acquisition price for the land. The hard cost construction budget is anticipated to be \$14,534,904.00 which is \$141,116.00 per unit. The total construction amount includes a 4.43% contingency.

Proposed Financing Sources	Amount
Permanent Loan	\$16,181,400.00
Housing Tax Credits Equity	\$ 4,283,296.00
Deferred Developer Fee	\$ 1,354,614.00
City of Dallas	\$ 500.00
Total	\$21,819,810.00

Proposed Uses	Cost
Acquisition	\$ 1,081,500.00
Hard Construction Costs & Contractor Fees	\$14,534,904.00
Soft Costs & Financing Fees	\$ 2,847,906.00
Developer Fees	\$ 2,488,559.00
Reserves	\$ 866,941.00
Total	\$21,819,810.00

After the development is complete, nine of the 103 units will be made available to households earning 0%-30% of Area Median Income (AMI), 36 of the 103 units will be made available to households earning between 31%-50% of AMI, 39 of the 103 units will be made available to households earning between 51%-60% of AMI and six of the 103 units will be made available to households earning between 61%-80% of AMI. The remaining 13 units will be at market rate.

On May 9, 2018, 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 HTC through TDHCA.

On June 12, 2019, 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.

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%;
- The project located in a Redevelopment Reinvestment Strategy Area (RSA) or Stabilization RSA; and
- A 50-unit project dedicating 20% 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 HUB, its proximity of amenities to the development site, and resident services to be provided.

Mapleshade Senior Living is qualified to receive a staff recommendation for a resolution of support as it is a priority housing need. The development located in a census tract with a current poverty rate of 19% (Census Tract 48085031709) and met the required application thresholds. The proposed site has insufficient data to provide a Market Value Analysis market type, but is adjacent by B, D, and E market types.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Housing and Homelessness Solutions Committee will be briefed regarding this matter on February 22, 2021.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
General Fund	\$500.00	\$0.00	\$0.00