

# Memorandum



CITY OF DALLAS

DATE January 17, 2014

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Patriots Crossing Project

On Tuesday, January 21, 2014, you will be briefed on Patriots Crossing Project. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in cursive script that reads "Theresa O'Donnell".

Theresa O'Donnell  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# PATRIOTS CROSSING PROJECT

A Briefing to the Housing Committee

Housing/Community Services Department  
January 21, 2014



# PURPOSE

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- ✘ Provide information regarding the Sapphire Road Development and Patriots Crossing Projects

# HISTORY

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- ✘ April 20, 2009- the Economic Development Department briefed the Housing Committee of the City Council on the Lancaster Corridor and potential mixed-use projects, including a project with Sapphire Road Holdings and Development
  - + The Committee supported this project moving forward with a Chapter 380 economic development forgivable loan of \$2M for land assemblage for mixed-use redevelopment
    - ✘ The funds provided were 2006 General Obligation Bond Funds
- ✘ April 22, 2009- City Council approved the Chapter 380 economic development loan
  - + The developer would have 5 years from the initial advance to complete redevelopment on acquired parcels or convey title back to the City
  - + The City would have first liens and deed restrictions on each parcel purchased with City funds, which would prevent sale or transfer
  - + Liens and deed restrictions would be released upon completion of redevelopment
- ✘ May 12, 2010- City Council approved an increase in the Chapter 380 economic development loan by \$700,000 from 2006 General Obligation Bond Funds
- ✘ October 26, 2010- City Council approved an increase in the Chapter 380 economic development loan by \$1.3M from 2006 General Obligation Bond Funds

# HISTORY (CONTINUED)

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- ✘ February 7, 2011- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments
- ✘ February 22, 2011- the Housing Committee was briefed more specifically about each LIHTC project and supported the Sapphire Road Holdings project's application for a 9% LIHTC award
- ✘ February 23, 2011- the City Council approved support of the Sapphire project's application for a 9% LIHTC award
- ✘ June 22, 2011- the City Council approved an increase in the Chapter 380 economic development loan by \$300,000 and extended the completion date to 7 years (late 2016)

# HISTORY (CONTINUED)

- ✘ February 6, 2012- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments but scored low and did not move on
- ✘ February 8, 2012- City Council approved an increase in the Chapter 380 economic development loan by \$100,000 from 2006 General Obligation Bond Funds
- ✘ February 4, 2013- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments
- ✘ February 19, 2013- the Housing Committee was briefed more specifically about each LIHTC project and supported the Sapphire Road Holdings project's application for a 9% LIHTC award and authorized gap funding of \$1.35M for construction from Federal -HOME funds
- ✘ February 27, 2013- the City Council approved support of the Sapphire project's application for a 9% LIHTC award
- ✘ August 14, 2013- the City Council approved zoning changes for the Patriot's Crossing Project

# HISTORY (CONTINUED)

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



- ✘ October 7, 2013- the Housing Committee was briefed on the status of LIHTC projects submitted to the State of Texas
  - + Sapphire Road Holdings also requested that the Committee support their request to submit an application for 4% tax credits because they were not successful in the 9% round
  - + The Committee supported the request
- ✘ October 8, 2013- the City Council approved support of the Sapphire project's application for a 4% LIHTC award and authorized gap funding of \$1.35M for construction from Federal- HOME funds
- ✘ January 6, 2014- the Housing Committee discussed an agenda item for the Sapphire project which would change the wording in the resolution provided by the City of Dallas
  - + These changes were requested by the Texas Department of Housing & Community Affairs (TDHCA)
- ✘ January 8, 2014-City Council held a public hearing to receive comments on the project and approved wording changes to the resolution adopted October 8, 2013

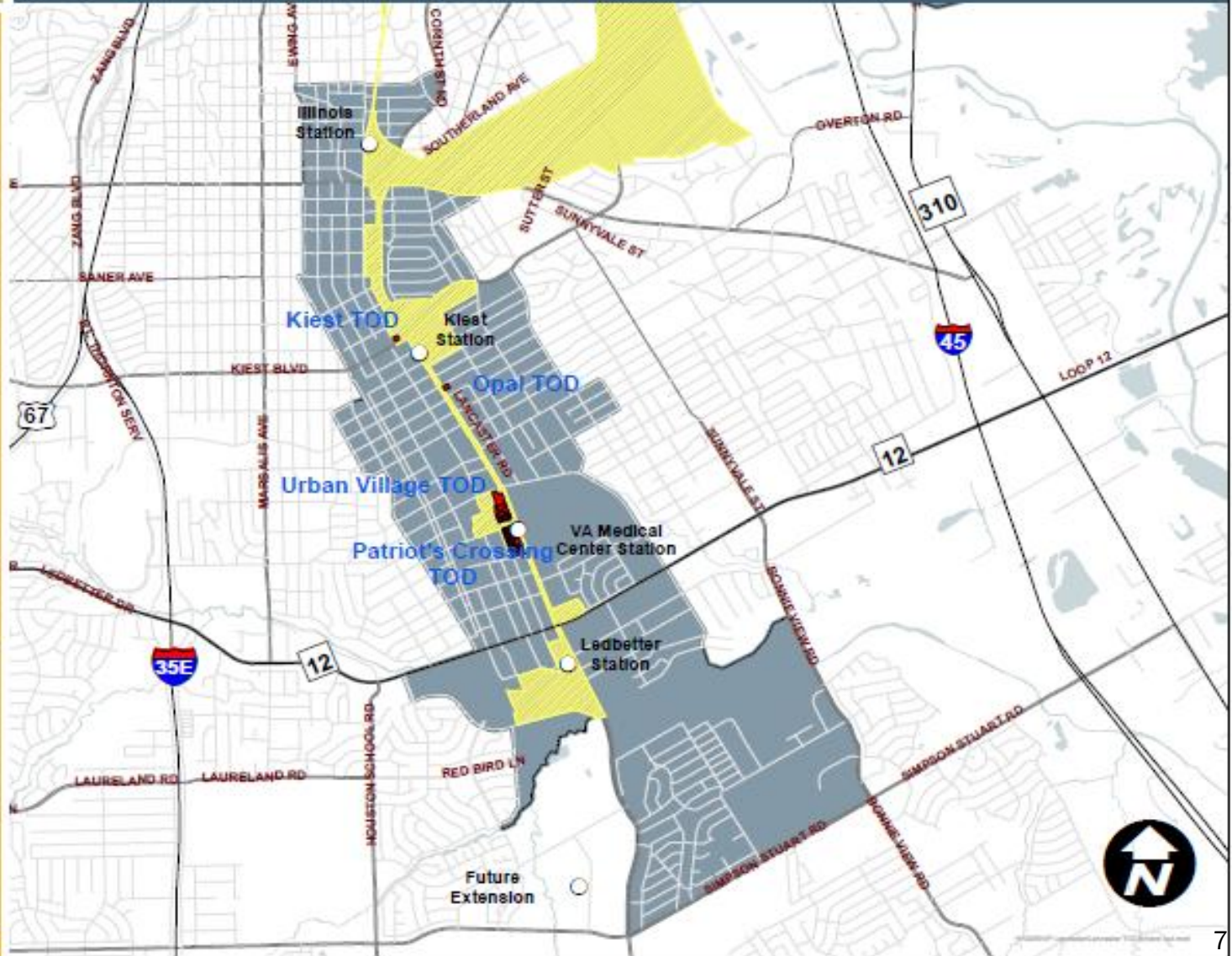
# Lancaster Corridor

## NEIGHBORHOOD INVESTMENT PROGRAM

CITY OF DALLAS  
HOUSING / COMMUNITY SERVICES DEPT

### LANCASTER CORRIDOR TRANSIT ORIENTED DEVELOPMENTS

-  Dart Stations
-  Proposed TODS
-  Major Highways
-  TOD TIF District
-  Light Rail
-  NIP Area Boundary
-  Lakes and Rivers





# SITE OF PROJECT



# ACQUISITION OF LAND

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- ✘ The developer submitted the following items for staff review prior to purchase:
  - + Property survey
  - + Title commitment
  - + Environmental assessment
  - + Appraisal performed by an independent fee appraiser
  - + Sales contract
  - + Settlement statements
  
- ✘ Once all items were reviewed by staff and approved, funds were wired to the title company for the closing
  
- ✘ The City of Dallas has a first lien deed of trust and deed restrictions on all parcels acquired with these funds

# OTHER ALLOWABLE COSTS

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- ✘ In the assemblage of land and preparation for redevelopment, other allowable costs that were reimbursed were:
  - + Closing costs
  - + Surveys
  - + Broker fees
  - + Consulting fees
  - + Relocation and moving costs
  - + Demolition and asbestos removal costs
  - + Architect and engineering work
  - + Zoning and planning fees

# COMPARISON OF APPRAISED VALUES AND PURCHASE PRICES

Address		Appraised Value	Purchase Price
4502	Denley	\$ 189,000.00	\$ 100,000.00
4506	Denley	\$ 189,000.00	\$ 100,000.00
4510	Denley	\$ 88,700.00	\$ 62,000.00
4514	Denley	\$ 120,400.00	\$ 92,000.00
4518	Denley	\$ 90,500.00	\$ 47,000.00
4522	Denley	\$ 88,700.00	\$ 60,000.00
4526	Denley	\$ 120,400.00	\$ 120,400.00
4530	Denley	\$ 120,400.00	\$ 120,400.00
4602	Denley	\$ 120,400.00	\$ 120,400.00
4606	Denley	\$ 120,400.00	\$ 120,400.00
4610	Denley	\$ 120,400.00	\$ 120,400.00
4614	Denley	\$ 120,400.00	\$ 120,400.00
4618	Denley	\$ 120,400.00	\$ 120,400.00
4622	Denley	\$ 83,192.00	\$ 86,600.00
4626	Denley	\$ 120,400.00	\$ 120,400.00
4634	Denley	\$ 156,600.00	\$ 135,000.00
4702	Denley	<u>\$ 248,400.00</u>	<u>\$ 36,000.00</u>
		\$ 2,217,692.00	\$ 1,681,800.00

Address		Appraised Value	Purchase Price
4501	Lancaster	\$ 109,200.00	\$ 100,000.00
4507	Lancaster	\$ 109,900.00	\$ 100,000.00
4515-27	Lancaster	\$ 950,000.00	\$ 850,000.00
4531	Lancaster	\$ 190,000.00	\$ 105,000.00
4615	Lancaster	\$ 109,900.00	\$ 100,000.00
4619	Lancaster	\$ 109,900.00	\$ 100,000.00
4623	Lancaster	\$ 109,900.00	\$ 77,500.00
4627	Lancaster	\$ 109,900.00	\$ 77,500.00
4631	Lancaster	\$ 298,600.00	\$ 268,000.00
4703	Lancaster	<u>\$ 100,200.00</u>	<u>\$ 100,000.00</u>
		\$ 2,197,500.00	\$ 1,878,000.00
<b>Total Land Costs</b>		<b>\$ 3,559,800.00</b>	

# OTHER COSTS INCURRED

Closing Costs					\$ 56,126.69
Environmental Report					\$ 30,636.82
Surveys & Appraisals					\$ 29,074.50
Broker Fees					\$ 74,384.00
Legal Fees					\$ 9,217.15
Consulting Fees					\$ 200,599.99
Relocation & Moving Costs					\$ 24,681.83
Demolition					\$ 75,711.10
Predevelopment Expenses					
Architect, Engineering, Zoning, Surveying					\$ 300,504.92
Alley purchase, abandonment					\$ 39,263.00
<b>Total Other Costs</b>					<b>\$ 840,200.00</b>
Plus Land Costs					\$ 3,559,800.00
<b>Grand Total</b>					<b>\$ 4,400,000.00</b>

# **Presentation of Patriot's Crossing**

## **By Yigal Lelah**