

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: August 26, 2009
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 47N

SUBJECT

Authorize an amendment to Resolution No. 08-0595, previously approved on February 20, 2008, to increase the loan amount by \$500,000 on an existing economic development loan with South Dallas/Fair Park Inncity Community Development Corporation (ICDC) for the acquisition of improved and unimproved properties, located within the 4700-4900 blocks of Spring Avenue, including associated relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area – Not to exceed \$500,000, from \$500,000 to \$1,000,000 - Financing: 2006 Bond Funds

BACKGROUND

Over the period of 2003-2008, master planning, leveraging of capital investments, public/private developments, and redevelopment has begun in the Frazier Neighborhood Investment Program (NIP) Area. In order to implement components of the master plan, catalyst projects for new public/private development and redevelopment have been considered by the City Council on an individual basis.

The 2006 Bond Election provided \$41.495 million in general obligation bonds to provide funds for promoting economic development in the Southern Sector. On December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to set forth the Economic Development Program for Southern Dallas. This project will be implemented under the amended program.

One of the key Frazier Neighborhood community stakeholders, South Dallas/Fair Park Inncity Community Development Corporation (ICDC), who is a certified Community Housing Development Organization (CHDO), proposed to work with the City of Dallas to undertake the Spring Avenue Revitalization which is a component of the master plan.

BACKGROUND (continued)

On February 20, 2009, the City Council approved a \$500,000 economic development loan for ICDC to begin acquisition of improved and unimproved properties, address any relocation issues, address environmental remediation, and demolish existing improvements in order to begin revitalization efforts. ICDC has expended these funds and acquired parcels.

City Council approval of this agenda item from FY06 Bond proceeds will provide an additional \$500,000 at 0% interest to South Dallas/Fair Park Inncity Community Development Corporation (ICDC) to continue the acquisition of improved and unimproved properties located within the 4700-4900 blocks of Spring Avenue, including associated relocation, environmental remediation, or demolition costs. Sites are to be acquired for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment in accordance with the Economic Development Master Plan for the Frazier area.

ICDC's loan will carry zero percent 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 or obtain a certificate of occupancy for completed non-residential structures and projects within seven years of execution of the note. ICDC will be required to file deed restrictions and liens on acquired properties in order to assure their redevelopment in accordance with Bond Program requirements.

As each property is sold or fully leased for a residential project on a property or a certificate of occupancy has been obtained for a constructed non-residential structure or 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.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003.

On September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005.

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

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

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

~~On January 22, 2008, the Housing Committee of the City Council was briefed on the Frazier Neighborhood Investment Area and the Spring Avenue Revitalization Project.~~

On February 20, 2008, the City Council approved an economic development loan in the amount of \$500,000 at 0% interest to South Dallas/Fair Park Inncity Community Development Corporation by Resolution No. 08-0595.

FISCAL INFORMATION

2006 Bond Funds - \$500,000

OWNERS

**South Dallas/Fair Park Inncity
Community Development
Corporation**

Diane Ragsdale, Executive Director

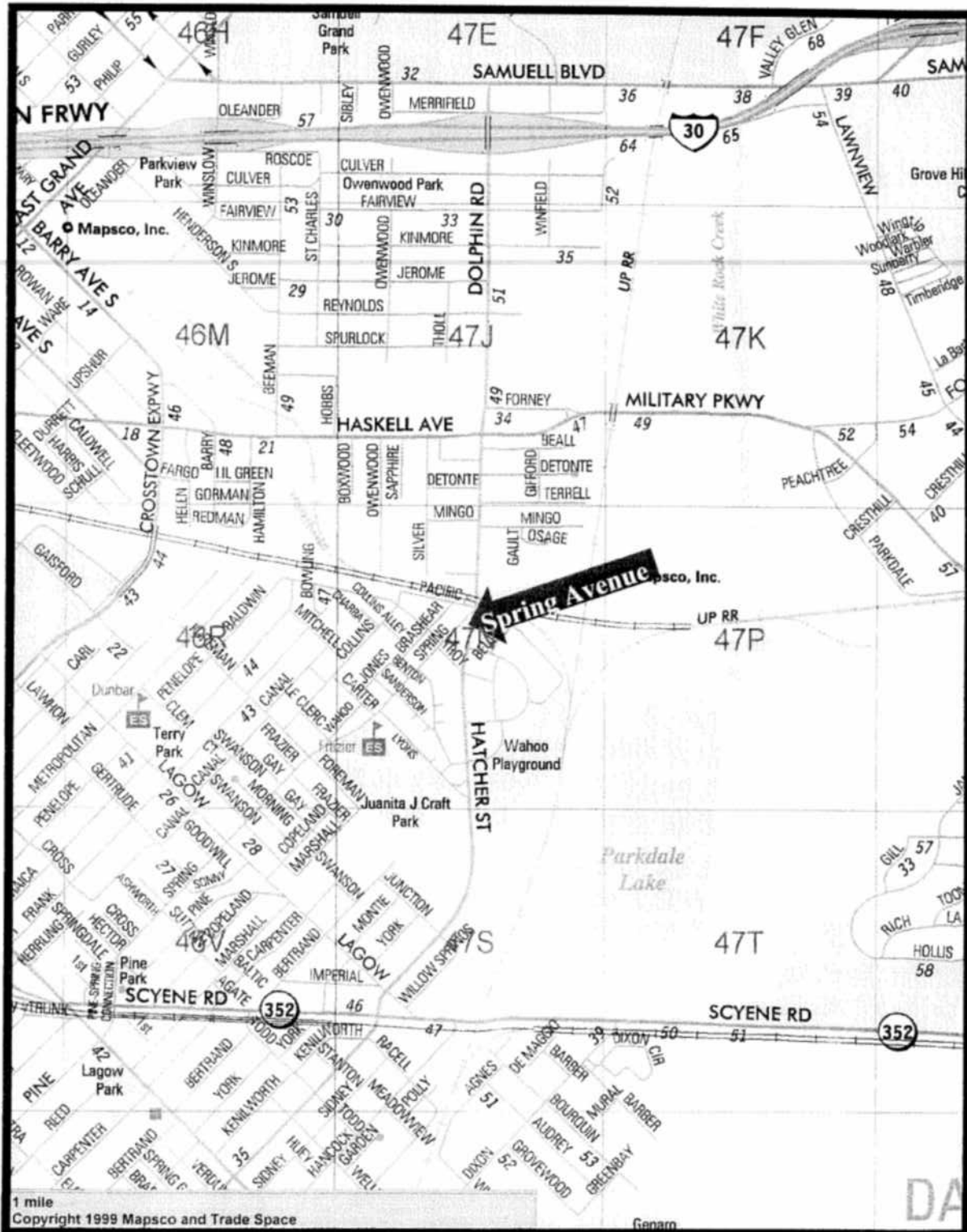
DEVELOPER

**South Dallas/Fair Park Inncity
Community Development
Corporation**

Diane Ragsdale, Executive Director

MAP(S)

Attached



MAPSCO 47N

August 26, 2009

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, on February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003; and

WHEREAS, on September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005; 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 January 22, 2008, the Housing Committee of the City Council was briefed on the Frazier Neighborhood Investment Area and the Spring Avenue Revitalization Project; and

WHEREAS, on February 20, 2008, the City Council approved an economic development loan in the amount of \$500,000 at 0% interest to South Dallas/Fair Park Inncity Community Development Corporation; and

WHEREAS, South Dallas/Fair Park Inncity Community Development Corporation (ICDC) proposes to work with the City of Dallas for the Frazier Neighborhood Investment Program Area-Spring Avenue Revitalization Project; **NOW, THEREFORE,**

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

August 26, 2009

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to increase the loan amount by \$500,000, from \$500,000 to \$1,000,000 on an existing economic development loan with South Dallas/Fair Park Inncity Community Development Corporation (ICDC) for the acquisition of improved and unimproved properties, located within the 4700-4900 blocks of Spring Avenue, including associated relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area.

~~**Section 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute modifications to South Dallas/Fair Park Inncity Community Development Corporation's (ICDC's) loan documents.~~

Section 3. That the Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contracts as follows:

South Dallas/Fair Park Inncity Development Corp. Vendor # VS266539
Fund 8T52, Dept HOU, Unit T807, Act AQDM, Obj 3015
Program # FRAZIER1, CT HOUT807J277 - in an amount not to exceed \$500,000

Section 4. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund 8T52 for the amount of the loan.

Section 5. 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.

Section 6. 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