Legislation Details (With Text)

File #:	22-1307	**Version:**	1	**Name:**	
Type:	CONSENT AGENDA			**Status:**	Approved
File created:	5/25/2022			**In control:**	Department of Housing & Neighborhood Revitalization
On agenda:	6/22/2022			**Final action:**	
Title:	Authorize a development loan agreement with Builders of Hope CDC and/or its affiliates, for the acquisition and development of a 36-unit mixed-income affordable multifamily complex to be known as Trinity West Villas, located at Singleton Boulevard and Pointer Street Dallas, Texas - Not to exceed $1,906,419.00 - Financing: HOME Investment Partnership Program Funds ($611,227.47) and Neighborhood Stabilization Program (NSP) Funds ($1,295,191.53)				
Sponsors:					
Indexes:	6				
Code sections:					
Attachments:	1. Map, 2. Resolution				

Date	Ver.	Action By	Action	Result

STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: June 22, 2022

COUNCIL DISTRICT(S): 6

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a development loan agreement with Builders of Hope CDC and/or its affiliates, for the acquisition and development of a 36-unit mixed-income affordable multifamily complex to be known as Trinity West Villas, located at Singleton Boulevard and Pointer Street Dallas, Texas - Not to exceed $1,906,419.00 - Financing: HOME Investment Partnership Program Funds ($611,227.47) and Neighborhood Stabilization Program (NSP) Funds ($1,295,191.53)

BACKGROUND

Builders of Hope CDC submitted a proposal under the City's Notice of Funding Availability (NOFA), issued on August 7, 2020, as amended, to receive gap financing in the form of a cashflow loan to support acquisition and development of affordable housing units located within the City limits. The NOFA was issued by the Department of Housing and Neighborhood Revitalization (Housing) in accordance with the City's Comprehensive Housing Policy (CHP).

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The Department of Housing and Neighborhood Revitalization administers programs to appropriately incentivize private investment for the development of quality, sustainable housing that is affordable to the residents of the City. Specifically, Housing administers the New Construction and Substantial Rehabilitation Program which, when necessary, seeks to provide financial assistance to new developments or to substantially rehabilitate existing developments. All projects seeking financial assistance are required to submit a Notice of Intent to apply for financial assistance through the NOFA to Develop Affordable Homeownership and Rental Housing. As outlined in the NOFA, multiple sources of funding are available, however, proposed projects must meet specific thresholds to qualify for the use of a specific funding source. At minimum, each proposed project must be composed of at least five affordable units and must achieve a fundable score as outlined in the NOFA solicitation. The proposed Trinity West Villas project received a fundable score of 94 points.

Trinity West Villas (TWV) is a 36-unit mixed income multifamily project located within an 18-acre mixed multifamily and single-family subdivision in the Singleton/Trinity West community at Singleton Boulevard and Pointer Street. The proposed development includes 36 multifamily units located directly in the heart of West Dallas, a community situated adjacent to downtown Dallas that has seen the development of several market rate/above market rate multifamily units within the past 10 years with the projection of 4,000 more units within the next five years. Three of the 36 units will be made available to households earning at or below 50.00% of Area Median Income (AMI) to satisfy Low HOME and Low NSP requirements, six of 36 units will be made available to households earning between 50.00% - 65.00% of AMI to satisfy High HOME requirements, and the remaining 27 units will be reserved for residents earning up to 120.00% of AMI. The affordable units will be deed restricted for a period of 20 years. The 36 units are comprised of 12 1-bedroom, 12 2-bedroom, and 12 3-bedroom units ranging from 550-975 square feet.

The unit mix and rental rates are as follows:

Unit Type	AMI	Units	Rent
1BR	50.00% Low HOME/NSP	1	$ 778.00
1BR	65.00% High HOME	1	$ 993.00
1BR	Market/High NSP	10	$1,075.00
2BR	50.00% Low HOME/NSP	1	$1,001.00
2BR	65.00% High HOME	3	$1,281.00
2BR	Market/High NSP	8	$1,425.00
3BR	50.00% Low HOME	1	$1,157.00
3BR	65.00% High HOME	2	$1,470.00
3BR	Market/High NSP	9	$1,800.00

The project will include common area amenities, such as open space, dog park, sitting areas, fire pits, outdoor grills, security cameras and lighting, security booth at entry, new sidewalks, and modern security features. Other amenities include access to computer technology and financial counseling. The site will also be served by fiber optic broadband service and feature a Homestead Preservation Center (“HPC”) on the site which will provide a resource to all homeowners and renters who may be facing displacement as well as an Economic Mobility Center.

Total development costs are anticipated to be approximately $7,279,182.00 which includes the $1,248,462.00 acquisition price for the property. The construction budget is anticipated to be

approximately $4,848,466.00 which is $134,679.61 per unit. The anticipated financing sources and uses are as follows:

Financing Sources	**Amount**
Deferred Developer Fee	$ 652,063.00
Land Seller Deferred Interest	$ 770,000.00
TREC Loan	$ 500,000.00
City of Dallas HOME Funds	$ 611,227.47
City of Dallas NSP Funds	$1,295,191.53
Construction Loan	$3,450,700.00
Total	**$7,279,182.00**

Proposed Uses	**Costs**
Acquisition	$1,248,462.00
Hard Costs	$4,848,466.00
Soft Costs	$ 443,039.00
Developer Fee	$ 661,744.00
Financing Fees	$ 77,471.00
Total	**$7,279,182.00**

Staff recommend approval of this item as it furthers the mixed-income housing goals of the CHP, meets the threshold requirements of the NOFA, and the financial gap has been confirmed by third-party underwriting.

ESTIMATED SCHEDULE OF PROJECT

Construction Commence August 2022
Construction Complete August 2023

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Housing and Homelessness Solutions Committee was briefed regarding this matter on May 23, 2022

FISCAL INFORMATION

Fund	FY 2022	Future Years	Future Years
NSP Fund	$1,295,191.53	$0.00	$0.00
HOME Fund	$ 611,227.47	$0.00	$0.00
Total	$1,906,419.00	$0.00	$0.00

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23,

2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE $
~~$4,848,466.00~~$7,400,000.00	Construction	32.00%	~~32.00~~46.28%	~~$1,551,509.12~~ $3,425,000.00
• This contract ~~meets~~ exceeds the M/WBE goal.				
• Builders of Hope CDC - Local; Workforce 100.00%				

OWNER

Builders of Hope CDC

MAP

Attached

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