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September 12, 2025

By Email to bobby.wilkinson@tdhca.state.tx.us
Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: HTC #99111 – Roseland Townhomes, Dallas, Dallas County, Texas;
HTC #02006 – Roseland Estates, Dallas, Dallas County, Texas;
Request: Material LURA Amendments suspending LURAs through **December 31, 2028.**

Dear Mr. Wilkinson:

In 1998, our client, the Dallas Housing Authority, now known as DHA Housing Solutions of North Texas (“DHA”), received an approximately \$34.9 million HOPE VI revitalization grant from HUD for the purpose of redeveloping 611 substandard public housing units located on the Roseland Homes housing site (“Roseland”). The HOPE VI funding was required to be leveraged by using other funding sources. The DHA started its revitalization mission at Roseland by qualifying for 9% Housing Tax Credits in 1999 for Roseland Townhomes (152 total units, 114 LIHTC units, General population - “Townhomes”) and in 2002 for Roseland Estates (138 total units, 103 LIHTC units, General population - “Estates,” and collectively with Townhomes, the “Properties”).

Under the HOPE VI Program, DHA planned for the 27-acre Roseland site to become a much more mixed-income community. DHA’s plans for a mixed-income community were met with the threat of possible litigation, however, alleging that the proposed redevelopment would contribute toward housing low-income families in neighborhoods within the City of Dallas that provided fewer opportunities for families, while providing market tenants access to prime desirable sites such as the Properties. The threat of litigation forced DHA to place a higher percentage of public housing units at the Properties than had been originally anticipated, which included income- and rent-restricted units in the Properties along with contractual public housing and units receiving operational subsidies from HUD.

In redeveloping the Roseland site, DHA also faced pressure to preserve some of the site’s now 83-year-old historic buildings. As a result, the management and maintenance facilities for Townhomes and Estates are currently located in the historic buildings situated immediately north

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of Townhomes. The result has been that there is not a “defining” entrance to the Properties as is customary in both market and affordable housing communities.

Now, nearly a quarter century after their construction, the Properties’ condition reflects the dwindling operational and capital funding from HUD essential for the upkeep and maintenance of public housing units, resulting in substantial deferred maintenance. Severe foundational issues further exacerbate the Properties’ deteriorating condition. The foundation issues are caused by Dallas soil, which is predominantly black, alkaline clay, often referred to as “black gumbo” or “black velvet” due to its color and texture. The expansive clay has caused significant problems for foundations, as it shrinks and swells with changes in moisture. As a result, the Properties suffer from significant issues with doors closing and cracks in the walls. Occupancy has decreased due to these problems, among other concerns, and the Properties desperately need a major remodeling in order to make them viable for families to reside there. The major remodeling will need to include implementation of a watering system that will serve to mitigate the foundational problems caused by the expansive clay.

DHA and its developer affiliate, North Texas Housing Partners (“Developer”), anticipate redeveloping the Properties as a single development tentatively named “Roseland Homes.” Roseland Homes will additionally incorporate an existing community gym constructed in 2004 and not previously included within the Housing Tax Credit Program. Redevelopment of the Properties will be pursuant to an anticipated 4% Tax Credit and Tax-Exempt Bond financing, as well as HUD’s Rental Assistance Demonstration (RAD) Program.

On behalf of DHA, we ask that the TDHCA suspend enforcement of the minimum number of LIHTC units that must be maintained pursuant to the Land Use Restriction Agreements, as currently amended (collectively, the “LURAs”) for each of Townhomes and Estates. Such a suspension of the LURAs will permit DHA and the Developer to redevelop the Projects using a Relocation Plan that relocates existing tenants to vacant units within the Projects, in order to conduct the extensive renovations without having to move residents off site. In exchange for the requested suspension until construction completion, DHA and the Developer would agree to include an additional five (5) years of extended compliance over the 40-year periods currently required by the Projects’ existing LURAs.

We point out that this technique of postponing compliance requirements and increasing the Extended Use Period has been successfully used several times in the past when major redevelopment means substantial disruption to the operation of a project during the rehabilitation period. Recently, #21419 - 2100 Memorial Drive was able to suspend enforcement of operations during the reconstruction of a high-rise apartment building that had to be totally vacated for rehabilitation purposes. Likewise, #95081/93057 - Parks at Wynnewood was able to suspend enforcement of its LURA for a period of two years during demolition of a part of the project and redevelopment as #10044/11003 - Wynnewood Seniors Housing, with the LURA further extended after placement in service to make up for lost enforcement time. [Wynnewood Seniors Housing was the first time the TDHCA adopted this technique for facilitating redevelopment on a site where redevelopment precluded full enforcement of the LURA’s use provisions due to vacancies necessitated by construction.]

On behalf of DHA and the Developer, we respectfully request that Staff recommend the TDHCA Board approve Material LURA Amendments that will suspend the effects of the two LURAs through **December 31, 2028**. These amendments will permit the completion of the reconstruction and commencement of the lease-up.

Thank you for your consideration of this request for a material LURAs Amendment.

Sincerely,

A handwritten signature in black ink, reading "Tamea A. Dula". The signature is fluid and cursive, with the first name "Tamea" being more prominent and the last name "Dula" following in a similar style.

Tamea A. Dula

cc: Rosalio Banuelos
Lucy Weber
Troy Broussard
Debbie Quitugua
Dana Arnett
Greg Mayes