



CITY COUNCIL COMMUNICATION

January 13, 2015

- SUBJECT:** Resolution Supporting Age-Restricted Affordable Senior Housing, Supporting Submittal of an Application by Gardner Capital Development Texas, LLC to Texas Department of Housing and Community Affairs for Funding and Committing Local Funds.
- SUBMITTED BY:** Gary McKamie, City Manager
- REFERENCE NO:** Resolution No. 15-1450
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ACTION REQUESTED:

Consider Resolution No. 15-1450 indicating support for a proposed age restricted senior affordable housing project by Gardner Capital Texas Development, LLC; supporting submittal of an 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 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 age restricted affordable senior housing located at the southwest quadrant of Dickey Drive and E. Euless Blvd. (TX Hwy 10). The proposed community would be named "Gala at Oak Crest Estates".

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 Eules City Council.

This resolution 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 above. 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. 15-1450

APPROVED BY:

_____ **LG** _____

City Manager's Office

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City Secretary's Office