



CITY OF DALLAS

NOTICE OF PUBLIC HEARINGS

**(NEIGHBORHOOD PUBLIC HEARING
RESCHEDULED TO DECEMBER 20, 2011)**

The City of Dallas Housing/Community Services Department will hold a neighborhood public hearing to solicit citizen comments on a proposed application to be submitted to the Department of Housing and Urban Development (HUD) for approval of a Community Development Block Grant Section 108 guaranteed loan in an amount not to exceed \$4,800,000 for development of a 252-unit multi-family residential project for mixed-income families including 153 affordable units located at 5522 Maple Ave., developer Odyssey Residential Holdings, LP. The neighborhood public hearing for November 10, 2011, regarding a proposed application has been rescheduled and will be held on Tuesday, December 20, 2011, from 7:00 p.m. to 8:00 p.m. at the Arlington Park Recreation Center located at 1505 Record Crossing. Dallas City Council call for public hearing will be held on November 7, 2011, to authorize a public hearing to be held on December 14, 2011, for citizens' comments and Council approval to submit an application to HUD. Draft of application is posted at all Dallas Public Library branches, Office of Financial Services/Community Development Division at 1500 Marilla Street, 4FS, Dallas City Hall, Dallas, TX 75201, and on the City of Dallas main webpage at www.dallascityhall.com under "Latest News & Announcements" and on the Housing/Community Services Department webpage at www.dallascityhall.com/housing under "NEWS CENTER."

Anyone who plans to attend and requires special arrangements due to a disability should contact the Housing/Community Services Department at 214-670-7302 forty-eight (48) hours prior to the meeting; reasonable accommodations will be made. TDD Via Relay TX 1-800-735-2989. For additional information, call 214-670-4522. Para mas información, por favor llame al 214-670-4522.

SECTION 108 LOAN GUARANTEE DRAFT APPLICATION

Champion Homes at Copperridge, 5522 Maple Ave., Dallas, Texas 75235

SECTION I – GENERAL INFORMATION

Chief elected official or chief executive officer

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SECTION II – THE APPLICATION

The City of Dallas is applying for a \$4,800,000 Section 108 Guaranteed Loan to fund creation of proposed 252 rental multi-family units, including 153 affordable units. The Section 108 funds may be used for acquisition of property, payment of interest on Section 108 loan obligations, demolition of existing buildings, sitework and public improvements, relocation assistance, and financing costs related to public offering.

Statement of Community Development Objectives (570.704(a)(1)(i)(A))

The purpose of funding the Champion Homes at Copperridge project is to foster and maintain affordable housing that is in conformance with the first part of the affordable housing strategy of the City of Dallas to create affordable housing that is decent, safe, and sanitary. (Refer to City of Dallas Five-Year Consolidated Plan FY 2008-09 thru FY 2012-13, page 4-1.) The use of Section 108 funds for this development will also meet the City's goals to foster and maintain affordable housing by:

- Answering the need for housing options by encouraging higher density housing directly adjacent to Dallas Area Rapid Transit (DART) stations, and leveraging public and private sector investments, and
- Expanding affordable housing alternatives by encouraging distribution of affordable housing throughout the City and the region, and by obtaining support to develop affordable housing. (Refer to City of Dallas Five-Year Consolidated Plan FY 2008-09 thru FY 2012-13, pages A-20 and A-21.)

Project Description

Champion Homes at Copperridge, is a proposed, new construction, mid-rise, five story, mixed income, affordable and market rate housing development within walking distance of the Inwood-Love Field DART Green Line station, which accesses the UT Southwestern medical district. This is a true Transit Oriented Development (TOD) by design and location serving the need for affordable housing in this area of Dallas. The affordable residential units will be marketed to families and seniors earning 60% of the area median family income for the DFW MSA for 2011.

The community of 252 units is truly mixed income where 60% or 153 units are affordable to households with incomes at or below 60% of AMFI with a significant number of those units serving families and seniors with rents at or below 50% of AMFI. Additionally, low and moderate-income residents with household incomes at or below 80% of AMFI will be eligible to rent affordably at the project. The balance of the property may be market rate units without income or rent restrictions equally distributed throughout the two buildings. (See attachment for proposed unit distribution.) There are no distinctions or differences of any kind in the designs, equipment or amenities in the affordable versus the market rate units.

The UT Southwestern medical district area is one of the largest and fastest growing employment centers in the city of Dallas. The area is dominated by medical and complementary commercial

uses, which include retail and industrial property, and thousands of market rate apartments and medical student housing. The only other affordable housing serving families in this area is Rosemont at Arlington Park directly behind the St. Paul Medical Center complex off of Medical Center Drive.

Transit oriented developments with affordable housing components are an established goal (#13) of the City and the Office of Economic Development. Funds for the project are available from the Maple Inwood TIF to facilitate redevelopment around the DART Green Line Station and specifically transit oriented developments. The development is designed to the LEEDs Silver standard through the use of green building, sustainability and energy efficiency features. (130% HTC boost)

Project structure

- The City of Dallas (Texas) will act as a borrower and issue the debt obligation (570.740(b)(2)).
- The amount of Section 108 assistance sought is \$4,800,000.
- The entity that will undertake the project is Chicory Court IX, LP.
- The principal developer is Odyssey Residential Holdings, LP.
- The project site will be acquired by the City and leased back to Chicory Court IX, LP.
- New multi-family residences will be constructed on the property acquired by the City.

Citizen Participation

Citizens will be afforded an opportunity to participate in the application process by means of neighborhood and Dallas City Council public hearings held to receive questions and comments both at the meetings and through written comments.

- Notice of public hearings to solicit citizens' input regarding the application will be posted on the City's website and cable television channel, at all City branch libraries, and in the Dallas Morning News, which is the City's official newspaper, and will also be submitted to the City Secretary's Office.
- Neighborhood public hearing will be held at the Arlington Park Recreation Center, which is in close proximity to the location of the project. Information regarding the proposed project and Section 108 funding will be made available and an opportunity for questions/answers or comments will be provided. Additionally, a form will be provided for citizens to submit written comments.
- Council call for public hearing will be authorized and Council public hearing will be held.

Developer has held two meetings on site with the adjacent neighbors (all retail) to address any concerns they might have. The major concern was parking and traffic. Upon explaining that all parking would be newly constructed underground, and that our residents would not impede on their parking, and in fact, increase visibility of their businesses, the neighbors were satisfied.

Developer also has held a public meeting at the Pike Park Recreation Center on Harry Hines Blvd. to discuss the project and take questions. The meeting was advertised in the newspaper, on site, with the city, and state. No one attended.

Displacement, relocation, acquisition, and replacement of housing (570.606, 570.704(e))

Project site is leased by a business. City will implement appropriate relocation activities to insure compliance with applicable relocation requirements for displacement resulting from acquisition funded with Section 108 funds.

Project Implementation Schedule

The development will take approximately 12 months to construct and lease-up of units will start approximately 10 months after construction starts.

Major Tasks/Activities	Begin Date	End Date
1. Financing	TBD	TBD
2. City Approvals	TBD	TBD
3. Design and Engineering	TBD	TBD
4. Construction	TBD	TBD
5. Marketing	TBD	TBD

Statement of Estimated Sources and Uses

Sources:	Amount	Uses:	Amount
Section 108 Loan	\$ 4,800,000	Land Purchase *	\$ 4,400,000
First Lien Mortgage	\$16,780,000	Building Acquisition	\$ 800,000
Owner / Developer Equity	\$ 308,191	Sitework Construction	\$ 2,520,000
Tax Credit Equity	\$17,982,000	Hard Construction and Rehab Costs	\$19,540,900
		Contractor's General Requirements	\$ 1,323,654
		Contractor's Overhead	\$ 441,218
		Contractor's Profit	\$ 1,323,654
		Construction Contingency	\$ 1,103,045
		Indirect Construction Costs	\$ 1,923,000
		Developer's Fees	\$ 3,000,000
		Interim Financing Costs	\$ 1,491,250
		Permanent Financing Costs	218,350
		Other Financing Costs	155,120
		Reserves	\$ 1,330,000
		HUD 108 Interest Reserve	\$ 252,000
		Financing for Section 108 Public Offering	\$ 48,000
Total Sources:	\$39,870,191	Total Uses:	\$39,870,191

Estimated Budget

Eligible Activity	Section 108 \$	EDI/BEDI \$	CDBG \$	Other \$	Nat. Obj.
Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development purposes (570.703(a))	\$4,500,000				LMH 570.208(a)(3)
Rehabilitation of real property owned or acquired by the public entity or its designated public agency (570.703(b))					
Payment of interest on 108 loan obligations (570.703(c))	\$252,000				LMH 570.208(a)(3)
Relocation costs of 108-assisted activity (570.703(d))					
Clearance, demolition and removal of buildings and improvements on real property acquired or rehabilitated pursuant to (a) acquisition and (b) rehabilitation, except where necessary to carry out other eligible 108 activity (570.703(e))					
Site preparation, including construction, reconstruction, or installation of public or other site improvements, utilities, or facilities (other than buildings), which is: (1) related to the redevelopment or use of the real property acquired or rehabilitated pursuant to (a) acquisition and (b) rehabilitation or (2) for an economic development purpose (570.703(f))					
Payment of 108 issuance, underwriting, servicing, trust administration, and other costs associated with private sector financing (570.703(g))	\$48,000				LMH 570.208(a)(3)
Housing rehabilitation eligible under 570.202(570.703(h))					
Economic development eligible under 570.203(570.703(i)(1))					

Eligible Activity	Section 108 \$	EDI/BEDI \$	CDBG \$	Other \$	Nat. Obj.
Economic development as "community economic development" eligible under 570.204(570.703(i)(2))					
Construction of housing by nonprofit organizations (570.703(j))					
108 debt service reserve to be used in accordance with requirements specified in the contract (570.703(k))					
Acquisition, construction, reconstruction, rehab or installation of public facilities, public streets, sidewalks and other site improvements and public utilities (570.703(l))					
Public works, site or other improvements in colonias (570.703(m))					
Total Budget	\$4,800,000				

National Objective Compliance (570.704(b)(1))

- The acquisition of improved or unimproved real property in fee or by long-term lease including acquisition for economic development purposes (570.703 (a)) is an eligible activity that will meet the national objective of providing **low and moderate income persons housing**. It will allow the developer to acquire the tract of land on which the project will be built. Without the land, there would be no project. The Section 108 funds will provide a portion of the project funds at a lower cost of capital. This will reduce the total cost of the project thus allowing a percentage of the apartments to be rented to low and moderate-income persons.
- The payment of interest on Section 108 loan obligations (570.703 (c)) is an eligible activity that meets the national objective of providing **low and moderate income persons housing**. The payment of interest on the 108 funds will allow the project to use Section 108 funds and have the ability to repay the interest on the funds. This will reduce the total cost of the project thus allowing a percentage of the apartments to be rented to low and moderate-income persons.
- Payment of 108 issuance, underwriting, servicing, trust administration, and other costs associated with private sector financing (570.703(g)) activity that meets the national objective of providing **low and moderate income persons housing**. It will pay the financing costs related public offering.

- All of the above eligible activities meet the National Objective of providing low and moderate income persons – housing (LMH) (570.208(a)(3)). Following is a complete summary of how the project will meet this National Objective and provide benefits for those to whom the National Objective is intended.

The Champion Homes at Copperridge will provide multiple benefits to low and moderate-income persons in the area. With 60% (153 out of the 252 total) of the apartment homes being built to the Federal Department of Housing and Urban Development (HUD) rental affordability requirements, the project is giving a wide range of people the opportunity to rent a brand new apartment. This development will offer residents supportive services like after school programs, adult education, homebuyer education, counseling services, credit education classes, health screening, youth latchkey programs, and other classes at no additional cost to residents. Residents at each property will also enjoy a fitness center, business center with computers and internet access, community room, swimming pool, and controlled access to the property at no additional cost above the affordable housing rents. Each and every floor is elevator served and can be easily accessed from structured parking directly adjacent to each floor or by pedestrian bridging between the two buildings.

Project will be directly adjacent to the Inwood-Love Field DART Green Line station. The close proximity to the DART station connects the project to UT Southwestern medical district, Children's Medical Center, St. Paul Medical Center, Parkland Hospital District, and downtown Dallas where connections can be made to destinations throughout the surrounding area.

Generic Application Screening Activities, Underwriting & Public Benefit Standards

- **Section 108 Loan Repayment Source (570.704(b)(2))** The Section 108 loan repayment source includes any one or combination of the following:
 - Project generated revenue;
 - Future TIF proceeds
 - City Center TIF affordable housing funds

Project will take approximately 1 year to lease up. An estimated debt service (interest) reserve of \$980,000 will be established within the development budget to cover debt service during the first three years of the project. Once the development is stabilized at the end of year three, the annual repayment will be made from any remaining debt service (interest) reserve and/or the cash flow of the asset and/or the TIF funds available to the project.

- **Section 108 Loan Repayment (570.704(b)(2))** The estimated Section 108 repayment schedule covers a five-year period outlined as follows:

Year	Interest	Principal	Source
1	\$ TBD	\$ -	Interest reserve in budget
2	\$ TBD	\$ -	Interest reserve in budget
3	\$ TBD	\$ -	Interest reserve in budget
4	\$ TBD	\$ -	Interest reserve in budget
5	\$ TBD	\$ -	
6	\$ TBD	\$320,000	
7	\$ TBD	\$320,000	
8	\$ TBD	\$320,000	
9	\$ TBD	\$320,000	
10	\$ TBD	\$320,000	
11	\$ TBD	\$320,000	
12	\$ TBD	\$320,000	
13	\$ TBD	\$320,000	
14	\$ TBD	\$320,000	
15	\$ TBD	\$320,000	
16	\$ TBD	\$320,000	
17	\$ TBD	\$320,000	
18	\$ TBD	\$320,000	
19	\$ TBD	\$320,000	
20	\$ TBD	\$320,000	

Additional Security Requirements (570.705(b)(3))

- Debt service reserves in the development budget
- Second Lien on the property

Attachment

Odyssey Residential Holdings, L.P.

Proposed Unit Mix

HTC Unit Designation	MRB Unit Designation	Other Designation Subsidy	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected Unit (E)	Total Monthly Rent (A) x (E)
TC60%			27	1	1.0	700	18,900	769	85	684	18,468
MR			29	1	1.0	700	20,300	885		885	25,665
TC30%			2	1	1.0	700	1,400	386	85	301	602
TC50%			16	1	1.0	700	11,200	641	85	556	8,896
							0				-
TC60%			15	1	1.0	750	11,250	769	85	684	10,260
MR			17	1	1.0	750	12,750	915		915	15,555
TC30%			2	1	1.0	750	1,500	386	85	301	602
TC50%			9	1	1.0	750	6,750	641	85	556	5,004
							0			0	-
							0			0	-
TC60%			11	2	2.0	965	10,615	922	103	819	9,009
MR			13	2	2.0	965	12,545	1,140		1,140	14,820
TC30%			1	2	2.0	965	965	461	103	358	358
TC50%			8	2	2.0	965	7,720	768	103	665	5,320
							0				-
TC60%			23	2	2.0	1,080	24,840	922	103	819	18,837
MR			24	2	2.0	1,080	25,920	1,200		1,200	28,800
TC50%			13	2	2.0	1,080	14,040	768	103	665	8,645
TC30%			2	2	2.0	1,080	2,160	461	103	358	716
							0				-
TC30%			1	2	2.0	1,185	1,185	461	103	358	358
TC50%			3	2	2.0	1,185	3,555	768	103	665	1,995
TC60%			5	2	2.0	1,185	5,925	922	103	819	4,095
MR			6	2	2.0	1,185	7,110	1,255		1,255	7,530
							0				-
TC30%			1	3	2.0	1,307	1,307	532	122	410	410
TC50%			5	3	2.0	1,307	6,535	888	122	766	3,830
TC60%			9	3	2.0	1,307	11,763	1,065	122	943	8,487
MR			10	3	2.0	1,307	13,070	1,400		1,400	14,000
							0				-
TOTAL			252				233,305				212,262