City of Dublin

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Memo

To: Members of Dublin City Council

From: Dana L. McDaniel, City Manager

Date: January 21, 2016

Initiated By: Angel L. Mumma, Director of Finance

Re: Resolution 02-16 - Supporting an Application for Low-Income Housing Tax Credits to the Ohio Housing Finance Agency for the New Construction of Avondale Woods II.

Background

In 2008, National Church Residences (NCR) began working with the City of Dublin to develop Avondale Woods, a 200-unit affordable senior housing project located on Avery Road. The project was consistently presented and approved as a two-phased project. The first phase, which included 100 units, was funded through private and public resources. Federal tax credits allocated by the Ohio Housing Finance Agency were syndicated by National Affordable Housing Trust. Other financial resources came from Franklin County, the Department of Housing & Urban Development through a FHA loan from Red Capital Group, a loan from the Ohio Housing Financing Agency, National Church Residences Deferred Fee, Columbus Metropolitan Housing Authority, and a loan from the City of Dublin in the amount of $800,000. Construction was completed in July 2013 and the facility was fully occupied by August 2013.

NCR is currently preparing their application for Low-Income Housing Tax Credits (LIHTC) to the Ohio Housing Finance Agency (OHFA) for construction of the second phase of Avondale Woods, which includes the remaining 100 units. In order to increase the likelihood of this project successfully obtaining these tax credits, NCR has requested the following from the City:

- A resolution supporting the application
- A loan in the amount of $5,000 to be paid back in five years

If Council is amenable to the loan, staff with work with NCR and the Law Director to develop an agreement, which would memorialize the terms of this loan.

As previously mentioned, the City contributed $800,000 (in the form of a loan) to NCR for Avondale Woods, Phase I. The terms of this loan state that principal and interest is due in 40 annual installments, due on April 1 of each year beginning in 2013. The interest rate is 3% annually with payments first applied to accrued interest and then to the principal balance. To date, NCR has not made any payment on the existing loan. Through December 31, 2015, the total amount due was $866,603 (principal of $800,000 and accrued interest of $66,603). NCR has indicated that repayment of this loan is not likely to occur for another 13 years. If repayment were to begin April 1, 2029, the total amount outstanding at that time would be $1,184,603 (principal of $800,000 and accrued interest of $384,603).

Representatives from NCR have indicated that if the application were to be approved and the tax credits needed to construct Phase II were obtained, there likely would be another request made to the City to financially contribute to the project. However, the amount is unknown at this time.

NCR representatives will make a brief presentation to City Council and be prepared to respond to any questions regarding the project at the January 25, 2016 meeting.

Recommendation

Staff recommends approval of Resolution 02-16 at the January 25, 2016 meeting of City Council. If City Council is supportive of the $5,000 loan, Resolution 02-16 will be modified to reflect such. However, staff recommends that any funding beyond the $5,000 loan, if requested by NCR at a future point in time, be discussed further in the context of other City funding priorities.

RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 02-16 Passed _____, 20____

A RESOLUTION SUPPORTING AN APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS (LIHTC) TO THE OHIO HOUSING FINANCE AGENCY (OHFA) FOR THE NEW CONSTRUCTION OF AVONDALE WOODS II

WHEREAS, Avondale Woods II will be developed by National Church Residences to provide 100 units of new elderly housing units at 5215 Avery Road, Dublin, Ohio; and

WHEREAS, National Church Residences was established in 1961 and has over 50 years of experience in managing properties in more than 330 housing communities with more than 22,000 units in 28 states, including Puerto Rico, in their management portfolio; and

WHEREAS, Avondale Woods II will be constructed, owned, and managed by National Church Residences; and

WHEREAS, Avondale Woods II will serve low income elderly age 55+ and will provide affordable and market rate housing; and

WHEREAS, National Church Residences plans to submit an application to the Ohio Housing Finance Agency for 2016 Low Income Housing Tax Credits; and

WHEREAS, Dublin City Council is in support of this new construction project as it will provide up to 100 apartment units to the 55+ population adjacent to the existing Avondale Woods I.

WHEREAS, once complete, the multi-phased Avondale Woods will contain a total of 200 affordable and market rate housing units to the 55+ population.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Dublin, _____ of the elected members concurring, that:

Section 1. The Dublin City Council supports National Church Residences application for funding through the Ohio Housing Finance Agency 2016 application for Low Income Housing Tax Credits for the new construction of Avondale Woods II.

Section 2. The Clerk of Council is directed to transmit copies of this resolution to National Church Residences.

Section 3. This Resolution shall take effect and be in force upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____ 2016.

_____
Mayor – Presiding Officer

ATTEST:

_____
Clerk of Council