

TEXAS AFFORDABLE HOUSING MAGAZINE

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Pictured here:
Hillside West Senior Living
Dallas, Texas



2014 Texas Housing Conference



Housing Spotlight

The Texas Affiliation of Affordable Housing Providers (TAAHP) is the leading nonprofit association of affordable housing development professionals representing the affordable housing industry in Texas. We want to share a few of the exceptional communities that have been built by TAAHP members. For over 17 years, TAAHP has represented hundreds of local and national housing professionals dedicated to providing high-quality affordable housing for Texans of all income levels.

Our members are passionate about what they do and we hope you will enjoy reading each of the Spotlight Stories in this edition of the Texas Affordable Housing Magazine. One of the top goals of the TAAHP leadership team in publishing the magazine is to educate the public and our elected officials about how critical safe and decent housing is to working families, seniors and people with special needs. Thank you to all of our contributors and to the men and women who build affordable housing for Texas. If you are not a TAAHP member, we invite you to join our dynamic association!

The Texas Department of Housing & Community Development (TDHCA) recently shared that since the inception of the Low Income Housing Tax Credit Program (LIHTC) program in 1987, the affordable housing industry in Texas has generated over \$51,830,966,000 into the state's economy and an additional \$6,324,586,620 into local taxes and fees, creating 773,736 jobs and 262,510 affordable work force homes across Texas.

We have come a long way in providing homes for families earning less than 60% of the area median family income but we have a long way to go. Join us as we make a difference together. Thank you for attending the Conference!

Kristi Sutterfield
Editor, *Texas Affordable Housing Magazine*



Hillside West
Senior Living



Hillside West Senior Living
3757 Falls Bluff Dr., Dallas, TX 75211

The completion of Hillside West Seniors Apartments in March 2013 marked the second affordable housing development that GroundFloor Development built in the emerging “Canyon in Oak Cliff” master planned community in Dallas, Texas since 2011. The senior housing development, financed using low-income housing 9% tax credits (LIHTCs) and a U.S. Department of Housing and Urban Development (HUD) FHA 221(d)(4) loan, serves residents 62 years old and older earning approximately 60% of the area median income (AMI) and below.

The five building, 130-unit development, built by Dallas-based general contractor, KWA Construction, is located 4 miles west of the downtown Dallas central business district. Hillside West, which features 58 one-bedroom and 72 two-bedroom apartments, became fully occupied just one month after construction was completed. “Dallas is the ninth largest city in the country and there is a tremendous demand for new high quality affordable housing,” said Brandon Bolin, founder and CEO of GroundFloor Development. “Both Hillside West Apartments and Taylors Farm Apartments (which is GroundFloor Development’s additional property at the Canyon in Oak Cliff) are 98% leased.” Mr. Bolin added that because Taylors Farm Apartments, a multifamily affordable and mixed-income housing development, has been at 98% occupancy since 2011 he knew this would be a good location for Hillside West.

“Hillside West Apartments does more than just provide Dallas with additional affordable seniors housing stock,” said Mr. Bolin. It also features a number of dynamic shared amenities and resident services. The 104,086 sq. ft. development features a clubhouse with dining and activities area, a swimming pool with sundeck and seating area, an outdoor barbeque area, a fitness center and a business center with a number of computers. The development also features an herb garden, a dog run and access to the Canyon in Oak Cliff’s hike and bike paths. In addition, the development was LEED Silver certified. Hillside West’s LEED certification was achieved through the utilization of a number of sustainable features in the development, such as low VOC paint, Energy Star-rated appliances, and low-flow showers, toilets and kitchen faucets. An experienced green builder, KWA Construction recycled construction waste whenever possible and worked with GroundFloor Development and the landscape architect to include native trees and plants appropriate for the site’s soil and microclimate.



Mr. Bolin also adds that it was important to not only provide just housing, but the tenant social services to go along with it. Hillside West Apartments provides its residents with notary services; basic adult education classes; computer skills, counseling; health and nutritional courses; and health screenings.

Financing

The \$20.1 million development utilized limited sources of financing. Boston Capital - JPMorgan provided the \$13.7 million tax credit equity investment, which was syndicated by Boston Capital. Mr. Diego Benites, Vice President of Acquisition at Boston Capital, emphasizes that strong business relationships played a big role in the success of Hillside West. In fact, since working on Hillside West, Boston Capital and GroundFloor Development have partnered on two additional deals. “We think very highly of them,” Mr. Benites said of GroundFloor Development. “They have an ability to find very good sites and they plan, design and execute these types of “New Generation” urban style affordable housing projects very well. Their niche is infill locations in urban areas and surrounding suburban town centers.”

The other funding sources were a Deferred Development Fee of \$630,000 and a \$5.6 million HUD FHA 221 (d) (4) loan provided by Dougherty Mortgage. “It is a very upscale product at an extremely affordable rent,” said Mr. Jeff Rogers, Senior Vice President at Dougherty Mortgage. The HUD 221(d)(4) loan was a good fit for this development because “it is a 40-year, fixed-rate construction and permanent loan rolled into one.” Mr. Rogers attributed the success of this deal to “a quality team, a good location and strong submarket and very well designed and built product.”

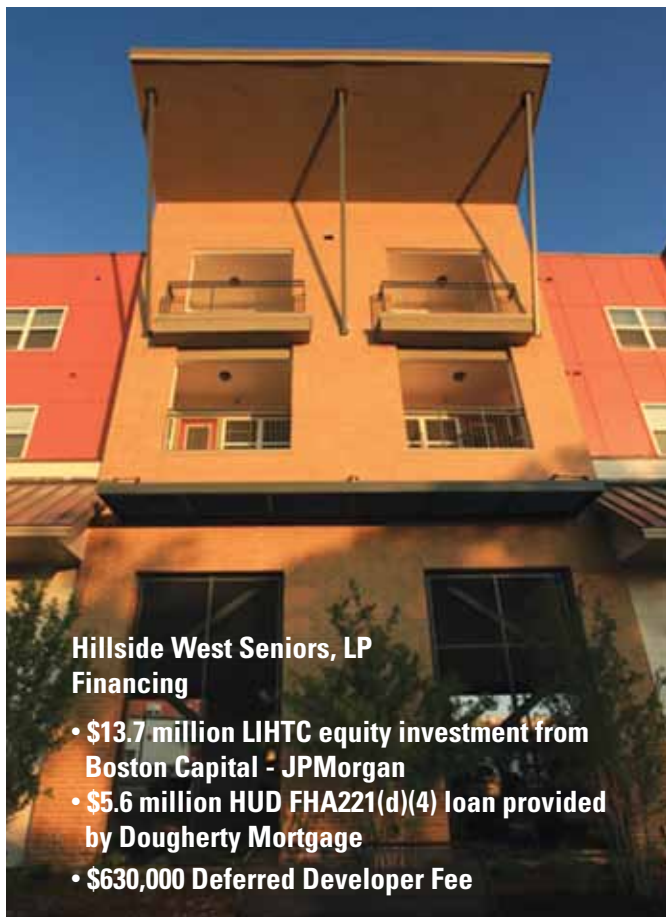
Implementing Modern Design

While keeping the units affordable was the team’s top priority, Mr. Bolin said that it was exceedingly important to build an attractive and desirable development from a design standpoint. “We believe some of the problems with the tax credit program stem from people not wanting the traditional lesser quality low-income housing in their neighborhood,” said Mr. Bolin. “In many communities across DFW, there are many bad examples of this situation and the neighborhoods have suffered, however, if you design very attractive housing, with good urban form, substantial landscaping and do not skimp on the cost of sustainability components, then we know from prior experience in the market rate segment, that people will want to live there and be proud of their home.”

“When I looked at the master plan, I was very excited. We tried to adhere to the goals of the master plan, which were urban and pedestrian,” said Mr. Rick Garza, Principal at RPGA Design Group, Inc., architect of Hillside West Apartments. “It’s a crisp, clean, modern contemporary design, we feel it is very progressive architecture for senior housing.” Mr. Garza added that accessibility was a major effort when designing the development and said there are almost no steps throughout the entire development— from inside the units to the exterior walkways. Instead, gradual slopes were put in their place, making it easier for senior residents to maneuver through the development.

Larger Development Plan

Hillside West Apartments is just a small portion of a much larger development plan: The Canyon in Oak Cliff. The Canyon in Oak Cliff is a 200-acre, mixed-use development that will feature a range of residential housing developments, retail, entertainment, restaurants, office space and medical facilities. Hillside West Apartments was the second development completed in the overall master plan, which is scheduled to be 100% completed by 2020.



**Hillside West Seniors, LP
Financing**

- \$13.7 million LIHTC equity investment from Boston Capital - JPMorgan
- \$5.6 million HUD FHA221(d)(4) loan provided by Dougherty Mortgage
- \$630,000 Deferred Developer Fee

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Our clients know we are creative, diligent, and focused on their transactions—so they can focus on their businesses, among other things.

In the past 24 months we have raised over \$500 MM in LIHTC equity for our clients and for the future of affordable housing development.