



Legislation Text

File #: 22-2000, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: September 28, 2022
COUNCIL DISTRICT(S): 2
DEPARTMENT: Office of Economic Development
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize amendments to Resolution No. 21-1776, previously authorized on October 27, 2021, for a development agreement and all other necessary documents with Sadler Circle Senior Apartments LLC and/or its affiliates ("Developer") for the Oaklawn Place Project ("Project"), a proposed senior affordable multi-family development located on approximately 1.8 acres of property currently addressed at 5717-5725 Sadler Circle in Tax Increment Financing (TIF) Reinvestment Zone Number Eighteen (Maple/Mockingbird TIF District) to: **(1)** increase the TIF Subsidy by \$975,852.00 from \$4,438,154.00 to \$5,414,006.00; **(2)** extend the deadline for obtaining a building permit from July 1, 2022 to July 1, 2023; **(3)** extend the deadline for completing construction of the Project, including associated public improvements and streetscape improvements and making all portions of the building occupiable from December 31, 2023 or the placed in service deadline established by Texas Department of Housing & Community Affairs ("TDHCA") to December 31, 2024 or the placed in service deadline established by TDHCA; **(4)** change the Developer entity name from Sadler Circle Senior Apartments LLC to Resource Center of Dallas, Inc., and, as consideration; **(5)** increase the Developer's required minimum amount of Investment Expenditures from \$17,000,000.00 to \$20,000,000.00; and **(6)** increase the Developer's good faith effort goal from 32% to 36% for participation by certified Minority/Women-owned Business Enterprises in all hard construction expenditures on the Project - Total not to exceed \$975,852.00 - Financing: Maple/Mockingbird TIF District Funds

BACKGROUND

On October 27, 2021, City Council unanimously approved Resolution No. 21-1776 authorizing 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 Project. To date, the development agreement has been drafted but has not yet been executed.

On July 12, 2022, the Developer submitted a request to staff for amendments to the previously authorized development agreement/subsidy, including an increase of \$1,007,066.00 to the TIF Subsidy needed to make the Project financially feasible. The Developer cited the following reasons for the request:

- extraordinary increases in construction costs due to supply chain problems associated with the COVID-19 pandemic
- inflation in labor and material rates commensurate with market inflation
- after value engineering and additional sub-bidding, total project cost increased \$5,307,021.00 from \$24,116,921.00 to \$29,423,942.00

After engaging the independent outside underwriter to verify the new funding gap, staff offered \$975,852.00 in additional TIF Subsidy, which was accepted by the Developer on August 15, 2022. The amended total TIF subsidy amount of \$5,414,006.00 would be allocated to the TIF district budget categories as shown below:

TIF BUDGET CATEGORY	AMOUNT
Environmental Remediation and Demolition	\$ 293,241.00
Infrastructure/Utility Improvements	\$1,028,948.00
Affordable Housing	\$4,091,817.00
TOTAL TIF SUBSIDY	\$5,414,006.00

ESTIMATED SCHEDULE OF PROJECT

Start Construction January 2023
Complete Construction December 2024

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 19, 2021, the Maple/Mockingbird TIF District Board of Directors reviewed the Project and unanimously recommended City Council authorization of a development agreement and TIF Subsidy in an amount not to exceed \$4,438,154.00.

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on October 25, 2021. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=9906039&GUID=84F177CB-D47B-4E63-AB6A-7AA7346DBED8>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=9906039&GUID=84F177CB-D47B-4E63-AB6A-7AA7346DBED8)

On October 27, 2021, City Council authorized a development agreement 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 by Resolution No. 21-1776.

On August 31, 2022, the Maple/Mockingbird TIF District Board of Directors reviewed and unanimously recommended City Council approval of the proposed amendments.

The Economic Development Committee was briefed by memorandum regarding this matter on September 6, 2022. <<https://cityofdallas.legistar.com/View.ashx?M=F&ID=11200655&GUID=91A1F60F-8A04-433F-8471-2777AC99DB73>>

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
Maple/Mockingbird TIF District Funds	\$0.00	\$0.00	\$975,852.00

OWNER

Resource Center of Dallas, Inc.

Cece Cox, Chief Executive Officer

MAP

Attached