



CITY COUNCIL COMMUNICATION

December 9, 2014

SUBJECT: Resolution Supporting Age-Restricted Senior Affordable Housing; Authorizing Gardner Capital Texas Development, LLC to Apply to the Texas Department of Housing and Community Affairs for Funding; Adopting a Revitalization Plan for Areas of the City; Committing Local Funds

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO: Resolution No. 14-1449

ACTION REQUESTED:

Consider Resolution No. 14-1449 indicating support for a proposed age-restricted senior affordable housing project by Gardner Capital Texas Development, LLC; authorizing application to be made by Gardner Capital Texas Development, LLC to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Low Income Housing Tax Credit Program (LIHTC) funds; and adopting a revitalization plan for areas of the City; and committing local funds for the purposes of a Commitment of Development Funding by a Local Political Subdivision.

ALTERNATIVES:

- Approve the request with modifications
- Table the request
- Deny the request

SUMMARY OF SUBJECT:

The City received from Gardner Capital Texas Development, LLC, a proposed plan to construct a age-restricted affordable senior housing to be located at the southwest quadrant of Dickey Drive and E. Euless Blvd. (TX Hwy 10). The proposed community would be named "Gala at Euless Senior Living Community".

Gardner Capital Texas Development, LLC intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Low Income Housing Tax Credit Program funds. The TDHCA Housing Tax Credit (HTC) Program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing. The award of these tax credits is highly competitive and awarded based on a Regional Allocation Formula. An

application that meets all of the established criteria would receive the highest score. The submittal of an application requires permission from the Euless City Council.

One component of the application that will enable the application to receive a significant number of points is a Revitalization Plan. Such a plan must be adopted by the City Council and included with the application.

The adopted plan must be a plan that can reasonably and practically be expected to revitalize the neighborhood by addressing such material factors that include: adverse environmental conditions; presence of inadequate infrastructure such as water and wastewater mains and service lines; presence of distressed individual properties such as dilapidated buildings or non-conforming structures; and, lack of presence of social or recreational facilities such as Senior Centers. A Revitalization Plan has been prepared by staff for areas identified within US Census Tracts 1135.09, 1135.13 and 1135.14. These areas are portions of the Midway Park areas south of Midway Drive from N. Industrial to N. Main Street and areas south of Airport Freeway, east of S. Industrial to the extent of the southern city limits along S. Pipeline Road.

The Revitalization Plan highlights actions of public involvement and investment taken in the last several years to address these factors and what will take place in the future to further address those factors. Examples of these actions include: use of CDBG funds to replace underperforming water and wastewater lines; construction of the Senior Center as part of the Euless Family Life Center; Individual homes that have been revitalized through the Community Powered Revitalization Program; and, city purchase of lots and demolition of distressed structures. The City of Euless has created a plan that shows the continued goals and strategies which will maintain a high quality of life within this vital area of the community. The Revitalization Plan also establishes that construction of this senior housing project will contribute significantly to the overall revitalization of this area.

This resolution also includes a firm commitment from the City to make a loan to the Applicant for the purposes of Commitment of Development Funding by a Local Political Subdivision in the amount of \$8,000 per LIHTC unit. The loan to the Applicant will be in the form of a permanent loan, with a minimum term of 15 years, minimum amortization period of 30 years and annual interest rate no higher than 3%, which will directly support the Development.

The Loan Commitment is conditioned upon: (a) the City's receipt and approval of loan documents in final form; (b) no material adverse change in Applicant or the Development or the circumstances surrounding Applicant's development of the Development that would, in the City's judgment, make the loan unacceptable to the City; (c) approval by City's legal counsel of the documents evidencing the loan; (d) Applicant's receipt of a commitment of Tax Credits for the Project from the TDHCA; and (e) availability to City of funding sources in an amount sufficient to fund the loan at the time of closing.

The Loan Commitment expires upon the Applicant's failure to satisfy any one of the conditions described. None of the City, its governing body, nor any employee or representative of the City makes any representation with respect to whether the Loan Commitment qualifies the Applicant for the award of certain points by the TDHCA in connection with an application for a commitment of Tax Credits under any requirement, rule, policy or guideline of the TDHCA, including, but not limited to the Qualified

Allocation Plan of the TDHCA.

SUPPORTING DOCUMENTS:

- Resolution No. 14-1449

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office