

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 23, 2012
COUNCIL DISTRICT(S): 9
DEPARTMENT: Housing/Community Services
CMO: Ryan S. Evans, 670-3314
MAPSCO: 37V

SUBJECT

Authorize a forgivable loan in the amount of \$200,000 to Defenders of Freedom for the development of affordable housing for veterans to be located at 8714 and 8718 Diceman Drive – Not to exceed \$200,000 - Financing: FY 2010-11 HOME Investment Partnership Program Grant Funds

BACKGROUND

In December 2011, Defenders of Freedom submitted a proposal to the City of Dallas for the development of two (2) affordable housing units for veterans.

Defenders of Freedom is a nonprofit 501(c)(3) organization that supports active duty and wounded men and women serving our nation. The organization was formed in 2004 to provide for the needs of the Troops. The most common needs are for rent, gift cards, bills, car payments, miscellaneous repairs, or GPS systems for those with Traumatic Brain Injury or Post Traumatic Stress Disorder. The organization provides an avenue for the community to support the Troops through in-kind and monetary donations. Defenders of Freedom also conducts regular fund raisers.

The organization proposes to undertake the development of two properties at 8714 & 8718 Diceman to provide two (2) single family housing units for wounded veterans. The organization will match a minimum of \$200,000 for the two units and select the eligible homeowners, subject to City of Dallas final approval.

The funds for the forgivable loan will be provided through FY 2010-11 HOME Investment Partnership Program Funds from the Department of Housing and Urban Development (HUD) which the City Council appropriated for housing developments such as this. The predevelopment and construction work should be complete within a year with occupancy within the same year.

BACKGROUND (continued)

The homes will be owned by the eligible veterans and carry a 15 year forgivable loan and deed restriction. The homeowners will not be required to repay the loan provided that they comply with the affordability requirements and other City requirements (e.g. insurance, codes). The loan will be forgiven 1/15th annually following the completion of construction and the transfer to the veteran owner(s).

City Council approval of this agenda item will authorize the City Manager to execute the forgivable loan agreement with Defenders of Freedom for these HOME Investment Partnership Funds, subject to environmental review by the City of Dallas and HUD. The forgivable loan agreement will provide one (1) year for the construction and transfer of the units.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2010, the City Council approved the City of Dallas FY 2010-11 Consolidated Plan Budget which included the HOME Investment Partnership Funds, by Resolution No. 10-1594.

FISCAL INFORMATION

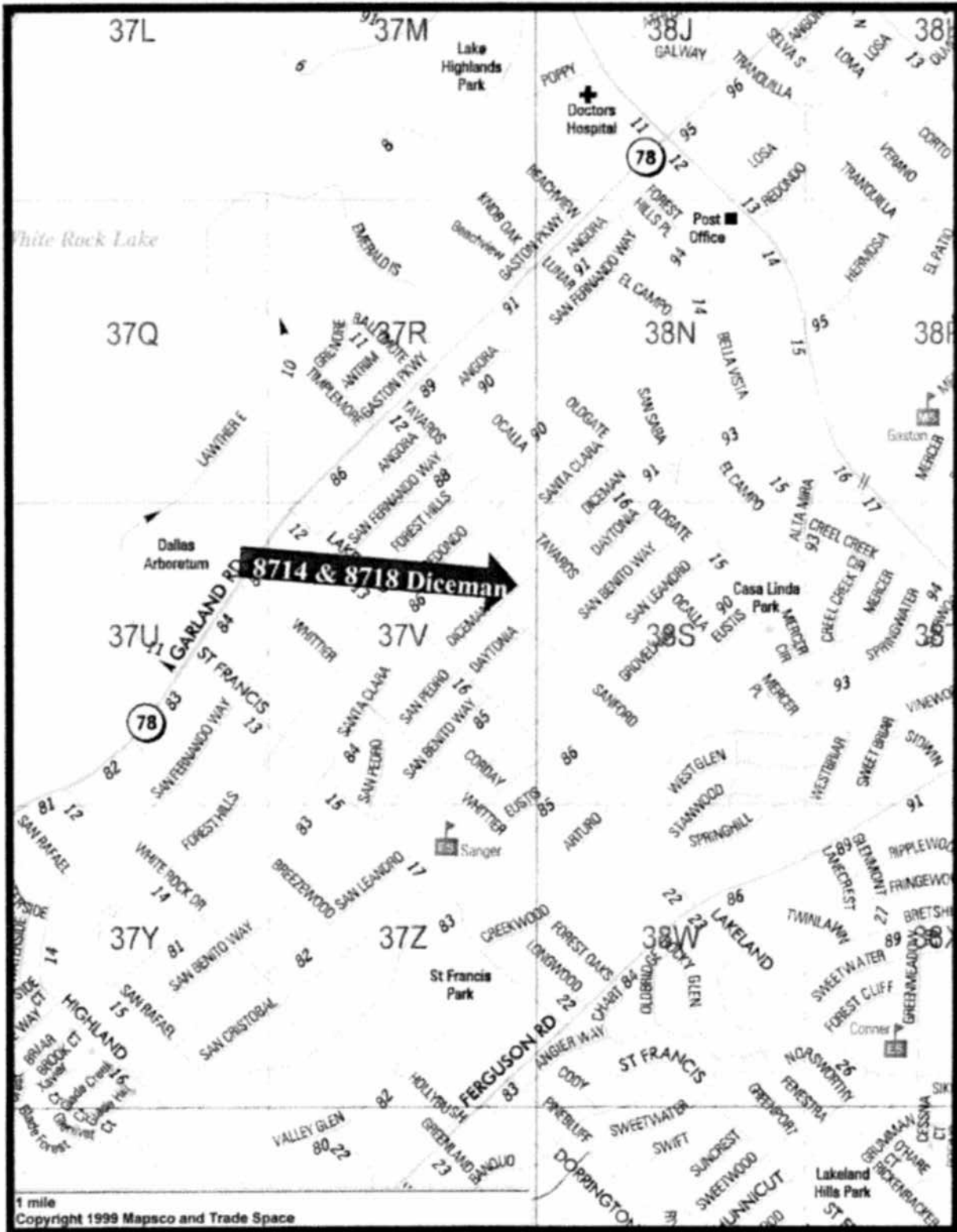
FY 2010-11 – HOME Investment Partnership Program Grant Funds - \$200,000

BOARD OF DIRECTORS

Donna Cranston, Chairwoman and Founder
Tom Foley, Board Member
Linda Robinson, Board Member
Laurie Flynn, Board Member
Joan Anderson, Board Member
Richard Lane, Board Member

MAP(s)

Attached



MAPSCO 37V

May 23, 2012

WHEREAS, affordable housing for veterans is a high priority of the City of Dallas; and

WHEREAS, on June 23, 2010, the City Council approved the FY 2010-11 Consolidated Plan Budget which included the HOME Investment Partnership Program Funds by Resolution No. 10-1594; and

WHEREAS, Defenders of Freedom proposed to work with the City of Dallas to undertake the development of the two (2) affordable units for veterans at 8714 & 8718 Diceman Drive; and

WHEREAS, the City desires for Defenders of Freedom to develop affordable units for veterans; **NOW THEREFORE**,

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

Section 1. That following approval as to form by the City Attorney, the City Manager is authorized to execute a forgivable loan in the amount of \$200,000 to Defenders of Freedom for the development of affordable housing to be located at 8714 and 8718 Diceman Drive for veterans

Section 2. The terms of the loan agreement include:

- (a) Defenders of Freedom must execute a note payable to the City of Dallas for \$200,000 for the loan.
- (b) Defenders of Freedom must build and transfer the affordable units to veterans with incomes at or below 80% of area median family income.
- (c) Defenders of Freedom will execute a Deed of Trust Lien and a Deed Restriction on the property which will carry a 15 year term for the affordable units.
- (d) Defenders of Freedom will have one (1) year to fully complete the project.

Section 3. That the City Controller is hereby authorized to disburse funds in accordance with this resolution and the terms and conditions of the loan agreement with Defenders of Freedom as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
HM10	HOU	463C	3015	HOU4683CH684	VS0000070783	\$200,000

Section 4. That the City Controller is hereby authorized to modify receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund HM10 for the amount of the loan.

Section 5. 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.