

**KEY FOCUS AREA:** A Cleaner, Healthier City Environment  
**AGENDA DATE:** June 25, 2008  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

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### **SUBJECT**

Authorize a professional services contract with Building Community Workshop to provide the research, recommendation, design and preparation of construction documents for six single-family residential house plans and make these plans available for use by applicants who have been qualified to receive a Reconstruction/SHARE Program home - \$104,000 - Financing: 2007-08 Community Development Grant Funds

### **BACKGROUND**

As part of the Housing Committee briefing in October 2007 to revise the Reconstruction/SHARE program and its funding levels, the proposed Home Repair Program revisions included an initiative to obtain neighborhood friendly house plans and make the plans available for use by qualified homeowners. The Committee embraced the initiative and encouraged the Housing Department to work towards achievement of the initiative.

In November 2007, the City Council authorized the Reconstruction/SHARE Program. The approved Reconstruction/SHARE Program Statement provides for house plans to be made available for use by qualified applicants and requires that these plans be consistent with the configuration of the neighborhood.

In order to obtain these plans and offer them for use by the applicants, the Home Repair Program determined that it would be beneficial to enter into an agreement with an Architectural firm to 1) conduct research and make recommendations about various housing typologies; 2) provide schematic and construction documents services; and 3) evaluate the end-product and recommend improvement(s). The agreement will generate six (6) sets of single-family residential house plans, each with a variation to include an attached carport. The Home Repair Program will be granted use of the plans for five (5) years. During this time, it is estimated that these plans could be used to construct 50 to 250 homes.

**BACKGROUND (continued)**

The Building Community Workshop was founded in 2005 as a non-profit organization seeking to improve livability and viability of communities. It utilizes an array of professionals who collaborate on projects to achieve the best solution possible as well as volunteers. Local relative projects include the East Oak Cliff Neighborhood Revitalization Plan, Jubilee Park Linear Park and Community Center and the Jeffries Street Learning Center.

This action will authorize a professional services contract with Building Community Workshop to provide Pre-Design Services, Schematic Design Services, Design Development Services, Construction Document Services, and Review and Evaluation Services in the amount of \$104,000.00

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

On November 12, 2007, the City Council authorized the adoption of the Reconstruction/SHARE Program Statement by Resolution No. 07-3306.

On November 12, 2007, the City Council authorized a public hearing to be held on December 12, 2007 to receive comments on the proposed use of funds to increase the loan amount of Reconstruction/SHARE housing by Resolution No. 07-3307.

On December 12, 2007, the City Council held a public hearing to receive comments on the proposed use of funds to increase the loan amount of Reconstruction/SHARE housing and authorized the use of funds by Resolution No. 07-3768.

**FISCAL INFORMATION**

2007-08 Community Development Grant Funds - \$104,000

**M/WBE INFORMATION**

See attached.

**ETHNIC COMPOSITION**

Building Community Workshop

Hispanic Female	0	Hispanic Male	0
African-American Female	1	African-American Male	1
Other Female	0	Other Male	0
White Female	1	White Male	2

**OWNER(S)**

**Building Community Workshop**

Brent Brown, AIA, Director

June 25, 2008

**WHEREAS**, the City of Dallas desires to provide qualified Reconstruction/SHARE applicants with the use of house plans that are similar in mass, scale, and design to those typical of the neighborhood; and

**WHEREAS**, on November 12, 2007, the City Council authorized the adoption of the Reconstruction/SHARE Program Statement by Resolution No. 07-3306; and

**WHEREAS**, on November 12, 2007, the City Council authorized a public hearing to be held on December 12, 2007 to receive comments on the proposed use of funds to increase the loan amount of Reconstruction/SHARE housing by Resolution No. 07-3307; and

**WHEREAS**, on December 12, 2007, the City Council held a public hearing to receive comments on the proposed use of funds to increase the loan amount of Reconstruction/SHARE housing and authorized the use of funds by Resolution No. 07-3768; and

**WHEREAS**, a qualifications-based selection process was undertaken by City staff to determine the most qualified architectural consultant; and

**WHEREAS**, it is now desirable to authorize a professional services contract with Building Community Workshop the firm determined to be most qualified;

**NOW, THEREFORE,**

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

**SECTION 1.** That the City Manager is hereby authorized to enter into a professional services contract with Building Community Workshop to provide Pre-Design Services, Schematic Design Services, Design Development Services, Construction Document Services, and Review and Evaluation Services as described in Attachment A and Attachment B in an amount not to exceed \$104,000.00.

**SECTION 2.** That the City Manager is authorized to execute the contract after it has been approved as to form by the City Attorney.

**SECTION 3.** That the City Controller is hereby authorized to disburse funds in accordance with the terms and conditions of the contract:

Building Community Workshop                      Vendor # VS0000030392

Fund CDO7, Unit 2895, Obj 3100, Act. HO90  
Program # DESIGN01, CT HOU2895I061  
in an amount not to exceed \$104,000.00

June 25, 2008

**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 it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FS

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** June 25, 2008  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 56C

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**SUBJECT**

A resolution declaring 6 properties unwanted and unneeded and authorizing their conveyance by Deed without Warranty to Kaminski Holdings, Inc., for \$10 and provision of mixed-use development on the properties within 3 years of execution of the deed and conveyance of 2 properties to the City (list attached) – Financing: No cost consideration to the City

**BACKGROUND**

The Bexar Street Redevelopment Project includes retail/office mixed use development and townhouses. Several private developers as well as CHDO's are involved in the overall planned development. This economic development transaction will result in a two-story building being developed containing a total of approximately 8,000 sq. ft. including approximately 4,000 sq. ft. of ground level commercial/retail space and approximately 4,000 sq. ft. office space on the second floor.

This item will declare 6 properties acquired by the City with CDBG funds unwanted and unneeded. It also authorizes their conveyance to Kaminski Holdings, Inc. ("Kaminski") for \$10, less than fair market value, for Kaminski's covenant to provide mixed-use development on the properties within 3 years and Kaminski's conveyance of 2 properties on Bexar Street to the City. The 2 Bexar Street properties will be used for a future development. Kaminski will seek to replat the six properties (Property) and agrees to develop one mixed-use building on the Property. This economic development project is a neighborhood serving retail/office development. Construction of the mixed-use building will require successful replat of the Property by Kaminski. Approval to sell Kaminski the Property does not constitute approval of replatting, which approval may be granted or withheld. The construction of the mixed-use development shall be completed within three (3) years from the execution date of the Deed without Warranty for the Property.

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

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City

**OWNER**

**Kaminski Holdings, Inc.**

Bruce Kaminski, President

**MAP**

Attached

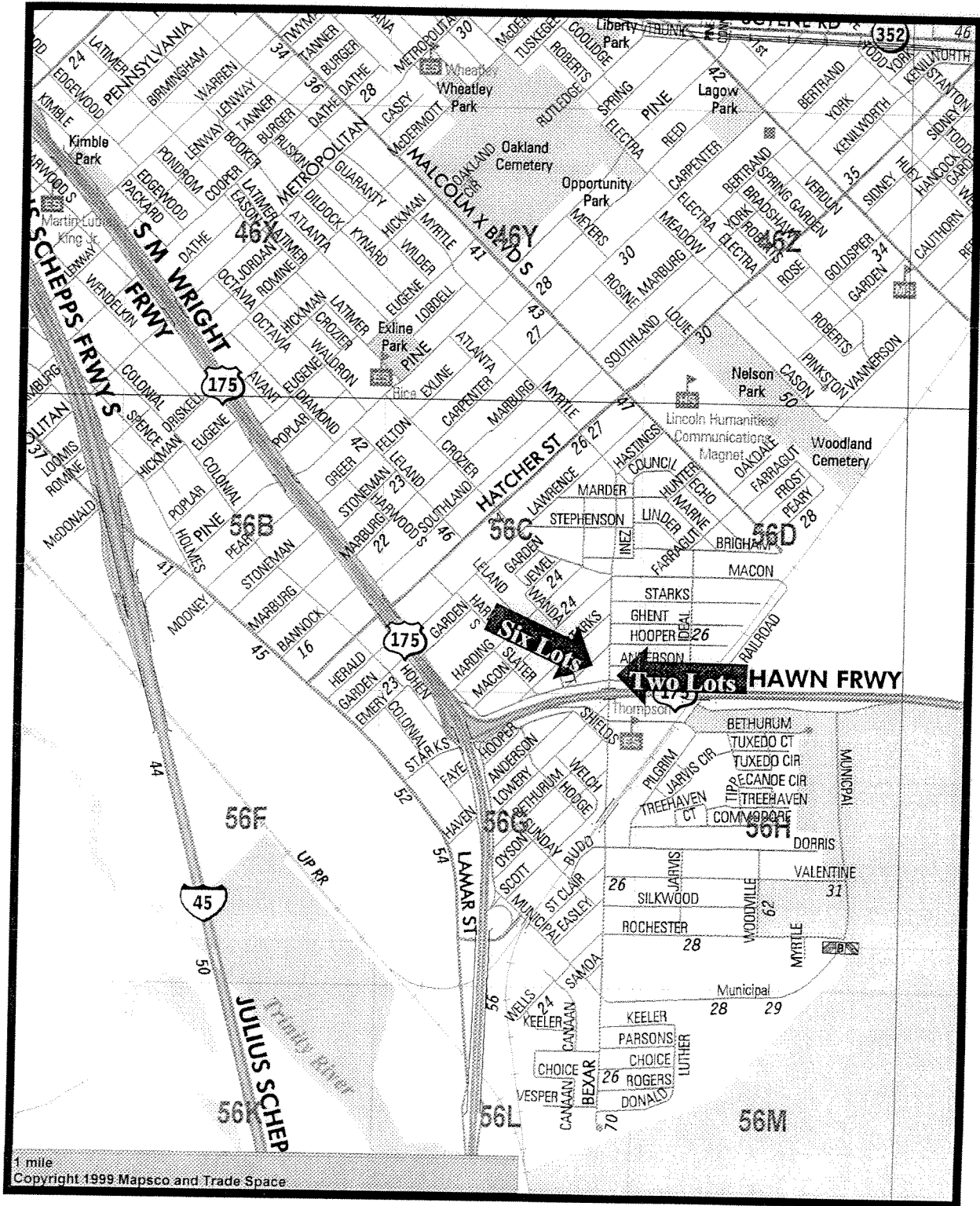
**Bexar Street Neighborhood Mixed Use Lots  
to be Conveyed to Kaminski Holdings, Inc.**

<b>Parcel No.</b>	<b>Address</b>	<b>DCAD Amount</b>	<b>Vacant/ Improved</b>
1.	5433 Bexar Street	\$4,000	Vacant
2.	5501 Bexar Street	\$2,200	Vacant
3.	2432 Hooper Street	\$4,000	Vacant
4.	2434 Hooper Street	\$4,000	Vacant
5.	2438 Hooper Street	\$2,000	Vacant
6.	2442 Hooper Street	\$2,400	Vacant

**Bexar Street Neighborhood Mixed Use Lots to be  
Conveyed to the City of Dallas**

<b>Parcel No.</b>	<b>Address</b>	<b>DCAD Amount</b>	<b>Vacant/ Improved</b>
1.	5502 Bexar Street	\$11,500	Vacant
2.	5504 Bexar Street	\$11,500	Vacant





**MAPSCO 56C**

June 25, 2008

**WHEREAS**, the City of Dallas acquired the six tracts of land identified by legal description ("Property") on Exhibit "A", attached hereto and made a part hereof; and

**WHEREAS**, as authorized by Section 272.001(i) of the Texas Local Government Code, the City desires to sell the Property to a developer for the development of one mixed-use building as a neighborhood serving retail/office development; and

**WHEREAS**, on June 26, 2002, by Council Resolution No. 02-1980, the City Council adopted the FY 2002-03 Consolidated Plan Budget which included \$714,000 in Community Development Block Grant (CDBG) funds for the Bexar Street Retail Development Project and this funding was used by the City to acquire the Property for economic development; and

**WHEREAS**, the Deed without Warranty to this Property will contain:

- (1) a requirement that the purchaser seek to replat the Property (as defined in Exhibit "A") within twelve months of execution of the Deed without Warranty, which consent may be withheld,
- (2) a requirement that within three (3) years of execution of the Deed without Warranty, the purchaser develop the Property with a building containing a total of approximately 8,000 sq. ft. including approximately 4,000 sq. ft. of ground level commercial/retail space and approximately 4,000 sq. ft. office space on the second floor of the building,
- (3) deed restrictions on the Property acceptable to the City requiring Kaminski to develop the Property as described in (2) above within three (3) years and to lease the Property as built for five (5) years, and
- (4) a right of reverter in the Deed without Warranty to be exercised by the City if the conditions in (1), (2) and (3) are not met; and

**WHEREAS**, the City Council desires to declare the Property shown on Exhibit "A" unwanted and unneeded and authorize its conveyance to Kaminski Holdings, Inc. (Kaminski) ("Purchaser") for \$10 and the provision of mixed-use development on the Property and Kaminski's conveyance of the 2 properties shown on Exhibit "B" to the City to be used in a future development; **NOW, THEREFORE,**

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

**Section 1.** That the Property identified on Exhibit "A" is declared unwanted and unneeded by the City Council.

**Section 2.** That the Deed without Warranty to the Property will contain:

June 25, 2008

**Section 2. (continued)**

- (1) a requirement that the Purchaser seek to replat the Property within twelve months of execution of the Deed without Warranty, which consent may be withheld,
- (2) a requirement that within three (3) years of execution of the Deed without Warranty, the purchaser develop the Property with a building containing a total of approximately 8,000 sq. ft. including approximately 4,000 sq. ft. of ground level commercial/retail space and approximately 4,000 sp. ft. office space on the second floor of the building,
- (3) deed restrictions on the Property acceptable to the City requiring Kaminski to develop the Property as described in (2) above within three (3) years and to lease the Property as built for five (5) years, and
- (4) a right of reverter in the Deed without Warranty to be exercised by the City if the conditions in (1), (2) and (3) are not met.

**Section 3.** That the conveyance of the Property shall be subject to any visible and apparent easements, any encroachments, any restrictions, easements and rights-of-way or other instruments of record.

**Section 4.** That upon receipt of the monetary consideration from Kaminski for the Property on Exhibit "A" and a Deed without Warranty conveying the Property on Exhibit "B" to the City, the City Manager is hereby authorized to execute a Deed without Warranty, upon approval as to form by the City Attorney and attested by the City Secretary, conveying the Property to Kaminski, subject to the aforesaid Section 2 and the City's right of reverter and deed restrictions.

**Section 5.** That the City Manager is authorized to execute an instrument, approved as to form by the City Attorney, releasing the City's reverter rights and terminating the deed restrictions to the Property upon compliance with all terms and conditions of the deed restrictions.

**Section 6.** That any procedures required by Code Section 2-24 that are not required by state law are hereby waived with respect to this conveyance.

**Section 7.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

## EXHIBIT A

<u>Parcel No.</u>	<u>Property Address</u>	<u>Legal Description</u>		<u>Vacant/Improved</u>
		<u>Lot</u>	<u>Block</u>	
W10	5433 Bexar Street	23 & 24	3/2540	Vacant
W10	5501 Bexar Street	22	3/2540	Vacant
W19	2432 Hooper Street	16 & 17	3/2540	Vacant
W18	2434 Hooper Street	18 & 19	3/2540	Vacant
W9	2438 Hooper Street	20	3/2540	Vacant
W8	2442 Hooper Street	21	3/2540	Vacant

EXHIBIT B

<u>Parcel No.</u>	<u>Property Address</u>	<u>Legal Description</u>		<u>Vacant/Improved</u>
		<u>Lot</u>	<u>Block</u>	
E16	5502 Bexar Street	2	1/2506	Vacant
E17	5504 Bexar Street	1	1/2506	Vacant

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** June 25, 2008  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 45W X 55A B

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**SUBJECT**

Authorize a loan in the amount of \$500,000 at 0% interest to Texas Heavenly Homes, Ltd., for the acquisition of improved and unimproved properties in the Bottom, an area bounded by I-35 to the west, Trinity River to the north, Corinth Street to the east and 8<sup>th</sup> Street to the south and for associated relocation, environmental remediation, or demolition costs to construct a portion of the residential development component of the Economic Development Project in the Bottom, as detailed in the Community-wide Master Plan for the area – Not to exceed \$500,000 - Financing: 2006 Bond Funds

**BACKGROUND**

Since 2004, Texas Heavenly Homes, Ltd., (THH), has been meeting with the Golden Gate Missionary Baptist Church (GGMBC) and the community leadership to develop a Community-wide Master Plan (Plan) to comprehensively address revitalization of the Bottom, creating a desirable community with retail, commercial development and quality housing for families. A key goal of the Master Plan is to stimulate economic development of the Bottom. THH has been acquiring vacant and improved properties, currently owning 36 properties; forming partnerships, holding community meetings and visiting each homeowner in the area. TTH also may acquire lots from the City's land Bank, utilizing other financing sources. In order to implement components of the Plan, catalyst projects for new private/public development and redevelopment have been identified. THH will address any relocation issues, address environmental remediation, and demolish existing improvements in order to begin revitalization efforts.

One of the key Bottom's community stakeholders, the GGMBC, the community's flagship church, proposes to work with THH to undertake residential property acquisition and in later phases of the Plan, to acquire property for expansion of Church programs and services, which are components of the Plan. Up until now the GGMBC has been acquiring property for future development of church facilities and services, using church funds. Other stakeholders in the Community-wide Plan include the following:

## **BACKGROUND (continued)**

Shiloh Missionary Baptist Church, the first church in the Bottom; the Community Leadership and the Golden S.E.E.D.S. Foundation (Foundation). The Foundation is a non-profit corporation formed by the GGMBBC to assist the church in transforming the community through redevelopment, neighborhood preservation and economic development. THH will redevelop the properties in accordance with the master plan or another City of Dallas approved use, and if THH obtains additional financing from a lender for remaining acquisitions, the City will subordinate its lien position.

City Council approval of this agenda item from FY06 Bond proceeds will authorize the City to provide a loan in the amount of \$500,000 at 0% interest to THH for the acquisition of improved and unimproved properties bounded by I-35 to the west, Trinity River to the north, Corinth Street to the east and 8<sup>th</sup> Street to the south and associated acquisition costs, relocation, environmental remediation, or demolition costs. Sites are to be acquired for the purpose of constructing and/or reconstructing residential projects.

THH's loan will carry zero interest with a seven year term, subject to multiple acceleration for failure to expend the \$500,000 within two years or complete and sell or lease the residential housing to persons at 140% or less of area median family income within seven years of execution of the note. THH will be required to file deed restrictions and liens on acquired properties in order to assure their redevelopment in accordance with Bond Program requirements. Upon sale or full lease of the residential units to persons at 140% of AMFI, THH will be released from indebtedness on the Note for the corresponding Bond loan and the Bond deed restrictions terminated on that property.

THH will redevelop the properties in accordance with the Master Plan or another City of Dallas approved use, and if THH obtains additional financing from a lender for remaining acquisitions, the City will share lien position proportion to actual expenditures

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

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

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

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

On June 2, 2008, the Housing Committee was briefed on the Bottom Revitalization Project, describing the need for economic revitalization of the Bottom, the goals and components of the Master Plan and that this project is a key catalyst within the Plan for economic revitalization.

**FISCAL INFORMATION**

2006 Bond Funds - \$500,000

**OWNERS**

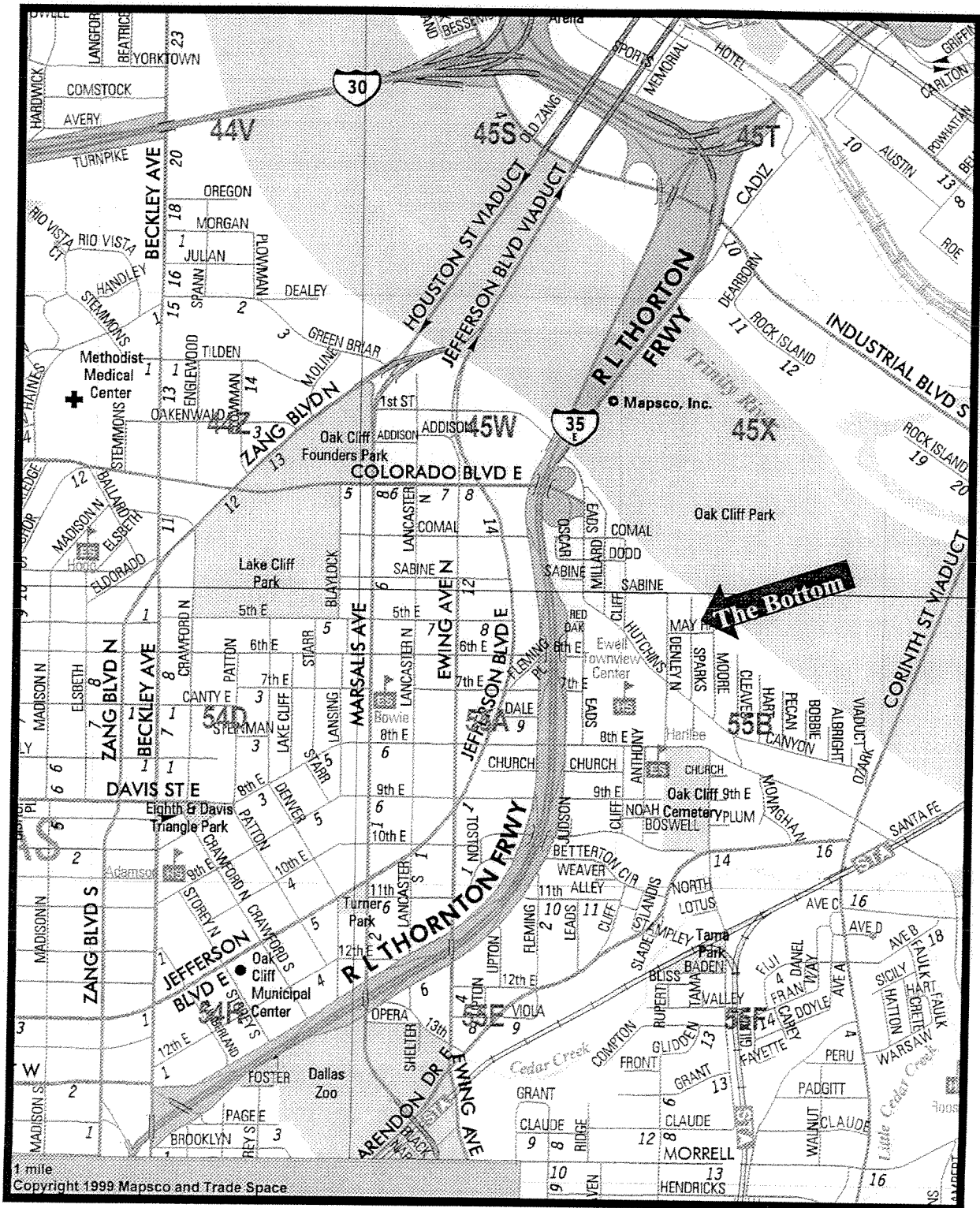
**Texas Heavenly Homes, Ltd.**

Richard LeBlanc, Chairman  
Gabriel Meadows, President and Limited Partner

**MAP(S)**

Attached





**Mapsco 45W&X 55A&B**

June 25, 2008

**WHEREAS**, the City Council has identified economic development as a key focus area; and

**WHEREAS**, the City of Dallas seeks to increase the supply of new affordable workforce housing in order to attract and retain economic growth; and

**WHEREAS**, the City of Dallas seeks to focus its redevelopment efforts on targeted areas in the Southern sector of the City in order to foster the public purpose of economic development; and

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

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

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

**WHEREAS**, on October 26, 2007, Texas Heavenly Homes, Ltd. and community stakeholders met with City officials to propose development of the Community-wide Master Plan for the revitalization of the Bottom area of Dallas, with a key goal of economic development; and

**WHEREAS**, on June 2, 2008, the Housing Committee of the City Council was briefed on the Texas Heavenly Homes, Ltd. Bottom Revitalization Project, describing the need for economic revitalization of the Bottom, the goals and components of the Master Plan and that this project is a key catalyst within the Plan for economic revitalization, is requesting \$500,000 of 2006 Bond funds for acquisition of improved and unimproved properties in the Bottom, and for associated relocation, environmental remediation, or demolition costs to assist in a portion of the residential component of the Economic Development Project in the Bottom, as detailed in the Master Plan for the area; and

**WHEREAS**, Texas Heavenly Homes, Ltd. proposes to work with the City of Dallas on the Bottom Revitalization Project, as outlined in the Master Plan; and

June 25, 2008

**WHEREAS**, the City Council has determined that the Bottom Revitalization Project will foster the public purpose of economic development in accordance with the City Council goals as outlined in its Economic Development GO Bond Program for Southern Dallas;  
**NOW THEREFORE**,

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

**SECTION 1.** That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to execute loan documents for the City's loan in the amount of \$500,000 at 0% interest to Texas Heavenly Homes, Ltd., ("Borrower"). Loan funds may be used for the acquisition of improved and unimproved properties, in an area bounded by I-35 to the west, Trinity River to the north, Corinth Street to the east and 8<sup>th</sup> Street to the south, and also for associated relocation, environmental remediation, or demolition to construct a portion of the residential component of the Economic Development Project in the Bottom.

**SECTION 2.** That some of the terms of the loan documents include:

- a. Borrower's note payable to the City of Dallas will have a maturity date of seven (7) years; provided, however, if Borrower fails to expend all of the Loan proceeds within two years of execution of the Note or to redevelop the acquired properties with residential, structures within seven years of execution of the Note, then the entire amount of the loan becomes due and payable. To be considered "redeveloped," the properties must be residential units that have all been constructed and sold or rented to households at 140% or less of area median income.
- b. If Borrower fails to timely comply with the expenditure or construction requirements in Section 2(a) hereof, the City of Dallas has the option to require Borrower to convey fee simple title to the properties acquired with the bond funds under the loan to the City of Dallas, free of any liens or encumbrances not acceptable to the City.
- c. Borrower shall execute deed restrictions and a first lien deed of trust, in each case in form approved by the City, on each property acquired for which acquisition, relocation, environmental remediation, or demolition costs have been expended from loan proceeds.
- d. For Borrower to receive approval from the City to purchase a property or expend funds for other allowable costs, Borrower must provide a property survey, title commitment, environmental assessment, and appraisal performed by an independent fee appraiser acceptable to the City in the City's sole discretion. The City retains the right to conduct a review appraisal of the property for which approval is sought, and in no event will the City loan in excess of the appraised value of the property as determined by the City.

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**SECTION 2. (continued)**

- e. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or replat change that Borrower may request for the properties.
- f. Residential units must be sold or rented to persons at 140% or less of area median income.
- g. As each property is sold or fully leased for a residential project on a property, Borrower will be released from the indebtedness on the note for the corresponding loan proceeds advanced and the Deed Restrictions thereon shall be terminated on that property.
- h. Intermediate benchmarks for progress acceptable to the City of Dallas will be established in the loan documents.
- i. If Borrower obtains an acquisition loan for the remainder of acquisition costs, the City and lender will share a pro-rata lien position in proportion to actual expenditures.

**SECTION 3.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a subordination of lien to a lender who is providing interim construction financing on the property and an intercreditor agreement with a lender who is providing acquisition or interim construction financing, if necessary.

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

**SECTION 5.** That the City Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contracts as follows:

Texas Heavenly Homes, Ltd.      Vendor # VS0000032789

Fund 7T52, Dept HOU, Unit T807, Obj 3015, CT HOUT807H060  
- in an amount not to exceed \$500,000

**SECTION 6.** That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (0224) in fund 7T52 for the amount of the loan.

**SECTION 7.** That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available bond funding, and there will be no liability or obligation on the City until final contract documents are approved, executed, and final closing completed.

June 25, 2008

**SECTION 8.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** June 25, 2008  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

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### **SUBJECT**

Authorize **(1)** adoption of the preliminary FY 2007-08 Consolidated Plan Reprogramming Budget #4 to reprogram \$1,000,000 of the Downtown Mortgage Assistance Program to the Mortgage Assistance Program and **(2)** a public hearing to be held on August 13, 2008 to receive comments on the proposed use of funds – Financing: No cost consideration to the City

### **BACKGROUND**

This item authorizes the adoption of the preliminary FY 2007-08 Consolidated Plan Reprogramming Budget #4 and calls for a public hearing for August 13, 2008 to allow citizens an opportunity to comment on the proposed use of funds. Notice will be published in the official newspaper beginning a 30-day comment period. Following the 30-day citizen comment period and public hearing, final adoption by the City Council will be necessary on August 13, 2008.

On February 28, 2007, the City Council approved the establishment of the Downtown Mortgage Assistance Program (DMAP) with \$1.95M of Section 108 Intown Housing Program income and contracted with Enterprise Community Partners to administer the program by Resolution No.07-0708.

On May 23, 2007, the City Council allocated an additional \$1M of Section 108 Intown Housing Program income to the DMAP by Resolution No. 07-1577.

On December 12, 2007, the City Council approved an amendment to the Downtown Connection TIF District plan which availed up to \$3M of TIF funds for the DMAP & Developer Assistance Program.

**BACKGROUND (continued)**

On May 19, 2008, the Housing Committee was briefed on the DMAP and the Mortgage Assistance Program (MAP). The DMAP currently provides principal reduction, down payment, and closing cost assistance up to \$40,000. The program is only available to families earning 80% or less of Area Median Family Income (AMFI). The DMAP restricts purchases to the Central Business District.

The Mortgage Assistance Program provides principal reduction, down payment, and closing cost assistance up to \$10,000. The program is available to families earning 80% or less of AMFI. The MAP is available City wide.

The Enterprise Community Partners, Inc. administers both programs on behalf of the City of Dallas. They are currently in the second year of a three year contract to administer these programs. Both programs are offered through over thirty lenders in the Dallas area.

This request is to reprogram funds as identified below:

**Source of Funds:**

FY 06-07	Downtown Mortgage Assistance Program	\$1,000,000
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**Use of Funds:**

FY 06-07	Mortgage Assistance Program	\$1,000,000
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The DMAP has been actively marketed through local realtors, bankers, developers, and condo sales staff. To date, no loans have been made. Meanwhile, the MAP program has funded 268 loans with 84 pending closing. All MAP funds have been spent or reserved and the backup list is growing. This action allows for the reprogramming of \$1M of DMAP funds to the MAP.

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

On June 28, 2006, the City Council approved the FY 2006-07 Consolidated Plan Budget for the MAP by Resolution No. 06-1739.

On October 11, 2006, the City Council authorized a twelve-month term contract with two twelve-month renewal options with Enterprise Community Partners, Inc., by Resolution No. 06-2761.

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

On February 28, 2007, the City Council approved the establishment of the DMAP program with \$1.95M of Section 108 Intown Housing Program income and contracted with Enterprise Community Partners to administer the program by Resolution No.07-0708.

On February 28, 2007, the City Council approved the preliminary FY 2006-07 Consolidated Plan Reprogramming Budget #2 to appropriate \$3,343,732 of Section 108 Intown Program income to be used for eligible Housing Programs and a public hearing to be held on April 11, 2007 by Resolution No. 07-0732.

On April 11, 2007, the City Council authorized the rescheduling of the public hearing from April 11, 2007 to May 23, 2007, to receive comments on the proposed final FY 2006-07 Consolidated Plan Reprogramming Budget #2 by Resolution No. 07-1158.

On May 23, 2007, a public hearing was held and the City Council authorized the adoption of the final 2006-07 Consolidated Plan Reprogramming Budget #2 to appropriate \$3,343,732 of Section 108 Intown Housing Program income for downtown condominium purchase loan assistance to low-and moderate-income homebuyers, and for financing the acquisition, demolition, infrastructure, and construction of housing, economic development and mixed-use development by Resolution No.07-1577.

On December 12, 2007, the City Council approved an amendment to the Downtown Connection TIF District plan which availed up to \$3M of TIF funds for the DMAP and Developer Assistance Program by Resolution No. 07-3698.

On May 19, 2008, the City Council Housing Committee was briefed on the DMAP and the MAP and recommended that \$1M previously appropriated for DMAP be re-appropriated for MAP.

**FISCAL INFORMATION**

No cost consideration to the City.



June 25, 2008

**WHEREAS**, on June 27, 2007, the City Council adopted the final FY 2007-08 Consolidated Plan Budget by Resolution No. 07-1978; and

**WHEREAS**, on December 12, 2007, the City Council adopted the final FY 2007-08 Consolidated Plan Reprogramming Budget #1 by Resolution No. 07-3768; and

**WHEREAS**, on February 27, 2008, the City Council adopted the final FY 2007-08 Consolidated Plan Reprogramming Budget #2 by Resolution No. 08-0704; and

**WHEREAS**, on April 9, 2008, the City Council adopted the final FY 2007-08 Consolidated Plan Reprogramming Budget #3 by Resolution No. 08-1053; and

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

**WHEREAS**, the Mortgage Assistance Program (MAP) provides assistance to eligible homebuyers city wide; and

**WHEREAS**, to continue providing MAP assistance, the reprogramming of \$1M in Downtown Mortgage Assistance Program is needed; and

**WHEREAS**, the City's Citizen Participation Plan and HUD regulations require a public comment period of not less than 30 days and a public hearing to receive comments when substantial amendments to the Consolidated Plan budget are made; and

**WHEREAS**, the City desires to reallocate funds from the Downtown Mortgage Assistance Program to the Mortgage Assistance Program; **NOW, THEREFORE,**

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

**SECTION 1.** That the preliminary FY 2007-08 Consolidated Plan Reprogramming Budget #4 be approved as follows:

**Source of Funds:**

FY 06-07	Downtown Mortgage Assistance Program	\$1,000,000
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**Use of Funds:**

FY 06-07	Mortgage Assistance Program	\$1,000,000
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**SECTION 2.** That a public hearing be held on August 13, 2008 to receive comments on the proposed use of funds.

June 25, 2008

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FS