

Memorandum



DATE June 12, 2015

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

SUBJECT Fiji Townhomes Project

On Monday, June 15, 2015, you will be briefed on Fiji Townhomes Project. A copy of the briefing is attached.

Please let me know if you have any questions.



Theresa O'Donnell
Chief Planning Officer

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Fiji Townhomes Project

A Briefing To The
Housing Committee

Housing/Community Services Department

June 15, 2015



[Purpose]

- Present a single family townhome project to be located at 8th Street and Corinth
- Request approval of the Housing Committee for City Council consideration on June 17, 2015

[Neighborhood]

- Council District 4
- Located in South Dallas
- 300 block of Tonga Street
- Across the street from the DART-8th & Corinth Station
- Phase I of redevelopment was Fiji Senior Villas 130 units

Development Site



Phase II
50 Townhomes
3BR, 2GrG

Phase I
Elderly Housing
130 Units (1&2 BR)

Phase IIB—60 Bed Assisted Living

Phase IIIB
Office Oncology
19,000 SF

Phase IIIA
Apartment—74 Units
Retail—12,000SF
Garage—240 Spaces



Developer

- Sphinx Development Corporation (SDC)
 - Jay Oji, President/CEO
 - Dallas based real estate development company committed to affordable housing provision
 - The company's development experience goes back to the mid 80's
 - They have collaborated or joint-ventured more than 1,500 units in the State of Texas
 - They have produced mass housing developments on international initiatives of more than 5,000 housing units within master planned communities

- JP & Associates Realtors-marketing & sales

SDC Experience

- SDC has developed eight projects in the metroplex with six of those projects in Dallas
 - Ewing Villas (2001)
 - \$10M Town Home project adjacent to Dallas Zoo and DART Station
 - 80-unit rental project with 100% of units at 60% or below Area Median Family Income (AMFI)
 - Sphinx at Murdeaux Villas (2002)
 - \$15.1M Multi-Family (MF) project at Ledbetter @ Murdeaux Lane (Southeast Dallas)
 - 240-unit rental project with 100% of units at 50% AMFI
 - Sphinx @ Delafield Villas (2004)
 - \$18M Town Home project in Pleasant Grove at Delafield and Hoyle Ave
 - 204-unit rental project with 100% of units at 60% or below AMFI
 - Sphinx @ Luxar (2005)
 - \$10.5M MF project at Cockrell Hill and West Kiest
 - 100-unit rental project with 100% of units at 60% or below AMFI
 - Reese Townhomes (2005)
 - \$8.7M MF project at 1201 S. Ewing
 - 80-unit rental project with 100% of units at 60% or below AMFI
 - Fiji Senior Villas (2009)
 - 201 Fran Way
 - 130 unit rental project with 100% of units at 60% or below AMFI

[Townhouse Project]

- Project includes the new construction of 49 attached townhomes
- Located just south of the Fiji Seniors Apartment project and across from the DART Corinth Station
- Units will be 3-4 bedroom, 2.5 baths, approximately 1400+ sq.ft.
- Anticipated sale price of homes up to \$150,000
- The project will be a mixed income development allowing potential homebuyers with incomes up to 140% of Area Median Family Income (AMFI)
- Request is for \$25,000 per home for gap financing construction costs, up to \$1,225,000



Sources and Uses

SOURCES

Lender-Legacy Texas	\$ 5,058,000
City Funding	\$ 1,225,000
Owner equity	<u>\$ 1,187,583</u>
TOTAL SOURCES	\$ 7,470,583

USES

Land	\$ 680,000
Soft Costs	\$ 648,143
Taxes & Insurance	\$ 155,000
Financing	\$ 168,920
Permits & Fees	\$ 106,100
Hard Construction Costs	\$ 4,912,000
Developer Fee	<u>\$ 800,420</u>
TOTAL USES	\$ 7,470,583

[Terms of the Conditional Grant]

- Grant funds will be applied to a portion of the total development costs in exchange for sale to low to moderate income families at/or below 140% of area median family income
- Construction must begin prior to 09/30/2015
- Construction and sales to be completed by December 31, 2016
- Liens and Deed Restrictions will be executed to ensure performance and will be released upon sale to an eligible buyer

[Requested Approval]

Housing Committee approval of a conditional grant from 2012 General Obligation Bond funds to SDC Compton Housing, L.P. for the construction of 49 townhomes in the amount of \$1,225,000.

[Next Steps]

- June 17, 2015 - City Council consideration of Fiji Townhome Project funding
- June 2015 - contract with SDC and construction to begin
- December 31, 2016 - completion of project