DATE April 18, 2014

TO Housing Committee Members: Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT April 21, 2014 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Monday, April 21, 2014, City Hall, 1500 Marilla - Room 6ES, Dallas, Texas, 75201, from 11:00 a.m. - 12:30 p.m. The agenda is as follows:

1. Approval of April 7, 2014 Minutes Carolyn R. Davis Councilmember

2. Dallas Housing Finance Corporation: Status Update Karl Zavitkovsky, Director Economic Development (Estimated time 30 minutes)

3. Dallas Area Habitat for Humanity, Inc. The Jimmy & Rosalynn Carter Work Project Mitchell/O'Donnell (Estimated time 30 minutes)

4. Upcoming Agenda Item Housing Item Only For Information Only
   a. Contract amendment for DHA Turner Courts Project

"Dallas, the City that Works: Diverse, Vibrant and Progressive"
Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.

Meeting Date: April 7, 2014
Meeting Start time: 11:05 A.M.

Committee Members Present:
Carolyn R. Davis (Chair)
Scott Griggs (Vice-Chair)
Monica Alonzo
Rick Callahan
Dwaine Caraway
Philip Kingston

Staff Present:
Theresa O'Donnell-Interim Asst. City Manager
Bernadette Mitchell-Interim Director/HOU
Charles Brideau-Asst. Director/HOU
Karen Rayzer-Asst. Director/HOU
Beverly Davis-Asst. Director
Patrick Inyabri-Interim Asst. Director-HOU
Cynthia Rogers-Ellickson-HOU
Cobbie Ransom-HOU
Art Hudman-CAO
Michael Bostic-CAO
Robin Gerard-CMO
Renita Griggs-MCO
Doris Edmon-HOU
Alida Allen-HOU

Other Council Members Present:

Committee Members Absent:
Gerald Carlton-EDCO
Diane Ragsdale-ICDC
E. Bynum-ICDC
Zach Jones-ICDC
Kristen Schulz-DAHFH
Sherman Roberts-City Wide CDC
Monique Allen-UPCDC TX
Aniko Rakita- Neighborhood Builders

Other Attendees

AGENDA:

Housing Committee Meeting Called to Order by CM Scott Griggs

1. Approval of March 3, 2014 Minutes of the Housing Committee
Presenter(s): Council Member Scott Griggs

Action Taken/Committee Recommendation(s)

Motion made by: CM Monica Alonzo      Motion seconded by: CM Rick Callahan
Item passed unanimously: X             Item passed on a divided vote:
Item failed unanimously:                Item failed on a divided vote:
Follow-up (if necessary):
2. Fair Housing Month Update
Presenter(s): Theresa O’Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Beverly Davis, Asst. Director
Information Only: X

<table>
<thead>
<tr>
<th>Action Taken/Committee Recommendation(s)</th>
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<tbody>
<tr>
<td>Motion made by:</td>
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<tr>
<td>Item passed unanimously:</td>
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<tr>
<td>Item failed unanimously:</td>
</tr>
</tbody>
</table>

Follow-up (if necessary):

3. South Dallas Fair Park Inncerity Community Development Corporation (ICDC)
Organizational Overview, Current Projects, and Future Plans
Information Only: 

<table>
<thead>
<tr>
<th>Action Taken/Committee Recommendation(s)</th>
<th>Motion to move forward to full Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motion made by: CM Carolyn Davis</td>
<td>Motion seconded by: CM Dwaine Caraway</td>
</tr>
<tr>
<td>Item passed unanimously: X</td>
<td>Item passed on a divided vote:</td>
</tr>
<tr>
<td>Item failed unanimously:</td>
<td>Item failed on a divided vote:</td>
</tr>
</tbody>
</table>

Follow-up (if necessary):

4. East Dallas Community Organization (EDCO) Organizational Overview, Current Projects, and Future Plans
Presenter(s): Theresa O’Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Gerald Carlton, EDCO
Information Only: 

<table>
<thead>
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</tr>
<tr>
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<td>Item passed on a divided vote:</td>
</tr>
<tr>
<td>Item failed unanimously:</td>
<td>Item failed on a divided vote:</td>
</tr>
</tbody>
</table>

Follow-up (if necessary):
5. Upcoming Agenda Items
   Housing Items Only
   
   a. Reconstruction Program (1) home
   b. Funding for East Dallas Community Organization Garland Project (Addendum)
   c. Funding for South Dallas Fair Park Innercity CDC Pittman Project (Addendum)

Action Taken/Committee Recommendation(s) Motion to move item 5a forward to full Council

<table>
<thead>
<tr>
<th>Motion made by: CM Dwaine Caraway</th>
<th>Motion seconded by: CM Rick Callahan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item passed unanimously: X</td>
<td>Item passed on a divided vote:</td>
</tr>
<tr>
<td>Item failed unanimously: _____</td>
<td>Item failed on a divided vote:</td>
</tr>
</tbody>
</table>

Follow-up (if necessary):

6. Upcoming Housing Briefing
   
   a. Dallas Housing Finance Corporation

Meeting Adjourned by CM Scott Griggs

Meeting Adjourned: 12:15 P.M.

Approved By: ___________________________
Memorandum

DATE April 18, 2014

TO Members of the Housing Committee: Carolyn R. Davis (Chair), Scott Griggs (Vice Chair) Monica Alonzo, Rick Callahan, Dwaine Caraway, Phillip Kingston

SUBJECT Dallas Housing Finance Corporation: Status Update

On Monday, April 21, 2014 the Housing Committee will be briefed on the Dallas Housing Finance Corporation: Status Update.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
   A.C. Gonzalez, City Manager
   Warren M. S. Ernst, City Attorney
   Judge Daniel F. Solis, Administrative Judge
   Rosa A. Rios, City Secretary
   Craig D. Kinton, City Auditor
   Jill A. Jordan, P. E., Assistant City Manager
   Forest E. Turner, Assistant City Manager
   Joey Zapata, Assistant City Manager
   Charles M. Cato, Interim Assistant City Manager
   Theresa O'Donnell, Interim Assistant City Manager
   Jeanne Chipperfield, Chief Financial Officer
   Karl Zavitkovsky, Director, Office of Economic Development
   J. Hammond Perot, Assistant Director, Office of Economic Development
   Shawn Williams, Interim Public Information Officer
   Elsa Cantu, Assistant to the City Manager – Mayor and Council

Dallas-Together, we do it better
DALLAS HOUSING FINANCE CORPORATION: STATUS UPDATE

A BRIEFING TO THE HOUSING COMMITTEE
April 21, 2014
Purpose

- To review Dallas Housing Finance Corporations’ (DHFC) authorization, history and mission
- To provide an update on current programs and financial status
- To discuss DHFC’s role in the context of City Housing Policy
Mission

To support Citywide efforts to provide affordable housing for low to moderate income persons (LMIs) by:

• Facilitating financing of development or redevelopment of multifamily rental housing
• Providing programs to assist first time single family home buyers
• Making annual donations to fulfill its public purpose
Authorization

- City Council Resolution on 4/25/84 creates DHFC as Texas non-profit corporation
  - Texas Housing Finance Corporation Act
  - Board appointed by City Council (See Appendix A)
- Authorized to issue revenue bonds on behalf of the City for purpose of providing Housing for LMI persons in City of Dallas
- City Council resolution of 1/11/06 requires pre-application waiver by Council prior to approving new tax credit transactions
- Bylaws amended to allow DHFC (direct or through subsidiary) to purchase, lease, own or acquire interest in residential development – all transactions require DHFC Board and City Council approval
DHFC Products and Services

- Tax Exempt Bond Financing
- Multifamily Ownership
- Tenant Service Compliance Monitoring
- Single Family Programs
  - Mortgage Revenue Bonds
  - Mortgage Credit Certificates (MCC)
- Loan Program for 9% tax credits
- Donations supporting affordable housing
Multifamily Tax Exempt Bond Financing

- DHFC serves as issuer of Tax Exempt Bonds
- Used in conjunction with 4% Tax Credits from Texas Department of Housing and Community Affairs (TDHCA)
- DHFC receives application fee ($2K), processing fee ($10K) a 50 basis point fee at closing and annual issuer fee (10 basis points on outstanding principal)
- Since 2002, 8 projects for families totaling 1,980 units and 2 projects for seniors totaling 512 units (see Appendix B for list of properties)
Council approved DHFC to own residential developments (directly or through a subsidiary)

- Limited partnership structure
- DHFC subsidiary is general partner with .01% ownership interest
- Equity provider and developer partner are limited partners with 99.99% ownership interest
- Creates Ad Valorem Tax Exempt status to improve project feasibility
Multifamily Ownership (Cont’d)

- Must facilitate development/redevelopment that materially improves a neighborhood condition and/or supports underserved groups
- Allows DHFC to receive income (closing fee, cash flow split, Bond application, processing, closing and annual issuance fees) significantly in excess of current City Tax assessment
- Fee income supports GAP financing for mixed income Housing
- All transactions must be approved by Council
Currently own two (2) properties

- Gurley Place (24 unit Jubilee Seniors Project)
- Providence at Mockingbird (251 units; 155 for seniors, 96 for families)
Multifamily Ownership (Cont’d)

- Two properties approved by Council for ownership interest (closing expected, Summer 2014)
  - Bruton Apartments (260 new construction units for families)
  - Parks at Cliff Creek (268 units to be substantially renovated)
Tenant Service Compliance Monitoring

- TDHCA and the council approved Social Service Policy requires LIHTC project owners to provide supportive services at no cost to the tenants
  - Can choose from a list of 20 types of services
  - Must provide a minimum of $40K or $200 per unit/year, whichever is greater (can be in-kind)

- Tenant services include:
  - After school tutoring and homework help
  - Teen awareness programs related to drugs and alcohol as well as social and business etiquette
  - Computer education
  - Swimming classes
  - Senior activities: health/wellness checks, pot luck meals, bingo/card games, community gardens, Big Sisters Program with children

- DHFC monitors and enforces compliance at 31 projects financed with tax credits since 2004 (including 10 where DHFC was bond issuer)
Single Family Program

- Since 1985, DHFC issued $124 Million+ in tax-exempt Bonds resulting in mortgage loans to 1,621 first-time homebuyers
  - Program ended in 2008 due to market conditions
- In lieu of traditional single family mortgage program, Council approved DHFC to convert its “volume cap” to mortgage credit certificates (See Appendix B for Program Guidelines)
  - A Federal tax credit program that provides up to $2,000 per year in assistance
  - Provided 145 MCC for first time homebuyers since 2009
  - Now marketing in conjunction with Housing Department’s Mortgage Assistance Program (MAP)
Loan Program for 9% Tax Credits

- DHFC serves as “Conduit Lender” to a 9% tax credit applicant
  - TDHCA administered program is very competitive
  - Points awarded to applicants receiving political subdivision funding (DHFC a qualified entity)
- Loan funding contingent on TDHCA allocation approval and third party funding source
  - Tri-party agreement between DHFC, third party lender and applicant
  - Loan terms/collateral assigned by DHFC to lender without recourse or liability
- DHFC receives a fee for service
- Council has approved one transaction under this program
  - $1.75M loan to Wynnewood Seniors Housing II, LP (Bank of America CDC)
DHFC is Self Funding

- Total cash/investments as of 12/31/13 = $583K
  - Required operating reserve of $450K
- 2014 operating budget $247,580
- Primary sources of annual revenue are:
  - Issuer fees from tax exempt bond financing ($204K in 2013)
  - General partnership supervisory fees ($148K in 2013)
  - Miscellaneous application, processing and TDHCA fees ($51K in 2013)
Donation Programs

- Cash Surplus position evaluated in 4\textsuperscript{th} quarter of each calendar year and grant applications are considered by DHFC Board
  - Recent priorities have been:
    - Metro Dallas
    - North Texas Housing Coalition
    - Housing Department’s Home Repair Program
- Since 2004 DHFC has provided $2\text{Million}+ to support non-profit Housing providers, homeless programs and Housing Department initiatives (Bexar St., Copella Park, People Helping People, Home Repair and NIP Programs)
GOING FORWARD

- Align DHFC Programs with City Housing Policies and strategic direction
- Continue to utilize financial tools authorized by State law to support the development of quality residential development for low to moderate income individuals
Questions
### DHFC Board of Directors

<table>
<thead>
<tr>
<th>Non-Voting Officers</th>
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</thead>
<tbody>
<tr>
<td>Michael Harling – President</td>
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<tr>
<td>Randall Parker – CFO</td>
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<table>
<thead>
<tr>
<th>Board Members</th>
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<tbody>
<tr>
<td>Monique Allen</td>
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<tr>
<td>Eric Anderson</td>
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<tr>
<td>James Armstrong</td>
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<td>Ben Brown</td>
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<td>Jim Harp</td>
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<td>Trent Hughes</td>
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<td>David Kitner</td>
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<tr>
<td>Marcos Rincon</td>
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<tr>
<td>Sherman Roberts</td>
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<tr>
<td>Don Robinson</td>
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| Open Position (1)                      |
## Appendix B

### DHFC Tax Exempt Bond Issuances

<table>
<thead>
<tr>
<th>Housing For Families</th>
<th>Units</th>
</tr>
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<tbody>
<tr>
<td>Rosemont Project at Cedar Crest</td>
<td>256</td>
</tr>
<tr>
<td>Rosemont Project at Meadow Lane</td>
<td>264</td>
</tr>
<tr>
<td>Rosemont Project at Mission Trails</td>
<td>250</td>
</tr>
<tr>
<td>Rosemont Project at Sierra Vista</td>
<td>250</td>
</tr>
<tr>
<td>Providence on the Park</td>
<td>230</td>
</tr>
<tr>
<td>Artisan Ridge</td>
<td>264</td>
</tr>
<tr>
<td>Masters Apartments</td>
<td>144</td>
</tr>
<tr>
<td>Homes of Mountain Creek</td>
<td>200</td>
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</table>

<table>
<thead>
<tr>
<th>Housing For Seniors</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potter’s House at Primrose</td>
<td>280</td>
</tr>
<tr>
<td>Primrose Park Villas</td>
<td>232</td>
</tr>
<tr>
<td>Total</td>
<td>2,420</td>
</tr>
</tbody>
</table>
Appendix C

MCC Program Guidelines

- Homebuyer cannot have owned a residence in the past (3) years
- Home must be occupied as a primary residence
- Homebuyer must apply for the MCC through a participating lender
- Applicant must purchase a home within the City of Dallas
- Income levels must not exceed IRS guidelines (Families of two or less, $67,900 and families of three or more $78,085)
- Maximum purchase price is $250,200
- Funds are available on a first come first serve basis
- Homes that are sold prior to nine years of purchase may be subject to a recapture tax
Appendix D

DHFC Advisors

Joe Nathan Wright, Corporate Attorney, Nathan Joe Wright & Associates

Daren Harrell, Real Estate Attorney, Condon Thornton Sladek Harrell LLP

George Rodriguez, Bond Counsel, Bracewell & Giuliani

Robert Johnson, Co Financial Advisor, First Southwest Company

Robert Estrada, Co Financial Advisor, Estrada Hinajosa
Memorandum

DATE April 18, 2014

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Dallas Area Habitat for Humanity, Inc. – The Jimmy & Rosalynn Carter Work Project

On Monday April 21, 2014, you will be briefed on Dallas Area Habitat for Humanity, Inc. – The Jimmy & Rosalynn Carter Work Project. A copy of the briefing is attached.

Please let me know if you have any questions.

Theresa O'Donnell
Interim Assistant City Manager

The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M. S. Ernst, City Attorney
Craig Kinton, City Auditor
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Elsa Cantu, Assistant to the City Manager – Mayor and Council

"Dallas, The City That Works: Diverse, Vibrant and Progressive."
Dallas Area Habitat for Humanity, Inc.
The Jimmy & Rosalynn Carter Work Project

A Briefing To The Housing Committee

Housing/Community Services Department
April 21, 2014
DAHFH’s Organization

- Incorporated in 1986
- A nonprofit organization, 501(c)3
- Target Area includes all of Dallas and Kaufman Counties (excluding the City of Garland)
- Recruits 12,000 volunteers annually
- 52 person staff
  - Bill Hall, CEO
  - Sara Brooks, COO
- The organization is in good standing and has received favorable audits
Dallas Area Habitat’s History

- Dallas Area Habitat for Humanity, Inc. (DAHFH) was incorporated in 1986 to address the lack of affordable housing in our community.
- DAHFH serves low-income families earning up to 60% of the area median income (AMI) through affordable homeownership opportunities (Homeownership Program), home repairs (A Brush With Kindness Program/ ABWK) and homeowner financial education (Homeowner Education Program).
- Since incorporation, DAHFH has built over 1,200 homes, investing approximately $120 million in more than 20 neighborhoods throughout Dallas County that return over $2 million in property taxes each year.
- In 2011 and 2012, Habitat for Humanity International named Dallas Habitat Affiliate of the Year. For the years 2010-2012, DAHFH was the largest single-family homebuilder in Dallas.
DAHFH’s Plan, Mission & Vision

• In November 2011, DAHFH publically launched *Dream Dallas*, a strategic 5-year plan dramatically increasing investment in affordable housing and homeownership to achieve neighborhood stabilization and revitalization. Through 2014, they will invest $100 million in some of Dallas’ most neglected areas: Bonton, Joppa, Lancaster Transportation Corridor, South Dallas/Fair Park and West Dallas.

• **Our Mission**
  Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities and hope.

• **Our Vision**
  A world where everyone has a decent place to live.
Housing Development Experience

• DAHFH has built and rehabilitated approximately 1,500 units in Dallas County since 1985, including the following City of Dallas projects (through 2013):
  • Cedar Creek Ranch
    • Acquisition and construction of 122 homebuyer units sold to households at or below 60% AMFI
    • Located at I-20 service road and Lancaster
    • City investment $940,000 (total investment of $15,315,000)
  • Hickory Creek
    • Acquisition and construction of 81 homebuyer units sold to households at or below 60% AMFI
    • Located near Hwy 175 and Woody
    • City investment $777,456 (total investment of $9,840,000)
  • Mill City
    • Acquisition and construction of 95 homebuyer units sold to households at or below 60% AMFI and 28 ABWK homes
    • Located near Spring & Hatcher
    • City investment $1,718,038 (total investment of $12,122,000)
Housing Development Experience (continued)

- **Rochester Park Area (Bonton and Ideal)**
  - Acquisition of land and construction of 144 homebuyer units sold to households at or below 60% AMFI and 36 ABWK homes
  - Located near Hwy 175 and Bexar Street
  - City investment $299,279 (total investment of $16,875,000)
- **West Dallas Area**
  - Acquisition of land and construction of 244 homebuyer units sold to households at or below 60% AMFI and 46 ABWK homes
  - City investment $1,801,384 (total investment of $30,444,000)
- **Oak Cliff Gardens**
  - Acquisition of land and construction of 66 homebuyer units sold to households at or below 60% AMFI and 25 rehabilitated homes
  - Located near the V.A. Hospital on Lancaster
  - City investment of $212,588 (total investment of $8,339,000)
- **Joppa**
  - Acquisition of land and construction of 58 homebuyer units sold to households at or below 60% AMFI and 13 ABWK homes
  - City investment of $165,243 (total investment of $7,181,000)
Future Plans

- Continue to build homes in the following areas:
  - West Dallas
  - East Oak Cliff
  - Joppa
- Jimmy & Rosalynn Carter Work Project - October event to complete thirty (30) single family homes in the Lancaster Corridor area
- Propose development of fifty-four (54) townhomes at 2120 52\textsuperscript{nd} Street, currently a vacant/dilapidated property owned by the City
Jimmy & Rosalynn Carter Work Project

- In partnership with Pioneer Natural Resources, revitalize the Oak Cliff Gardens-Lisbon Heights Neighborhood, including:
  - Land acquisitions (including nuisance properties)
  - Demolition
  - New construction
  - Home repair (Brush of Kindness Program)

- Thirty (30) new single family homes
  - Located on Exeter, Wilhurst, Landrum, and Custer
  - Located within 1 mile of the Lancaster Transportation Corridor DART Station

- The planned development consists of:
  - Pedestrian access to public transportation (bus)
  - Viable work force commuter options
  - Single-family housing to families at 60% AMFI and less
  - Adjacent to office space and retail
Jimmy & Rosalynn Carter Work Project

- DAHFH is proposing to build thirty, 3-4 bedroom, two-bathroom homes between 1,262 and 1,404 square feet with a total cost of approximately $131,000 per home
  - $93-$103 per square foot
  - Homes priced to sell at $85,000-$92,500
  - Homes will be sold to households at or below 60% Area Median Family Income using the interest-free Habitat mortgage
- Coordination of volunteers began in February 2014
- Habitat is asking for the City to participate by gap funding each of the homes with $30,000 per home, $900,000 total and allow the sale of six Land Bank lots as part of the project
# Sources and Uses
## Jimmy & Rosalynn Carter Work Project

### SOURCES
- Private Fundraising/DAHFH Funding: $2,786,012
- Gift, In-Kind: 240,000
- City Funding (up to): 900,000

**TOTAL SOURCES**: $3,926,012

### USES
- Land: $224,550
- Soft Costs: 190,525
- Construction: 3,210,937
- Developer Fee: 300,000

**TOTAL USES**: $3,926,012
Terms of City Funding

- City funds would be provided through the HOME Investment Partnership Program under the Housing Development Loan program

- Habitat would have to file deed of trust and notes payable to ensure performance and receive a pro rata forgiveness based on performance

- City would subordinate its lien and deed of trust to Dallas Area Habitat for Humanity, Inc. financing

- Homebuyers would assume a deed restriction for the regulated affordability period of ten years

- DAHFH would have two years to complete construction and sell all thirty homes
Requested Approval

- Housing Committee approval of the
  Development loan not to exceed $900,000 with Dallas Area Habitat for Humanity, Inc. for the construction of thirty single family homes in the Jimmy & Rosalynn Carter Work Project

- Purchase of 6 Land Bank Lots as part of the Jimmy & Rosalynn Carter Work Project
Next Steps

- May 14, 2014 - City Council consideration of a HOME development loan for $900,000 to Dallas Area for Humanity for the construction of 30 single family homes in the Oak Cliff Gardens – Lisbon Heights neighborhood and sale of six Land Bank lots as part of this project

- June 2014 – contract with DAHFH

- June 2014 – construction begins
SUBJECT

Authorize an amendment to Resolution No. 13-2059, Section 2 (e), previously approved on December 11, 2013, to reduce the financing requirement from $37,000,000 to a minimum of $28,000,000 for the development loan with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of $2,500,000 at 4% interest for infrastructure improvements for a 206-unit apartment project – Financing: No cost consideration to the City

BACKGROUND

On November 9, 2009, City Council approved a development loan in the amount of $2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street. DHA obtained additional financing in the amount of $10,200,000 to complete this project.

In November 2013, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2014. The construction began promptly after closing the financing for the project. However, the contractor is behind schedule in completing the project in time to meet the estimated closing date for permanent financing and for repayment to the City. The newly estimated completion date for construction is December 2014.

City Council approval of this agenda item will authorize the City Manager to amend Resolution No. 13-2059, Section 2 (e) for the development loan agreement with Dallas Housing Authority for the Turner Courts Project to reduce the financing requirement from $37,000,000 to a minimum of $28,000,000.
PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements.

On December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas.

On November 9, 2009, City Council approved a development loan in the amount of $2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street, by Resolution No. 09-2768.

On December 11, 2013, City Council authorized an amendment to the development loan to extend the term of the maturity date from December 21, 2013 to December 21, 2014 by Resolution No. 13-2059.

FISCAL INFORMATION

No cost consideration to the City

OWNER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

DEVELOPER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

MAP

Attached
WHEREAS, the City of Dallas has adopted a number an Economic Development and Transit-Oriented Plan for the Bexar Street Neighborhood which includes construction retail, commercial and mixed-use development; and

WHEREAS, on August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvement for the fostering of Economic Development projects; and

WHEREAS, on November 7, 2006, the voters of Dallas approved a $1.35 billion General Obligation Bond Program of which $41,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development; and

WHEREAS, on December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas; and

WHEREAS, on November 9, 2009, City Council approved a development loan in the amount of $2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street by Resolution No. 09-2768; and

WHEREAS, on December 11, 2013, City Council authorized an amendment to extend the term of the maturity date for the development loan for Dallas Housing Authority Turner Courts Project from December 21, 2013 to December 21, 2014, by Resolution No. 13-2059; and

WHEREAS, Dallas Housing Authority requested an amendment to the terms in Resolution No. 13-2059, Section 2 (e) for the development loan for Turner Courts Project;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:
Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 13-2059, Section 2 (e), previously approved on December 11, 2013 to reduce the financing requirement from $37,000,000 to a minimum of $28,000,000 for the development loan with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of $2,500,000 at 4% interest for infrastructure improvements for a 206-unit apartment project.

Section 2. That some of the terms of the loan documents include:

   a. Borrower's note payable to the City of Dallas will have a maturity date of December 21, 2014.
   b. Borrower must commit and/or expend all funds within two (2) years after execution of the loan agreement.
   c. Borrower shall execute deed restrictions and a deed of trust on all properties acquired through City of Dallas funds.
   d. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or replat change that Borrower may request for the properties.
   e. This loan is subject to DHA obtaining additional financing of at least $37,000,000 $28,000,000 needed to complete this project.
   f. Borrower will repay the City of Dallas in full by the maturity date of December 21, 2014.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of lien and intercreditor agreements with lenders providing acquisition or interim construction financing on the property as necessary.

Section 4. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute lien releases and terminate deed restrictions on the properties upon compliance with the terms of the contract.

Section 5. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.