

SINGLE-FAMILY HOUSING INFRASTRUCTURE DEVELOPMENT BOND PROJECTS

**A Briefing to the
Housing Committee**

**Housing Department
December 3, 2007**



KEY FOCUS AREA: ECONOMIC VIBRANCY

PURPOSE

To provide a recommendation on two Single-Family Housing Infrastructure Development Bond proposals for the development of single-family housing

Single-Family Housing Infrastructure Development Bond Program

- April 2003 - \$8M in **General Obligation Bonds** was approved by voters to provide infrastructure financing to support construction of new single-family homes
- On June 25, 2003, Dallas City Council authorized the Single-Family Housing Infrastructure Development Bond (Bond) Program which pays for street paving, incidental drainage and alleys

Single-Family Housing Infrastructure Development Bond Program (Cont'd)

■ Bond Program

- General Obligation Bond funds for street and alley infrastructure in the public right-of-way and incidental drainage improvements
- Geared toward subdivision development of 100 single-family units or more
- Provides that the City will participate in up to 30% of the infrastructure hard costs

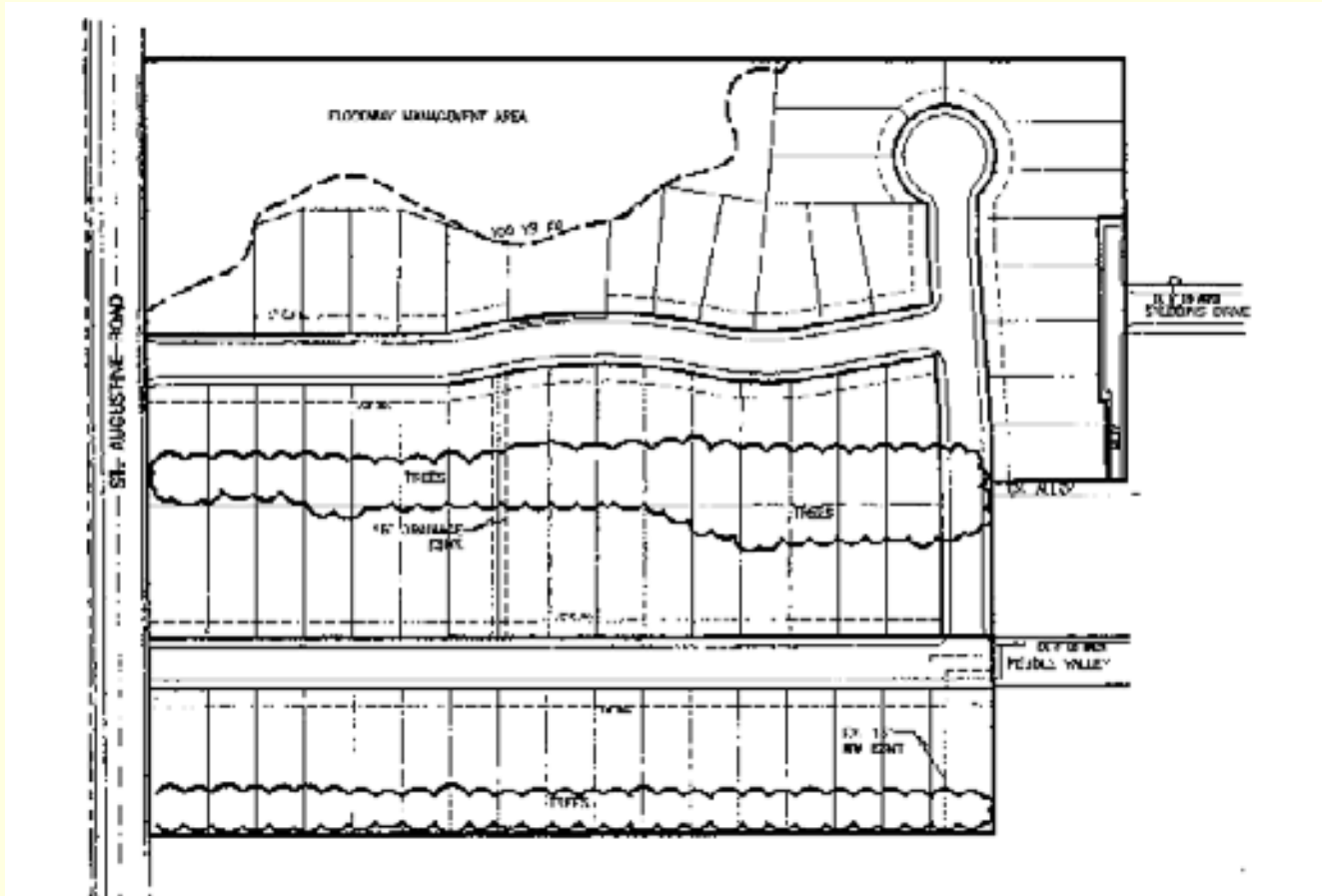
St. Augustine Proposed Project

- Dallas Neighborhood Alliance for Habitat (DNAfH), a non-profit, Certified Community Housing Development Organization (CHDO) is proposing to partner with a private for-profit developer, St. Andrews Housing, LLC to develop 71 lots and build new homes on 18 acres of land located at 318 N. St. Augustine Road (just South of Elam Road) in City Council District 4.

St. Augustine Property

- 318 N. St. Augustine Road
- 18 acres of City surplus property
- Property is undeveloped and heavily wooded
- Dallas Neighborhood Alliance for Habitat (DNAfH) would purchase this property from the City of Dallas for \$104,465 and pay delinquent taxes on the property of \$43,000.
- Property would be replatted for 71 individual lots

St. Augustine Proposed Replat



St. Augustine Infrastructure Development

- Following approved replat, St. Andrews, LLC will develop infrastructure on the property
- Dallas Neighborhood Alliance for Habitat (DNAfH) has requested General Obligation Bond funding of up to \$377,304 (or 30% of hard infrastructure costs) for street paving and drainage to defray the costs of this infrastructure (see attached budget)

St. Augustine Infrastructure Development

Budget

Sources

Bond Street Infrastructure	\$377,304
Loans	\$1,267,641
Grants	<u>\$152,000</u>
Total Sources	\$1,796,945

Uses

Acquisition	\$152,000
Hard Construction Costs	\$1,120,679
Soft Costs	\$119,266
Financing Costs	\$51,000
Construction Management	<u>\$354,000</u>
Total Uses	\$1,796,945

St. Augustine Proposed Construction of Homes

- DNAfH will construct 21 homes with volunteers
 - The homes will be a minimum of 1300 SF with one car garages
 - The homes will be priced in the \$90,000 range
- DNAfH will subcontract with St. Andrews, LLC to construct 50 homes
 - The homes will be 1400-1500 SF with two car garages
 - The homes will be priced between \$120,000-\$127,000
- DNAfH has requested HOME CHDO set-aside funds for construction subsidy for all the homes of \$1,064,929
- Homebuyer may receive additional subsidy through the Mortgage Assistance Program for downpayment, closing costs, and principal reduction

St. Augustine Proposed Habitat House



St. Augustine Proposed St. Andrews, LLC House



St. Augustine Project Recommendation

- That the Housing Committee approve this proposal for City Council consideration
 - Allow Dallas Neighborhood Alliance for Habitat to acquire 318 N. St. Augustine
 - Award St. Andrews Housing, LLC \$377,304 in FY'03 Single-Family Development Bond Infrastructure Development Funds
 - Amend the Single-Family Housing Infrastructure Development Bond Program Statement to: 1) allow for unsolicited proposals, 2) provide that the current standard of income of 140% applies to these and previously approved projects, and 3) modify the City's participation structure to provide for subsidies to be passed on to eligible homebuyers

Greenleaf Village II Proposed Project

- KB Home (KBH), a private for-profit developer/builder is proposing to partner with Dallas Neighborhood Alliance for Habitat and Builder's of Hope CDC, two non-profit, certified Community Housing Development Organizations (CHDOs) to develop 71 lots and build new homes on a 13.25 acre site located at 3100 Bickers in City Council District 3.

Greenleaf Village II Property

- 3100 Bickers
- 13.25 acres purchased from Dallas Housing Authority in 2004 by Greenleaf Ventures
- Property is undeveloped and would be replatted for 71 individual lots
- Following approved replat, KB Home will develop infrastructure on the property
- KB Home has requested General Obligation Bond funding of up to \$341,529 (or 30% of hard infrastructure costs) for street paving and drainage to defray the costs of this infrastructure (see attached budget)

Greenleaf Village II Proposed Replat



Greenleaf Village II

Infrastructure Development Budget

Sources

Bond Street Infrastructure	\$341,529
Land Equity	\$497,000
KBH Financing	<u>\$1,489,618</u>
Total	\$2,328,147

Uses

Acquisition	\$497,000
Hard Construction Costs	\$1,640,840
Soft Costs	\$130,667
Financing Costs	<u>\$59,640</u>
Total	\$2,328,147

Greenleaf Village II Proposed Construction of Homes

- KB Home will construct 50 homes
 - The homes will be 1400 – 3200 SF with two car garages
 - The homes will be priced between \$126,900-\$175,900
- KB Home will allow Dallas Neighborhood Alliance for Habitat and Builders of Hope CDC to build 21 homes
 - The homes will be 1250-2000 SF with one-two car garages
 - The homes will be priced between \$85,000-\$150,000
- Upon City Council approval, CDBG-Residential Development/Acquisition Loan Program Funds will provide additional subsidy for eligible homebuyers (i.e.\$15,000/home)
- Homebuyers may receive additional subsidy through the Mortgage Assistance Program for downpayment, closing costs, and principal reduction

Greenleaf Village II Proposed KB Home House



Greenleaf Village II Proposed KB Home House



Greenleaf Village II Proposed Builders of Hope CDC House



FRONT ELEVATION 'R'

Greenleaf Village II Proposed Builders of Hope CDC House



Greenleaf Village II Proposal Recommendation

That the Housing Committee approve this proposal for City Council consideration

- Award KB Home \$341,529 in FY'03 Single-Family Development Bond Infrastructure Development Funds
- Amend the Single-Family Housing Infrastructure Development Bond Program Statement to: 1) allow for unsolicited proposals, 2) provide that the current standard of income of 140% applies to these and previously approved projects, and 3) modify the City's participation structure to provide for subsidies to be passed on to eligible homebuyers

NEXT STEPS

- December 12, 2007, City Council Action Item to:
 - Authorize sale and conveyance of 318 N. St. Augustine Rd. to Dallas Neighborhood Alliance for Habitat
 - Authorization of amendments to Program Statement for Single-Family Housing Infrastructure Development Bond Program as stated in the briefing
 - Award St. Andrews Housing, LLC \$377,304 in FY'03 Single-Family Development Bond Infrastructure Development Funds for the St. Augustine Project
 - Award KB Home \$341,529 in FY'03 Single-Family Development Bond Infrastructure Development Funds for the Greenleaf Village II Project
- January 23, 2008, City Council Action Item to authorize CDBG-Residential Development Acquisition Loan Funds for Greenleaf Village II