



Legislation Text

File #: 21-1481, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: September 22, 2021
COUNCIL DISTRICT(S): 8
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

A public hearing to receive comments regarding an application by LDG Meadowbrook, 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 Meadowbrook Apartments located at 910 South Beltline Road, Dallas, TX 75253; and, at the close of the public hearing adopt a Resolution of No Objection for the Applicant, related to its application to TDHCA for the development of Meadowbrook Apartments, a multifamily development - Financing: No cost consideration to the City

BACKGROUND

LDG Meadowbrook, LP (Applicant), a to be formed Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2021 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of Meadowbrook Apartments, a 180-unit affordable multifamily complex located at 910 South Beltline Road, Dallas, TX 75253 (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 residents to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

The general partner of the Applicant will be LDG Meadowbrook GP, LLC, to be formed single asset entity with the Dallas Housing Finance Corporation (DHFC) as 100% owner. LDG Meadowbrook SLP, LLC, a to be formed limited liability company or its affiliate with Texas Quad, LLC, a Texas limited liability company 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.

LDG Development, LLC (LDG), 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 180 units. The 180 units are comprised of 36 1-bedroom, 72 2-bedroom, 48 3-bedroom units, and 24 4-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, business center, swimming pool, fitness center, theater room, children's playscape, full perimeter fencing a gazebo area, picnic areas with grills, and landscaped walking paths.

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

1. 12 hours per week of after school tutoring;
2. 4 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.

In addition to the items above and at the request of the Fair Housing office, LDG has also committed to providing transportation services to grocery, big box retail, and other services. LDG will also work with the Office of Innovative Public Safety Solutions for security input, community activities and Crime Prevention Through Environmental Design (CPTED).

The site has already undergone a zoning change and was approved by Council on January 27, 2021.

The market value added (MVA) market type is uncategorizable as it is vacant land. The MVA market types of the adjacent neighborhoods are 'E', 'F' and 'H' ranging from 13-73% owner-occupied housing. There are no other LIHTC projects in this census tract. As this area continues to grow and develop, the introduction of a new, Class A mixed-income multifamily development will provide significant market pressure on the existing housing stock to provide substantial renovations and services to remain competitive while still providing high quality living options for residents whose income qualifies them for affordable housing.

Total development costs are anticipated to be approximately \$43,097,607.00 which includes the acquisition price for the land. The construction budget is anticipated to be approximately \$26,432,154.00 which is \$146,845.00 per unit.

Proposed Financing Sources	Amount
Private Activity Bonds	\$29,049,000.00

Housing Tax Credits Equity	\$13,899,947.00
Deferred Developer Fee	\$ 148,660.00
Total	\$43,097,607.00

Proposed Uses	Costs
Acquisition	\$ 2,156,220.00
Total Const. Costs	\$26,432,154.00
Financing Fees, Soft Costs	\$ 8,885,702.00
Reserves	\$ 768,382.00
Developer Fee	\$ 4,855,149.00
Total	\$43,097,607.00

After the development is complete, 162 of the 180 units will be made available to households earning 0%-60% of Area Median Income (AMI) and 18 of the 180 units will not be income restricted.

The Dallas City Council on May 9, 2018, 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 Resolution No. 19-0884 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. 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 threshold requirements, TDHCA underwriting standards, 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 January 27, 2021, City Council authorized a zoning change for the project site by Resolution No. 21-0212.

On August 10, 2021, City of Dallas Housing Finance Corporation approved entering in a partnership with LDG Development and acquire the property.

[The Housing and Homelessness Solutions Committee was briefed regarding this matter on August 23, 2021. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=e67f9ed3-dbc9-45ab-8fe0-b5cd3db21d2e.pdf>](http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=e67f9ed3-dbc9-45ab-8fe0-b5cd3db21d2e.pdf)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached