

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 26, 2013

COUNCIL DISTRICT(S): 10

DEPARTMENT: Housing/Community Services

CMO: Ryan S. Evans, 670-3314

MAPSCO: 27P

SUBJECT

Authorize **(1)** the acceptance of \$13,350,000 of Community Development Block Grant Section 108 Guarantee Loan Program Funds (Section 108 Loan Funds) from the U.S. Department of Housing and Urban Development (HUD) for Lake Highlands Town Center Phase I commercial development project; **(2)** a loan agreement with PC LH Land Partners LP (the Section 108 Borrower), its affiliates or assigns in the amount of \$13,350,000 of Section 108 Loan Funds for development of the Lake Highlands Town Center Phase I project (the Section 108 Borrower Loan) including construction of commercial buildings with approximately 145,000 square feet of space and parking structure with approximately 1,069 parking spaces, sitework, loan interest reserve, and financing costs for public offering for the transit-oriented development located in the 7140 to 7160 blocks of Skillman Street; **(3)** the City Manager to enter into all necessary agreements with HUD including a Funding Approval/Agreement, a Fiscal Agency Agreement, a Promissory Note, up to two letters of agreement for establishment of a custodial account, documents relating to additional security if required by HUD, and a letter requesting advance funds for interim financing; **(4)** the City Manager to establish appropriations for Section 108 Loan Funds for a commercial development loan; and **(5)** the City Controller to deposit and disburse funds from an identified account for Section 108 Loan Funds - Not to exceed \$13,350,000 - Financing: Community Development Block Grant Section 108 Guarantee Loan Funds

BACKGROUND

In January 2009, the City Council adopted the Community Development Block Grant Section 108 Guarantee Loan Fund Program to provide up to a total of all Section 108 projects of \$75,000,000, primarily to increase the amount of funding available for economic development through making of loans that promote activities which contribute to the development of viable communities by providing decent housing and a suitable living environment, and by promoting local economic development to stimulate business and commercial activity in the City of Dallas leading to creation of permanent jobs and provision of goods and services to project areas.

BACKGROUND (continued)

The City seeks to fund projects that increase the level of business activity by expanding economic activities. It is also important to the City that Section 108 loan repayments from borrowers match the City's required repayments to HUD on the Section 108 Guarantee Loan. Annual repayments of Section 108 Guarantee loans should be credit enhanced to eliminate risk of City making payments from annual CDBG allocations, to the extent reasonably possible. The City applied to HUD for five years of interest reserve to cover the interest payments on the Section 108 Borrower Loan during the construction and lease-up period and through stabilization of the project. Lake Highlands Town Center Phase I (Lake Highlands) project is in a transit-oriented development area in the Skillman Corridor Tax Increment Financing (TIF) District, and an estimated \$17,500,000 in future TIF funds available to the project will be used to repay the Section 108 Borrower Loan for the project.

The City received a proposal from PC LH Land Partners, LP for a loan in the amount of \$13,350,000 in Community Development Block Grant Section 108 Guarantee Loan funds for eligible activities which may include construction of commercial buildings and parking structure, sitework, loan interest reserve, and financing costs for public offering to assist with development of Lake Highlands Town Center Phase I project. The project is a commercial development including construction of approximately 145,000 square feet of commercial space containing seven buildings that will be occupied by a grocery anchor, retail, office, restaurant, and service-oriented businesses and a structured multi-level parking deck with approximately 1,069 parking spaces located in the 7140 to 7160 blocks of Skillman Street. The project will create an estimated 475 permanent jobs including an estimated 394 jobs held by individuals with incomes at 80% or less of Area Median Family Income as established by HUD.

Phase I is part of a multi-phase Lake Highlands Town Center development, which at full completion will include 1.9 million square feet of mixed-use commercial space for office, restaurant, and service-oriented businesses, and approximately 1,200 units comprised of multi-family rental units and for-sale units for mixed-income households with 20% of the units reserved for affordable housing. The project is in a transit-oriented development area located in the Skillman Corridor TIF District. 100% of the infrastructure on the site has been completed and the development is "shovel ready" to start Phase I of the vertical commercial development, which will be funded with Section 108 loan funds. None of the Section 108 loan funds will be used for any aspect of the construction of residential units.

The project is part of a public/private partnership in which proposed funding will be provided from Tax Increment Financing (TIF) District funding and City funding. The City Council approved a TIF development agreement with PC LH Land Partners, LP to provide TIF funds for development of the Lake Highlands Town Center project on June 13, 2007, for funding not to exceed \$23,000,000.

BACKGROUND (continued)

The Economic Development Committee was briefed on a proposed amendment to the TIF development agreement to increase the TIF funding and voted favorably to recommend the funding increase on June 20, 2011. The City Council approved the amendment to the TIF development agreement with PC LH Land Partners, LP to increase funding for development of the multi-phase Lake Highlands Town Center development from \$23,000,000 to \$40,000,000 on June 22, 2011.

Total project costs to develop the commercial portion of Phase I of the development including construction of commercial buildings with approximately 145,000 square feet of space for a grocery anchor, retail, office, restaurant, and service-oriented businesses and 1,069-space structured parking garage is approximately \$46.2M with the City contributing 28.9%. Funding for the project will come from the \$13.35M Section 108 Loan funds and from a first lien note of \$25.9M and owner/developer equity of \$6.9M.

The Economic Development Committee was briefed on the Community Development Block Grant Section 108 Guarantee Loan proposed application for submission to HUD for development of Lake Highlands Town Center Phase I project on December 5, 2011. The Committee gave favorable recommendation for the City to apply for Section 108 Guarantee Loan funds for the project. The City held a neighborhood public hearing at the Audelia Road Library Branch at 10045 Audelia Road on January 12, 2012, and received favorable comments on the application to be submitted to HUD for the Lake Highlands project. On December 14, 2011, the City Council authorized a public hearing to be held on January 25, 2012, which complies with HUD regulations and the City's Citizen Participation Plan of 30 days comment period from date of call for public hearing.

After the City Council public hearing held on January 25, 2012, the City Council approved submission of the Section 108 Loan funds application to HUD for the Lake Highlands project, and the City submitted the application to HUD on February 2, 2012. The City submitted an amended application to HUD on March 23, 2012, in conformance with revisions required by HUD following its preliminary review of the application. HUD approved an award of \$13,350,000 in Section 108 funds for the Lake Highlands project on July 17, 2012.

The Section 108 loan application requested \$13,350,000 for Lake Highlands Town Center Phase I project. The loan term will be for twenty (20) years with interest only payments for the first five (5) years and principal and interest payments due for years six (6) through twenty (20). The Section 108 Borrower will repay principal and pay interest on the City's Section 108 Lake Highlands Loan with a pledge of future TIF reimbursements beginning in 2015.

BACKGROUND (continued)

The interest rate for the City's Section 108 loan from HUD will be determined by the 3 month London Interbank Offered Rate (LIBOR) plus twenty (20) basis points before the loan is required by HUD to be sold at public offering. HUD public offerings are usually held in the fall of every year, at which time the full balance of the loan will be advanced by HUD at a permanent interest rate determined by yields on U.S. Treasury obligations of similar maturity plus a small additional basis point spread.

Interest will be paid by Prescott Realty Group, Inc., the developer, through a combination of interest reserve built into the construction loan, and a pledge of partnership distributions until the TIF reimbursements start in 2015. The interest rate on the loan to the developer will be .50% higher than the Section 108 Loan from HUD and both loans will have matching amortization. The pledge of an income stream and/or a guaranty by the borrower may be pledged as a backstop guaranty, if required, for the loan repayment. All loan payments by borrower will provide adequate funds for the City to make its payments on the Section 108 Loan from HUD.

The Section 108 Loan funds will be used to fund construction of approximately 145,000 square feet of commercial space that will be occupied by a grocery anchor, retail, office, restaurant, and service-oriented businesses and a 1,069-space structured parking structure and to fund sitework, loan interest reserve, and financing costs related to public offering. The commercial development of the project will meet the statements of community development objectives in the City's Consolidated Plan dealing with creation of employment opportunities by creating approximately 394 jobs that will be held by low to moderate-income employees. The job creation also meets a HUD National Objective of providing jobs to low- to moderate-income persons.

This action item requests authorization for the City Manager to execute the documents necessary to enter into a \$13,350,000 Section 108 loan agreement with HUD; to appropriate the Section 108 loan funds to the proper account; to execute a loan agreement with the Section 108 Borrower in the amount of \$13,350,000 of Section 108 loan funds for Lake Highlands Town Center Phase I project including construction of commercial buildings with approximately 145,000 square feet of space and a 1,069-space parking structure, sitework, loan interest reserve, and financing costs for public offering.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 13, 2007, the City Council approved a TIF development agreement with PC LH Land Partners, LP to provide TIF funds for development of the Lake Highlands Town Center project for funding in an amount not to exceed \$23,000,000 by Resolution Nos. 07-1739 and 07-1740.

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

On November 17, 2008, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Loan Application authorization for the use of Section 108 Guarantee Loan funds to provide project gap financing or mezzanine debt necessary to move projects forward in today's financial market, to minimize, if not eliminate, the risk to the CDBG program revenue and set guidelines by which the funds would be used.

On January 5, 2009, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Guarantee Loan fund application requirements and proposed Program Guidelines for City to apply for up to a total of \$75,000,000 in guarantee loans.

On January 28, 2009, the City Council adopted CDBG Section 108 Guarantee Loan Program Statement, setting out the program purpose, description, operations and project criteria by Resolution No. 09-0291.

On June 20, 2011, the Economic Development Committee was briefed on a proposed amendment to the TIF development agreement with PC LH Land Partners, LP for development of the Lake Highlands Town Center project to increase TIF funding from \$23,000,000 to \$40,000,000 and voted favorably to recommend the increase in funding.

On June 22, 2011, the City Council approved an amendment to the TIF development agreement with PC LH Land Partners, LP to increase funding for development of the Lake Highlands Town Center project from \$23,000,000 to an amount not to exceed \$40,000,000 by Resolutions Nos. 11-1744 and 11-1745.

On December 5, 2011, the Economic Development Committee was briefed on the Community Development Block Grant Section 108 Guaranteed loan application to HUD for development of the Lake Highlands Town Center project and voted to favorably recommend that the City apply for Section 108 Guarantee Loan funds for the project.

On December 14, 2011, the City Council authorized a public hearing to be held on January 25, 2012, to receive comments on the proposed City of Dallas submission of an application to HUD for a Section 108 loan not to exceed \$13,350,000 for the Lake Highlands Town Center project by Resolution No. 11-3306.

On January 25, 2012, the City Council held a public hearing and following the public hearing authorized submission of a Section 108 Guarantee Loan Funds application to HUD for a Community Development Block Grant Section 108 loan in the amount of \$13,350,000 by Resolution No. 12-0337.

FISCAL INFORMATION

Community Development Block Grant Section 108 Guarantee Loan Funds -
\$13,350,000

OWNER

PC LH Land Partners, LP

Judson L. Pankey, Manager
& Co-General Partner

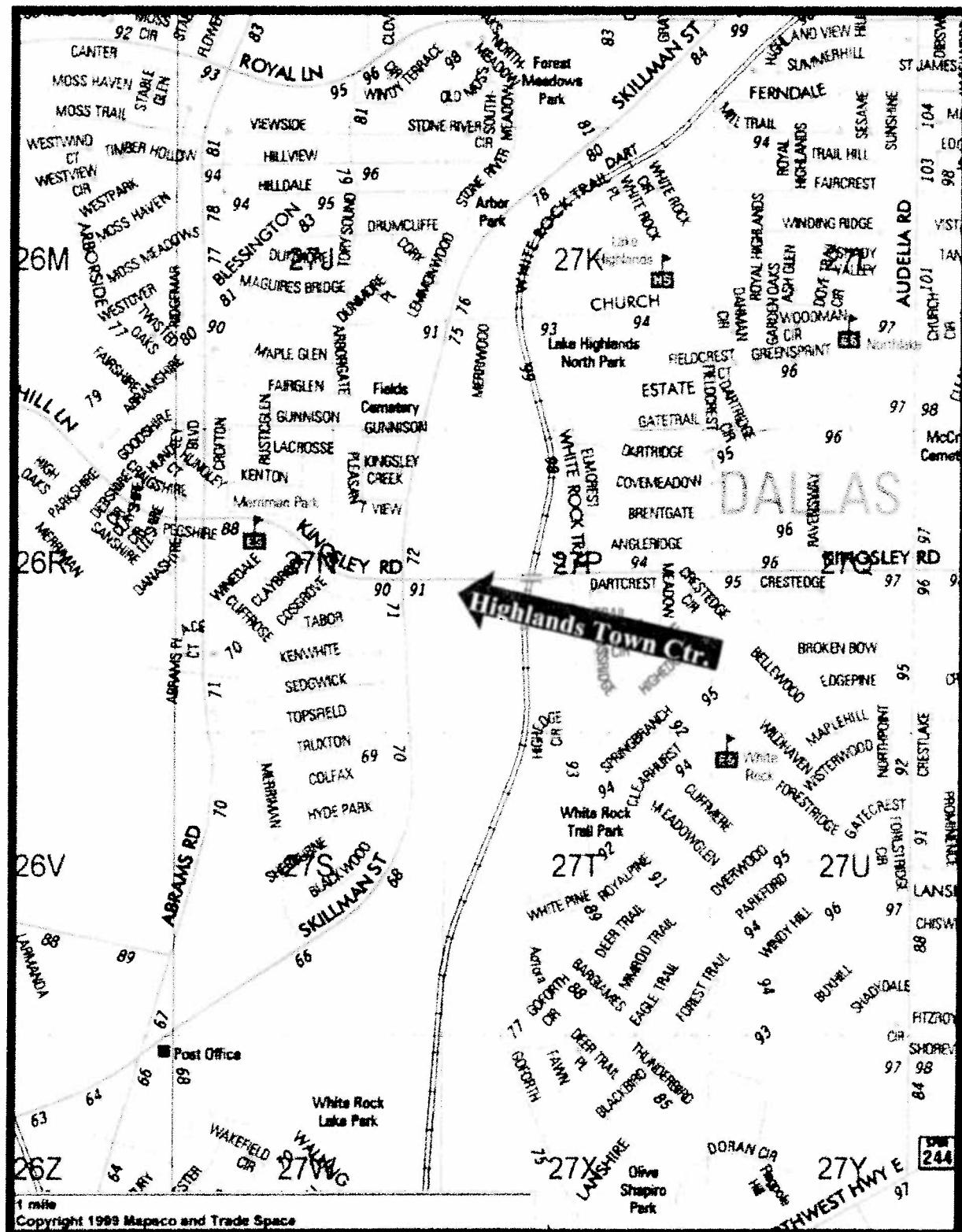
DEVELOPER

Prescott Realty Group, Inc.

Judson L. Pankey, Chief Executive Officer

MAP

Attached



MAPSCO 27P

June 26, 2013

WHEREAS, the City of Dallas seeks to increase the amount of funding available for economic development through making loans that promote activities which contribute to the development of viable communities by providing decent housing and a suitable living environment, by promoting local economic development to stimulate business and commercial activity in the City of Dallas leading to creation of permanent jobs and provision of goods and services to project areas, and by providing for elimination of specific conditions of blight, physical decay, or environmental contamination to protect the health and safety of the public; and

WHEREAS, the City of Dallas seeks to keep momentum going in growth prone areas and stimulate investment in more challenged areas by providing a substitute for declining availability of capital funding while banks are not willing to loan as much against collateral, interest rates for available funding have increased and proceeds from sales of tax credits has declined; and

WHEREAS, on June 13, 2007, the City Council authorized a development agreement with PC LH Land Partners, LP ("PC LH") to provide TIF funding not to exceed \$23,000,000 related to the development of the Lake Highlands Town Center by Resolution Nos. 07-1739 and 07-1740; and

WHEREAS, on November 17, 2008, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Loan Application authorization for the use of Section 108 Guarantee Loan funds to provide project gap financing or mezzanine debt necessary to move projects forward in today's financial market, to minimize, if not eliminate, the risk to the CDBG program revenue and set guidelines by which the funds would be used; and

WHEREAS, on January 5, 2009, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Guarantee Loan fund application requirements and proposed Program Guidelines for the City to apply for up to a total of \$75,000,000 in guarantee loans; and

WHEREAS, on January 28, 2009, the City Council adopted CDBG Section 108 Guarantee Loan Program Statement, setting out the program purpose, description, operations and project criteria by Resolution No. 09-0291; and

WHEREAS, on June 20, 2011, the Economic Development Committee was briefed and gave favorable approval on a proposed amendment to the TIF development agreement with PC LH Land Partners, LP for development of the Lake Highlands Town Center project to increase TIF funding from \$23,000,000 to \$40,000,000; and

June 26, 2013

WHEREAS, on June 22, 2011, the City Council authorized an amendment to the TIF development agreement with PC LH Land Partners, LP ("PC LH") to provide an increase in funding related to the development of the Lake Highlands Town Center project from \$23,000,000, not to exceed \$40,000,000 by Resolutions Nos. 11-1744 and 11-1745; and

WHEREAS, Prescott Realty Group, Inc., the developer, submitted a proposal to the City for CDBG Section 108 Guarantee Loan Program funds (Section 108 Loan funds) for eligible economic development activities related to the development of Lake Highlands Town Center Phase I project; and

WHEREAS, on December 5, 2011, the Economic Development Committee was briefed on the developer's request for Section 108 Loan funds in the amount of \$13,350,000 for development of Lake Highlands Town Center Phase I project and voted to favorably recommend that the City apply for Section 108 Loan funds for the project; and

WHEREAS, On December 14, 2011, the City Council authorized a public hearing to be held on January 25, 2012, to receive comments on the proposed City of Dallas submission of an application to the U.S. Department of Housing and Urban Development (HUD) for a CDBG Section 108 Loan funds loan not to exceed \$13,350,000 for Lake Highlands Town Center Phase I project by Resolution No. 11-3306; and

WHEREAS, on January 25, 2012, the City Council held a public hearing and following the public hearing authorized submission of an application to HUD for a CDBG Section 108 Guarantee Loan Funds loan in an amount not to exceed of \$13,350,000 for development of Lake Highlands Town Center Phase I project by Resolution No. 12-0337; and

WHEREAS, on February 2, 2012, the City of Dallas applied to HUD for a CDBG Section 108 Loan funds loan for PC LH Land Partners, LP, its affiliates or assigns, for a commercial development project in the 7140 to 7160 blocks of Skillman Street including construction of approximately 145,000 square feet of commercial space and 1,069-space parking structure, sitework, loan interest reserve, and financing costs for public offering for development of Lake Highlands Town Center Phase I project; and

WHEREAS, on July 17, 2012, HUD approved an award of \$13,350,000 for a CDBG Section 108 Guarantee Loan Funds loan for development of Lake Highlands Town Center Phase I project; **NOW, THEREFORE**,

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

June 26, 2013

SECTION 1. That the City Manager, upon the U.S. Department of Housing and Urban Development's (HUD's) approval of Lake Highlands Town Center Phase I project and the use of Community Development Block Grant Section 108 Guarantee Loan funds (Section 108 Loan funds) for the project, and upon approval as to form by the City Attorney, is hereby authorized to accept \$13,350,000 in Section 108 funds for Lake Highlands Town Center Phase I project located in the 7140 to 7160 blocks of Skillman Street in the Skillman Tax Increment Financing (TIF) District to fund construction of approximately 145,000 square feet of commercial space including grocery anchor, retail, office, restaurant, and service-oriented businesses and 1,069-space parking structure, and to fund sitework, loan interest reserve, and financing costs for public offering.

SECTION 2. that the City Manager, subject to approval as to form by the City Attorney, is authorized to enter into a Fiscal Agency Agreement with the local fiscal agent selected by HUD, a Contract for Loan Guarantee Assistance with HUD, a Promissory Note for either interim or permanent financing, two letters of agreement with a custodian and establishment of custodial accounts at a financial institution, other documents relating to additional security which are required by HUD when the term of the loan is ten years or more, and if funds are needed immediately, a letter requesting advance funds for interim financing.

SECTION 3. That, in connection with this Section 108 Loan, the City Manager is further authorized to execute any other necessary documents, upon approval as to form by the City Attorney, including, but not limited to, a Funding Approval/Agreement, assignment of lien to HUD, blank endorsement of note to HUD, Co-lenders agreement, a request for project funding, and Community Development Block Grant Contract.

SECTION 4. That the City Manager is authorized to enter into loan agreements and execute, subject to approval as to form by the City Attorney, all necessary loan documents with PC LH Land Partners LP, its affiliates or assigns for development of Lake Highlands Town Center Phase I project in the 7140 to 7160 blocks of Skillman Street in the Skillman Corridor Tax Increment Financing (TIF) District to fund construction of approximately 145,000 square feet of commercial space including grocery anchor, retail, office, restaurant, and service-oriented businesses and 1,069-space parking structure, and to fund sitework, loan interest reserve, and financing costs for public offering.

June 26, 2013

SECTION 5. That the terms of the loan documents for the \$13,350,000 Section 108 Borrower Loan fund loan include:

- a. The Borrower must execute a Note payable to the City of Dallas for no more than \$13,350,000 for the economic development loan for Lake Highlands Town Center Phase I project and will execute a Deed of Trust for the period of HUD's Section 108 loan with the City and Use Restrictions on the property for a period of fifteen (15) years from the closing date of the loan. The interest payments for the first five years of the loan will be funded out of five years of interest reserve and Tax Increment Financing District (TIF) reimbursements to be used to make City Loan payments of principal and interest due for years 6 through 20 until the City Loan is paid in full. Both the Section 108 Loan from HUD and the City Loan to the Borrower will have matching amortization and maturity dates, and the Section 108 Lake Highlands Town Center Phase I Loan will have an interest rate which is .5% higher than the Section 108 Loan from HUD. Based on projections, all loan payments by borrower will provide adequate funds for City to make its payment on the Section 108 Loan from HUD.
- b. The Section 108 Borrower must use Section 108 Borrower Loan funds to complete construction of approximately 145,000 square feet of commercial space including grocery anchor, retail, office, restaurant, and service-oriented businesses and 1,069-space parking structure, and fund sitework, loan interest reserve, and financing costs for public offering for Lake Highlands Town Center project located at 7140 to 7160 Skillman Street.
- c. The grocery anchor, retail, office, restaurant, and service-oriented businesses in the commercial space must produce a minimum of 394 jobs held by low/moderate income individuals.
- d. Borrower will begin construction no later than twelve (12) months from contract execution and obtain Certificate of Occupancy no later than three (3) years of the closing of Section 108 Borrower Loan and will expend all of the funds for approved construction line items, except interest reserve funds, within three (3) years of the closing of the Section 108 Borrower Loan and will expend all of the funds except those necessary to meet debt service requirements.
- e. Borrower will document and report ongoing occupancy requirements on a monthly basis for the commercial tenants and will report on the incomes of low- and moderate-income persons occupying jobs created by the project. Borrower will also document job creation as necessary to meet the HUD requirements for public benefit and the National Objectives of the Section 108 Program.
- f. Borrower must provide source documentation for all other sources of funds necessary to complete Lake Highlands Town Center Phase I commercial development project.

June 26, 2013

SECTION 6. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute loan agreements, co-funding agreements, subordination of lien, intercreditor agreements, HUD regulatory agreement and any other documents necessary to document the Section 108 Borrower Loan.

SECTION 7. That the City Manager, upon approval as to form by the City Attorney is authorized to execute releases of liens on the property and other collateral upon compliance with the terms of the loans.

SECTION 8. That the City Manager is authorized to establish appropriations in the amount of \$13,350,000 in Fund 0J54, Unit 0J5D, Obj 3090 for project costs and those necessary to make repayments to HUD.

SECTION 9. That the City Controller is authorized to accept and deposit Section 108 loan funds in the amount of \$13,350,000 in Fund 0J54, Unit 0J5D, Revenue Source 8461, for project costs and those necessary to make repayments to HUD.

SECTION 10. That the City Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the loan documents authorized in Section 5 as follows:

PC LH Land Partners, LP C/O Prescott Realty Group Vendor # VS0000021277

Fund 0J54, Dept HOU, Unit 0J5D, Obj 3075, Program # LKHighland
HOU0J5DH123 – in an amount not to exceed \$13,350,000

SECTION 11. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and deferred revenue (088M) in Fund 0J54 for the amount of the Section 108 Borrower loan.

SECTION 12. That the City Controller is authorized to accept and deposit TIF reimbursements into Fund 0J54 necessary to make HUD repayments. Principal amounts to be deposited into Revenue Source 8503 and interest amounts of the loan to be deposited into Revenue Source 8556.

SECTION 13. That the City Controller is authorized to accept and deposit repayments from the Section 108 Borrower into Fund 0J54 necessary to make HUD repayments. Principal amounts to be deposited into Revenue Source 8503 and interest amounts to be deposited into Revenue Source 8556.

SECTION 14. That the City Controller is hereby authorized to reverse the receivable balance sheet account (033F) and deferred revenue (088M) in Fund 0J54 for repayments of all principal amounts of loans.

June 26, 2013

SECTION 15. That the City Controller is authorized to encumber and disburse loan payments to HUD in accordance with the terms and conditions of the loan documents authorized in Section 2 from Fund 0J54 - Vendor # 263304. Principal amounts to be disbursed from Object Code 3077 and interest amounts to be disbursed from Object Code 3076.

SECTION 16. That nothing in this resolution shall be construed as a binding contract or agreement upon the City; that it is subject to HUD approval of the Lake Highlands Phase I project, compliance with all HUD regulations and requirements, and available HUD funding; approval of the final loan terms and loan documents by the City Manager and City Attorney; and there will be no liability or obligation on the City until the final contract documents are approved, executed, and final closing completed.

SECTION 17. 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.

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 26, 2013

COUNCIL DISTRICT(S): 6

DEPARTMENT: Housing/Community Services

CMO: Ryan S. Evans, 670-3314

MAPSCO: 43L

SUBJECT

Authorize a housing development loan in an amount not to exceed \$300,000 with Dallas Area Habitat for Humanity for the development of ten affordable single family homes to be located between 3528-3560 Jenny Dale Drive in West Dallas – Not to exceed \$300,000 - Financing: FY 2012-13 HOME Investment Partnership Program Funds

BACKGROUND

On May 13, 2013, Dallas Area Habitat for Humanity submitted a proposal to the City of Dallas for the development of ten (10) affordable housing units for low and moderate income families.

Habitat is a 501(c)3 nonprofit organization that serves the West Dallas community where this project is located. In 2010, they completed and sold eleven (11) homes in the Greenleaf Village subdivision; however, due to economic conditions, the private developer was unable to complete the subdivision. Habitat has purchased a number of those lots to continue the development of quality affordable housing in the area.

The funds for the housing development loan will be provided through FY 2012-13 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 City of Dallas would provide gap financing for the total costs of construction of the units which will be sold to eligible low and moderate income families. The construction and occupancy will be completed within two (2) years.

City Council approval of this agenda item will authorize the City Manager to execute the loan documents with Habitat for these HOME Investment Partnership Funds, subject to environmental review by the City of Dallas and HUD. Resale deed restrictions will be required for a ten (10) year period for affordability.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2012, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2012-13 federal funds which included the HOME Investment Partnership Funds, by Resolution No. 12-1629.

FISCAL INFORMATION

2012-13 HOME Investment Partnership Program Funds - \$300,000

OWNERS

Dallas Area Habitat for Humanity

Bill Hall, CEO

DEVELOPER

Dallas Area Habitat for Humanity

Bill Hall, CEO

MAP(S)

Attached

This map shows a residential area with several streets and landmarks. Key features include:

- Streets and House Numbers:** MOCKINGBIRD LN, WESTMORELAND RD, HAMPTON RD, Tipton Park, Kingsbridge Park, Sequoyah, Calypso Park, Tyler, North Hampton Park, La Reunion Cemetery.
- Schools:** BICKERS, NOMAS, PUEBLO, Dallas Environmental Science Academy.
- Landmarks:** Tipton Park, Kingsbridge Park, Sequoyah, Calypso Park, Tyler, North Hampton Park, La Reunion Cemetery.
- Other Labels:** MOCKINGBIRD LN, WESTMORELAND RD, HAMPTON RD, Tipton Park, Kingsbridge Park, Sequoyah, Calypso Park, Tyler, North Hampton Park, La Reunion Cemetery.

The map also includes a legend for street names and a scale bar indicating 1 mile.

MAPSCO 43L

June 26, 2013

WHEREAS, affordable housing for low and moderate income families is a high priority of the City of Dallas; and

WHEREAS, on June 27, 2012, the City Council approved the FY 2012-13 Consolidated Plan Budget which included the HOME Investment Partnership Program Funds by Resolution No. 12-1629; and

WHEREAS, Dallas Area Habitat for Humanity (Habitat) proposed to work with the City of Dallas to undertake the development of ten (10) affordable units in West Dallas; and

WHEREAS, the City desires for Habitat to develop affordable units for low and moderate income families, **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 housing development loan in an amount not to exceed \$300,000 with Dallas Area Habitat for Humanity for the development of ten (10) affordable single family homes to be located between 3528-3560 Jenny Dale Drive in West Dallas.

Section 2. The terms of the loan agreement include:

- (a) Habitat must execute a note payable to the City of Dallas for \$300,000 for the loan.
- (b) Habitat will execute a lien through a Deed of Trust and a Deed Restriction on the property which will carry a 10 year term for the affordable units.
- (c) Habitat is forgiven 1/10th of the loan amount upon the sale of each home to an eligible buyer at or below 80% Area Median Family Income.
- (d) The homebuyer must agree to the Resale Deed Restriction for affordability which will remain on the property for 10 years.
- (e) Habitat will have two (2) years to complete construction and occupy the units.
- (f) Habitat must build and occupy the affordable units to low and moderate income families with incomes at or below 80% of area median family income.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute lien releases and terminate deed restrictions on the properties upon compliance with the loan terms and deed restrictions.

June 26,2013

Section 4. That the Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contracts as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
HM12	HOU	893E	3015	HOU893EI133	500903	\$300,000

Section 5. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund HM12 for the amount of the loan.

Section 6. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loan, until such time as the loan documents are duly approved by all parties and executed.

Section 7. 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.

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 26, 2013

COUNCIL DISTRICT(S): 7

DEPARTMENT: Housing/Community Services

CMO: Ryan S. Evans, 670-3314

MAPSCO: 47S

SUBJECT

Authorize a conditional grant agreement in the amount of \$300,000 with KKBK Properties, LLC, or its wholly owned subsidiary, to provide funding for the construction of commercial and residential units at 4002 Hatcher Street – Not to exceed \$300,000 - Financing: General Obligation Commercial Paper Funds

BACKGROUND

On May 20, 2013 the Housing Committee of the City Council was briefed on the proposed Hatcher Gardens Project. KKBK Properties, LLC formally requested that the City of Dallas participate in the development of a mixed use building to include two commercial units of approximately 800 square feet per unit and ten apartment units to be located at 4002 Hatcher Street. The site is located immediately south of the DART Green Line Hatcher Station.

The Hatcher Gardens Project will serve a mixed income and mixed use purpose and further economic development in the area. The development owner/partners include Craig Gant, Esq., Jerry Hicks, Esq., and Kurt Thomas.

This action would provide a conditional grant to KKBK Properties, LLC, or its wholly owned subsidiary, in the amount of \$300,000 for the construction of this mixed use building and require them to place ten year deed restriction on the apartment units to maintain affordability at 140% Area Median Family Income.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On May 20, 2013, the Housing Committee was briefed on the Hatcher Gardens Project and approved it unanimously.

FISCAL INFORMATION

General Obligation Commercial Paper Funds - \$300,000

OWNER(S)

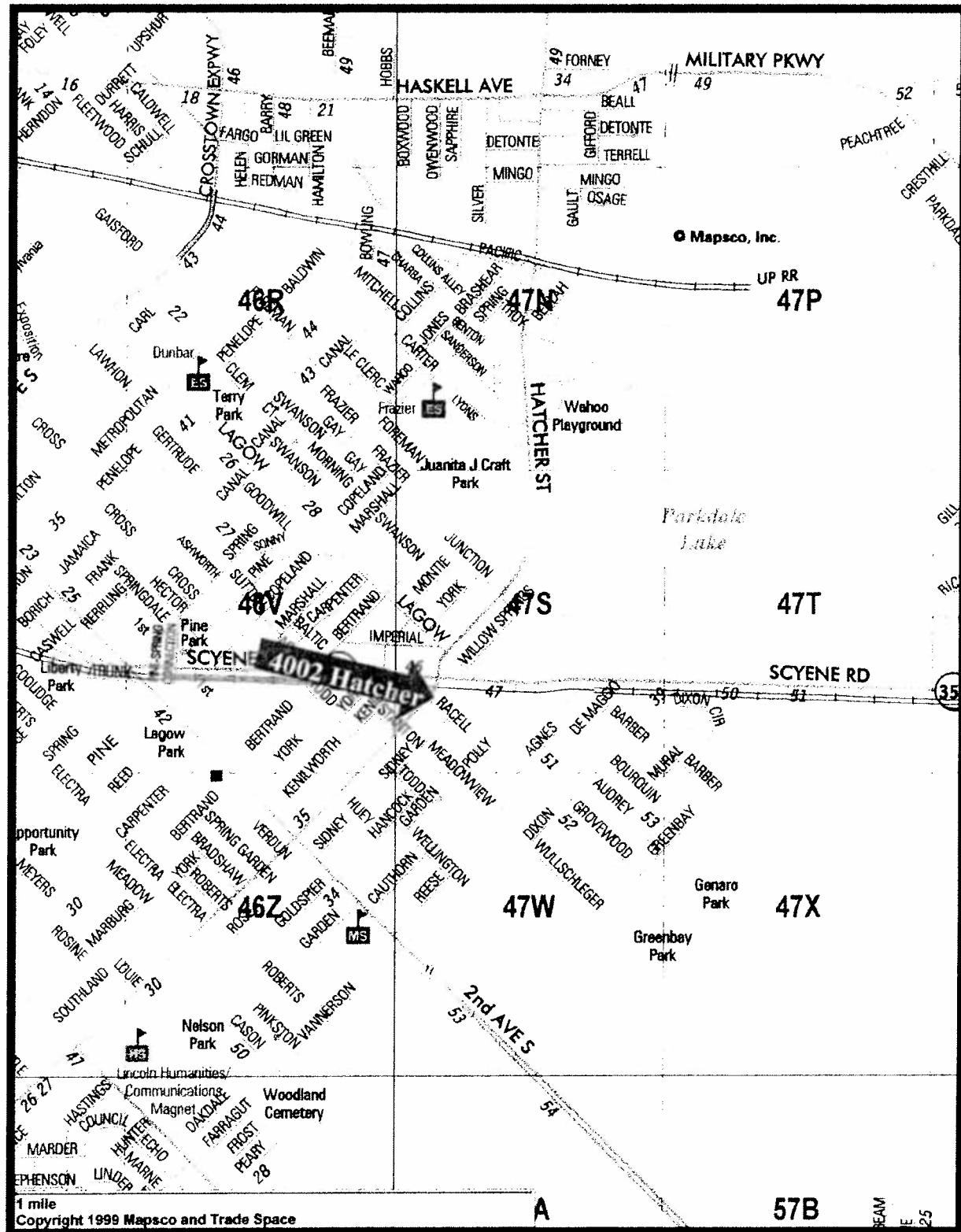
KKBK Properties, LLC

Craig Gant, Esq.
Jerry Hicks, Esq.
Kurt Thomas

DEVELOPER(S)

KKBK Properties, LLC

Craig Gant, Esq.
Jerry Hicks, Esq
Kurt Thomas



MAPSCO 47S

June 26, 2013

WHEREAS, the City of Dallas seeks to support economic growth in the Southern area of the city and economic development; and

WHEREAS, KKBK Properties, LLC wishes to partner with the City of Dallas to improve the property located at 4002 Hatcher Street and to offer commercial and residential units at this site; and

WHEREAS, the Housing Committee was briefed on the Hatcher Gardens Project and approved it unanimously; and

WHEREAS, the City Council finds that it is in the best interest of the City to enter into this conditional grant agreement as part of the City's ongoing program to promote transit-oriented development and to stimulate business and commercial activity in the city, **NOW, THEREFORE**,

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

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a conditional grant agreement in the amount of \$300,000 with KKBK Properties, LLC, or its wholly owned subsidiary, to provide funding for the construction of commercial and residential units at 4002 Hatcher Street.

SECTION 2. That the grant agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- (a) KKBK Properties, LLC, or its wholly owned subsidiary, shall begin construction on 4002 Hatcher Street within one year of this Council Action
- (b) KKBK Properties, LLC, or its wholly owned subsidiary, shall complete construction by December 31, 2014
- (c) KKBK Properties, LLC, or its wholly owned subsidiary consents to and files deed restrictions requiring 100% of the units to be rented to tenants with household incomes at or below 140% Area Median Family Income for a period of ten (10) years.

SECTION 3. That the City Manager or designee may extend the start and completion dates for a period up to three months for just cause.

SECTION 4. That the City Manager is hereby authorized to decrease appropriations in an amount not to exceed \$300,000, in the General Obligation Commercial Paper Fund 1T33, Dept PBW, Unit T839, Object 4599.

June 26, 2013

SECTION 5. That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$300,000, in the General Obligation Commercial Paper Fund 1T52, Dept HOU, Unit S803, Object 3016.

SECTION 6. That the City Controller be authorized to encumber and disburse funds in an amount not to exceed \$300,000, in accordance with the terms and conditions of the contracts as follows:

KKBK Properties, LLC Vendor # VS0000078632

Fund 1T52, Unit S803, Dept HOU, Obj 3016, CT HOUS804I130

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loans, until such time as the deed restrictions are duly approved by all parties and executed.

SECTION 8. 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.

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 26, 2013

COUNCIL DISTRICT(S): 2

DEPARTMENT: Housing/Community Services

CMO: Ryan S. Evans, 670-3314

MAPSCO: 46K

SUBJECT

Authorize a conditional grant agreement in the amount of \$500,000 with Jubilee Park Community Center Corporation (JPCCC) to provide funding for the acquisition, demolition, relocation, predevelopment and construction of the Jubilee Neighborhood Project – Not to exceed \$500,000 - Financing: General Obligation Commercial Paper Funds

BACKGROUND

On June 3, 2013 the Housing Committee of the City Council was briefed on the proposed Jubilee Neighborhood Project. Jubilee Park Community Center Corporation (JPCCC) has formally requested that the City of Dallas participate in the development of forty single family homes. The Phase I project location is 918 & 1000 Ann Avenue and will include nine single family homes. JPCCC will partner with East Dallas Community Organization (EDCO) for the development and management of this project.

The proposed development is part of the greater economic development strategy for the neighborhood which includes housing. Other projects in the immediate neighborhood include: the Jubilee Head Start Center, Community Resource Center, Congo Street Homes, Community Center, and the Seniors multifamily project.

This action would provide a conditional grant to JPCCC in the amount of \$500,000 for the Phase I development to include acquisition, demolition, relocation, predevelopment and construction costs, not to exceed \$50,000 in predevelopment reimbursement and \$25,000 in construction subsidy per housing unit. Once constructed, JPCCC will be required to place a five year deed restriction on the single family units to maintain affordability at 140% Area Median Family Income. JPCCC has agreed to match fund \$500,000 with the City's commitment of \$500,000.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On June 3, 2013, the Housing Committee was briefed on the Jubilee Neighborhood Project and approved it unanimously.

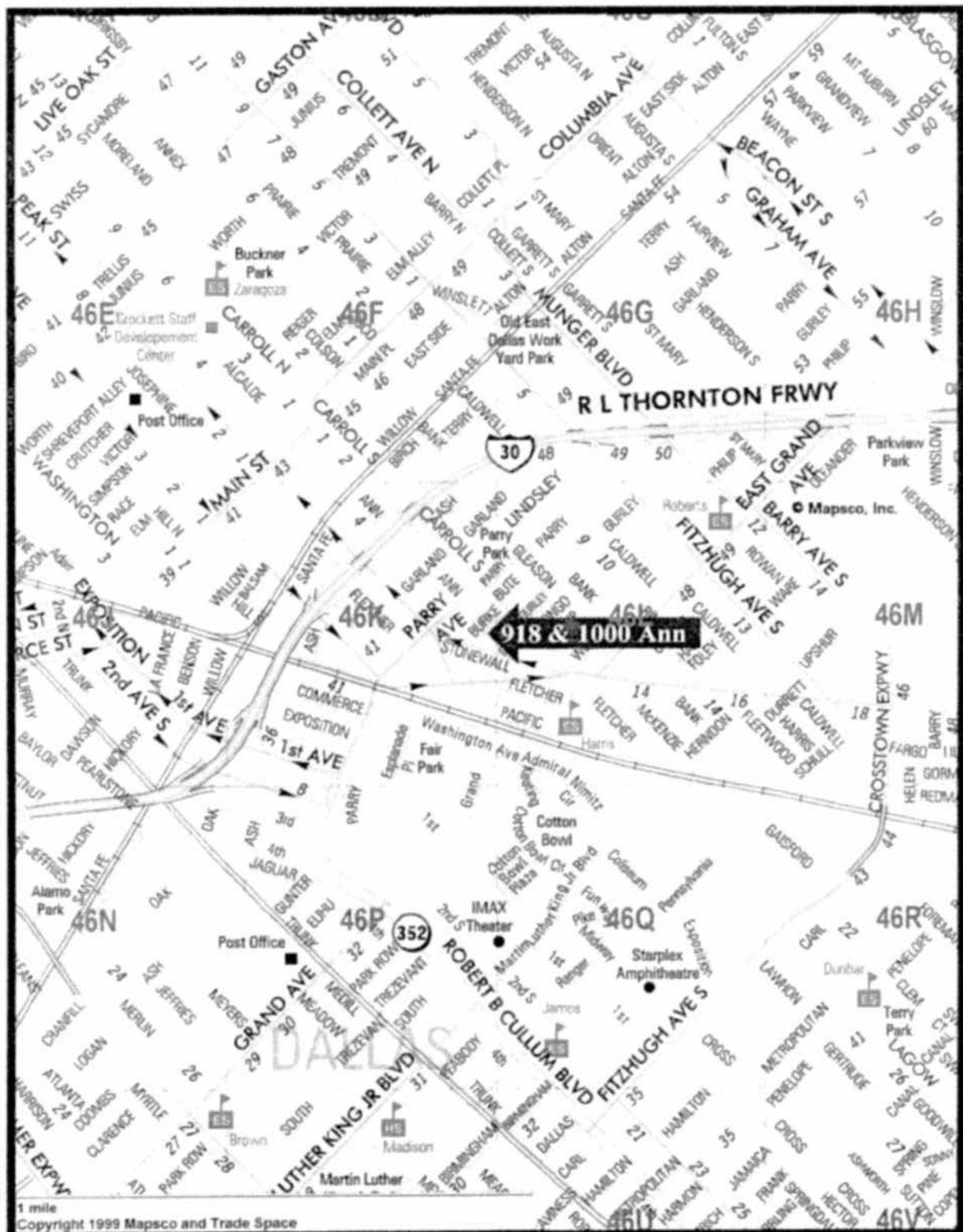
FISCAL INFORMATION

General Obligation Commercial Paper Funds - \$500,000

OWNER(S)/DEVELOPER(S)

Jubilee Park Community Center Corporation

Tom Harbison, Chairman of Board
Ben Leal, Executive Director



MAPSCO 46K

June 26, 2013

WHEREAS, the City of Dallas seeks to support economic growth in the Southern area of the city and economic development; and

WHEREAS, Jubilee Park Community Center Corporation (JPCCC) wishes to partner with the City of Dallas to provide forty single family homes in the Jubilee Neighborhood; and

WHEREAS, the Housing Committee was briefed on the Jubilee Neighborhood Project and approved it unanimously; and

WHEREAS, the City Council finds that it is in the best interest of the City to enter into this conditional grant agreement as part of the City's ongoing program to promote housing as a part of greater economic development plans in the city, **NOW, THEREFORE**,

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

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a conditional grant agreement in the amount of \$500,000 with Jubilee Park Community Center Corporation (JPCCC) to provide funding for the acquisition, demolition, relocation, predevelopment and construction of the Jubilee Neighborhood Project

SECTION 2. That the grant agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- (a) JPCCC shall begin construction on Phase I of the Jubilee Project within one year of this Council Action
- (b) JPCCC shall complete construction by December 31, 2014
- (c) JPCCC will be required to prove match funding prior to the construction start of the nine homes
- (d) JPCCC consents to and files deed restrictions requiring 100% of the units to be sold to homebuyers with household incomes at or below 140% Area Median Family Income for a period of five (5) years.

SECTION 3. That the City Manager or designee may extend the start and completion dates for a period up to three months for just cause.

SECTION 4. That the City Manager is hereby authorized to decrease appropriations in an amount not to exceed \$500,000, in the General Obligation Commercial Paper Fund 1T33, Dept PBW, Unit T839, Object 4599.

June 26, 2013

SECTION 5. That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$500,000, in the General Obligation Commercial Paper Fund 1T52, Dept HOU, Unit S803, Object 3016.

SECTION 6. That the City Controller be authorized to encumber and disburse funds in an amount not to exceed \$500,000, in accordance with the terms and conditions of the contracts as follows:

Jubilee Park Community Center Corporation Vendor #356593

Fund 1T52, Unit S803, Dept HOU, Obj 3016, CT HOUS904I131

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loans, until such time as the deed restrictions are duly approved by all parties and executed.

SECTION 8. 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.

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 26, 2013

COUNCIL DISTRICT(S): 7

DEPARTMENT: Housing/Community Services

CMO: Ryan S. Evans, 670-3314

MAPSCO: 46V 47S

SUBJECT

Authorize a conditional grant agreement in the amount of \$650,000 with Frazier Revitalization Inc. (FRI) to provide funding for the acquisition, demolition, relocation, predevelopment and construction of the Hatcher Square Project – Not to exceed \$650,000 - Financing: General Obligation Commercial Paper Funds

BACKGROUND

On June 3, 2013 the Housing Committee of the City Council was briefed on the proposed Hatcher Square Project. Frazier Revitalization Inc. (FRI) has formally requested that the City of Dallas participate in the development of the transit oriented development which will include thirty-nine single family homes, retail and commercial space, fifty multifamily units, and medical/office space. The project area is bounded by Bertrand, Scyene, Hatcher, and Lagow. The site is located immediately north of the DART Green Line Scyene/Hatcher Station.

The proposed development includes several phases: Phase I –single family homes, Phase II-medical/office facility, and Phase III – construction of multifamily and commercial/retail space. Phase I is broken up into three (3) parts over a two (2) year period. With infrastructure installation, six homes are scheduled to be built in 2013, twenty-eight homes in 2014, and five homes in 2015.

This action would provide a conditional grant to FRI in the amount of \$650,000 for the Phase I development to include acquisition, demolition, relocation, predevelopment and construction costs, not to exceed \$50,000 in construction subsidy per unit. Once constructed, FRI will be required to place ten year deed restriction on the single family units to maintain affordability at 140% Area Median Family Income.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On June 3, 2013, the Housing Committee was briefed on the Hatcher Square Project and approved it unanimously.

FISCAL INFORMATION

General Obligation Commercial Paper Funds - \$650,000

OWNER(S)

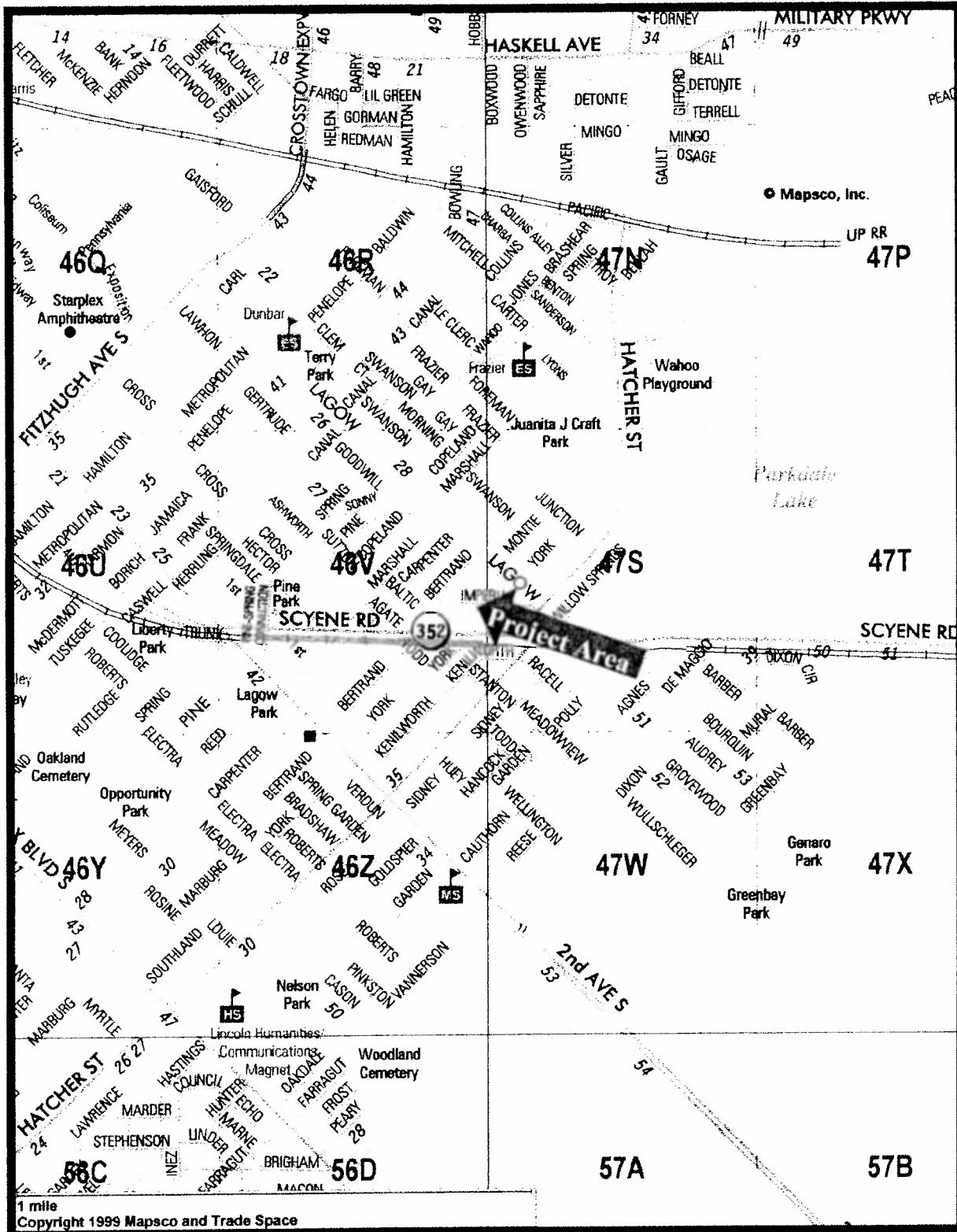
Frazier Revitalization, Inc.

Dorothy Hopkins, President & CEO

DEVELOPER(S)

Frazier Revitalization, Inc.

Dorothy Hopkins, President & CEO



MAPSCO 46V & 47S

June 26, 2013

WHEREAS, the City of Dallas seeks to support economic growth in the Southern area of the city and economic development; and

WHEREAS, Frazier Revitalization Inc. (FRI) wishes to partner with the City of Dallas to improve the property bounded by Bertrand, Scyene, Hatcher, and Lagow and to offer mixed-use development at this site; and

WHEREAS, the Housing Committee was briefed on the Hatcher Square Project and approved it unanimously; and

WHEREAS, the City Council finds that it is in the best interest of the City to enter into this conditional grant agreement as part of the City's ongoing program to promote transit-oriented development and to stimulate business and commercial activity in the city, **NOW, THEREFORE**,

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

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a conditional grant agreement in the amount of \$650,000 with Frazier Revitalization Inc. (FRI) to provide funding for the acquisition, demolition, relocation, predevelopment and construction of the Hatcher Square Project

SECTION 2. That the grant agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- (a) FRI shall begin construction on Phase I of the Hatcher Project within one year of this Council Action
- (b) FRI shall complete construction by December 31, 2014
- (c) FRI consents to and files deed restrictions requiring 100% of the units to be sold to homebuyers with household incomes at or below 140% Area Median Family Income for a period of ten (10) years.

SECTION 3. That the City Manager or designee may extend the start and completion dates for a period up to three months for just cause.

SECTION 4. That the City Manager is hereby authorized to decrease appropriations in an amount not to exceed \$650,000, in the General Obligation Commercial Paper Fund 1T33, Dept. PBW, Unit T839, Object 4599.

June 26, 2013

SECTION 5. That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$650,000, in the General Obligation Commercial Paper Fund 1T52, Dept HOU, Unit S803, Object 3016.

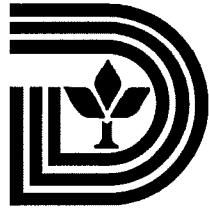
SECTION 6. That the City Controller be authorized to encumber and disburse funds in an amount not to exceed \$650,000, in accordance with the terms and conditions of the contracts as follows:

Frazier Revitalization Inc. Vendor # VS0000060090

Fund 1T52, Unit S803, Dept HOU, Obj 3016, CT HOUS804I132

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loans, until such time as the deed restrictions are duly approved by all parties and executed.

SECTION 8. 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.



Memorandum

CITY OF DALLAS

DATE June 14, 2013

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

SUBJECT **Loan Amendment for City Wide CDC (Addendum)**

As briefed in December 5, 2012 to the City Council Housing Committee, the Lancaster/Kiest Development included four phases. On December 12, 2012, the City Council authorized a Development Agreement with City Wide Community Development Corporation to coordinate all acquisitions, demolitions, environmental work, relocations, predevelopment, and construction for the four phases of the project.

On June 26, 2013, the City Council will consider a modification to the loan agreement to increase the budget from \$600,000 to \$734,500 from 2006 General Obligation Bond Funds for the purpose of completing the demolition and predevelopment for the four phases.

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

A handwritten signature consisting of the letters "Ry" followed by a small upward arrow and the letter "E".

Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council

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