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CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

**Memorandum**

DATE February 15, 2013

TO Housing Committee Members: Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT February 19, 2013 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Tuesday, February 19, 2013, 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 February 4, 2013 Minutes  
Councilmember Carolyn R. Davis
2. Tax Foreclosed Properties  
O'Donnell/Evans  
(Estimated time 40 minutes)
3. Recommendations for 2013 9% Low Income Housing Tax Credit Projects for Dallas  
Mitchell/Killingsworth  
(Estimated time 40 minutes)
4. Upcoming Agenda Items For Information Only  
Housing items only
  - a. Call Public Hearing HB110 Habitat (1 lot)
  - b. Amendment to MAP Program Statement
  - c. Public Hearing HB110 Cornerstone (1 lot)
  - d. Public Hearing Substantial Amendment Reconstruction/SHARE Program
  - e. 2013 Low Income Housing Tax Credit Projects (**ADDENDUM**)

Carolyn R. Davis, Chair  
Housing Committee

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Daniel Solís, Administrative Judge, Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Ryan S. Evans, Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Stephanie Pegues-Cooper, Assistant to the City Manager

**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.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.

# Housing Committee

## Meeting Record February 4, 2013

The Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Housing Department, Staff Coordinator at 214-670-3906.

Meeting Date: February 4, 2013

Meeting Start time: 11:00 A.M.

<p><b><u>Committee Members Present:</u></b>                  Carolyn R. Davis-(Chair)                  Scott Griggs (Vice-Chair)                  Linda Koop                  Pauline Medrano</p>	<p><b><u>Staff Present:</u></b>                  Ryan Evans-Asst. City Manager                  Jerry Killingsworth-Director/HOU                  Charles Brideau-Asst. Director/HOU                  Bernadette Mitchell-HOU                  Cobbie Ransom-HOU                  Cynthia Rogers Ellickson-HOU                  Michael Bostic-CAO                  Sean McGrew-CMO                  Renita Griggs-MCC                  Doris Edmon-HOU                  Brian Price-HOU                  Cassandra Luster-HOU                  Aldo Fritz-HOU                  Adelia Gonzalez-SEC                  Aida Allen-HOU</p>
<p><b><u>Other Council Members Present:</u></b></p>	
<p><b><u>Committee Members Absent:</u></b>                  Dwaine Caraway</p>	<p><b><u>Other Attendees</u></b>                  Megan DeLuna-Pinnacle Housing                  Graham Greene-Greene ART Corp.                  Buddy Jordan- Ashwood                  Robert M                  Kristen Schulz-Dallas Area Habitat for Humanity                  Larry Hamilton-Hamilton Property                  John Greenan-Central Dallas CDC                  Mike Faenza-MDHA</p>

**AGENDA:**

Housing Committee Meeting Called to Order by CM Carolyn R. Davis

1. **Approval of January 7, 2013 Minutes of the Housing Committee**  
 Presenter(s): Council Member Carolyn R. Davis

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b>	<b>Motion seconded by:</b>
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

**2. 2013 Low Income Housing Tax Credit Program**

**Presenter(s): Evans, Asst. City Manager/Jerry Killingsworth, Director/Bernadette Mitchell, Asst. Director**

Information Only:  X

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> _____	<b>Motion seconded by:</b> _____
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

**3. Upcoming Agenda Items**

**Housing items only**

- a. Land Bank Acquisition- SouthFair (29 lots)
- b. Land Bank Sale- Adjacent Owner (1 lot)
- c. Land Bank Sale – Cornerstone CDC (1 lot)
- d. Land Bank Sale – Texas Heavenly Homes (3 lots)
- e. Land Bank Amend Program Statement
- f. HB 110 Call Public Hearing Cornerstone CDC (1 lot)

Information Only: \_\_\_\_\_

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> <u>CM Pauline Medrano</u>	<b>Motion seconded by:</b> <u>CM Scott Griggs</u>
Item passed unanimously: <u> X </u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

**Meeting Adjourned by CM Carolyn R. Davis**

**Meeting Adjourned: \_\_\_\_\_ 11: 36 \_\_\_\_\_ A.M.**

**Approved By: \_\_\_\_\_**



## Memorandum

DATE February 15, 2013

TO Housing Committee Members: Carolyn R. Davis (Chair), Scott Griggs (Vice-Chair), Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT Tax Foreclosed Properties

On Tuesday, February 19<sup>th</sup>, 2013 you will be given a briefing concerning Tax Foreclosed Properties. This briefing has been scheduled in response to concerns raised at the January 23<sup>rd</sup>, 2013 City Council agenda meeting where council members discussed the resale of tax properties. The agenda item was subsequently postponed until staff could return with additional information.

Please contact Theresa O'Donnell at 670-4127 should you have any questions in the interim.

Ryan S. Evans  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Daniel Solis, Administrative Judge, Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
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Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Stephanie Pegues-Cooper, Assistant to the City Manager

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# Tax Foreclosed Properties

Housing Committee  
February 19, 2013



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# Purpose

- Discuss concerns raised at the January 23, 2013 Council meeting
- Review current process
- Present possible additional procedures for consideration

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## Current Re-Sale Bid Procedure

- Law firm files lawsuit for delinquent taxes and other unpaid taxing authority liens against the property on behalf of Dallas County, DISD, DCCCD, PHD and DCSEF
  - Judgment and Order of Sale
- Law firm produces a list of properties to be sold at the Sheriff's sale - 1<sup>st</sup> Tuesday of each month
- Land Bank removes properties prior to Sheriff's Sale

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## Current Procedure

- Real Estate (RE) staff reviews remaining list for “undesirable” properties in the event the properties are not sold at Sheriff’s sale, e.g.:
  - Occupied multi-family structures
  - Obvious legal description problems that would prevent a legal conveyance
  - Probability of environmental issues
- If undesirable, RE asks that the property not be struck off

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# Current Procedure

- Sheriff's Sale takes place at Frank Crowley Courthouse via public auction
  - Sold to highest bidder on courthouse steps
  - Cash sale – certified funds
  - Properties conveyed by Sheriff's Deed

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# Current Procedure

- Properties not sold at the Sheriff's sale are struck off to the City as Trustee on behalf of itself and the other taxing entities, for disposition pursuant to Texas Property Code Chapter 34
- Current statutory and municipal authority governing the resale of tax foreclosed property obligates the City acting for itself and the other taxing entities to convey the property with "all of the right, title, and interest in the property" it received when the property was struck off, subject only to the right of redemption if disposed of through the current tax resale process available under state law.
  - Alternative disposition options available under Texas Property Tax Code, Chapters 34.05 and 34.051

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# Current Procedure

- RE notifies prior owner that City has possession of the property and the owner's possible right to redemption
- RE routes list of properties to departments / agencies to determine if they have a need for a property:
  - DART, County, DISD, Housing, City Attorney's Office, Economic Development, Equipment and Building Services, Park and Recreation, Public Works and Transportation, and Sanitation Services
- Code Compliance is notified to add properties to the Mow/Clean schedule for routine maintenance, and to determine whether demolition is required

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# Current Procedure

- Schedule resale of properties by sealed bid procedure (Section 272.001 Texas Local Government Code)
- Place an advertisement in the newspaper
- Post bid packets on the City of Dallas' website and make available in Real Estate office
- Have bid packets translated into Spanish

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# Current Procedure

- Property due diligence
  - Property is sold “as is”, “where is” and “with all faults”
  - Legal description is verified by Real Estate for accuracy and adequacy
- Minimum bid established by reviewing:
  - Struck off amounts set out in the Sheriff’s deed
  - Review DCAD values
- Minimum bid amounts for properties receiving no bids from a previous sale are reduced up to 50%

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# Current Procedure

- Bids opened in public
- Due diligence performed on high bidders
  - No back taxes or City liens owed on any properties owned within City
  - No chronic Code Violators
  - Previous owner or someone acting on behalf of previous owner not qualified to bid
- Sold subject to statutory redemption periods
  - 2 years (residential homestead property)
  - 180 days (non-homestead)

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# Current Procedure

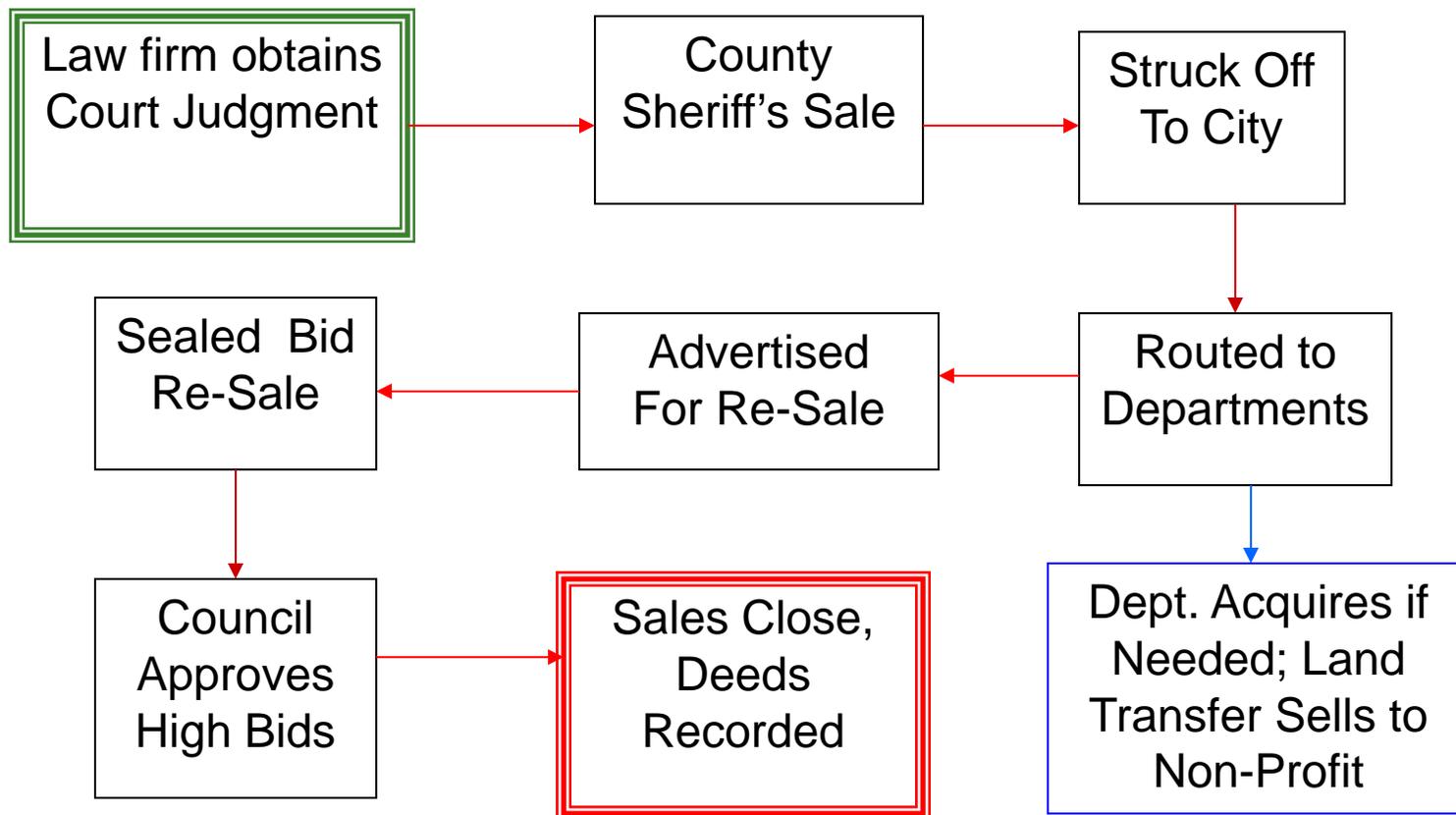
- Qualified bids submitted to City Council for authorization
- County and DISD approvals obtained
- Buyers responsible for paying post-judgment taxes
  - Taxes, penalties and interest after Judgment years through date of Sheriff's deed to City
  - Recently, typical length of time is 2 years

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# Current Procedure

- Quitclaim deeds prepared and all outstanding monies are collected and distributed accordingly:
  - Fixed-Cost Reimbursements Paid First:
    - Real Estate Services
    - Code Compliance
    - Court Costs
  - Remaining Funds Used to Pay (in Priority Order):
    - Taxes (per judgment)
    - Special Collections - Liens (per judgment)
    - Post Judgment Taxes

# Flow Chart of Process



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# Alternatives to Bid Process for Tax Re-Sales

- Non-Profit Organization for the Public Use Exception to Sealed Public Bid
  - Direct negotiated sale of land to a Section 501(c)(3) organization if:
    - There is an agreement between the parties that require the non-profit organization to use the property in a manner that primarily promotes a public purpose of the municipality; and
    - Provides for automatic reversion of title to the municipality if the non-profit fails at any time to use the property in that manner
  - Tx. Local Gov. Code Sec.253.011 pursuant to Tx. Property Tax Code Chapter 34.05(i)

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## Alternatives to Bid Process for Tax Re-Sales

- ❑ City Council recently authorized this alternative to sealed bid procedure for 1502 Pennsylvania
  - Vacant, former convenience store with gas pump struck off to City in February 2012
  - To be sold to In the City For Good on behalf of adjacent property owner, St. Phillips Church
  - Public Purpose: food bank / grocery
  - Statutory redemption period on property had expired

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## Alternatives to Bid Process for Tax Re-Sales

- Independent Foundation Direct negotiated sale to an “independent foundation”
  - Pursuant to a contract that would require the foundation to develop the land in accordance with the City’s specification
  - Tx. Local Gov. Code Sec. 272.001(b)(4) pursuant to Tx. Property Tax Code 24.05(i)

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# Alternatives to Bid Process for Tax Re-Sales

- Certain Religious Organizations
  - ❑ Direct negotiated sale of land to a religious organization that owns other tax exempt property in the municipality, and
  - ❑ Has entered into a written agreement with the municipality regarding the revitalization of the land
  - ❑ Tx. Local Gov. Code Sec. 253.010 pursuant to Tx. Property Tax Code 34.05(i)

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# Alternatives to Bid Process for Tax Re-Sales

- Conveyance to an entity for low- to moderate-income housing
  - Individual or Corporation
  - Would require consent of other taxing entities to designate these properties for development of low-income or moderate-income housing
  - Tx. Local Gov. Code Sec. 272.001(g) pursuant to Tx. Property Tax Code 34.05(i)

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# Exceptions to Re-Sale Bids

- All directed/private sales contemplate some sort of contractual commitment by Purchaser with City to develop / use the land in way that benefits public
  - Case-by-case evaluation required
  - Individually structured agreements prepared
- In addition to City Council, County and DISD must consent to negotiated agreement

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# Criteria for Directed/Private Sale

- ❑ Potential positive impact on community at large
- ❑ Potential positive impact on adjoining properties
- ❑ Appropriate zoning and infrastructure to support the intended use without additional City funds
- ❑ Integrity of structure or improvements and extent of mitigation or renovation needed
- ❑ Financial capability of entity requesting the property to make necessary improvements
- ❑ Impact on tax collection
- ❑ Consider redemption period status

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## Concerns

- **How can City ensure property with a structure is rehabilitated within a specified time?**
  - City is acting as Trustee and has no legal authorization to restrict the sale of the properties in any way under current tax re-sale process
  - Substandard properties will continue to be subject to Code enforcement efforts

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## Concerns Cont'd.

- **How can City ensure property with a structure is rehabilitated within a specified time?**
  - Consider expansion of Land Transfer Program to hold improved properties for sale to and development by a non-profit
    - If acquired for the adjudged value (market value at time of judgment) or judgment amount, does not require consent of DISD and County
    - Budget impact – would need to pay for demolition and maintenance
    - Non-profits generally restricted by lack of funding and limited capability to rehab structures

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## Concerns Cont'd.

- **How can City ensure property with a structure is demolished if structure is not salvageable?**
  - Once properties are struck off to the City, staff will formalize a procedure whereby Code Compliance is immediately provided the list of improved properties
    - Code would inspect all improved properties to determine:
      - Whether they are demo-worthy
      - Whether they appear occupied

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## Concern Cont'd.

- If demo-worthy properties are found:
  - Code could schedule demolition prior to re-sale advertisement (must be vacant structure); or
  - Real Estate could place disclaimer in re-sale ad to notify bidders that a particular property is deemed not salvageable; new buyer would be expected to demolish structure

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## Concerns Cont'd.

- ❑ If property is occupied, Real Estate could implement a new procedure whereby a Writ of Possession is requested from County Clerk and posted on-site notifying occupants of ownership change
  - Writ of Possession demands occupants to vacate immediately
  - If not vacated, authorizes eviction and personal property to be removed from premises by County Constables
  - No cost to City to request Writ of Possession

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## Concerns Cont'd.

- **How can City ensure property is resold to person or entity that will reinvest in the neighborhood?**
  - City is acting as Trustee and has no legal authorization to restrict the sale of the properties in any way under current resale process
  - However, option is available to do a directed sale of property through one of the alternatives to re-sale bid procedure

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# Potential Procedures

- Provide list of improved struck-off tax properties to Code Compliance for inspection
  - Demo-worthy?
  - Occupied?
- Demolish demo-worthy, vacant structures prior to advertisement of re-sale
  - Budget impact
  - Code demolition funds currently limited to Court-ordered demos

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## Potential Procedures Cont'd.

- For occupied structures, pursue Writ of Possession to require occupants to vacate premises
  - Minimize liability and management issues with occupied structures
  - Cannot demo unless property vacated
- Consider expansion of Land Transfer Program to hold improved properties for sale to and development by a non-profit

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## Next Steps

- February 27 - Council authorization to sell properties to high bidders from December re-sale
- Receive Committee direction:
  - Initiate Writs of Possession?
  - Increase Code Compliance demolition budget by approximately \$250,000 to demolish structures prior to advertisement for re-sale?
  - Expand the Land Transfer Program for improved properties?

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# APPENDIX

- List of properties from December 2012 re-sale and reasons given for purchase

ITEM #	STREET ADDRESS	VAC/ IMP	COUNCIL DISTRICT	ZONING	PARCEL SIZE	STRUCKOFF AMOUNT	# BIDS	MINIMUM BID	HIGHEST BID AMOUNT	DCAD	HIGHEST BIDDER	REASON FOR PURCHASE
1	711 S. ACRES	I	08	R-10(A)	0.202	\$23,473.00	5	\$6,000.00	\$9,810.00	\$43,260.00	Ho Lao	Investment
2	1534 ADELAIDE	I	04	R-7.5(A)	0.1721	\$16,186.00	2	\$3,025.00	\$4,600.00	\$26,650.00	Shantae Williams	Investment
3	1722 ALASKA	V	04	R-7.5(A)	0.1721	\$10,730.00	1	\$2,500.00	\$2,500.00	\$13,000.00	Jose Hernandez	Investment
4	4827 BALDWIN	V	07	PD 595	0.0941	\$12,729.00	1	\$250.00	\$262.00	\$28,560.00	Simple Faith International	Investment
5	215 BECKLEYSIDE	I	08	R-7.5(A)	0.4591	\$10,500.00	2	\$2,500.00	\$5,000.00	\$27,280.00	Jose Rostro	Investment
6	2026 BERWICK	V	04	R-7.5(A)	0.1931	\$27,557.00	2	\$250.00	\$450.00	\$12,000.00	Fernando Cepeda	Investment
7	1820 BERWICK	V	04	R-7.5(A)	0.1779	\$15,838.00	2	\$250.00	\$450.00	\$76,650.00	Fernando Cepeda	Investment
8	8829 BONNIE VIEW	I	08	R-7.5(A)	0.2234	\$29,250.00	1	\$3,000.00	\$4,000.00	\$18,950.00	Fidel Guevara	Residence
9	2907 BRIGHAM	V	07	PD 595	0.1767	\$2,000.00	1	\$500.00	\$500.00	\$2,000.00	Jose Del Bosque	Residence
10	2918 BRIGHAM	V	07	PD 595	0.1305	\$1,962.00	2	\$250.00	\$276.00	\$4,000.00	Victor Frank Alfaro	Investment
11	2811 BURGER	I	07	PD 595	0.1262	\$9,530.00	3	\$2,000.00	\$2,101.22	\$18,030.00	Almaz Deberew	Investment
12	3721 CARL	I	07	PD 595	0.1488	\$17,344.00	3	\$3,250.00	\$4,500.00	\$27,340.00	Jimmie Lee Hawkins Jr.	Residence
13	2400 CATHERINE	I	01	CR	0.201	\$52,898.00	12	\$20,000.00	\$42,500.00	\$164,510.00	Chuan Seng Tan	Investment
14	1212 COMANCHE	V	07	CR	0.189	\$4,120.00	1	\$250.00	\$313.00	\$4,120.00	Lake View Contractors, LLC	Investment
15	1209 COMANCHE	V	07	CR	0.1243	\$8,902.00	1	\$250.00	\$255.00	\$9,500.00	Malac Ltd.	Investment
16	1216 COMANCHE	V	07	CR	0.1192	\$9,500.00	1	\$250.00	\$255.00	\$9,500.00	Malac Ltd.	Investment
17	1344 COMPTON	V	04	R-5(A)	0.09341	\$14,020.00	1	\$250.00	\$251.00	\$9,780.00	Monty Gamber	Investment
18	3907 COPELAND	I	07	PD 595	0.1434	\$6,580.00	3	\$1,750.00	\$4,100.00	\$29,550.00	Portillo Investments, LLC	Investment
19	4214 COPELAND	I	07	PD 595	0.0918	\$13,397.00	3	\$2,500.00	\$2,831.00	\$37,190.00	Brian Feely & Ryan Tole	Investment
20	4925 CROZIER	V	07	PD 595	0.0426	\$4,640.00	1	\$250.00	\$500.00	\$1,800.00	Darlene Green	Residence
21	7829 DOAK	I	08	R-7.5(A)	0.3103	\$19,135.00	6	\$7,000.00	\$15,000.00	\$68,540.00	Oscar Garcia	Investment
22	3602 DUNBAR	I	07	PD 595	0.1262	\$12,491.00	5	\$4,500.00	\$7,280.00	\$23,420.00	Fortino Garcia	Investment
23	2937 EAGLE	V	04	R-7.5(A)	0.2203	\$13,000.00	2	\$250.00	\$276.00	\$13,000.00	Scott Mendoza	Investment
24	5000 EAST SIDE	V	02	D(A)	0.1285	\$10,996.00	1	\$500.00	\$865.00	\$44,800.00	James Tanghongs	Investment
25	2733 EASTER	I	04	R7.5(A)	0.1603	\$28,743.00	6	\$5,000.00	\$17,000.00	\$27,860.00	Helen Barnett	Residence

ITEM #	STREET ADDRESS	VAC/ IMP	COUNCIL DISTRICT	ZONING	PARCEL SIZE	STRUCKOFF AMOUNT	# BIDS	MINIMUM BID	HIGHEST BID AMOUNT	DCAD	HIGHEST BIDDER	REASON FOR PURCHASE
26	2724 EASTER	V	04	R-7.5(A)	0.1704	\$14,000.00	2	\$250.00	\$255.00	\$11,000.00	Malac Ltd.	Investment
27	2749 EASTER	I	04	R-7.5(A)	0.2148	\$25,801.00	2	\$4,825.00	\$8,765.00	\$38,770.00	Oscar Mendoza	Investment
28	6520 ELAM	V	05	R-7.5(A)	0.6244	\$15,000.00	1	\$5,000.00	\$7,150.00	\$15,000.00	Next Lots 4 L.L.C.	Investment
29	2523 EXETER	I	04	R-7.5(A)	0.1664	\$19,822.00	1	\$3,700.00	\$3,801.00	\$49,000.00	Star DFW Investments, Inc.	Residence
30	2303 EXETER	I	04	R-7.5(A)	0.1636	\$16,413.00	4	\$3,075.00	\$5,850.00	\$23,220.00	Celestino Flores	Investment
31	1625 S. FITZHUGH	V	07	MF-2(A)	0.2008	\$12,000.00	1	\$5,000.00	\$5,500.00	\$8,750.00	Loring Corp.	Investment
32	2667 FORDHAM	V	04	R-5(A)	0.1763	\$34,913.00	1	\$250.00	\$255.00	\$49,900.00	Malac Ltd.	Investment
33	2839 FORDHAM	V	04	R-5(A)	0.4214	\$11,846.00	2	\$250.00	\$276.00	\$15,000.00	Scott Mendoza	Investment
34	2715 FOREMAN	I	07	PD 595	0.2148	\$20,600.00	2	\$3,850.00	\$4,100.00	\$20,410.00	Shanikwa Wallace	Investment
35	3429 FORNEY	V	07	CS	0.1164	\$5,553.00	1	\$1,000.00	\$1,160.00	\$6,950.00	Fortino Garcia	Investment
36	5315 FORNEY	I	07	LI	0.185	\$12,879.00	3	\$4,800.00	\$14,759.00	\$38,880.00	Miguel Moreno	Residence
37	4321 FRANK	I	07	PD 595	0.1435	\$12,223.00	1	\$2,300.00	\$2,300.00	\$26,010.00	Carol Dancy	Investment
38	2908 GAY	I	07	PD 595	0.0785	\$10,715.00	1	\$2,500.00	\$3,250.00	\$18,250.00	Be Real Entertainment, Inc.	Investment
39	1406 GEORGIA	I	04	R-7.5(A)	0.2858	\$24,683.00	1	\$4,625.00	\$6,000.00	\$35,350.00	Michael Smith	Investment
40	1338 GLIDDEN	V	04	R-5(A)	0.0902	\$10,652.00	1	\$250.00	\$255.00	\$11,500.00	Malac Ltd.	Investment
41	4427 HAMILTON	V	07	PD 595	0.1434	\$14,157.00	1	\$250.00	\$262.00	\$19,370.00	Simple Faith International	Investment
42	4606/4608 HAMILTON	I	07	D(A)	0.1217	\$21,871.00	1	\$4,100.00	\$7,575.00	\$49,280.00	Abdio Vergara	Investment
43	3711 HANCOCK	V	07	PD 595	0.1629	\$17,231.00	1	\$250.00	\$255.00	\$6,780.00	Malac Ltd.	Investment
44	2411 HARDING	I	07	PD 595	0.1496	\$6,788.00	5	\$1,750.00	\$5,012.00	\$12,540.00	Selvin Crawford	Investment
45	2819 HATCHER	V	07	PD 595	0.1418	\$16,343.00	2	\$250.00	\$310.00	\$9,360.00	Fortino Garcia	Investment
46	2626 HATCHER	I	07	PD 595	0.1434	\$12,238.00	2	\$3,000.00	\$4,502.00	\$21,480.00	Maribel Figueroa	Residence
47	2703 HILLGLEN	I	07	R-7.5(A)	0.1951	\$48,033.00	2	\$18,000.00	\$24,750.00	\$61,510.00	Triptych Properties LLC	Investment
48	2246 HOOPER	V	07	PD 595	0.1905	\$633.00	1	\$250.00	\$255.00	\$4,000.00	Malac Ltd.	Investment
49	2110 HULSE	I	07	R-7.5(A)	0.2008	\$19,644.00	1	\$3,675.00	\$3,700.00	\$26,480.00	Ana L. Villalobos	Investment
50	3615 INGERSOLL	V	06	R-5(A)	0.1033	\$9,417.00	2	\$2,000.00	\$2,500.00	\$12,000.00	Loring Corp.	Investment

ITEM #	STREET ADDRESS	VAC/ IMP	COUNCIL DISTRICT	ZONING	PARCEL SIZE	STRUCKOFF AMOUNT	# BIDS	MINIMUM BID	HIGHEST BID AMOUNT	DCAD	HIGHEST BIDDER	REASON FOR PURCHASE
51	719 JONELLE	V	05	R-7.5(A)	0.1308	\$15,000.00	2	\$2,000.00	\$2,150.00	\$15,000.00	Next Lots 4 L.L.C.	Investment
52	2552 KATHLEEN	I	04	R-5(A)	0.157	\$13,532.00	1	\$4,600.00	\$7,176.00	\$18,550.00	Be Real Entertainment, Inc.	Investment
53	3461 KELLOGG	I	04	R-5(A)	0.1731	\$18,575.00	2	\$7,500.00	\$7,860.00	\$38,560.00	Fortino Garcia	Investment
54	2902 KILBURN	I	05	R-5(A)	0.1721	\$13,822.00	6	\$3,000.00	\$6,400.00	\$30,440.00	Be Real Entertainment, Inc.	Investment
55	2730 LAGOW	I	07	PD 595	0.132	\$27,672.00	6	\$5,175.00	\$7,501.00	\$67,500.00	Marcelo Palomo	Investment
56	3307 E. LEDBETTER	V	05	R-10(A)	0.2042	\$8,400.00	1	\$2,500.00	\$2,526.00	\$8,400.00	Fortino Garcia	Investment
57	1233 LONSDALE	V	05	R-7.5(A)	0.1703	\$10,884.00	1	\$3,500.00	\$3,650.00	\$12,700.00	Next Lots 4 L.L.C.	Investment
58	1325 LYNN HAVEN	V	04	R-7.5(A)	0.2005	\$6,000.00	1	\$250.00	\$255.00	\$11,500.00	Malac Ltd.	Investment
59	3222 MARYLAND	V	04	R-7.5(A)	0.1894	\$29,849.00	1	\$250.00	\$255.00	\$45,140.00	Malac Ltd.	Investment
60	3813 MARYLAND	V	04	R-7.5(A)	0.2685	\$12,500.00	2	\$250.00	\$750.00	\$12,500.00	Next Lots 4 L.L.C.	Investment
61	2027 MCBROOM	V	03	R-5(A)	0.1028	\$804.00	4	\$500.00	\$2,375.00	\$7,610.00	Frank Palacios	Investment
62	1611 METROPOLITAN	I	07	PD 595	0.0701	\$26,276.00	1	\$4,925.00	\$5,000.00	\$46,770.00	Stanley Wooden	Investment
63	3313 MOJAVE	V	08	R-7.5(A)	0.2947	\$47,840.00	2	\$250.00	\$350.00	\$39,590.00	Dawda Jobe	Investment
64	3131 MOJAVE	I	08	R-7.5(A)	0.4421	\$41,610.00	1	\$20,000.00	\$25,000.00	\$41,610.00	Nancy Willson	Investment
65	4010 MONTIE	I	07	PD 595	0.1652	\$20,481.00	3	\$3,825.00	\$4,100.00	\$42,250.00	Portillo Investments, LLC	Investment
66	1722 MORRELL	V	07	MF-2(A)	0.1767	\$1,836.00	1	\$250.00	\$276.00	\$9,500.00	Victor Frank Alfaro	Investment
67	4032 MYRTLE	I	07	PD 595	0.1664	\$11,604.00	5	\$2,175.00	\$3,120.00	\$26,440.00	Julio Soto	Investment
68	2925 NANDINA	I	08	R-7.5(A)	0.3902	\$35,697.00	1	\$8,500.00	\$8,612.00	\$46,330.00	Fortino Garcia	Investment
69	5518 NOMAS	V	06	R-5(A)	0.222	\$14,138.00	1	\$3,500.00	\$4,000.00	\$18,000.00	Loring Corp.	Investment
70	3712 OLNEY	I	08	R-5(A)	0.1454	\$24,871.00	3	\$6,000.00	\$9,999.00	\$31,540.00	Bell Building Systems, LLC	Investment
71	2311 PEABODY	V	07	PD 595	0.1894	\$6,000.00	1	\$250.00	\$262.00	\$6,000.00	Rickey A. Williams	Investment
72	3121 PENNSYLVANIA	I	07	PD 595	0.1515	\$13,512.00	1	\$2,500.00	\$3,001.00	\$24,750.00	Emmanuel Guerra	Residence
73	2619 PINE	I	07	PD 595	0.1285	\$14,163.00	4	\$2,650.00	\$5,200.00	\$20,100.00	Florentino Lopez	Investment
74	604 PLEASANT	V	05	R-7.5(A)	0.6666	\$16,900.00	5	\$4,000.00	\$15,100.00	\$16,900.00	Loring Corp.	Investment
75	1411 PRESIDIO	I	04	R-7.5(A)	0.2008	\$24,676.00	1	\$6,000.00	\$8,130.00	\$32,110.00	Fortino Garcia	Investment

ITEM #	STREET ADDRESS	VAC/ IMP	COUNCIL DISTRICT	ZONING	PARCEL SIZE	STRUCKOFF AMOUNT	# BIDS	MINIMUM BID	HIGHEST BID AMOUNT	DCAD	HIGHEST BIDDER	REASON FOR PURCHASE
76	2918 PROSPERITY	V	04	R-7.5(A)	0.788	\$20,000.00	1	\$250.00	\$276.00	\$20,000.00	Scott Mendoza	Investment
77	2822 REMOND	V	03	MF-2(A)	0.1859	\$8,085.00	5	\$2,000.00	\$8,250.00	\$20,980.00	Young Coder	Investment
78	1221 RING	V	07	R-5(A)	0.1444	\$1,672.00	2	\$500.00	\$1,750.00	\$6,320.00	Next Lots 4 L.L.C.	Investment
79	4506 ROBERTS	I	07	PD 595	0.1182	\$21,484.00	2	\$4,025.00	\$8,158.00	\$23,850.00	Be Real Entertainment, Inc.	Investment
80	3515 SCHUSTER	I	06	CR	0.2713	\$16,541.00	6	\$4,000.00	\$17,250.00	\$22,060.00	Randy Willingham	Residence
81	4319 SPRING	I	07	PD 595	0.09	\$28,645.00	1	\$5,375.00	\$8,500.00	\$31,100.00	Benita Beltran	Investment
82	3319 SPRING	V	07	PD 595	0.1722	\$5,630.00	2	\$250.00	\$300.00	\$5,630.00	Maria L. Estrada	Investment
83	3323 SPRING	I	07	PD 595	0.1721	\$11,440.00	1	\$2,000.00	\$2,480.00	\$11,990.00	Maria L. Estrada	Investment
84	3107 SPURLOCK	I	02	R-7.5(A)	0.1584	\$61,489.00	2	\$11,525.00	\$15,000.00	\$66,270.00	Triptych Properties LLC	Investment
85	1824 STELLA	I	04	R-7.5(A)	0.1836	\$32,253.00	5	\$6,000.00	\$10,111.00	\$66,690.00	B. G. Brewer	Investment
86	4649 STOKES	I	04	R-5(A)	0.1374	\$14,621.00	2	\$2,350.00	\$4,000.00	\$12,570.00	Irene Gonzalez	Residence
87	2530 STOVALL	I	04	R-5(A)	0.1951	\$17,695.00	1	\$3,325.00	\$7,721.00	\$28,130.00	Be Real Entertainment, Inc.	Investment
88	1223 STRICKLAND	V	04	R-5(A)	0.1607	\$1,711.00	1	\$500.00	\$505.00	\$11,500.00	Maria Schneider	Investment
89	1315 STRICKLAND	I	04	R-5(A)	0.1653	\$12,907.00	3	\$2,425.00	\$5,075.00	\$28,950.00	Monica Martinez & Jose E. Rodriguez	Residence
90	4907 STROBEL	V	04	R-7.5(A)	0.2298	\$6,817.00	1	\$1,000.00	\$1,180.00	\$11,000.00	Fortino Garcia	Investment
91	4903 STROBEL	I	04	R-7.5(A)	0.2133	\$27,634.00	6	\$10,000.00	\$15,210.00	\$47,110.00	Fortino Garcia	Investment
92	2210 TALLYHO	V	06	R-5(A)	0.1721	\$8,199.00	2	\$2,000.00	\$7,250.00	\$12,000.00	Young Coder	Investment
93	2214 TALLYHO	V	06	R-5(A)	0.1721	\$12,000.00	2	\$2,000.00	\$7,250.00	\$12,000.00	Young Coder	Investment
94	118 S. TATUM (Tract 2)	V	06	R-7.5(A)	0.2008	\$10,736.00	3	\$2,000.00	\$2,500.00	\$12,500.00	Loring Corp.	Investment
95	3007 URBAN	I	04	R-7.5(A)	0.2978	\$65,870.00	1	\$10,500.00	\$15,199.00	\$56,110.00	Maria Vergara	Investment
96	3811 WENDELKIN	I	07	PD 595	0.1825	\$67,820.00	3	\$5,500.00	\$9,012.00	\$29,250.00	Selvin Crawford	Investment
97	3523 WENDELKIN	V	07	PD 595	0.178	\$4,500.00	2	\$250.00	\$399.00	\$4,500.00	Wendy Cobos	Investment
98	3529 WILHURT	V	05	MF-2(A)	0.2387	\$12,000.00	2	\$250.00	\$260.00	\$12,000.00	Ana L. Villalobos	Investment
99	4218 YORK	I	07	PD 595	0.1229	\$25,514.00	7	\$4,775.00	\$6,380.00	\$36,770.00	Be Real Entertainment, Inc.	Investment

# Memorandum



CITY OF DALLAS

DATE February 15, 2013

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT Recommendations for 2013 9% Low Income Housing Tax Credit Projects for Dallas

On Tuesday, February 19, 2013, you will be briefed on Recommendations for 2013 9% Low Income Housing Tax Credit Projects for Dallas. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Ry - S. Evans'.

Ryan S. Evans  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Daniel Solis, Administrative Judge, Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jerry Killingsworth, Housing/Community Services Director  
Stephanie Pegues-Cooper, Assistant to the City Manager

# Recommendations for 2013 9% Low Income Housing Tax Credit Projects for Dallas

A Briefing To The  
Housing Committee

Housing/Community Services Department  
February 19, 2013



# Key Focus Area: Economic Vibrancy

## Purpose

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- Review selection criteria set forth by City Council
- Provide information regarding five Low Income Housing Tax Credit (LIHTC) Projects for Dallas
- Provide recommendations for the 9% LIHTC applications

Note: 4% LIHTCs are not part of recommendation and will be presented if and when funds are identified to meet GAP needs

# Background Information

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- December 2012, Texas Department of Housing & Community Affairs (TDHCA) released the Qualified Allocation Plan and Rules to allow for developers to apply for 2013 Low Income Housing Tax Credits (LIHTCs)
- January 8, 2013, Preapplications from developers were due to TDHCA
- January 22, 2013, applications from developers were due to the City of Dallas
- February 4, 2013, City Council Housing Committee was briefed on the LIHTC Program and notified of the applications which had been submitted to the City of Dallas

## Low Income Housing Tax Credit Project Review Criteria as Adopted by City Council January 23, 2008

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1. Does the project fit in the City's priorities?
2. Has the City already provided financial assistance?
3. Does the project eliminate slum or blight?
4. Does the project have appropriate zoning?
5. Proximity & capability of schools for project
6. Comments of owners/residents surrounding project
7. Concentration of multifamily projects in an area
8. Has applicant agreed to incorporate safety/security features for project?
9. Willingness of applicant to address resident's concerns
10. Quality of proposed project
11. Project design and special accommodations for expected tenants
12. Will the project have adverse effect on the neighborhood?
13. Is the project compatible with existing or anticipated development of area?

## Low Income Housing Tax Credit Project Review Criteria as Adopted by City Council (continued)

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14. Project compatibility with zoning in area
15. Parking demand & undue burden on public facilities
16. Traffic caused by the project
17. Existing or proposed public transit availability
18. Location, density, height of buildings effect on future development for area
19. Preservation of natural beauty and concern for landscaping
20. Managers reside on site
21. Financial capacity of applicant to complete & operate the project
22. Can the market absorb the new rental units?
23. One mile concern
24. Applicant has presented a suitable development plan for the entire development site
25. Any other factor relevant to the best interest of the City (includes consideration for fair housing)

# Tax Credit Funds Available for 2013

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- The Region pool is competitive on a Regional level
  - The Region covers Dallas, Denton, Collin, Tarrant, and Grayson Counties
  - Approximately \$10 million is available
  - There were thirty-two preapplications for the Region
  - At the most, one or two projects in Dallas would receive a tax credit award
- The separate “At-Risk” pool is competitive on a state-wide level
  - Approximately \$8.6 million is available
  - There were thirty-nine preapplications

# Requested Participation in LIHTC Program

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- TDHCA asks for the Governing Body to provide the following approvals for any proposed project located within the boundaries of the jurisdiction:
  - When the number of tax credit units previously approved exceeds two times the state average
    - *At this time, Dallas does not exceed two times the state average*
  - When projects involving new construction or adaptive reuse are located less than a mile from another project funded within the prior 3 years and served the same type of household
    - *Flora Street Lofts will need this waiver from the City of Dallas*
  - When a proposed project is to be located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract
    - *This rule is not applicable for any of the projects submitted*

# Requested Participation (continued)

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- Community Revitalization Plan(s) (CRPs)
  - The City Council approved CRPs on December 12, 2012
  - Two projects may benefit from these plans:
    - Serenity Place Apartments
    - Patriot's Crossing
  - The City Council may identify one single Development as contributing most significantly to the concerted revitalization efforts of the CRP

# Requested Participation (continued)

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- Commitment of Development Funding by Unit of General Local Government
  - City may provide a financial commitment in support of the application
    - If provided by March 1, 2013, an extra point is earned for the application
  - City may provide support for an application while acknowledging that there are not enough funds to gap finance the project

# City of Dallas Available Funds

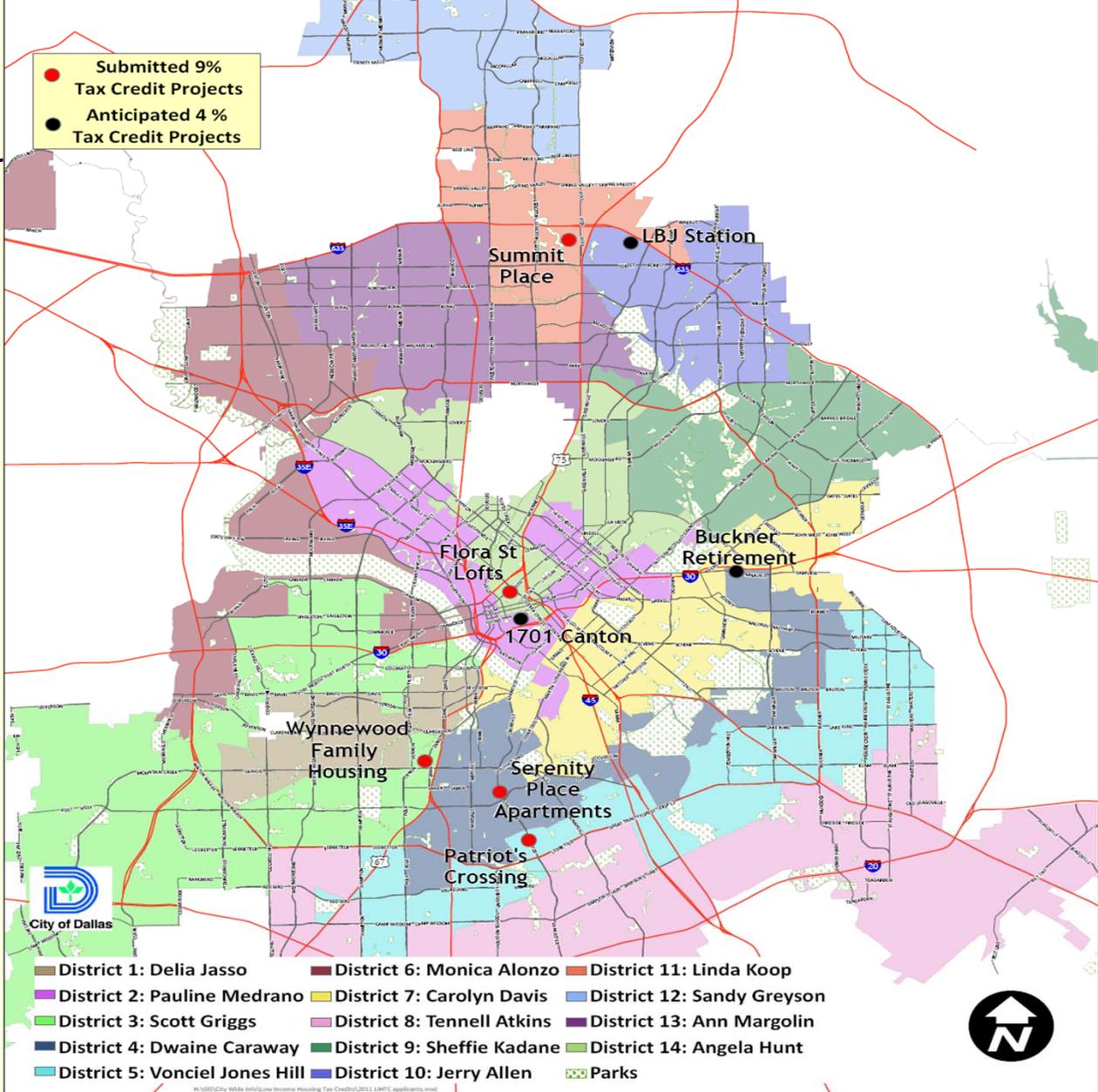
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- The City of Dallas has approximately \$3 million in federal funds available to commit to gap financing for these projects
  - The \$3 million represents 100% of the available HUD funding not already approved for other programs
- All applicants have requested grants rather than repayment loans

# Low Income Housing Tax Credit Projects

Submitted to City of Dallas for 2013

- Submitted 9% Tax Credit Projects
- Anticipated 4% Tax Credit Projects



# Anticipated 4% LIHTC Projects for 2013

Project Name/Developer	Address	Council District	# of Units	Unit Types	Anticipated GAP
1701 Canton First Presbyterian Church & Family Gateway	1701 Canton	2	130	Supportive Housing for Homeless Families	\$3,000,000
Buckner Retirement Charlie Wilson	4800 Samuel Blvd	4	162	Senior	\$1,500,000
LBJ Station Stephen Barnes	9000 Vantage Point Drive	10	250	Families	\$2,700,000
Artspace	Unknown	-	-	Artists	\$2,000,000
<b>Total</b>					<b>\$9,200,000</b>

# 9% LIHTC Applications Submitted to City of Dallas for 2013

Project Name/Developer	Address	Council District	# of Units	Unit Types	Request for Funding
Flora Street Lofts Graham Greene	2121 Flora	14	47	Families	\$1,100,000
Patriot's Crossing Yigal Lelah	4623 S. Lancaster	5	150	Families	\$1,350,000
Serenity Place Apartments Sherman Roberts	3124 S. Denley	4	45	Supportive Housing	\$1,997,913
Summit Place Lisa Stevens	SWC of Merit Drive & LBJ	11	100	Families	\$2,500,000
<b>Total</b>					<b>\$6,947,913</b>
<b>AT RISK CATEGORY</b>					
Wynnewood Family Housing	2048 S. Zang Blvd.	3	160	Families	\$0 Request current debt forgiveness of \$425,000

# Flora Street Lofts

## 2121 Flora Street

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### ■ **Description**

- New construction of 47 multifamily units for artists
- 15 One Bedroom, 30 Two Bedroom and 2 Four Bedroom Units
- 39 units will be affordable; 8 units will be market rate
- Five to six story building with 290 spaces of structured parking
- Mixed-Use 8,800 sq. ft. of retail space
- Within a mile of the DART Rail – Pearl Station
- Zoning: PDD 145 Dallas Arts District, Ordinance #17710 Sasaki Plan's Flora Street massing profiles

### ■ **Applicant** – La Reunion TX

### ■ **Developer/Partners** – Flora Street Lofts, Ltd., METROarts Properties, Ltd., Arts District Properties, Ltd., GREENarc Corporation, Neighborhood Strategies, LLC

- Graham Greene
- Robert Meckfessel
- Linda McMahon

# Flora Street Lofts Site Map



## FLORA STREET LOFTS

Flora Street Lofts, Ltd.  
2121 Flora Street  
Dallas, Texas 75201

## LA REUNION TX

4043 Lorraine Avenue  
PMB 100-117  
Dallas, Texas 75219  
469.951.7325

## GREENarc Corporation

1825 San Jacinto #300  
Dallas, Texas  
214.054.0430



SITE ANALYSIS

01 . 2 2 . 2 0 1 3

# DISD Schools Servicing Flora Street Lofts

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## Elementary (PK thru 5)

Sam Houston Elementary  
2827 Throckmorton Street  
Dallas, Texas 75219  
Enrollment: 277 children  
Building Utilization 78%  
Recognized

## Middle School (6 thru 8)

T.J. Rusk Middle School  
2929 Inwood Road  
Dallas, Texas 75235  
Enrollment: 652 children  
Building Utilization 77%  
Academically Acceptable

## High School (9 thru 12)

North Dallas High School  
3120 North Haskell  
Dallas, Texas 75204  
Enrollment: 1371 children  
Building Utilization 99%  
Academically Unacceptable

# Flora Street Lofts

## Sources & Uses

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### SOURCES

Conventional Loan	\$ 2,750,000
City Funds	\$ 1,100,000
HTC Syndication Proceeds	\$ 4,399,560
Equity Developer	\$ 10,000
Deferred Developer Fee	<u>\$ 260,293</u>
Total Sources	\$ 8,519,853

### USES

Acquisition	\$ 600,000
Construction Costs	\$ 5,065,704
Indirect Construction Costs	\$ 1,202,200
Developer Fee	\$ 990,000
Financing Costs	\$ 470,152
Reserves	<u>\$ 191,797</u>
Total Uses	\$ 8,519,853

Note: Cost to the City of Dallas per unit equals \$23,404.26

# Patriot's Crossing

## 4623 S. Lancaster

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### ■ **Description**

- New construction of 150 units for families
- 3.7 acres, four story building
- 46 one bedroom, 104 two bedroom
- Across Street from DART Rail Line – VA Hospital Station
- Zoning – PD #855 CR; MF-2

□ **Applicant** – Sapphire Road Development Patriots Crossing, LLC

□ **Developer/Partners** –Sapphire I GP, LLC, NBCDC

- Yigal Lelah
- Mike Sugrue

# Patriot's Crossing Site Map



# DISD Schools Servicing Patriot's Crossing

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## Elementary (PK thru 5)

Holland Lisbon Elementary  
4203 S. Lancaster Road  
Dallas, Texas 75216  
Enrollment: 328 children  
Building Utilization 86%  
Academically Unacceptable

## Middle School (6 thru 8)

Boude Storey Middle School  
3000 Maryland Avenue  
Dallas, Texas 75216  
Enrollment: 694 children  
Building Utilization 65%  
Academically Unacceptable

## High School (9 thru 12)

South Oak Cliff High School  
3601 S. Marsalis  
Dallas, Texas 75216  
Enrollment: 1398 children  
Building Utilization 94%  
Academically Acceptable

# Patriot's Crossing

## Sources & Uses

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### SOURCES

Permanent Loan	\$10,330,000
City Loan (bond funds already provided)	\$ 1,900,000
Additional City Funds Requested	\$ 1,350,000
HTC Syndication Proceeds	\$ 6,369,102
Deferred Developer Fee	<u>\$ 1,500,000</u>
Total Sources	\$21,449,102

### USES

Acquisition/demolition	\$ 1,900,000
Construction Costs	\$13,868,928
Indirect Construction Costs	\$ 1,491,850
Developer Fees	\$ 2,395,000
Financing Costs	\$ 1,148,324
Reserves	<u>\$ 645,000</u>
Total Uses	\$21,449,102

Note: Cost to the City of Dallas per unit equals \$21,666.67 (includes allocation of land purchase assistance previously provided)

# Serenity Place Apartments

## 3124 South Denley

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### ■ **Description**

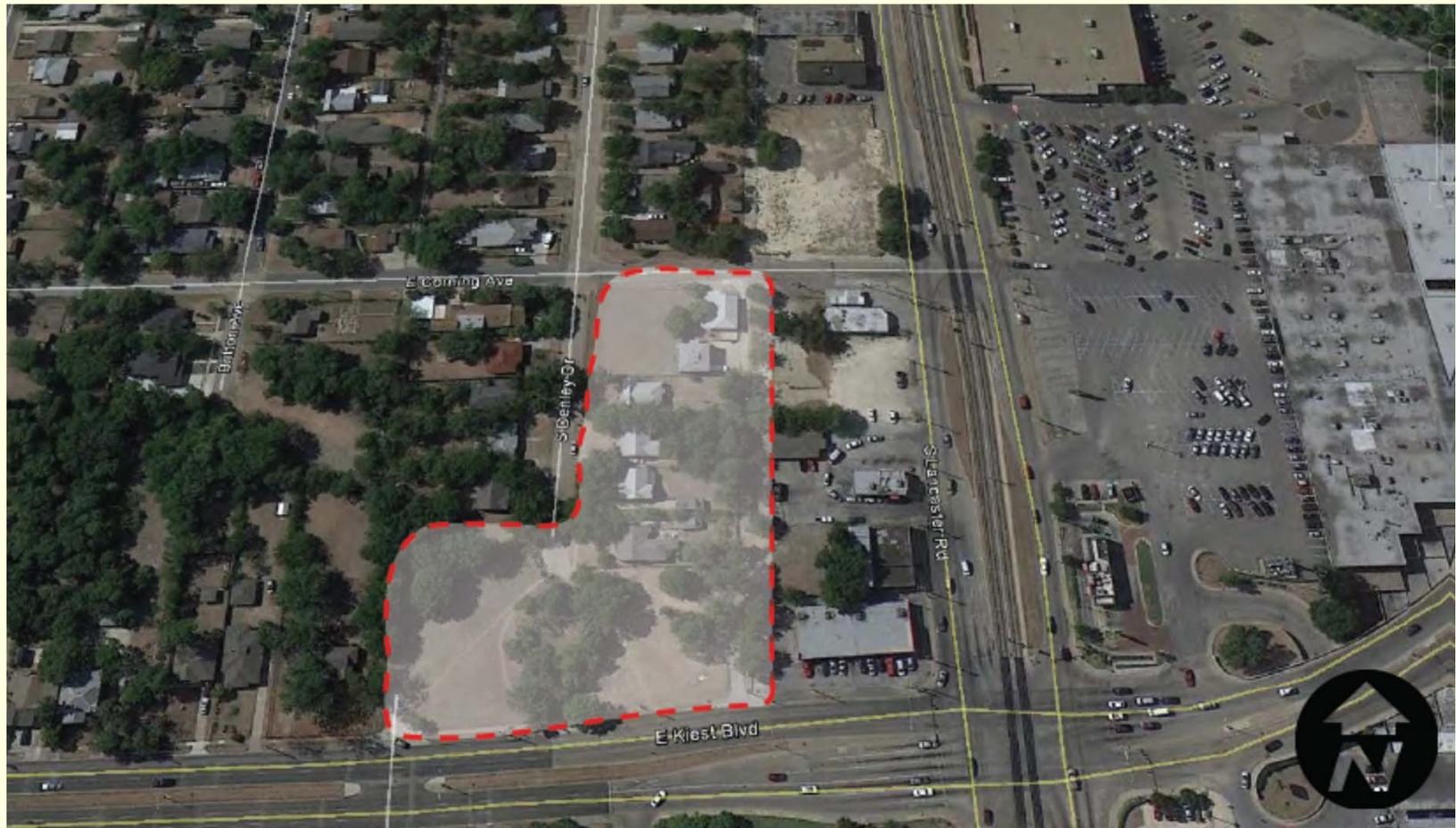
- New construction of 45 Permanent Supportive Housing for women and children
- 40 two bedroom units and 5 three bedroom
- Two story building with ground level parking
- Within a quarter mile of the DART Rail Line- Kiest Station
- Zoning: Single Family; developer must replat and rezone to PD

### ■ **Applicant** – City Wide Serenity Place Apartments, L.P.

### ■ **Developer/Partners** – City Wide Community Development Corporation, National Housing Advisors, LLC, Carleton Development, Ltd.

- Sherman Roberts
- Will Henderson
- Ellen Rourke

# Serenity Place Apartments Site Map



# DISD Schools Servicing Serenity Place Apartments

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## Elementary (PK thru 5)

John Neely Bryan Elementary  
2001 Deer Path  
Dallas, Texas 75216  
Enrollment: 595 children  
Building Utilization 85%  
Academically Acceptable

## Middle School (6 thru 8)

Oliver W. Holmes  
2001 E. Kiest Blvd.  
Dallas, Texas 75216  
Enrollment: 914 children  
Building Utilization 70%  
Academically Unacceptable

## High School (9 thru 12)

Franklin Roosevelt High School  
525 Bonnie View Road  
Dallas, Texas 75203  
Enrollment: 670 children  
Building Utilization 55%  
Academically Unacceptable

# Serenity Place Apartments

## Sources & Uses

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### SOURCES

Conventional Loan	\$ 1,406,103
HTC Syndication Proceeds	\$ 2,066,104
City Funds	\$ 1,997,913
Reserves	\$ 135,000
Deferred Developer Fee	<u>\$ 525,000</u>
Total Sources	\$ 6,130,120

### USES

Acquisition	\$ 600,000
Construction Costs	\$ 3,552,120
Indirect Construction Costs	\$ 558,000
Developer Fee	\$ 850,000
Financing Costs	\$ 360,000
Reserves	<u>\$ 210,000</u>
Total Uses	\$ 6,130,120

Note: Cost to the City of Dallas per unit equals \$44,398.07

# Summit Place Apartments

## SWC of Merit Drive & LBJ

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### ■ **Description**

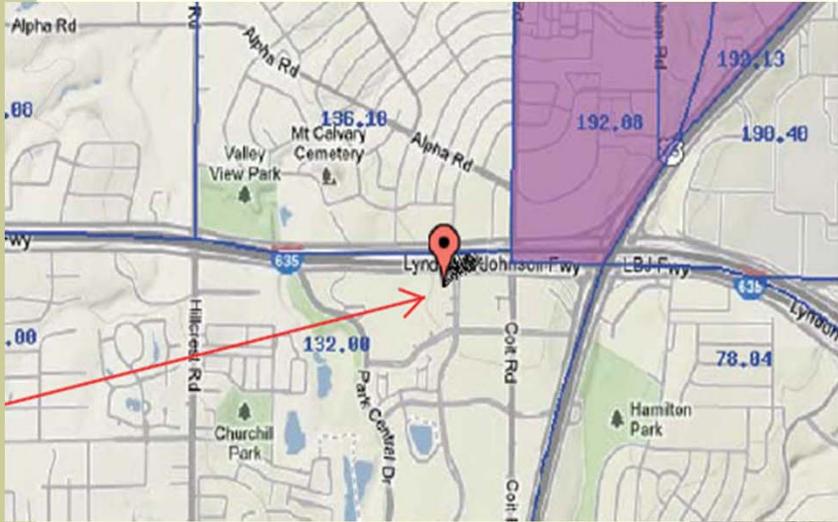
- New construction of 100 multifamily units for families
- 32 one-bedroom; 48 two-bedroom; 20 three-bedroom
- 75 units will be affordable; 25 units will be market rate
- Seven story building with two levels of structured parking
- Zoned MU-3

### ■ **Applicant** – Summit Place, LLC

### ■ **Developer/Partners** – Zenstar Development, LLC

- Mitchell Friedman, Managing Member of Summit Place LLC: Zenstar Summit, LLC
- Lisa Stephens, Project Manager
- Megan De Luna, Development Coordinator

# Summit Place Site Map



# RISD Schools Servicing Summit Place Apartments

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## Elementary (PK thru 5)

Hamilton Park Pacesetter Magnet  
8301 Towns Street  
Dallas, Texas 75243  
Enrollment: 716 children  
Recognized School

## Middle School (6 thru 8)

Westwood Junior High  
7630 Arapaho Road  
Dallas, Texas 75248  
Enrollment: 631 children  
Recognized School

## High School (9 thru 12)

Richardson High School  
1250 W. Belt Line Road  
Richardson, Texas 75080  
Enrollment: 2469 children  
Recognized School

# Summit Apartments

## Sources & Uses

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### SOURCES

Conventional Loan	\$ 2,700,000
HTC Syndication Proceeds	\$14,071,893
Deferred Developer Fee	\$ 836,875
City Grant	<u>\$ 2,500,000</u>
Total Sources	\$20,108,768

### USES

Acquisition	\$ 1,500,000
Construction Costs	\$13,545,123
Indirect Construction Costs	\$ 1,482,963
Developer Fee	\$ 2,352,000
Financing Costs	\$ 770,184
Reserves	<u>\$ 458,498</u>
Total Uses	\$20,108,768

Note: Cost to the City of Dallas per unit equals \$25,000

# Wynnewood Family Housing

## 2048 South Zang

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- **Description**

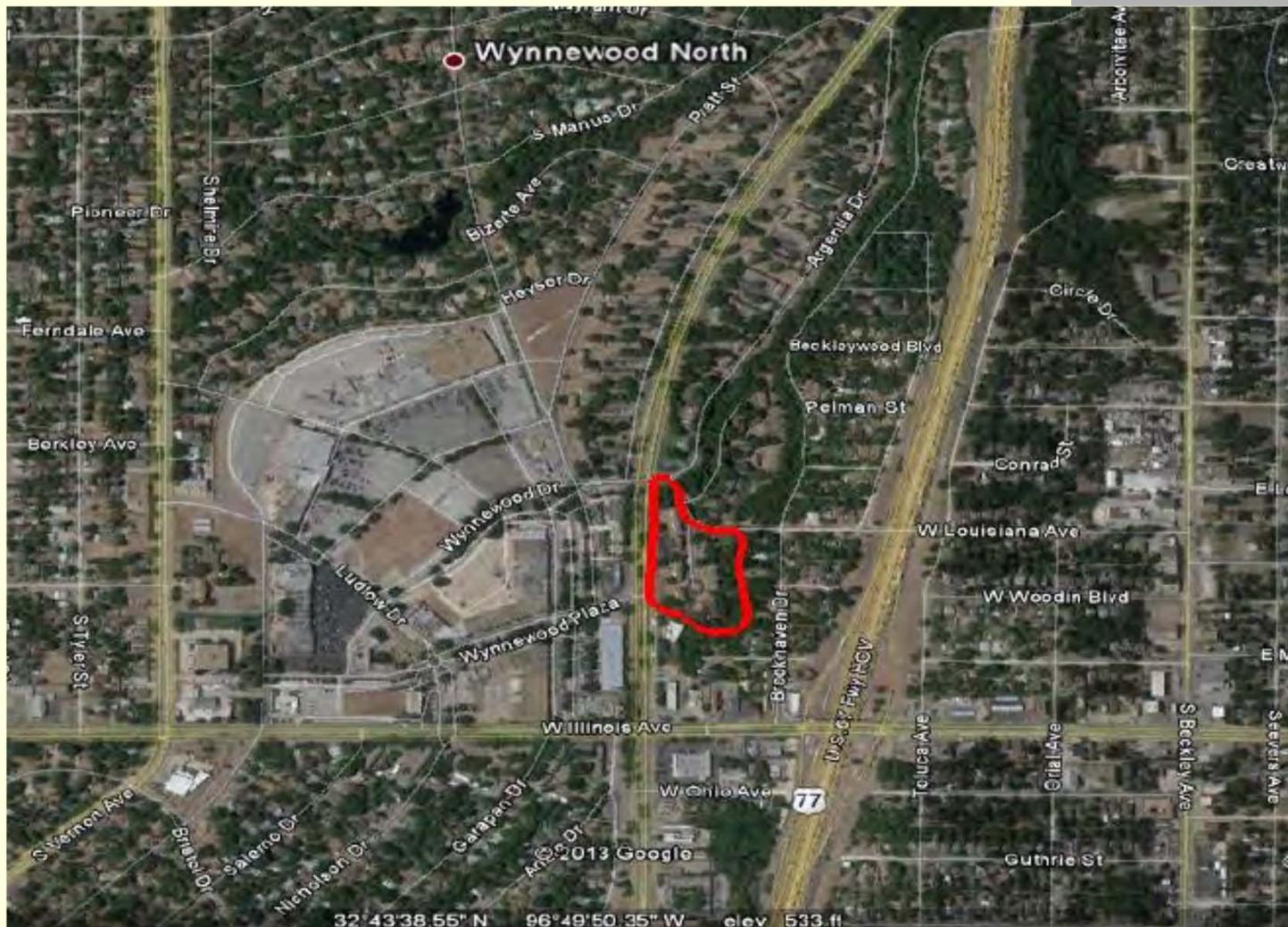
- New construction of 160 multifamily units for families
- 48 one-bedroom, 72 two-bedroom, and 40 three bedroom units
- Phase II of overall redevelopment
- Zoning – MF-1 (A) Multifamily Residential

- **Applicant** – Wynnewood Family Housing, LP

- **Developer/Partners** – Central Dallas Community Development Corporation (CDC) , G.P. & Banc of America CDC, Special Limited Partner

- John Greenan
- Brian L. Roop

# Wynnewood Family Housing



# DISD Schools Servicing Wynnewood Family Housing

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## Elementary (PK thru 5)

Harrell Budd Elementary  
2121 S. Marsalis  
Dallas, Texas 75216  
Enrollment: 554 children  
Building Utilization 91%  
Academically Acceptable

## Middle School (6 thru 8)

Oliver W. Holmes  
2001 E. Kiest Blvd.  
Dallas, Texas 75216  
Enrollment: 914 children  
Building Utilization 70%  
Academically Unacceptable

## High School (9 thru 12)

Franklin Roosevelt High School  
525 Bonnie View Road  
Dallas, Texas 75203  
Enrollment: 670 children  
Building Utilization 55%  
Academically Unacceptable

# Wynnewood Family Housing Sources and Uses

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## SOURCES

First Mortgage Debt	\$ 2,603,836
City Forgiveness of Debt	\$ 425,000
Tax Credit Equity	\$19,398,060
Deferred developer fee	<u>\$ 731,579</u>
Total Sources	\$23,158,475

## USES

Land Acquisition	\$ 1,410,000
Hard Construction Costs	\$14,230,175
Soft Costs	\$ 3,504,807
Developer Fee	\$ 2,550,000
Other Soft Costs	\$ 344,815
Reserves	<u>\$ 1,118,678</u>
Total Uses	\$23,158,475

Note: Cost to the City of Dallas per unit equals \$2,656.25

# Considerations for Recommendations

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- City Council adopted Criteria with emphasis on focus areas where the City has been making major investments to spur development
  - Focus Areas
    - Transit Oriented Developments
    - Southern Dallas Economic Growth Plan
    - Community Revitalization Areas
    - Permanent Supportive Housing
    - Downtown Area

# Recommendations for 2013 LIHTC Applications for Dallas

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- Patriot's Crossing
  - Transit Oriented
  - Key to Community Revitalization along Lancaster Corridor
  - Key to Grow South Initiatives
  - Part of City investment that acquired and cleared 7 acres directly across the street from the hospital, largest employer in Southern Dallas
  - City of Dallas and Sapphire Road Development, LLC have a development agreement requiring construction start by August 2014 on all parcels or property reverts back to the City of Dallas
  - Per unit cost of \$21,666.67
  - Recommend support of application with firm commitment of \$1,350,000 and recognition of project as contributing most significantly to the concerted revitalization efforts of the area

# Recommendations for 2013 LIHTC Applications for Dallas

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- Wynnewood Family Housing
  - Key to Grow South Initiatives
  - Prior Investment of \$425,000 in development funding and Phase I development for Senior Housing under construction
    - Memorandum of Understanding between the City of Dallas and Bank of America CDC executed in August 2011 requires developer to work with City Design Studio on site planning for Phase I, II, and III
      - Recommendation for Phase II site development has been released for comments
  - No additional cost per unit for forgiveness of debt
  - Recommend support of application with firm commitment of the forgiveness of debt in the amount of \$425,000

# Recommendations for 2013 LIHTC Applications for Dallas

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- Flora Street Lofts
  - Transit Oriented, Mixed-Income, and Mixed-Use
  - Key to Continued Provision of Affordable Housing in the Downtown Area
  - Major Investments in the Downtown Area, including economic development, housing, arts, and infrastructure
  - Per unit cost of \$23,404.26
  - Recommend support of application with firm commitment of \$1,100,000 and approval of one mile waiver

# Recommendations for 2013 LIHTC Applications for Dallas

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- Serenity Place Apartments
  - Transit Oriented
  - Contributes to Community Revitalization along Lancaster Corridor
  - Contributes to Grow South Initiatives
  - Contributes to Permanent Supportive Housing Goals
  - Per unit cost of \$44,398.07
  - City of Dallas and City Wide CDC have a development agreement requiring construction start by December 2016 on all parcels or development right of first refusal goes away
  - Recommend support of application with firm commitment of \$550,000 and approve long term lease of property owned by the City of Dallas to City Wide CDC for this project

# Recommendations for 2013 LIHTC Applications for Dallas

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- Summit Place Apartments
  - Transit oriented and mixed-income
  - Contributes to the availability of affordable housing
  - Does not leverage prior City economic development investments in focused areas
  - Cost per unit is \$25,000
  - Recommend support of application while acknowledging that there are not enough funds to gap finance the project

# Next Steps

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- ❑ February 27, 2013 – City Council approval of development tax credit applications to TDHCA
- ❑ March 1, 2013 or prior – City provides letters of support to tax credit applicants directly to TDHCA
- ❑ March 1, 2013 or prior - Developers present full application to TDHCA
- ❑ April 2013 -TDHCA will hold public hearing in Dallas for LIHTC projects
- ❑ July 1, 2013 or prior – Considerations for zoning changes
- ❑ July 25, 2013 – TDHCA Board will decide on tax credit recipients

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** 4  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** 55Z

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### **SUBJECT**

Authorize a public hearing to be held on April 10, 2013 to receive comments on the proposed sale of one unimproved property (list attached) acquired by the taxing authorities from the Sheriff to Dallas Neighborhood Alliance for Habitat, Inc., a qualified non-profit organization, under the HB110 process of the City's Land Transfer Program and the release of the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any - Financing: No cost consideration to the City

### **BACKGROUND**

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records. Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

**BACKGROUND (continued)**

Dallas Neighborhood Alliance for Habitat, Inc., submitted a proposal to construct one (1) single-family home containing approximately 1,279 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$75,000 to \$85,000 with construction to begin in March 2016.

This item calls for a public hearing on April 10, 2013, at 1:00 PM in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, to allow the public an opportunity to comment on the proposed sale of the one unimproved property to Dallas Neighborhood Alliance for Habitat, Inc. At the close of the public hearing, the City Council will be asked to authorize the sale of the property to Dallas Neighborhood Alliance for Habitat, Inc., by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City

**MAP**

Attached

### Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>DCAD Amount</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>
1.	2531 Exeter	Dallas Neighborhood Alliance for Habitat, Inc.	\$6,900	\$1,000.00	V	R-7.5(A)



February 27, 2013

**WHEREAS**, the of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

**WHEREAS**, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

**WHEREAS**, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

**WHEREAS**, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

**WHEREAS**, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

**WHEREAS**, Dallas Neighborhood Alliance for Habitat, Inc., submitted a proposal to construct one (1) single-family home containing approximately 1,279 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$75,000 to \$85,000 with construction to begin in March 2016; and

**WHEREAS**, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

February 27, 2013

**Section 1.** That the public hearing shall be held at 1:00 p.m. on April 10, 2013 in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, at which time any interested person may appear and speak for or against the proposed sale by quitclaim deed of one (1) unimproved property, identified on Exhibit A, acquired by the taxing authorities from the Sheriff to Dallas Neighborhood Alliance for Habitat, Inc., a qualified non-profit organization in accordance with the HB 110 process of the City's Land Transfer Program.

**Section 2.** That at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing shall be placed on the property, notification of the public hearing shall be mailed to property owners within 200 feet of the property, and notice of the public hearing shall be published in the Dallas Morning News.

**Section 3.** 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.

**EXHIBIT A**

**TAX FORECLOSURE PROPERTY SALE**

<b>PARCEL</b>	<b>Address</b>	<b>Mapsco</b>	<b>Non-Profit Organization</b>	<b>Sale Amount</b>
1.	2531 Exeter	55Z	Dallas Neighborhood Alliance for Habitat, Inc.	\$1,000.00

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** N/A

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### **SUBJECT**

Authorize an amendment to the Mortgage Assistance Program for FY 2012-13 to add an eligible homebuyer category to include those homebuyers purchasing a new home constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) - Financing: No cost consideration to the City

### **BACKGROUND**

The Mortgage Assistance Program (MAP) is funded with U.S. Department of Housing and Urban Development (HUD) annual allocations. MAP provides principal reduction, down payment, and closing cost assistance to eligible homebuyers to purchase a home in the City of Dallas. MAP provides homeownership opportunities for residents of the City of Dallas earning at or below 80% of area median family income.

Historically, the Housing/Community Services Department has contracted with Enterprise Community Partners to administer the program. In the Spring of 2012, Enterprise Community Partners, Inc. notified the City of Dallas that it would not renew its contract. As of October 1, 2012, the Housing/Community Services Department began operating the MAP Program in-house.

The MAP Program currently has two categories of funds: 1) eligible homebuyers purchasing existing homes may receive up to \$8,500 in principal reduction and closing cost assistance with a 5-year forgivable loan; and 2) eligible homebuyers purchasing a home constructed by a Certified Community Housing Development Organization (CHDO) may receive up to \$20,000 in principal reduction and closing cost assistance with a 10-year forgivable loan.

## **BACKGROUND (continued)**

This Council action will approve changes to the policy that will be used for the MAP Program during FY 2012-13. It will add a third category of eligible homebuyers to include those purchasing a new home that is constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank). This category of homebuyer may receive up to \$10,000 in principal reduction and closing cost assistance with a 5-year forgivable loan.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 24, 2009, the City Council approved the FY 2009-10 Consolidated Plan Budget for the Mortgage Assistance Program by Resolution No. 09-1635.

On June 27, 2012, the City Council approved the final FY 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 12-1629.

On August 20, 2012, the Housing Committee of the City Council was briefed on the MAP program changes for FY 2012-13 including bringing the Program in-house.

On September 26, 2012, the City Council approved the FY 2012-13 Mortgage Assistance Program by Resolution No. 12-2403.

## **FISCAL INFORMATION**

No cost consideration to the City

February 27, 2013

**WHEREAS**, homeownership is a high priority of the City of Dallas; and,

**WHEREAS**, the Mortgage Assistance Program provides assistance to eligible homebuyers; and,

**WHEREAS**, on June 27, 2012, the City Council approved the final FY 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 12-1629; and,

**WHEREAS**, the City now desires to amend the Mortgage Assistance Program for the period October 1, 2012 through September 30, 2013; **NOW, THEREFORE**,

**BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is authorized to amend the Mortgage Assistance Program (MAP) for FY 2012-13 to add an eligible homebuyer category to include those homebuyers purchasing a new home constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank).

**SECTION 2.** That the City Manager is authorized to execute such instruments, upon approval as to form by the City Attorney, as may be necessary to carry out the program in accordance with the MAP Program Statement (Exhibit A attached).

**SECTION 3.** That the City Controller be authorized to encumber and disburse funds in accordance with the MAP Program Statement.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and is accordingly so resolved.

## EXHIBIT A

### **FY 12-13 PROGRAM STATEMENT (REVISED) MORTGAGE ASSISTANCE PROGRAM (MAP)**

#### **Program Purpose:**

- To provide homeownership opportunities to low to moderate income homebuyers through the provision of financial assistance in purchasing a home
- To incentivize new construction of homes for enhancement of the property tax base

#### **General Provisions:**

- Homes must be located in the Dallas city limits
- Homebuyer must successfully complete homeownership education from an approved counseling agency
- Borrower may obtain a conventional, FHA, or portfolio loan through an approved lender. High cost or sub-prime loans, adjustable rate mortgages (ARM), interest only loans are not allowed. Borrower may also pay cash
- For this program, low to moderate income is defined as a household with calculated income at 80% or less of the Area Median Family Income, adjusted for family size
- Sufficient income and household size documentation to certify eligibility per HUD guidelines is required
- Borrower must be a U.S. citizen or a permanent resident, and possess a valid social security card
- Borrower must occupy the property as a primary residence
- All properties purchased under this program must meet federal and local requirements including Minimum Acceptable Property Standards (MAPS) and international residential code
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act

- Homebuyer mortgage affordability must meet front-end debt ratio of 35% and back-end debt ratio of 45%
- The maximum amount of assistance to be used to pay Borrower's closing costs is \$4,000. Cash back at closing and discount points paid by the Borrower are not allowed
- The City Manager, or his designee, is authorized to implement the Mortgage Assistance (MAP) program as per this Program Statement, execute any documents necessary to implement this program, and grant waivers to the Mortgage Assistance Program guidelines, as set forth in this Program Statement, without further City Council authorization, on a case by case basis
- Under exceptional cases, loan guarantees may be granted for Community Housing Development Organizations (CHDOs) that provide permanent mortgage financing and have the financial capacity to payback the MAP loan in the event of default. Guarantees must receive Housing/ Community Services Director approval
- The City Manager, or a designee, is authorized to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements
- Assistance may be provided from only one of the categories listed below

#### **Categories of Assistance:**

##### **Category #1: Available Funding \$340,000 – Homebuyer Assistance for Existing Homes**

- Provide (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for existing homes
- An existing home is defined as a home which was previously occupied by another homeowner
- Subsidy amount up to \$8,500
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided
- The lien is amortized and forgiven over a five year period

- All properties assisted with MAP funds must meet Minimum Housing Standards (MHS). As part of the total subsidy, MHS repair funds cannot exceed \$1,500

**Category #2: Available Funding ~~\$1,760,000~~ \$1,360,000 – Homebuyer Assistance for Newly Constructed Community Housing Development Organization (CHDO) Homes**

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes
- A newly constructed CHDO home is defined as a home which has not been previously occupied by another homeowner and constructed by a City of Dallas Certified CHDO
- Subsidy amount up to \$20,000
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a ten (10) year term for the amount of principal reduction assistance provided
- The lien is amortized and forgiven over a ten year period
- Each organization, including affiliates, is limited in its access to total funding up to 50% of the available funding for this category (i.e. 50% of \$1,000,000 or \$500,000)

**Category #3: Available Funding \$400,000 – Homebuyer Assistance for Newly Constructed Homes on Lots Purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank)**

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes on Land Bank lots
- A newly constructed home is defined as a home which has not been previously occupied by another homeowner
- Subsidy amount up to \$10,000

- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided
- The lien is amortized and forgiven over a five year period

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** 46W

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**SUBJECT**

A public hearing to receive comments on the proposed sale of one unimproved property acquired by the taxing authorities from the Sheriff to Cornerstone Community Development Corporation, a qualified non-profit organization; and, at the close of the public hearing, authorize the City Manager to: **(1)** quitclaim one unimproved property to under the HB110 process of the City's Land Transfer Program; and **(2)** release the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any (list attached) - Revenue: \$1,000

**BACKGROUND**

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records.

**BACKGROUND (continued)**

Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

Cornerstone Community Development Corporation submitted a proposal to construct one single-family home containing approximately 1,500 square feet on one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by a low to moderate income homebuyer at a proposed sales price of \$115,000, with construction to begin in May 2013.

This item calls for a public hearing to allow the public an opportunity to comment on the proposed sale of the one unimproved property to Cornerstone Community Development Corporation and, at the close of the public hearing, authorizes the sale of the property to Cornerstone Community Development Corporation by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing was placed on the property, notification of the public hearing was mailed to property owners within 200 feet of the property, and notice of the public hearing was published in the Dallas Morning News.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On February 13, 2013, the City Council authorized a public hearing to receive comments on the proposed sale by quitclaim deed of one unimproved property acquired by the taxing jurisdictions from the Sheriff to Cornerstone Community Development Corporation.

**FISCAL INFORMATION**

Revenue - \$1,000

**OWNER**

**Cornerstone Community Development Corporation**

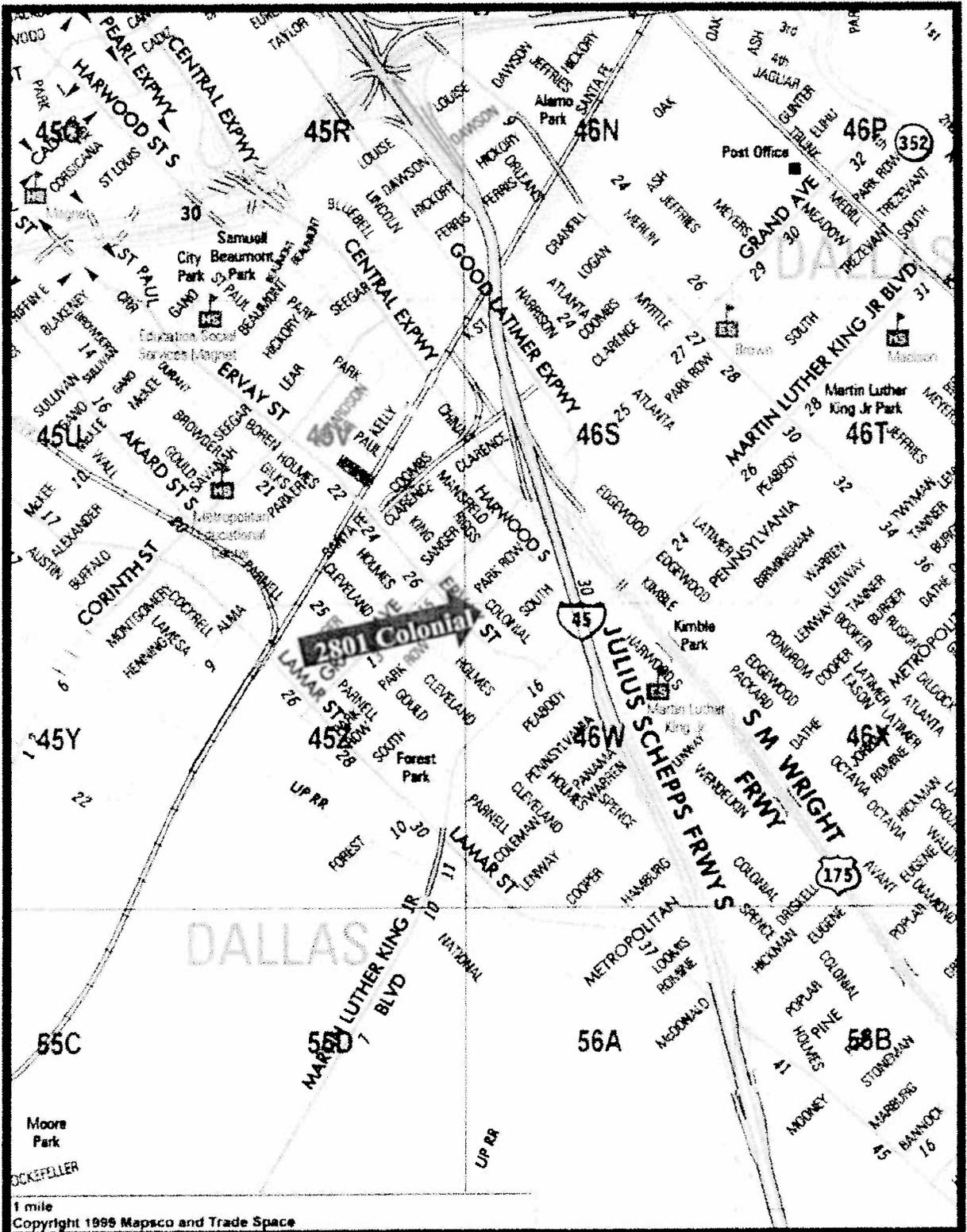
Major Williams, President

**MAP**

Attached

### Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>Mapsco</u>	<u>DCAD Amount</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>
1.	2801 Colonial	Cornerstone Community Development Corporation	46W	\$8,330	\$1,000.00	V	PD-595



MAPSCO 46W

February 27, 2013

**WHEREAS**, the of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

**WHEREAS**, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

**WHEREAS**, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

**WHEREAS**, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

**WHEREAS**, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

**WHEREAS**, Cornerstone Community Development Corporation, submitted a proposal to construct one single-family home containing approximately 1,500 square feet on one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached hereto and made a part hereof (hereinafter the "property"), for purchase by a low to moderate income homebuyer at a proposed sales price of \$115,000, with construction to begin in May 2013; and

**WHEREAS**, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing was placed on the property, notification of the public hearing was mailed to property owners within 200 feet of the property, and notice of the public hearing was published in the Dallas Morning News; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

February 27, 2013

**Section 1.** That upon receipt of the requisite monetary consideration from Cornerstone Community Development Corporation, (hereinafter the “non-profit organization”) and the approval of the governing bodies of the other affected taxing jurisdictions, the City Manager is hereby authorized to execute a quitclaim deed, approved as to form by the City Attorney and attested by the City Secretary, quitclaiming the property, acquired by the taxing authorities from the Sheriff, to the non-profit organization, subject to the conditions contained in this resolution.

**Section 2.** That the City Manager is hereby authorized to execute instruments, approved as to form by the City Attorney, releasing the City’s non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any, on the property.

**Section 3.** That the non-profit organization’s proposal for the development of affordable housing on the property, described in Exhibit A, is hereby approved.

**Section 4.** That the quitclaim deed shall contain:

(a) A copy or summary of the proposal from the non-profit organization for the property and a requirement that the property be developed by the non-profit organization in accordance with the proposal, including the timetable specified in the proposal.

(b) A possibility of reverter with right of re-entry if the director determines that the non-profit organization:

(i) has failed to take possession of the property within ninety calendar days after receiving the quitclaim deed;

(ii) has failed to complete construction of affordable housing on the property within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code;

(iii) is not developing the property in compliance with the timetable specified in the non-profit organization’s proposal;

(iv) is unable to develop the land in compliance with its proposal because a request for a zoning change has been denied;

(v) has incurred a lien on the property because of violations of the Code or other City ordinances within three years after receiving the quitclaim deed; and

February 27, 2013

(vi) has sold, conveyed, or transferred the property without the consent of the City and the other affected taxing jurisdictions within three years after receiving the quitclaim deed.

(c) Deed restrictions requiring the purchaser to:

(i) restrict the sale and resale of owner-occupied property to low-income individuals or families for five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located;

(ii) require the non-profit organization to develop all proposed housing units on the property in accordance with the Code and all applicable City ordinances and state and federal laws within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code, and to obtain inspections and approval of the housing units by the City before initial occupancy; and

(iii) require any low-income individual or family who purchases a housing unit on a property to maintain the housing unit in accordance with the Code and all applicable City ordinances and state and federal laws for a period of five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located.

(d) An indemnification by the non-profit organization of the City and other affected taxing jurisdictions.

(e) A statement and acknowledgment that the property is quitclaimed subject to all redemption rights provided by state law.

(f) The non-profit organization's representation and agreement that it did not purchase the property on behalf of a "prohibited person" and will not sell or lease the property to a "prohibited person" for five years from the date of the quitclaim deed. A "prohibited person" is any party who was named as a defendant in the legal proceedings where the City obtained a final judgment for delinquent taxes and an order to foreclose its tax lien on the property or person in the judgment or seizure tax warrant, or the Sheriff's deed as the owner of the property, authorized seized and ordered sold for delinquent taxes and any municipal health and safety liens.

February 27, 2013

**Section 5.** That the City Manager is authorized to execute instruments, approved as to form by the City Attorney, releasing the City's possibility of reverter with right of re-entry and terminating the deed restrictions to the property upon compliance with all terms and conditions of Section 2-26 of the Code and the quitclaim deed, including the deed restrictions and the proposal.

**Section 6.** That the non-profit organization shall be responsible for the pro-rata taxes assessed on the property from the date of closing for the remaining part of the then-current calendar year. The property shall be placed back on the tax rolls effective as of the date of execution of the quitclaim deed.

**Section 7.** That any procedures required by Section 2-24 of the Code that are not required by state law are hereby waived with respect to conveyance of the property.

**Section 8.** That the monetary consideration received from the non-profit organization shall be distributed pursuant to the Section 34.06 of the Texas Tax Code.

**Section 9.** That any and all proceeds for the City's sale of the property to the non-profit organization be deposited to General Fund 0001, Dept DEV, Balance Sheet Account 0519.

**Section 10.** That upon receipt of the monetary consideration from the non-profit organization, the City Controller is authorized to disburse proceeds of the sale of the property in accordance with Section 34.06 of the Texas Tax Code, which calculations for disbursement shall be provided by the Director of Sustainable Development and Construction, to the City of Dallas Land Based Receivables, the Dallas County District Clerk and the Dallas County Tax Office from the account specified in Section 9 above.

**Section 11.** 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 according so resolved.

**EXHIBIT A**

**TAX-FORECLOSED (TF) AND/OR SEIZURE WARRANT (SW) PROPERTY RESALE**

**February 27, 2013**

PARCEL NO.	STREET ADDRESS/ LEGAL DESCRIPTION	TF/SW	VACANT/ IMPROVED	INSTRUMENT NUMBER	QUALIFIED NON-PROFIT PURCHASER	HOMEOWNER RENTAL LEASE PURCHASE	NUMBER OF DWELLING UNITS	SALE AMOUNT
1	<b>2801 Colonial</b> Lot 2, Alexanders Rev. Block D/1131	SW	V	200018402614	Cornerstone Community Development Corporation	Homeowner	1	\$1,000.00
							<b>TOTAL</b>	<b>\$1,000.00</b>

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** N/A

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**SUBJECT**

A public hearing to receive comments on Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program to establish a new CDBG Reconstruction/Share activity and reallocate \$400,000 from the CDBG Major System Repair Program activity to the Reconstruction/Share Program; and at the close of the public hearing, authorize the final adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan - Financing: No cost consideration to the City

**BACKGROUND**

On November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions for assistance up to \$87,500.

On December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400.

On May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD).

**BACKGROUND (Continued)**

On June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program.

This request is to reallocate funds as identified below:

From Source of Funds:

FY12-13	CDBG	Major System Repair Program	\$400,000
		TOTAL:	<u>\$400,000</u>

To Use of Funds:

FY12-13	CDBG	Reconstruction/Share Program	\$400,000
		TOTAL:	<u>\$400,000</u>

The Substantial Amendment No. 18 will: (1) establish a new CDBG Reconstruction/Share Program activity for FY 2012-13 Action Plan to provide funds for deferred loans to low-income homeowners for reconstruction of their existing homes (2) reallocate \$400,000 from the existing CDBG Major System Repair Program activity to the CDBG Reconstruction/Share Program activity. Notice of Substantial Amendment No. 18 was provided to the public on January 28, 2013, and comments were requested through February 27, 2013.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions for assistance up to \$87,500 by Resolution No. 07-3307.

On April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to add an amenities package up to \$5,900 by Resolution No. 08-1266.

On October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI), and are 62 years of age or older or disabled, and to provide assistance with one (1) tax and insurance payment by Resolution No. 08-2768.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

On December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951.

On September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program to include reconstruction of homes with a failure of 3 systems and a foundation, and/or life, safety and health concerns. Allow payoff of secured housing liens up to the dollar amount of the amenities package of \$5,900.00; thereby reducing the dollar amount available for reconstruction to no less than \$87,500, but not changing the total loan amount of \$93,400. Annually, 10% of funds may be used to assist persons younger than 62 years of age, or without a disability, and still meeting all other loan criteria by Resolution No. 10-2465.

On November 10, 2010, City Council authorized an amendment to the Home Repair Program Statement for Reconstruction/SHARE Program Statement previously approved on September 22, 2010 by Resolution No. 10-2465; allow payoff of liens up to the amount of the amenities package of \$5,900 amended to: allow refinancing of liens up to the amount of the amenities package of \$5,900 by Resolution No. 10-2884.

On May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD) by Resolution No. 11-1349.

On June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program by Resolution No. 12-1629.

On January 23, 2013, City Council approved preliminary adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program, and authorized a public hearing, by Resolution No. 13-0210.

## **FISCAL INFORMATION**

No cost consideration to the City

February 27, 2013

**WHEREAS**, on November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions and for assistance up to \$87,500 by Resolution No. 07-3307; and

**WHEREAS**, on April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement which added an amenities package up to \$5,900 by Resolution No. 08-1266; and

**WHEREAS**, on October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners at 80% of AMFI, and 62 years of age or older or disabled, and to provide assistance with one (1) tax and insurance payment by Resolution No. 08-2768; and

**WHEREAS**, on December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951; and

**WHEREAS**, on September 22, 2010, the City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 10-2465; and

**WHEREAS**, on November 10, 2010, City Council authorized an amendment to the Home Repair Program Statement for Reconstruction/SHARE Program Statement previously approved on September 22, 2010 by Resolution No. 10-2465; allow payoff of liens up to the amount of the amenities package of \$5,900 amended to: allow refinancing of liens up to the amount of the amenities package of \$5,900 by Resolution No. 10-2884; and

**WHEREAS**, on May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD) by Resolution No. 11-1349; and

**WHEREAS**, on June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program by Resolution No. 12-1629; and

February 27, 2013

**WHEREAS**, On January 23, 2013, City Council approved preliminary adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program, and authorized a public hearing, by Resolution No. 13-0210; and

**WHEREAS**, federal regulations and City's Citizen Participation Plan requires not less than a 30-day public comment period and public hearing be held on any substantial amendment; and

**WHEREAS**, notice was provided to the public on January 28, 2013, and comments were requested through February 27, 2013; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** Authorize final adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program to establish a new CDBG Reconstruction/Share activity and reallocate \$400,000 from the CDBG Major System Repair Program activity to the Reconstruction/Share Program.

**SECTION 2.** That the City Manager is hereby authorized to decrease appropriations in FUND CD12, Dept. HOU, Unit 872E in the amount of \$400,000.

**SECTION 3.** That the City Manager is hereby authorized to establish appropriations in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 4.** That the City Controller is hereby authorized to receive and deposit grant funds in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 5.** That the City Controller is hereby authorized to disburse grant funds in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 6.** 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 according so resolved.

## Memorandum



DATE February 15, 2013

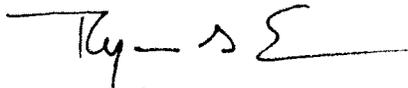
TO Members of the Housing Committee,  
Carolyn R. Davis (Chair), Scott Griggs (Vice Chair), Linda Koop, Pauline Medrano, Dwaine Caraway

SUBJECT 2013 Low Income Housing Tax Credit Projects (Addendum)

On February 19, 2013, the Housing Committee will be briefed on the 9% Low Income Housing Tax Credits submitted to the City of Dallas. During this briefing recommendations regarding the support of these applications will be presented.

On February 27, 2013, the City Council will consider approving the recommendations for support of the same 9% Low Income Housing Tax Credit projects on an individual basis on the Addendum Agenda.

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



Ryan S. Evans  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Daniel Solis, Administrative Judge, Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jerry Killingsworth, Housing/Community Services Director  
Stephanie Pegues-Cooper, Assistant to the City Manager