



Legislation Text

File #: 24-397, 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

Authorize **(1)** the adoption of a Resolution of Support for St. Margaret, Inc., and/or its affiliate(s) (Applicant), related to its application to the Texas Department of Housing and Community Affairs (TDHCA) for 2024 9% Housing Tax Credits for the development of The Broderick located at 12800 Coit Road, Dallas, TX 75251; 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

The Applicant submitted a pre-application to the Texas Department of Housing and Community Affairs for 2024 9% Low Income Competitive Housing Tax Credits (9% HTC) for the development of The Broderick, a ground-up development of a 108-unit mixed-income multifamily complex located at 12800 Coit Road, Dallas, TX 75251 (Project). St. Jude, Inc., an affiliate of the Applicant, has executed a purchase contract with the Applicant, 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

Coit Broderick, LP, a to-be-formed Texas limited partnership, will be the ownership entity. St. Margaret, Inc., is the managing member of the Catholic Housing Initiative (CHI) and co-developer in the partnership entity and a non-profit tasked with furthering the mission of providing safe, affordable housing to vulnerable seniors and families to improve their quality of life through collaboration with other service organizations. CHI is a community-based non-profit with a mission of providing quality, affordable housing since 1991. CHI owns and operates 1,100 rental units at eight sites in Dallas, Carrollton, Coppell, and Mesquite, including two St. Jude Centers. It is also building homes for sale to first-time buyers in Southeast Dallas, its second such project. CHI provides financial and operating oversight of its property management and construction vendors and has substantial development, redevelopment, and financing experience. CHI accepts housing choice vouchers and some of its properties have rental subsidy contracts with Dallas Housing Authority or other agencies.

The Applicant proposes to develop 108 units targeting seniors ages 55 and older. The project will lock in a senior-friendly and affordable development in a High Opportunity census tract and will be one five-story wrap construction product. The units will include energy efficient appliances and lighting and other TDHCA-required features. The plans also include common area spaces such as fitness room, community room, warming kitchen, clothes care center, leasing office, multi-functional activity room and business center. The unit amenities will include durable surfaces such as vinyl plank flooring, fully appointed kitchens, ceiling fans in living and bedrooms, attractive finishes, and water-savings plumbing features.

Other life-stabilizing enhancements will include case management, on-site events, notary services, partnerships with local law enforcement, contracted career training, annual income tax preparation, annual health fair, and food pantry. The development is located less than one mile from Cottonwood Trail/Hamilton Park, the Hamilton Park United Methodist Church Learning Center, Costco Wholesale, Willie B. Johnson Recreation Center, Medical City Healthcare, and a variety of other medical offices. The proposed development site is adjacent to the St. Jude Center - Park Central. The development is just minutes from North Central Expressway and other major highways allowing easy access to high frequency transit at the LBJ/Central Dallas Area Rapid Transit Station. Also, the development is located just south of the Spring Valley/Coit Neighborhood Plus Target area.

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 \$29,224,633.00, which includes the acquisition price for the land. The hard cost construction budget is anticipated to be \$20,101,545.00, which is \$186,125.42 per unit. The total construction amount includes a 7.00% contingency.

Proposed Financing Sources	Amount
Permanent Loan	\$ 5,972,000.00
Housing Tax Credits Equity	\$ 16,998,300.00
City of Dallas Loan	\$ 3,000,000.00
Dallas County Loan	\$ 3,000,000.00
Deferred Developer Fee	\$ 254,333.00
Total	\$ 29,224,633.00

Proposed Uses	Costs
Hard Construction Costs	\$ 20,110,545.00
Soft Costs & Financing Fees	\$ 4,923,285.00
Developer Fees	\$ 3,515,217.00
Reserves	\$ 675,586.00
Total	\$ 29,224,633.00

Upon completion of the development, 11 of the 108 units will be made available to households earning 0.00%-30.00% of area median income (AMI), 44 of the 108 units will be made available to households earning between 31.00%-50.00% of AMI, and 42 of the 108 units will be made available to households earning between 51.00%-60.00% of AMI, and 11 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 is located in a Redevelopment Reinvestment Strategy Area (RSA) or Stabilization RSA; or
- 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 45 points and is a priority housing need development located in a census tract with a poverty rate below 20.00% (3.9%) and met the required application thresholds. The proposed site is located in a Market Value Analysis type "F" and is surrounded by 'I', 'H' and 'D' market types.

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=6486223&GUID=E84F1CA0-F939-41F0-BCF6-5E2F002E9602&Options=&Search=>](https://cityofdallas.legistar.com/LegislationDetail.aspx?ID=6486223&GUID=E84F1CA0-F939-41F0-BCF6-5E2F002E9602&Options=&Search=>)

FISCAL INFORMATION

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

MAP

Attached