



Legislation Text

File #: 20-229, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: February 12, 2020
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
EXECUTIVE: Michael Mendoza

SUBJECT

Authorize **(1)** the adoption of a Resolution of Support for Juliette Fowler Senior Affordable Housing, LP, 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 Juliette Fowler Residences; and **(2)** authorize an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund

BACKGROUND

Juliette Fowler Senior Affordable Housing, LP, or its affiliate (Applicant) submitted a pre-application to the Texas Department of Housing and Community Affairs (TDHCA) for 2020 9% Competitive Housing Tax Credits (HTC) (9% HTC) for the development of Juliette Fowler Residences, the ground-up development of a 144-unit mixed income multifamily complex for seniors located at the northeast corner of South Fulton Street and Eastside Avenue or 5714 Eastside Avenue, Dallas, Texas 75214. Juliette Fowler Properties, Inc. owns the land and will contribute the development site to the partnership.

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 Texas limited partnership, is proposing to develop Juliette Fowler Residences. Juliette Fowler Communities, Inc. (JFC), a Texas non-profit corporation, will serve as the sole member of the general partner Juliette Fowler Senior Affordable Housing GP, LLC, a Texas limited liability company. The Applicant will also admit a to be determined investor limited partner to the limited partnership. JFC will act as developer of the project.

The property will be managed by JFC which manages its existing properties that include senior living, transitional, and foster care units. JFC has operated and provided housing and supportive services for over 125 years.

The Applicant proposes to develop 144 units. The 144 units will be comprised of 18 0-bedrooms, 84 1-bedrooms, and 42 2-bedrooms ranging from 575 square feet to 860 square feet. Planned amenities include outdoor pools, dog park, fitness and community center, controlled access gates, library, and camera monitoring.

Total development costs are anticipated to be approximately \$23,483,750.00 which includes a zero dollar contribution of the land to the partnership from Juliette Fowler Properties, Inc. The hard cost construction budget is anticipated to be \$17,527,000.00 which is \$121,715.00 per unit. The total construction amount includes a 4% contingency.

Proposed Financing Sources	Estimated Amount
FHA Loan	\$7,900,000.00
Housing Tax Credits Equity	\$13,798,620.00
Deferred Developer Fee	\$1,200,000.00
JFC, Inc. Match	\$585,130.00
Total	\$23,483,750.00

Proposed Uses	Estimated Costs
Acquisition	\$0.00
Hard Construction Costs	\$17,527,000.00
Soft Costs & Financing Fees	\$2,519,750.00
Developer Fees	\$2,754,620.00
Reserves	\$682,380.00
Total	\$23,483,750.00

After the development is complete, 15 of the 144 units will be made available to households earning 0%-30% of Area Median Income (AMI), 57 of the 144 units will be made available to households earning between 31%-50% of AMI, and 72 of the 144 units will be made available to households earning between 51%-60% of AMI.

The Dallas City Council on May 9, 2018, adopted the Comprehensive Housing Policy (CHP) by 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.

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 Grant, Housing and Urban Development HOME Funds, or General Obligation Bond Funding;
- The applicant intends to partner with the Dallas Housing and Finance Corporation or Public Facility Corporation (if created);
- 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 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 Historically Underutilized Business, its proximity of amenities to the development site, and resident services to be provided.

Juliette Fowler Residences is qualified to receive a staff recommendation for a resolution of support as it is a priority housing need development located in a census tract with a poverty rate less than 20% (Census Tract 48113001301) and met the required application thresholds. The proposed site is market type E per the Market Value Analysis and is surrounded by B, C, D, and H market types.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Housing and Homelessness Solutions Committee was briefed regarding this matter on February 4, 2020.

FISCAL INFORMATION

Fund	FY 2020	FY 2021	Future Years
Public/Private Partnership Fund	\$500.00	\$0.00	\$0.00