



Legislation Text

File #: 21-2040, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: October 27, 2021
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize execution of a development agreement and all other necessary documents with Sadler Circle Senior Apartments LLC and/or its affiliates in an amount not to exceed \$4,438,154.00, payable from Maple/Mockingbird TIF District Funds, in consideration of the Oaklawn Place Project, a senior multi-family development on approximately 1.8 acres of property currently addressed at 5717-5725 Sadler Circle in Tax Increment Financing Reinvestment Zone Number Eighteen (Maple/Mockingbird TIF District) - Not to exceed \$4,438,154.00 - Financing: Maple/Mockingbird TIF District Fund (subject to annual appropriations from tax increments)

BACKGROUND

The Oaklawn Place Project ("Project") is proposed to be located on approximately 1.8 acres of property currently addressed at 5717-5725 Sadler Circle. The current site consists of an undeveloped tract, boat and vehicle storage, a one-story residence, and a vacant one-story office building.

Sadler Circle Senior Apartments LLC ("Developer") is an entity including the Resource Center of Dallas, Inc., Matthews Southwest, and Renaissance Neighborhood Development Corporation.

The Project will include the development of 84 income-restricted multi-family units, including 79 one-bedroom units and 5 two-bedroom units. The total Project cost is estimated at \$24,116,922.00, including a new six-story building with a large outdoor terrace overlooking a creek as well as dynamic views of downtown Dallas from the upper levels. Other amenities include a lobby, management and leasing office, community room, mail room, conference/dining room, kitchen, fitness room, and a business center

The Project's financing includes 9% Low Income Housing Tax Credits ("LIHTC") that will commit the Developer to providing 100% of the units for seniors (55 or older) earning between 30% and 60% of the Area Median Family Income ("AMFI"). Based on their mission, the Resource Center of Dallas will target LGBTQ seniors.

The Project was reviewed by the City's Urban Design Peer Review Panel ("Panel") on August 12, 2021, and the Developer is in the process of making changes to the Project's design to accommodate recommendations by the Panel.

On September 16, 2021, the Developer received formal notice from the Texas Department of Housing and Community Affairs ("TDHCA") that the Project was awarded 9% LIHTCs. A Land Use Restriction Agreement ("LURA") will be placed on the property in accordance with the LIHTC requirements for the Project. The LURA will ensure that the Project serves senior residents earning between 30% and 60% of the AMFI for a period of 45 years. Of the 84 income-restricted units, 21 units will be set aside for households earning a maximum of 30% AMFI, 34 units will be set aside for households earning a maximum of 50% AMFI, and 29 units will be set aside for households earning a maximum of 60% AMFI.

The Office of Economic Development engaged an independent outside underwriter to extensively review the Project and the Developer's incentive application along with subsequent revisions in response to changing conditions over the past few months. Using the outside underwriting as a guide, the Office of Economic Development negotiated a detailed Letter of Intent with the Developer for an amount not to exceed \$4,438,154.00 ("TIF Subsidy"), payable upon completion of the Project and Developer's satisfaction of all terms and conditions in the Development Agreement. On October 5, 2021, the Developer agreed to and executed the Letter of Intent.

Staff's recommended TIF Subsidy of \$4,438,154.00 will be deployed from the Maple/Mockingbird TIF District budget as follows (i) environmental remediation and demolition, \$240,545.00; (ii) infrastructure/utility improvements, \$843,536.00; and (iii) affordable housing, \$3,354,073.00.

City Council's approval of this item will authorize the City Manager to execute a development agreement as well as any other related documents.

ESTIMATED SCHEDULE OF PROJECT

Begin Construction	July 2022
Complete Construction	December 2023

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 10, 2008, City Council authorized the establishment of the Maple/Mockingbird TIF District by Ordinance No. 27435, as amended.

On September 23, 2009, City Council authorized the Final Project Plan and Reinvestment Zone Financing Plan for the Maple/Mockingbird TIF District by Ordinance No. 27690, as amended.

The Housing and Homelessness Solutions Committee was briefed regarding this Project within the context of twelve LIHTC project applications seeking Resolutions of Support on February 22, 2021.

On February 24, 2021, City Council authorized a Resolution of Support for Sadler Circle Senior Apartments LLC or its affiliate related to its application to the Texas Department of Housing and Community Affairs for 9% LIHTC for the development of the Project by Resolution No. 21-0374.

On October 19, 2021, the Maple/Mockingbird TIF District Board of Directors reviewed the Project and recommended City Council authorization of a development agreement with Sadler Circle Senior Apartments LLC and/or its affiliates in an amount not to exceed \$4,438,154.00.

The Housing and Homelessness Solutions Committee will be briefed regarding this Project on October 25, 2021.

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
Maple/Mockingbird TIF District Fund	\$0.00	\$4,438,154.00	\$0.00

OWNER/DEVELOPER

Sadler Circle Senior Apartments LLC

Cece Cox, Chief Executive Officer

MAP

Attached