Legislation Details (With Text)

File #:	23-1263	**Version:**	1	**Name:**	
Type:	MISCELLANEOUS HEARINGS			**Status:**	Hearing Closed; Approved as Amended
File created:	4/28/2023			**In control:**	Department of Housing & Neighborhood Revitalization
On agenda:	5/24/2023			**Final action:**	
Title:	A public hearing to receive comments regarding an application by LDG The Ridge at Loop 12, 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 Ridge at Loop 12 located at 1200 North Walton Walker Boulevard, Dallas, TX 75211 (the “Development”); 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 Ridge at Loop 12 and in accordance with 10 TAC § 11.3(d) (the “Administrative Code”), specifically allow the construction of the development, as required by the Administrative Code, because the Development is within one linear mile or less of Meadowbrook (a 4% housing tax credit development located at 910 S. Beltline Road), and is therefore subject to the One Mile Three Year Rule - Financing: No cost consideration to the City				
Sponsors:					
Indexes:	6				
Code sections:					
Attachments:	1. Map, 2. Resolution				

Date	Ver.	Action By	Action	Result

STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: May 24, 2023

COUNCIL DISTRICT(S): 6

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Majed Al-Ghafry

SUBJECT

A public hearing to receive comments regarding an application by LDG The Ridge at Loop 12, 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 Ridge at Loop 12 located at 1200 North Walton Walker Boulevard, Dallas, TX 75211 (the “Development”); 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 Ridge at Loop 12 and in accordance with 10 TAC § 11.3(d) (the “Administrative Code”), specifically allow the construction of the development, as required by the Administrative Code, because the Development is within one linear mile or less of Meadowbrook (a 4% housing tax credit development located at 910 S. Beltline Road), and is therefore subject to the One Mile Three Year Rule - Financing: No cost consideration to the City

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BACKGROUND

LDG The Ridge at Loop 12, LP (Applicant), a Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of The Ridge at Loop 12, a 264-unit affordable multifamily complex located at 1200 North Walton Walker Boulevard, Dallas, TX 75211 (Property). A purchase and sale agreement for the Property has been executed between 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.

Applicant or its affiliate shall form LDG The Ridge at Loop 12, LP, a Texas limited partnership, the general partner of which will be LDG The Ridge at Loop 12, GP, LLC, a to-be-formed single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). LDG The Ridge at Loop 12, SLP, LLC, a to-be-formed limited liability company, or its affiliate, will be The Ridge at Loop 12, LP's special limited partner. MBL Derbycity Development, LLC, a Texas limited liability company, will be 100% owner of 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.

On April 11, 2023, the DHFC Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

LDG The Ridge at Loop 12, LP or its affiliate will serve as the developer and guarantor of the project. LDG has successfully completed over 77 multifamily properties totaling 13,673 units. The proposed property manager is Capstone Real Estate Services, Inc. (Capstone). Capstone is a professional management company based in Austin, TX that currently manages 35,000 multifamily units including over 21,000 affordable units.

The Applicant proposes to develop 300 units. The 300 units are comprised of 36 one-bedroom, 120 two-bedroom, 132 three-bedroom units, and 12 four-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The Property will also include controlled gate access, a multipurpose community room, swimming pool, fitness center, theater room, children's playscape, and landscaped walking paths.

The Applicant proposes to provide on-site resident services including:

1. 12 hours per week of after school tutoring;
2. Four hours per week of adult financial literacy courses;
3. Food pantry;
4. Annual health fair and flu shots;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month; and

8. Weekly chore and preventative maintenance for elderly and disabled residents.

Total development costs are anticipated to be approximately $90,460,577.00 which includes the acquisition price for the land. The construction budget is anticipated to be approximately $58,689,480.00 which is $195,632.00 per unit.

Proposed Financing Sources	**Amount**
Mortgage Loan	$46,224,000.00
Housing Tax Credits Equity	$37,781,089.00
Deferred Developer Fee	$ 6,455,488.00
Total	**$90,460,577.00**

Proposed Uses	**Costs**
Acquisition	$ 2,500,000.00
Total Const. Costs	$58,689,480.00
Financing Fees, Soft Costs	$16,807,009.00
Reserves	$ 1,463,799.00
Developer Fee	$10,650,289.00
Other Costs	$ 350,000.00
Total	**$90,460,577.00**

After the development is complete, all of the 300 units will be made available to households earning 0%-60% of Area Median Income (AMI).

The development is 1 linear mile away from a recently approved 4% housing tax credit development located at 526 South Walton Walker Boulevard. Per the requirements of TDHCA's Qualified Action Plan and 10 TAC § 11.3(d), City Council must vote to specifically allow the construction of a new tax credit development within one linear mile of a tax credit development authorized within the past three years. Using driving distance, the development is 1.2 miles away from the previously approved development. The agenda item includes language acknowledging this proximity.

On May 9, 2018, the 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 Housing Tax Credits 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

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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 threshold requirements, rehabilitation requirements, and affirmatively further fair housing. After review, the Applicant has satisfied all application requirements and staff recommends a resolution of no objection.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 11, 2023, the Dallas Housing Finance Corporation authorized a preliminary inducement resolution declaring intent to issue $60,000,000.00 in private activity bonds to fund The Ridge at Loop 12.

The Housing and Homelessness Solutions Committee was briefed regarding this matter on April 24, 2023. <https://cityofdallas.legistar.com/gateway.aspx?M=F&ID=f84e8721-ab18-43ac-b409-178782e08313.pdf>

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached

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