

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 56L

SUBJECT

Authorize an amendment to the development loan to extend the term of the maturity date to December 21, 2014, for the Dallas Housing Authority Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of \$2,500,000 at 4% interest for infrastructure improvements for a 323-unit apartment project - Financing: No cost consideration to the City

BACKGROUND

On November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street. DHA obtained additional financing in the amount of \$37,000,000 to complete this project.

In November 2013, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2014. The construction began promptly after closing the financing for the project. However, the contractor is behind schedule in completing the project in time to meet the estimated closing date for permanent financing and for repayment to the City. The newly estimated completion date for construction is February 2014.

City Council approval of this agenda item will authorize the City Manager to amend the development loan agreement with Dallas Housing Authority for the Turner Courts Project to extend the term of the maturity date to December 21, 2014.

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.

On November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 323-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street by Resolution No. 09-2768.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

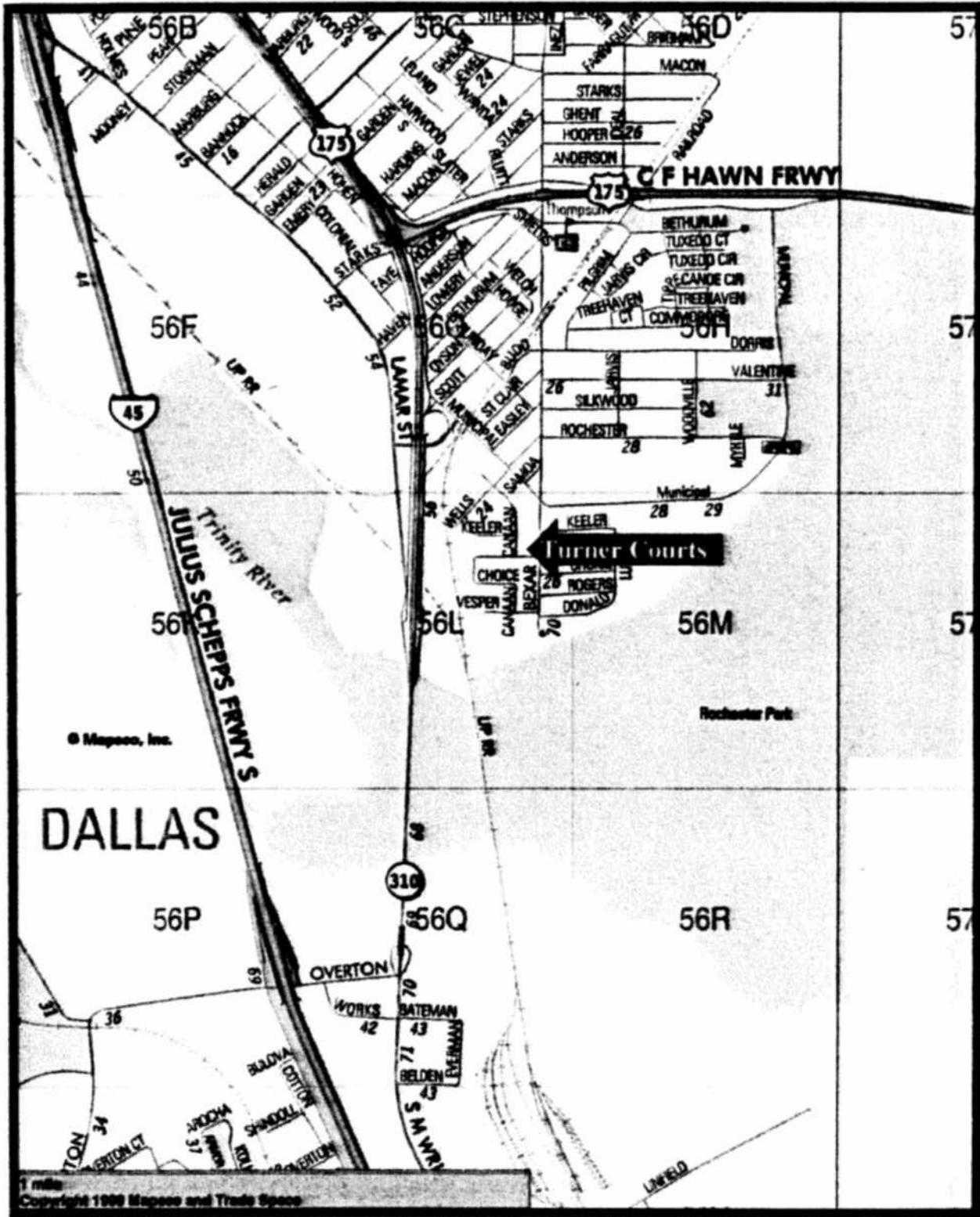
DEVELOPER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

MAP(S)

Attached



MAPSCO 56L

December 11, 2013

WHEREAS, the City of Dallas has adopted a number of Economic Development and Transit-Oriented Plans for the Bexar Street Neighborhood which includes construction retail, commercial and mixed-use 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 for the fostering of Economic Development projects; 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 November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 323-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street, by Resolution No. 09-2768; and

WHEREAS, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2014;

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 amend the development loan to extend the term of the maturity date to December 21, 2014 for the Dallas Housing Authority Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of \$2,500,000 at 4% interest for infrastructure improvements for a 323-unit apartment project.

December 11, 2013

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 December 21, 2014.
- b. Borrower must commit and/or expend all funds within two (2) years after execution of the loan agreement.
- c. Borrower shall execute deed restrictions and a deed of trust on all properties acquired through City of Dallas funds.
- d. 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.
- e. This loan is subject to DHA obtaining additional financing of at least \$37,000,000 needed to complete this project.
- f. Borrower will repay the City of Dallas in full by the maturity date of December 21, 2014.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of lien and intercreditor agreements with lenders providing acquisition or interim construction financing on the property as necessary.

Section 4. 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 terms of the contract.

Section 5. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 6
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 43F 43M

SUBJECT

Authorize an affordable housing development conditional grant in the amount of \$180,000 to Builders of Hope CDC, a City of Dallas Community Housing Development Organization (CHDO), for the construction of six single family homes in West Dallas with HOME Investment Partnership funds – Not to exceed \$180,000 - Financing: 2013-14 HOME Investment Partnership Program Grant Funds

BACKGROUND

In September 2013, Builders of Hope CDC submitted a proposal to the City of Dallas for the construction of six (6) affordable housing units located on scattered sites throughout West Dallas. The proposal requested \$30,000 per home in construction financing leveraged with \$85,000 per home from the Rees-Jones Foundation for the construction of the homes.

In October 2013, Builders of Hope CDC was certified as a City of Dallas Community Housing Development Organization (CHDO). As a CHDO, Builders of Hope CDC has a vested interest in the community and the City of Dallas.

The funds for the forgivable loan will be provided through FY 2013-14 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 new construction should be complete within two years with occupancy within the same two years.

City Council approval of this agenda item will authorize the City Manager to execute the conditional grant agreement with Builders of Hope CDC for \$180,000 in HOME Investment Partnership Funds, subject to environmental clearance by the City of Dallas and HUD. The conditional grant agreement will provide two (2) years for the new construction and sale of these units.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 26, 2013, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2013-14 federal funds which included the HOME Investment Partnership Funds, by Resolution No. 13-1142.

On December 2, 2013, the Housing Committee was briefed on the Builders of Hope CDC project.

FISCAL INFORMATION

2013-14 - HOME Investment Partnership Program Grant Funds - \$180,000

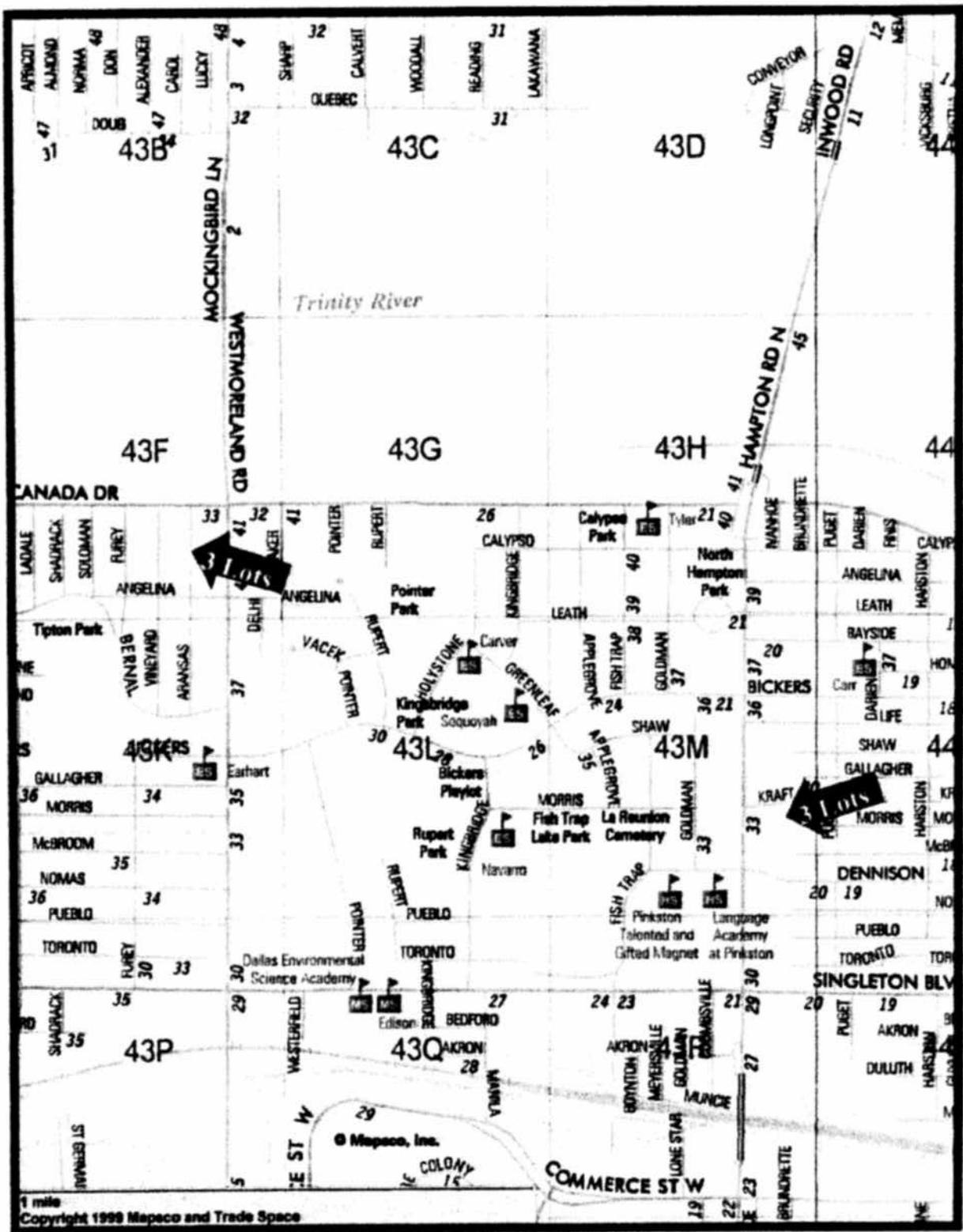
DEVELOPER

Builders of Hope CDC

Norman Henry, President

MAP(s)

Attached



MAPSCO 43F & 43M

December 11, 2013

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

WHEREAS, on June 26, 2013, the City Council approved the FY 2013-14 Consolidated Plan Budget which included the HOME Investment Partnership Program Funds by Resolution No. 13-1142; and

WHEREAS, on December 2, 2013, the Housing Committee was briefed on the West Dallas affordable housing scattered sites project; and

WHEREAS, the City desires to develop affordable housing units in West Dallas;

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 documents for an affordable housing development conditional grant in the amount of \$180,000 to Builders of Hope CDC, a City of Dallas Community Housing Development Organization (CHDO), for construction gap financing of six (6) single family scattered sites in West Dallas with HOME Investment Partnership funds.

Section 2. The terms of the grant agreement include:

- (a) Builders of Hope CDC must execute a note payable to the City of Dallas for \$180,000 for performance.
- (b) Builders of Hope CDC must construct and sell the six (6) affordable units to low-income households with incomes at or below 80% of area median family income.
- (c) Builders of Hope CDC will execute a Deed of Trust and a Deed Restriction on the property which will carry a 10 year term for the affordable units.
- (d) Builders of Hope CDC will be forgiven 1/6th of the lien as each unit sells to a qualified homebuyer.
- (e) Builders of Hope CDC will have two (2) years to fully complete the project.

Section 3. That the City Controller is hereby authorized to disburse funds in accordance with this Resolution and the terms and conditions of the loan agreement with Builders of Hope CDC as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
HM13	HOU	236F	3016	HOU236FA037	337558	\$180,000

December 11, 2013

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 HM13 for the amount of the loan.

Section 5. 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 is accordingly so resolved.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: December 11, 2013
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 46P

SUBJECT

Authorize an amendment to Resolution No. 12-0167, previously approved on January 11, 2012, to **(1)** increase housing development funding for Urban Mixed Use, LLC, by \$650,000, from \$500,000 to \$1,150,000; **(2)** extend the construction start date from June 2012 to June 2014; and **(3)** require the additional \$650,000 as a conditional 10 year forgivable loan - Not to exceed \$650,000 - Financing: General Obligation Commercial Paper Funds

BACKGROUND

Urban Mixed Use, LLC (Urban Mixed Use) owns 6 acres of land bounded by the DART green line, Park Row, and JB Jackson, Jr. Blvd which it wishes to develop. Phase I of this development, at 3221 Elihu Street, will include a 38 unit apartment complex with 6 one-bedroom units and 32 two-bedroom units. The units will be leased to households with incomes at or below 140% of area median family income. The total Phase I development project budget will be approximately \$4,000,000.

Urban Mixed Use is owned by Floydell, Devin, and Durand Hall. The Hall family has been in the demolition, asbestos abatement, planning and construction business for over 30 years in the City of Dallas.

On January 11, 2012, City Council approved a conditional grant from FY06 Bond proceeds in the amount of \$500,000 to Urban Mixed Use for the construction of 38 multi-family residential units at 3221 Elihu Street as part of the master plan for the area and \$200,000 in Community Challenge HUD grant funds for eligible planning and preconstruction activities for Phases I, II, III and IV.

Despite the initial commitment of \$500,000 from the City, Urban Mixed Use had been unable to obtain financing for the entire project budget. Spirit Bank of Texas has committed \$2 million leaving a gap of \$650,000. In order to complete financing for the Phase 1 development, Urban Mixed Use is requesting an additional \$650,000 as a conditional loan for gap financing for construction of the 38 multifamily units.

BACKGROUND (continued)

Urban Mixed Use conditional loan will require leasing the residential housing to persons at 140% or less of area median family income. Urban Mixed Use will be required to file deed restrictions and a lien on the property in order to assure its redevelopment in accordance with these terms.

Other phases of the development will include a walking path to provide access to the DART station, an additional 30 unit multi-family unit (Phase II), and two mixed-use buildings (Phases III and IV). The first mixed use building (Phase III) is proposed to contain 60 apartments and 12,000 sq ft for commercial use; the second mixed use building (Phase IV) is projected to include 110 apartments and 28,000 sq ft of commercial space. Phase II is estimated to cost \$3.68 million; Phase III is estimated to cost \$12.26 million and Phase IV is estimated to cost \$22.67 million. The total development cost will be approximately \$43 million.

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.

On January 26, 2011, the City Council authorized an application for, acceptance of and the establishment of appropriations for the Community Challenge Planning Grant Funds from the U.S. Department of Housing and Urban Development's Office of Sustainable Housing and Communities for planning and land acquisition related to affordable housing and Transit Oriented Development by Resolution No. 11-0260.

On January 11, 2012, the City Council authorized approval of a conditional grant agreement in the amount of \$500,000 in 2006 Proposition 8 Bond Funds to Urban Mixed Use, LLC for the purpose of constructing residential development as part of the Economic Development Plan of the JB Jackson Transit Area by Resolution No. 12-0167.

On August 1, 2012, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2012, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements.

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

On November 4, 2013, the Housing Committee was briefed on the Urban Mixed Use, LLC Redevelopment as part of the Economic Development Plan for the JB Jackson Transit Area.

FISCAL INFORMATION

\$650,000 - 2012 Bond Program (General Obligation Commercial Paper Funds)

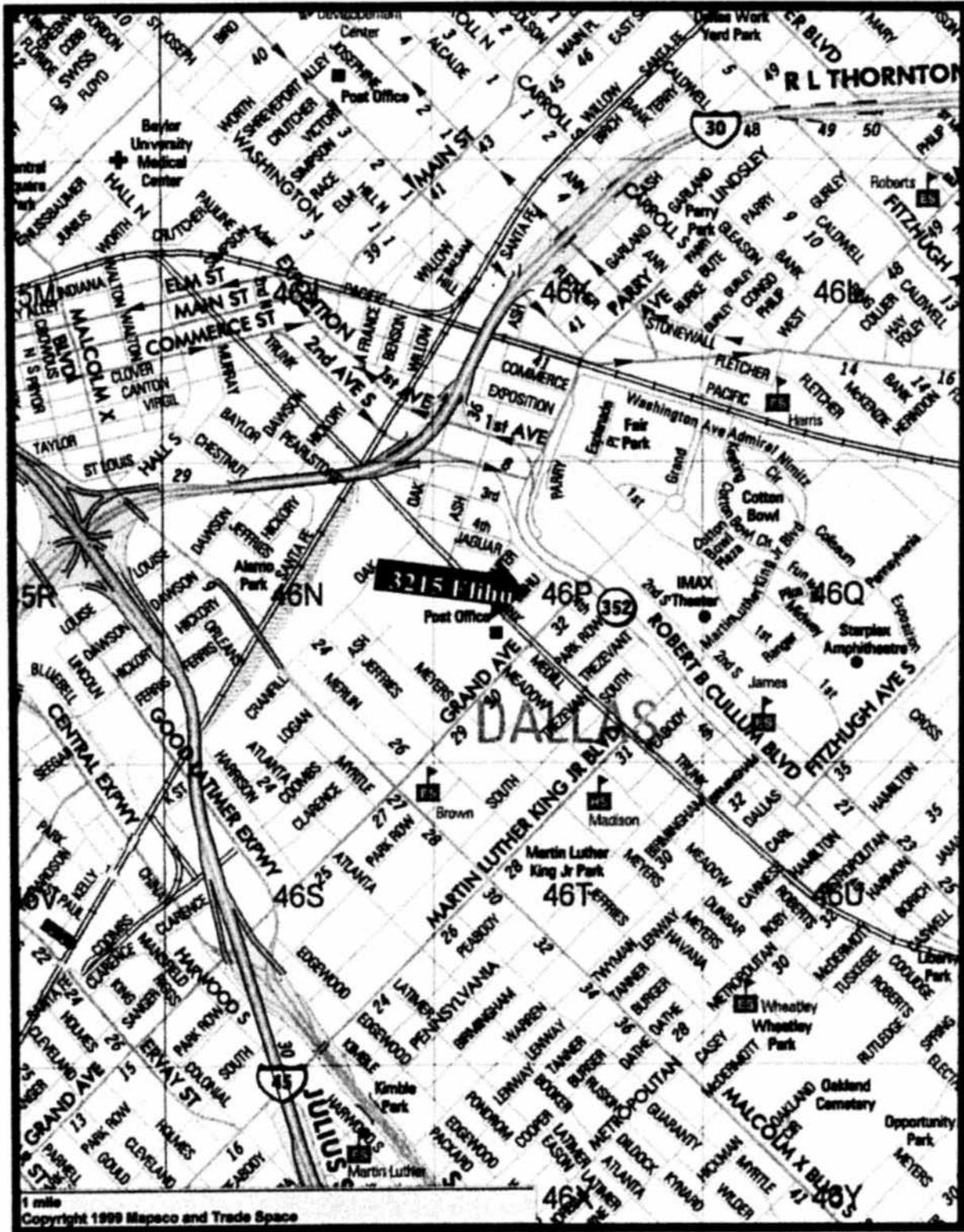
OWNERS

Urban Mixed Use, LLC

Devin Hall, General Manager

MAP(S)

Attached



MAPSCO 46P

December 11, 2013

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 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 January 11, 2012, the City Council authorized approval of a conditional grant agreement in the amount of \$500,000 in 2006 Proposition 8 Bond Funds to Urban Mixed Use, LLC for the purpose of constructing residential development as part of the Economic Development Plan of the JB Jackson Transit Area; and

WHEREAS, on August 1, 2012, 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 6, 2012, the voters of Dallas approved a \$600 million General Obligation Bond Program of which \$55 million 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 November 4, 2013, the Housing Committee of the City Council was briefed on the Hall Family Redevelopment as part of the Economic Development Plan for the JB Jackson Transit Area; and

WHEREAS, Urban Mixed Use, LLC requests an additional \$650,000 conditional loan to develop a 38 unit multifamily residential complex as part of the master plan for the area; and

WHEREAS, the City desires to loan the additional \$650,000 Urban Mixed Use, LLC for the purpose of constructing a 38 unit multifamily residential complex as Phase 1 of the master plan for the area;

NOW, THEREFORE,

December 11, 2013

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 amend Resolution No. 12-0167, previously approved on January 11, 2012, to **(1)** increase housing development funding for Urban Mixed Use, LLC, by \$650,000, from \$500,000 to \$1,150,000; **(2)** extend the construction start date from June 2012 to June 2014; and **(3)** require the additional \$650,000 as a conditional 10 year forgivable loan.

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

- A. Urban Mixed Use, LLC will invest a minimum of \$400,000 into the Project
- B. Project shall contain a minimum of 38 units
- C. Urban Mixed Use, LLC must present documentation that all renters have incomes at or below 140% of Area Median Family Income through full lease-up
- D. Urban Mixed Use, LLC shall begin construction by June 2014
- E. Urban Mixed Use, LLC shall make best efforts to promote the hiring of neighborhood residents for any new jobs created
- F. Urban Mixed Use, LLC must execute a Deed of Trust Lien and Deed Restrictions on the property for the additional \$650,000 which will carry a 10 year term forgiven annually at 1/10th per year.
- G. Urban Mixed Use LLC will have one year to fully complete construction

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:

Urban Mixed Use, LLC Vendor # VS0000067379

Fund 2U53, Dept. HOU, Unit S803, Object Code 3015, Program # JacksonTR
CT HOUS803B049 - in an amount not to exceed \$650,000

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 2U53 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.

December 11, 2013

Section 6. 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 November 27, 2013

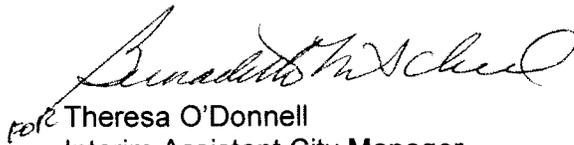
TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT **Loan Amendment for Jubilee Park Community Center Corporation Addendum)**

On June 26, 2013 City Council approved a conditional grant agreement in the amount of \$500,000 with Jubilee Park Community Center Corporation (JPCCC).

On December 11, 2013 City Council will consider approval of an amendment to the conditional grant agreement to (1) allow nonrecourse language in the legal documents with Jubilee Park Community Center Corporation; and (2) to extend the completion date to June 26, 2015 for the acquisition, demolition, relocation, predevelopment and construction of the Jubilee Neighborhood Project.

Please let me know if you have any questions.


Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, Interim City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Bernadette Mitchell, Housing/Community Services, Interim Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council