



Legislation Text

File #: 22-2443, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: November 9, 2022
COUNCIL DISTRICT(S): 7
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

SUBJECT

A public hearing to receive comments regarding an application by TX Ferguson 2022, LTD, 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 Estates at Ferguson located at 9220 Ferguson Road, Dallas, Texas 75228 (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 Estates at Ferguson - Financing: No cost consideration to the City

BACKGROUND

TX Ferguson 2022, LTD (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 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of the Estates at Ferguson, a 164-unit senior living multifamily complex located at 9220 Ferguson Road, Dallas, Texas 75228 (Development). 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 Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.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 TX Ferguson 2022, LTD, a Texas limited partnership, the general partner of which is anticipated to be Rock Island Riverfront GP, LLC, a to-be-formed single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). TX Ferguson 2022, SLP, a to-be-formed special limited partnership company will be TX Ferguson 2022, LTD's special limited partner. Generation Housing Partners (GHP) and Hill Tide Development, or their affiliates will each be 50% 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 September 13, 2022, 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.

GHP is a Dallas, Texas based developer, owner, and asset manager of Class A multi family assets located throughout the southwest. As a long term owner, GHP has been involved in the development, construction, and management of over 4,000 units, with a capitalization value of approximately \$385,000,000.00. GHP has partnered with the DHFC in two other developments (Estates at Shiloh and Westmoreland Station) and are currently awaiting closing with another 9% tax credit project (Patriot Pointe). The proposed property manager, Asset Living (formerly Alpha Barnes), is based in Houston, TX with additional offices in Dallas and has 30 years of expertise and experience. Asset Living has developed approximately 20,000 units and currently manages over 24,000 units.

The Applicant proposes to develop 164 units. The 164 units are comprised of 99 1-bedroom and 65 2-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The development will provide an abundance of amenities for residents, which will include barbeque grills, a resort-style Americans with Disabilities Act compliant swimming pool, community event center, theater room, business center, outdoor community garden, salon space, and a furnished fitness center. Also included will be a leasing area for the full-time staff as well as a maintenance room.

GHP will work with the Office of Integrated Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design (CPTED). Additionally, GHP will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

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

1. 4 hours per week of organized on-site classes for adults;
2. Annual income tax preparation;
3. Annual health fair and flu shots;
4. Weekly exercise class;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month; and
8. Weekly home chore and quarterly preventative maintenance for elderly or disabled tenants;
9. Part-time resident services coordinator (min 15 hrs./week).

This development will provide a vital boost to the desperate shortage of affordable, seniors-focused housing in the city. The pronounced lack of availability of seniors housing combined with the favorable location make this development very beneficial to the community that it is aiming to serve. It is positioned within a block of Buckner Boulevard. at Ferguson Road with bus stops directly in front of the property. This allows residents without vehicles or those who may no longer have the ability to drive an option to move freely through the city. The White Rock Hills Branch Library is also directly behind the site, providing a location for this essential service where the residents would not have to

cross a street to access.

Total development costs are estimated to be approximately \$41,494,398.00 which includes the acquisition price for the land. The construction budget is estimated to be approximately \$20,972,055.00 which is \$127,878.00 per unit.

Proposed Financing Sources	Amount
Private Activity Bonds	\$16,992,910.00
Housing Tax Credits Equity	\$15,231,892.00
Soft Funding	\$ 8,000,000.00
Deferred Developer Fee	\$ 1,119,596.00
Deposit	\$ 150,000.00
Total	\$41,494,398.00

Proposed Uses	Costs
Acquisition	\$ 3,965,000.00
Total Const. Costs	\$20,972,055.00
Financing Fees, Soft Costs	\$11,230,364.00
Reserves	\$ 986,979.00
Developer Fee	\$ 4,340,000.00
Total	\$41,494,398.00

After the development is complete, 148 of the 164 units will be made available to households earning between 0%-60% of AMI and 16 of the 164 units will be made available to households earning between 0%-50% of AMI.

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, 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, 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 September 13, 2022, the Dallas Housing Finance Corporation authorized a preliminary inducement resolution declaring intent to issue \$35,000,000.00 in private activity bonds to fund the Estates at Ferguson.

The Housing and Homelessness Solutions Committee was briefed regarding this matter on October 24, 2022.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached