



Legislation Details (With Text)

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File created:	4/30/2020	In control:		Office of Economic Development					
On agenda:	5/27/2020	Final action:		5/27/2020					
Title:	A public hearing to receive comments regarding an application by Brooks Manor, LP, or its affiliates (Applicant) to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Low Income Housing Tax Credits for the development of The Oaks located at 630 South Llewellyn Avenue; and, at the close of the public hearing adopt a Resolution of No Objection for Applicant, related to its application to TDHCA for the development of The Oaks - Financing: No cost consideration to the City								
Sponsors:									
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Attachments:	1. Map, 2. Resolution								

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: May 27, 2020

COUNCIL DISTRICT(S): 1

DEPARTMENT: Office of Economic Development

EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

A public hearing to receive comments regarding an application by Brooks Manor, LP, or its affiliates (Applicant) to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Low Income Housing Tax Credits for the development of The Oaks located at 630 South Llewellyn Avenue; and, at the close of the public hearing adopt a Resolution of No Objection for Applicant, related to its application to TDHCA for the development of The Oaks - Financing: No cost consideration to the City

BACKGROUND

Brooks Manor, LP, or its affiliates (Applicant) submitted a Request for Resolution (RFA) application to the City for a Resolution of No Objection for its application to TDHCA for 2020 4% Non-Competitive Housing Tax Credits (HTC) (4% HTC). The 4% HTC will be used for the development of The Oaks, a 260-unit mixed-income multifamily complex for seniors to be located at 630 South Llewellyn Avenue, Dallas, Texas 75208 (Property). A 75-year agreement to ground lease the Property has been

executed between an affiliate of the Dallas Housing Authority (DHA), the current owner of the property, and an affiliate of 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.

The Applicant, a to be formed Texas limited partnership, is proposing to develop and manage the Property. A to be formed single asset entity with NTHP Pembroke, Inc., a public instrumentality of DHA as 100% owner will serve as the general partner and landowner. Brooks Manor, LLC, a to be formed limited liability company with Volunteers of America National Services (VOANS) as 100% owner, will be 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.

VOANS and North Texas Housing Partners, Inc., and affiliate of DHA, (Developers), will serve as co-developers and guarantors of the project. VOANS has a network of over 484 properties in 40 states and Puerto Rico totaling 19,426 affordable housing units. VOANS has developed programs to provide housing and services specifically for seniors. VOAN is currently partnered with the City in the development of The Galbraith (formerly known as 2400 Bryan).

The Applicant proposes to develop 260 units. The 260 units are comprised of 196 1-bedroom and 64 2-bedroom units. The units will have energy-efficient appliances, laundry connections and all other requirements of TDHCA. The Property will also include a fitness center, community room, rooftop terraces, and 6,500 square foot health care clinic to serve the needs of residents and adjacent community.

Total development costs are anticipated to be approximately \$44,053,609.00. The hard construction cost is anticipated to be approximately \$35,346,096.00 which is \$135,947.00 per unit.

Proposed Uses	Estimated Costs
Total Const. Costs	\$35,346,096.00
Soft Costs/Financing	\$ 1,914,107.00
Developer Fee	\$ 5,329,150.00
Reserves	\$ 1,464,256.00
Total	\$44,053,609.00

Proposed Financing Sources	Estimated Amounts
Private Activity Bonds	\$21,400,000.00
Housing Tax Credits Equity	\$14,555,634.00
Deferred Developer Fee	\$ 1,097,975.00
DHA RHF Funds	\$ 4,500,000.00
Federal Home Loan Bank	\$ 500,000.00

GAP Funding (TBD)	\$ 2,000,000.00
Total	\$44,053,609.00

After the development is complete, 27 of the 260 units will be made available to households earning 0%-30% of Area Median Income (AMI), 103 of the 260 units will be made available to households earning 31%-50% of AMI, 113 of the 260 units will be made available to households earning 51%-60% of AMI, and 17 of the 260 units will be 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 HTC 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.

To receive a staff recommendation for a resolution of no objection, the applicant must satisfy all RFA threshold requirements and affirmatively further fair housing. After review, the Applicant has satisfied all application requirements and staff recommend a resolution of no objection.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Economic Development was briefed regarding this matter on May 4, 2020.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached