

- c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge, Municipal Court
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jeanne Chipperfield, Director, Office of Financial Services
Helena Stevens-Thompson, Assistant to the City Manager

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.

Housing Committee

Meeting Record

February 1, 2010

The Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Housing Department, Staff Coordinator at 214-670-3906.

Meeting Date: February 1, 2010

Meeting Start time: 2: 06 p.m.

| | |
|---|--|
| <p><u>Committee Members Present:</u> Steve Salazar (Chair) Carolyn R. Davis (Vice-Chair) Tennell Atkins Dwaine Caraway Angela Hunt Ann Margolin Pauline Medrano</p> | <p><u>Staff Present:</u> A.C. Gonzalez-Asst. City Manager Jerry Killingsworth-Director/HOU Terry Williams-Asst. Director/HOU Charles Brideau-Asst. Director/HOU Les Allen-Asst. Director/HOU Karen Rayzer-Asst. Director/HOU Patrick Inyabri-HOU Cobbie Ransom-HOU Cynthia Rogers-Ellickson Michael Bostic-CAO Gwen Satterthwaite-CAO Paul Schuster-DPD David Pughes-DPD Tammy Ellzey-DPD Lt. K.E. Seguin-DPD Doris Edmon-HOU Alida Allen-HOU</p> <p style="margin-left: 20px;"> Brittney Burrell-CMO Cassandra Luster-HOU Aldo Fritz-HOU Esmeralda De La Cruz-HOU Rhonn Ramirez-CSO</p> |
| <p><u>Other Councilmember's Present:</u></p> | <p><u>Other Attendees</u> Paul D. Cook-Cedar Neighborhood Association Doug Caudill-Cedar Neighborhood Association Zad Roumaya-Cedar Neighborhood Association Jane Hamilton-Cedar Neighborhood Association Jim Truitt-Forest City</p> |
| <p><u>Committee Members Absent:</u></p> | |

AGENDA:

Housing Committee Meeting Called to Order by CM Steve Salazar

1. Approval of January 19, 2010 Minutes of the Housing Committee

Presenter(s): Council Member Steve Salazar

Action Taken/Committee Recommendation(s): CM Medrano wants the minutes for January 19, 2010 to reflect that her absence being that she represented the City of Dallas at the Dallas Central Census Office and the DCVB at the USHCC 1010 Host Committee meeting

| | |
|--|--|
| Motion made by: CM Ann Margolin | Motion seconded by: CM Carolyn R. Davis |
| Item passed unanimously: <input checked="" type="checkbox"/> | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

2. 2010 Low Income Housing Tax Credit Program

Presenter(s): A.C. Gonzalez, Asst. City Manager/Jerry Killingsworth, Director/Bernadette Mitchell, Asst. Director

Information Only: _____

Action Taken/Committee Recommendation(s) (1) CM Hunt would like a map that includes the breakdown of boarding houses and affordable housing. (2) Motion was made to move forward on February 10, 2010 with modification to the policy/procedure for the approval of tax credit applications.

| | |
|-----------------------------------|---|
| Motion made by: CM Tennell Atkins | Motion seconded by: CM Carolyn R. Davis |
| | Motion opposed by: CM Ann Margolin |
| Item passed unanimously: _____ | Item passed on a divide: <u>X</u> |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

3. Update on the Dallas Police Department Bexar Street Substation

Information Only: _____

Action Taken/Committee Recommendation(s) Motion to moved forward with project design, construction drawings, acquisition and relocation of two properties.

| | |
|-------------------------------------|---------------------------------------|
| Motion made by: CM Carolyn R. Davis | Motion seconded by: CM Dwaine Caraway |
| Item passed unanimously: <u>X</u> | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

4. Upcoming Agenda Items

- a. Bexar Street Acquisition- 2 parcels
- b. Reconstruction Replacement Homes- 5 homes

Information Only: _____

Action Taken/Committee Recommendation(s) Motion was made to move forward with upcoming items.

| | |
|-----------------------------------|--|
| Motion made by: CM Tennell Atkins | Motion seconded by: CM Pauline Medrano |
| Item passed unanimously: <u>X</u> | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary)

Meeting Adjourned by CM Steve Salazar

| | |
|--------------------------------|--------------------------------------|
| Motion made by: | Motion seconded by: |
| Item passed unanimously: _____ | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Meeting Adjourned: 3:03 P.M.

Approved By: _____

DRAFT

Memorandum



CITY OF DALLAS

DATE February 11, 2010

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT 2010 Low Income Housing Tax Credit Projects for Dallas

On Tuesday, February 16, 2010, you will be briefed on 2010 Low Income Housing Tax Credit Projects for Dallas. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
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Dave Cook, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Jeanne Chipperfield, Director, Financial Services
Helena Stevens-Thompson, Assistant to the City Manager

2010 Low Income Housing Tax Credit Projects for Dallas

A Briefing To The
Housing Committee

Housing/Community Services Department
February 16, 2010



Key Focus Area: Economic Vibrancy

Purpose

- ❑ Provide information regarding fourteen Low Income Housing Tax Credit (LIHTC) Projects for Dallas

- ❑ Provide recommendations for
 - ❑ the support of fourteen Low Income Housing Tax Credit Projects for Dallas
 - ❑ funding for certain applicants
 - ❑ waiver of the one mile rule, if applicable

Background Information

- December 2009, Texas Department of Housing & Community Affairs (TDHCA) released the Qualified Allocation Plan and Rules to allow for developers to apply for 2010 Low Income Housing Tax Credits (LIHTCs)
- January 8, 2010, Preapplications from developers were due to TDHCA
- January 22, 2010, applications from developers were due to the City of Dallas
- February 1, 2010, City Council Housing Committee was briefed on the LIHTC Program and notified of the applications which had been submitted to the City of Dallas

LIHTC Applications Received

| Project Name | Address | Council District | # of Units | Unit Types | Requested City Support |
|-------------------------------|----------------------------|------------------|------------|------------|------------------------|
| Akard Plaza | 1011 S. Akard | 2 | 203 | SRO-PSH | \$1M TIF |
| Champion Homes at Copperridge | 5542 Maple Ave. | 2 | 107 | Families | \$1M |
| Evergreen Residences | 3800 Willow | 2 | 100 | SRO-PSH | \$4M |
| Greenhaus at East Side | 4611 East Side Ave. | 2 | 24 | SRO-PSH | \$400K CDBG |
| Prince of Wales | 4515 Live Oak | 2 | 63 | SRO-PSH | \$2.2M |
| Hillside West Seniors | 32 Pinnacle Park | 3 | 130 | Senior | \$1.7M TIF |
| Terrace at Founders Square | 1400 Englewood (at Tilden) | 3 | 172 | Senior | \$2.7M TIF |
| Wynnewood Village | 1500 S.Zang | 3 | 140 | Senior | \$1.5M Sec.108 |
| Hatcher Square | 4600 Scyene | 7 | 126 | Families | \$4.7M Prop. 8 |
| Sphinx at Lawnview | 4120 Lawnview | 7 | 130 | Senior | \$1.6M |
| Kleberg Commons | 12700 Kleberg Rd. | 8 | 200 | Senior | \$1.5M |
| Atmos Lofts | 300 S.Harwood/1900 Jackson | 14 | 107 | Families | \$1.5M Sec.108 |
| Evergreen Residences | 2012 Jackson St. | 14 | 100 | SRO-PSH | \$4M |
| Jackson Square | 1701 Jackson St. | 14 | 100 | Families | \$6.7M Sec.108 |

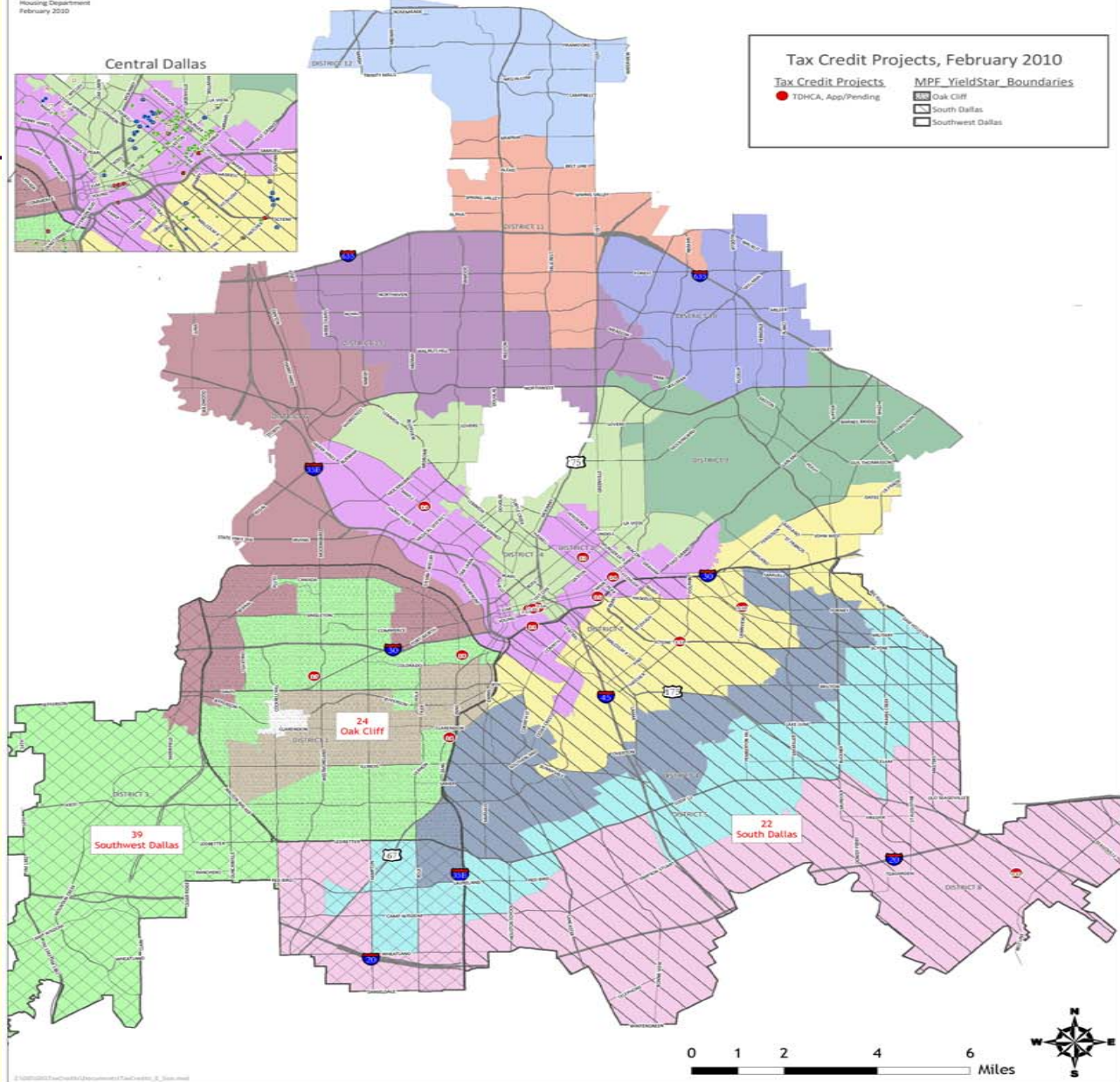
Dallas Low Income Housing Tax Credit Projects

Map Produced by:
City of Dallas
Housing Department
February 2010



Tax Credit Projects, February 2010

| | |
|----------------------------|---------------------------------|
| Tax Credit Projects | MPF_YieldStar_Boundaries |
| ● TDHCA, App/Pending | ▨ Oak Cliff |
| | ▨ South Dallas |
| | ▨ Southwest Dallas |



Akard Plaza 1011 S. Akard

- **Description:**
 - Adaptive/Reuse of an existing hotel to create Permanent Supportive Housing
 - 140 efficiency units and 60 two-bedrooms at or below 50% area median family income
 - No market rate units

- **Applicant** – Hamilton 1011 LP, GO-KAL LP, ULYSSES LLLP, Ltd.
 - Partners Include:
 - Lawrence E. Hamilton, Lawrence E. Hamilton, III, Gerald W. Kintzle, The Capnick Family Trust, Menchel Family Trust of 1994, Sandra nd Giovanni Mastromonaco, Timothy J. Jordan, Elizabeth A. Heid, Astoria 1011 LP, Carell Family Trust, Randall R. Turner
 - Mahvash Goharizi, Fariba NsamiriKalantari and Parvaneh Namiri Kalantari
 - Lawrence Hamilton and E.M. Heppenstall

- **Developer** – Central Dallas Community Development Corporation and Hamilton Properties are partnering on The Plaza - John Greenan and Ted Hamilton

- **Property Manager:** Pinnacle, an American Management Services Central Co.

Akard Plaza

Sources & Uses

SOURCES

| | |
|--------------------------|------------------|
| Tax Credit Equity | \$12,960,000 |
| First Mortgage | 4,000,000 |
| TIF Funds | 1,000,000 * |
| Grants and Contributions | <u>5,004,850</u> |
| Total Sources | \$22,964,850 |

USES

| | |
|----------------------|----------------|
| Land Acquisition | \$1,450,000 |
| Building Acquisition | 5,250,000 |
| Construction Costs | 10,742,600 |
| Architect | 578,000 |
| Construction Loan | 415,000 |
| Developer Fee | 3,350,000 |
| Legal Fees | 225,000 |
| Soft Costs | <u>954,250</u> |
| Total Uses | \$22,964,850 |

* Requested City of Dallas Support

Champion Homes of Copperidge

5542 Maple Ave.

- **Description:**
 - New construction of 107 multifamily units for families
 - 53 One Bedroom Units and 54 Two Bedroom Units
 - 6 units for households at or below 30% area median family income
 - 38 units for households at or below 50% area median family income
 - 63 units for households at or below 60% area median family income
 - Near Maple/Inwood DART Station

- **Applicant** – Chickory Court IX, LP, Odyssey Residential Holdings, LP
 - Partners include:
 - Saleem Jafar, Bill Fisher

- **Developer** – Saleem Jafar & Bill Fisher

- **Property Manager** – Odyssey Residential Management, LLC

Champion Homes at Copperidge

Sources & Uses

SOURCES

| | |
|------------------------|--------------|
| Permanent Debt | \$3,150,000 |
| City's Loan | 1,000,000 * |
| Tax Credit Equity | 9,739,545 |
| Deferred Developer Fee | 150,474 |
| Total Sources | \$14,040,019 |

USES

| | |
|--------------------------|--------------|
| Land Acquisition | \$2,120,000 |
| Sitework | 963,000 |
| Hard Construction Costs | 5,904,520 |
| Contractor's Fees | 961,453 |
| Contingency | 343,376 |
| Professional Fees | 680,000 |
| Interim Financing Costs | 1,089,250 |
| Permanent Financing Fees | 316,420 |
| Development Fee | 1,262,000 |
| Reserves & Other Costs | 400,000 |
| Total Uses | \$14,040,019 |

* Requested City of Dallas Support

DISD Schools Servicing Copperridge

Elementary (PK thru 5)

Onesimo Hernandez

5555 Maple

Dallas, Texas 75235

Enrollment: 513 kids

Building Utilization 86%

Middle School (6-8)

TJ Rusk

2929 Inwood

Dallas, Texas 75235

Enrollment: 864

Building Utilization 105%

High School (9-12)

North Dallas

3120 N. Haskell

Dallas, Texas 75204

Enrollment: 1482

Building Utilization 120%

Evergreen Residences

3800 Willow

- **Description:**
 - New construction of 100 Permanent Supportive Housing Units
 - 100 efficiency units for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** –Evergreen Residential, Ltd, FPC Housing, LLC, GREENarc Corp
 - Partners include:
 - Rev. Dr. Bruce Buchanan, Janice Estes, Lee Hutchins, Graham Greene

- **Developer** – Graham Greene and Rev. Dr. Bruce Buchanan

- **Property Manager** – FPC Housing, LLC

- **Service Provider** – First Presbyterian Church/Stewpot

Evergreen Residences 3800 Willow

Sources and Uses

SOURCES

| | |
|---------------------|--------------|
| Conventional Loan | \$910,116 |
| City Loan | 4,000,000 * |
| Tax Credit Equity | 9,750,000 |
| Equity Contribution | 853,234 |
| Total Sources | \$15,513,350 |

USES

| | |
|--------------------------------|--------------|
| Land Acquisition | \$1,500,000 |
| Hard Construction Costs | 8,480,000 |
| Soft Costs | 2,679,000 |
| Financing Costs | 70,000 |
| Developer Fee | 1,804,350 |
| Syndication Costs | 300,000 |
| Debt Service Fund | 350,000 |
| Real Estate and Mortgage Costs | 330,000 |
| Total Uses | \$15,513,350 |

* Requested City of Dallas Support

Greenhaus at East Side

4611 East Side Ave.

- **Description:**
 - New construction of 24 Permanent Supportive Housing units
 - 12 two bedrooms and 12 three bedrooms for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** – Shared Housing Center, Inc. –nonprofit agency

- **Developer** – OM Housing, LLC

- **Property Manager** – To be determined

- **Service Provider** – Shared Housing Center, Inc.

Greenhaus at East Side

Sources and Uses

Sources

| | |
|-------------------|-------------|
| Conventional Loan | \$630,000 |
| Tax Credit Equity | 2,443,134 |
| Developer's Note | 339,700 |
| City Loan | 400,000 * |
| Total Sources | \$3,812,834 |

Uses

| | |
|------------------------------|-------------|
| Land Acquisition | \$350,000 |
| Sitework | 208,800 |
| Hard Construction Costs | 1,992,300 |
| Soft Costs | 456,332 |
| Financing Costs | 191,925 |
| Developer Fee | 535,476 |
| Operating Reserve | 52,001 |
| Syndication Costs | 5,000 |
| Real Estate & Mortgage Costs | 21,000 |
| Total Uses | \$3,812,834 |

* City of Dallas support provided 11/9/09

DISD Schools Servicing Greenhaus at East Side

Elementary (PK thru 5)

Zaragoza Elementary
4550 Worth Street
Dallas, Texas 75246
Enrollment: 539 kids
Building Utilization 82%

Middle School (6 thru 8)

Spence Middle School
4001 Capitol Avenue
Dallas, Texas 75204
Enrollment: 1085 kids
Building Utilization 116%

High School (9 thru 12)

North Dallas High School
3120 N. Haskell Avenue
Dallas, Texas 75204
Enrollment: 1482 kids
Building Utilization 120%

Prince of Wales 4515 Live Oak

- **Description:**
 - Rehabilitation of 63 Permanent Supportive Housing units
 - 61 efficiencies and 2 one-bedrooms for households below 30% area median family income

- **Applicant** – Prince of Wales, Partnership, Ltd., Prince of Wales, LLC, Undermain Corp, Greenfield Operations, LLC
 - Partners include:
 - Eric Anderson, Graham Greene

- **Developer** – Prince of Wales Partnership, Ltd. And Undermain Corp.

- **Property Manager** – Prince of Wales, LLC with the First Presbyterian Church/Stewpot

Prince of Wales

Sources and Uses

SOURCES

| | |
|----------------------|---------------|
| First Lien City Loan | \$2,205,000 * |
| Tax Credit Equity | 4,568,996 |
| Equity Contribution | 207,527 |
| Total Sources | \$6,981,523 |

USES

| | |
|--------------------------------|-------------|
| Construction Costs | \$3,392,000 |
| Soft Costs | 928,620 |
| Financing Costs | 200,000 |
| Developer Fee | 910,603 |
| Syndication Costs | 200,000 |
| Debt Service Reserve Fund | 300,300 |
| Real Estate and Mortgage Costs | 1,050,000 |
| Total Uses | \$6,981,523 |

* Requested City of Dallas Support

DISD Schools Servicing Prince of Wales

Elementary (PK thru 3)

James Fannin
4800 Ross Street
Dallas, Texas 75204
Enrollment: 285 kids
Building Utilization 58%

Elementary (4-5)

John F. Kennedy
1802 Moser
Dallas, Texas 75206
Enrollment: 647
Building Utilization 78%

Middle School (6 thru 8)

Spence Middle School
4001 Capitol Avenue
Dallas, Texas 75204
Enrollment: 1085 kids
Building Utilization 116%

High School (9 thru 12)

North Dallas High School
3120 N. Haskell Avenue
Dallas, Texas 75204
Enrollment: 1482 kids
Building Utilization 120%

Hillside West Seniors

32 Pinnacle Park

- **Description:**
 - New construction of 130 senior units
 - 40 one-bedrooms and 90 two-bedrooms
 - 7 units for households at or below 30% area median family income
 - 65 units for households at or below 50% area median family income
 - 58 units for households at or below 60% area median family income

- **Applicant** – Hillside West Seniors, LP
 - Partners include:
 - Brandon Bolin and Alan McDonald

- **Developer** – Hillside West Seniors, LP

- **Property Manager** – To be determined

Hillside West Seniors

Sources and Uses

SOURCES

| | |
|--------------------------|--------------------|
| Conventional Loan | \$4,850,000 |
| Equity | 8,858,993 |
| Developer's Note | 1,587,413 |
| Construction Loan Bridge | <u>1,656,613</u> * |
| Total Sources | \$16,953,019 |

USES

| | |
|---------------------------|------------------|
| Land Acquisition | \$2,000,000 |
| Taxes and Insurance | 355,000 |
| Financing | 1,143,006 |
| Architectural/Engineering | 599,935 |
| Legal | 167,500 |
| Site Work | 1,169,996 |
| Hard Construction Costs | 8,054,082 |
| Soft Costs | 1,336,087 |
| Contingency | 540,000 |
| Developer Fee | <u>1,587,413</u> |
| Total Uses | \$16,953,019 |

* Requested City of Dallas Support from TIF Funds

Terrace at Founders Square

1400 Englewood (at Tilden)

- **Description:**
 - New construction of 172 units for seniors
 - 116 one bedroom units and 56 two Bedroom units
 - 7 units for households at or below 30% area median family income
 - 77 units for households at or below 50% area median family income
 - 88 units for households at or below 60% area median family income

- **Applicant** – Oak Cliff DMA NS Housing, LLC, Neighborhood Strategies, LLC, and DMA Development Company, LLC
 - Partners include:
 - Diana McIver and Linda McMahon

- **Developer** –DMA Development Company, LLC

- **Property Manager** – DMA Properties, LLC

Terrace @ Founders Square

Sources and Uses

SOURCES

| | |
|-------------------|--------------|
| Conventional Loan | \$6,250,000 |
| Tax Credit Equity | 13,764,123 |
| Developer's Note | 724,487 |
| TIF Funds | 2,700,000 * |
| Total Sources | \$23,438,610 |

USES

| | |
|-------------------------|--------------|
| Land Acquisition | \$2,744,280 |
| Sitework | 1,548,000 |
| Hard Construction Costs | 13,278,737 |
| Architect/Engineering | 825,000 |
| Interim Costs | 1,287,625 |
| Loan Origination Fee | 185,000 |
| Soft Costs | 281,400 |
| Tax Credit Costs | 104,850 |
| Legal Fees Tax Opinion | 12,500 |
| Development Fees | 2,600,000 |
| Reserves & Others | 571,218 |
| Total Uses | \$23,438,610 |

* Requested City of Dallas Support from TIF Funds

Wynnewood Village

1500 S. Zang Blvd.

- **Description:**
 - New construction of 140 units for Seniors
 - 73 one bedrooms and 67 two bedrooms
 - 7 units for households at or below 30% area median family income
 - 56 units for households at or below 50% area median family income
 - 77 units for households at or below 60% area median family income

- **Applicant** – Wynnewood Senior Housing, L.P.
 - Partners Include:
 - Central Dallas CDC, Banc of America Community Development Corporation

- **Developer** – Bank of America, CDC

- **Property Manager** – To be determined

Wynnewood Village

Sources and Uses

SOURCES

| | |
|------------------------|--------------|
| Conventional Loan | 1,755,838 |
| Section 108 Loan | 1,459,247 * |
| Tax Credit Equity | 14,714,548 |
| Deferred Developer Fee | 1,465,225 |
| Total Sources | \$19,394,858 |

USES

| | |
|-----------------------------|--------------|
| Land Acquisition/Demolition | \$2,337,500 |
| Hard Construction Costs | 10,630,145 |
| Rehabilitation Soft Costs | 2,909,085 |
| Developer Fees | 2,520,001 |
| Other Soft Costs | 284,325 |
| Reserves & Others | 713,802 |
| Total Uses | \$19,394,858 |

* Requested City of Dallas Support

Hatcher Square 4600 Scyene

- Description:
 - New construction of 126 units for families
 - 105 two bedrooms and 21 three bedrooms
 - 68 units for households at or below 50% area median family income
 - 45 units for households at or below 60% area median family income
 - 13 Market Rate

- **Applicant** - Hatcher Square LP, MBA Development Co., Frazier Revitalization Inc.-nonprofit
 - Partners include:
 - Richard Baron, Kevin McCormack, Tony Salazar

- **Developer** – McCormack Baron Salazar

- **Property Manager** – McCormack Baron Ragan Management Services, Inc. (MBR) Alan Ragan, President

Hatcher Square

Sources and Uses

SOURCES

| | |
|-------------------|--------------|
| Conventional Loan | \$2,437,575 |
| Tax Credit Equity | 12,233,000 |
| City Funding | 4,707,593 * |
| Total Sources | \$19,378,168 |

USES

| | |
|----------------------------|--------------|
| Hard Construction Costs | \$11,484,349 |
| Community Bld Construction | 237,065 |
| General Requirements | 1,406,570 |
| Permit and Fees | 234,428 |
| Contingency | 668,121 |
| Financing & Soft Costs | 2,437,721 |
| Developer Fee | 2,470,238 |
| Operating Reserve | 439,676 |
| Total Uses | \$19,378,168 |

* Requested City of Dallas Support; \$750,000 has already been provided in land acquisition

DISD Schools Servicing Hatcher Square

Elementary (PK thru 5)

Joseph Rhoads
4401 2nd Ave.
Dallas, Texas 75210
Enrollment: 451 kids
Building Utilization 67%

Middle School (6 thru 8)

Pearl Anderson
3400 Garden Lane
Dallas, Texas 75215
Enrollment: 537 kids
Building Utilization 44%

High School (9 thru 12)

Lincoln
2826 Hatcher
Dallas, Texas 75215
Enrollment: 1243 kids
Building Utilization 92%

Sphinx at Lawnview

4120 Lawnview Ave.

- **Description:**

- New construction of 130 Units for seniors
- 7 units for households at or below 30% area median family income
- 45 units for households at or below 50% area median family income
- 78 units for households at or below 60% area median family income

- **Applicant** – SDC Lawnview Villas, LP

- Partners include:
 - Jay Oji

- **Developer** – Sphinx Development Corporation

- **Property Manager** – Alpha Barnes

Sphinx at Lawnview

Sources and Uses

SOURCES

| | |
|------------------------|--------------|
| Conventional Loan | \$3,289,000 |
| City of Dallas Loan | 1,600,000 * |
| Tax Credit Equity | 10,498,950 |
| Deferred Developer Fee | 630,426 |
| Total Sources | \$16,018,376 |

USES

| | |
|------------------------------|--------------|
| Land Acquisition/Demolition | \$767,150 |
| Hard Construction Costs | 10,370,965 |
| Architect and Engineering | 510,500 |
| Permits and Fees | 180,100 |
| Financing | 516,500 |
| Construction Period Interest | 475,000 |
| Tax Credit Costs | 84,850 |
| Soft Costs | 128,914 |
| Legal Fees | 127,500 |
| FFE/Pre-Stabilization | 614,075 |
| Reserves | 438,639 |
| Developer Fees | 1,804,183 |
| Total Uses | \$16,018,376 |

* Requested City of Dallas Support

DISD Schools Servicing Lawnview

Elementary (PK thru 5)

Edna Rowe
4918 Hovenkamp
Dallas, Texas 75227
Enrollment: 693 kids
Building Utilization 117%

Middle School (6 thru 8)

Harold W. Lang Sr.
1678 Chenault St.
Dallas, Texas 75228
Enrollment: 1386 kids
Building Utilization 121%

High School (9 thru 12)

Skyline Center
7777 Forney Rd.
Dallas, Texas 75227
Enrollment: 4587 kids
Building Utilization 123%

Kleberg Commons Housing

12700 Kleberg

- **Description:**

- New construction of 200 multifamily units for seniors
- 100 one-bedrooms and 100 two-bedrooms
- 30 units for households at or below 30% area median family income
- 70 units for households at or below 50% area median family income
- 100 units for households at or below 60% area median family income

- **Applicant** – Kleberg Leased Housing, L.P.

- Partners include:

- Dale Lancaster and Jeffrey spicer

- **Developer** – Arrington Developers, LLC

- **Property Manager** – Guardian Asset Management, Inc.

Kleberg Commons

Sources and Uses

SOURCES

| | |
|------------------------|--------------|
| Taxable Loan | \$3,700,000 |
| City Loan | 1,500,000 * |
| Tax Credit Equity | 13,727,417 |
| Deferred developer fee | 559,285 |
| Total Sources | \$19,486,702 |

USES

| | |
|------------------------------|--------------|
| Land Acquisition | \$1,800,000 |
| Hard Construction Costs | 13,197,096 |
| Architect/Engineering | 303,500 |
| Permits and Fees | 95,600 |
| Financing | 356,720 |
| Construction Period Interest | 444,000 |
| Tax Credit Costs | 103,432 |
| Soft Costs | 58,681 |
| Legal | 40,000 |
| FFE | 152,300 |
| Prestabilization Costs | 210,000 |
| Reserves | 569,707 |
| Developer Fee | 2,155,666 |
| Total Uses | \$19,486,702 |

* Requested City of Dallas Support

Atmos Lofts 1900 Jackson St.

- **Description:**
 - Adaptive/Reuse of office buildings to create 107 multifamily units for families
 - 37 efficiencies, 56 one-bedrooms, 14 two-bedrooms
 - 6 units for households at or below 30% area median family income
 - 49 units for households at or below 50% area median family income
 - 52 units for households at or below 60% area median family income

- **Applicant** –FC Atmos, Inc.
 - Partners Include:
 - Lawrence E Hamilton and Lawrence E Hamilton III

- **Developer** – Hamilton Development

- **Property Manager** – Pinnacle, an American management Services Central Co.

Atmos Lofts

Sources and Uses

Sources

| | |
|-------------------|---------------|
| Section 108 Loan | \$1,546,390 * |
| Tax Credit Equity | 11,077,205 |
| Total Sources | \$12,623,595 |

Uses

| | |
|--------------------------|--------------|
| Hard Costs | \$8,486,166 |
| Indirect Costs | 864,076 |
| Developer Fee | 2,100,494 |
| Construction Bridge Loan | 760,576 |
| Other Financing Costs | 85,892 |
| Reserves | 326,391 |
| Total Uses | \$12,623,595 |

* Requested City of Dallas Support; \$9 M has already been approved

Evergreen Residences

2012 Jackson Street

- Description;
 - New construction of 100 Permanent Supportive Housing units
 - 100 units for households below 30% area median family income
 - Energy efficient-LEED Platinum

- **Applicant** –Evergreen Residential, Ltd, FPC Housing, LLC, GREENarc Corp
 - Partners include:
 - Rev. Dr. Bruce Buchanan, Janice Estes, Lee Hutchins, Graham Greene

- **Developer** – Graham Greene and Rev. Dr. Bruce Buchanan

- **Property Manager** – FPC Housing, LLC

- **Service Provider** – First Presbyterian Church/Stewpot

Evergreen Residences 2012 Jackson

Sources and Uses

SOURCES

| | |
|---------------------|--------------|
| Conventional Loan | \$731,123 |
| City Loan | 4,000,000 * |
| Tax Credit Equity | 9,750,000 |
| Equity Contribution | 1,089,977 |
| Developer Note | 315,000 |
| Total Sources | \$15,886,100 |

USES

| | |
|--------------------------------|--------------|
| Land Acquisition | \$1,707,750 |
| Hard Construction Costs | 8,480,000 |
| Soft Costs | 2,994,000 |
| Financing Costs | 70,000 |
| Developer Fee | 1,804,350 |
| Syndication Costs | 300,000 |
| Debt Service Fund | 350,000 |
| Real Estate and Mortgage Costs | 180,000 |
| Total Uses | \$15,886,100 |

* Requested City of Dallas Support

Jackson Square 1701 Jackson Street

- **Description:**
 - 100 units for families
 - 28 one-bedrooms, 55 two-bedrooms and 11 three-bedrooms
 - 5 units for households at or below 30% area median family income
 - 45 units for households at or below 50% area median family income
 - 50 units for households at or below 60% area median family income

- **Applicant** –Forest City Residential Group, Inc., Jim Truitt, Vice-Pres.
 - Partnership not yet formed

- **Developer** – Forest City Residential Group, Inc.

- **Property Manager** – Forest City Residential Management, Inc.

Jackson Square

Sources and Uses

SOURCES

| | |
|-----------------------|--------------|
| Conventional Loan | \$3,106,500 |
| City Loan Section 108 | 6,750,000 * |
| Tax Credit Equity | 12,348,159 |
| Forest City Equity | (17,122) |
| Total Sources | \$22,187,537 |

USES

| | |
|---------------------------------------|--------------|
| Land Acquisition | \$2,592,694 |
| Hard Construction Costs | 12,055,594 |
| Architect/Engineering | 600,000 |
| Office | 132,500 |
| F/F/E | 200,000 |
| Legal | 100,000 |
| Marketing | 195,000 |
| Tax and Insurance | 142,995 |
| Developer Fee | 1,627,505 |
| Construction Manager | 482,224 |
| Financing | 526,584 |
| Reserves | 789,857 |
| Section 108 Interest Reserve/start-up | 865,000 |
| Contingency | 1,205,559 |
| Operating Deficit | 672,025 |
| Total Uses | \$22,187,537 |

* Requested City of Dallas Support

DISD Schools Servicing Jackson Square

Elementary (PK thru 5)

City Park
1738 Gano St.
Dallas, Texas 75215
Enrollment: 200 kids
Building Utilization 48%

Middle School (6-8)

Billy Earl Dade
2801 Park Row
Dallas, Texas 75215
Enrollment: 467
Building Utilization 114%

High School (9-12)

James Madison
3000 MLK
Dallas, Texas 75215
Enrollment: 815
Building Utilization 83%

Low Income Housing Tax Credit Projects Project Review Criteria

1. Does the project fit in the City's priorities?
2. Has the City already provided financial assistance?
3. Does the project eliminate slum or blight?
4. Does the project have appropriate zoning?
5. Proximity & capability of schools for project
6. Comments of owners/residents surrounding project
7. Over-concentration of multifamily projects in area
8. Has applicant agreed to incorporate safety/security features for project?
9. Willingness of applicant to address resident's concerns
10. Quality of proposed project
11. Project design and special accommodations for expected tenants
12. Will the project have adverse effect on the neighborhood?
13. Is the project compatible with existing or anticipated development of area?

Low Income Housing Tax Credit Projects

Project Review Criteria (continued)

14. Project compatibility with zoning in area
15. Parking demand & undue burden on public facilities
16. Traffic caused by the project
17. Existing or proposed public transit availability
18. Location, density, height of buildings effect on future development for area
19. Preservation of natural beauty and concern for landscaping
20. Managers reside on site
21. Financial capacity of applicant to complete & operate the project
22. Can the market absorb the new rental units?
23. One mile concern
24. Applicant has presented a suitable development plan for the entire development site
25. Any other factor relevant to the best interest of the City

Texas Department of Housing & Community Affairs (TDHCA) -One Mile Rules

- An application is ineligible if the applicant proposes to construct a new development (including reuse) that is located one linear mile or less from a development that serves the same type of household and has received tax credits within the previous three years, unless the Governing Body has specifically voted to allow the development
- Within counties with populations of one million or greater, for applicants whose projects are one mile or less from each other, TDHCA will only fund one project per funding cycle
- Applications with one mile concerns:
 - Akard Plaza, Atmos Lofts, Evergreen Residences, Jackson Square
 - Evergreen Residences (Willow) and Greenhaus at East Side

City of Dallas Available Funds for LIHTC Developments

- Approximately \$2M available for direct financial assistance for projects
- Housing/Community Services has prioritized direct financial assistance for permanent supportive housing which has been briefed to the City Council Housing Committee
- Funding Sources Include:
 - Community Development Block Grant
 - Homeless Bond
 - Tax Increment Financing
 - Section 108 Loans
 - Proposition 8 Funds if sold & available

TDHCA LIHTC Allocations & Scoring

- In 2010, TDHCA will provide approximately \$10M for the North Texas Region including Dallas, Denton, Collin, Tarrant, and Grayson Counties
- 89.5% of that allocation (\$9.6M) will be provided to urban projects and 10.5% (\$1.1M) will be provided to rural projects
- TDHCA further categorizes projects statewide into a general pool and an “At Risk” pool
 - The “At Risk” projects are those where the units are currently low income and they are at risk of losing all financial benefits available to the development to keep them affordable
 - The “At Risk” pool will be funded for 15% of the total state allocation or approximately \$7.6M
- The LIHTC point based scoring system has a maximum of 240 points

Overview of LIHTC Applicants

- As a whole, applications represented:
 - 5 Permanent Supportive Housing Projects
 - 5 Senior Projects
 - 4 Family Projects
- Thirteen projects met the overall City criteria
- One project clearly lacked community support at this time

Note: In spite of the competitive nature of the projects and the one mile rule, the probability is that 1/3 of the projects will be awarded tax credits if approved by the City Council

LIHTC Applications Recommendations

| Project Name | Support or Deny | Funding | Current TDHCA Ranking |
|-------------------------------|-----------------|--|-----------------------------|
| Akard Plaza | Deny | No funding | 3 of 60 |
| Champion Homes at Copperridge | Support | \$1M Prop 8 funds if available | 5 of 60 |
| Evergreen Residences Willow | Support | Compete for available \$2M | 31 of 60 |
| Greenhaus at East Side | Support | \$400K already invested | 8 of 60 |
| Prince of Wales | Support | Compete for available \$2M | 4 of 34 (At Risk Category) |
| Hillside West Seniors | Support | TIF approval | 25 of 60 |
| Terrace at Founders Square | Support | TIF approval | 21 of 60 |
| Wynnewood Village | Support | 108 application | 11 of 34 (At Risk Category) |
| Hatcher Square | Support | Additional \$750K of Prop 8 funds if available | 57 of 60 |
| Sphinx at Lawnview | Support | No funding | 40 of 60 |
| Kleberg Commons | Support | No funding | 27 of 60 |
| Atmos Lofts | Support | 108 application in process | 1 of 60 |
| Evergreen Residences Jackson | Support | Compete for available \$2M | 30 of 60 |
| Jackson Square | Support | 108 application | 23 of 60 |

Note: All project support conditioned on neighborhood support

Next Steps

- ❑ February 24, 2010 – City Council approval of development tax credit applications to TDHCA
- ❑ March 1, 2010 or prior – City provides letters of support to tax credit applicants directly to TDHCA
- ❑ March 1, 2010 or prior - Developers present full application to TDHCA
 - ❑ If developer presented preapplication to TDHCA, community support letter is due March 1, 2010
 - ❑ If developer presents new application March 1, 2010, community support letter is due April 1, 2010
 - ❑ Developers will need to work with Councilmembers to ensure that affected groups are notified and meetings held prior to July 31
- ❑ April 14, 2010 at 6 pm-TDHCA will hold public hearing in Dallas at Central Library, 1515 Young Street for LIHTC projects
- ❑ July 1, 2010 or prior – Considerations for zoning, TIF, or other funding presented to City Council individually
- ❑ July 31, 2010 – TDHCA Board will decide on tax credit recipients

Attachment A

Texas Department of Housing & Community Affairs Preapplication Log with Preliminary Scoring

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: February 24, 2010
COUNCIL DISTRICT(S): 3
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 43K F 44J

SUBJECT

Authorize **(1)** a public hearing to be held on March 10, 2010 to receive comments on the proposed private sale by quitclaim deed of five (5) unimproved properties acquired by the taxing authorities from the Sheriff's Sale to Builders of Hope Community Development Corporation, a qualified non-profit organization; and, **(2)** at the close of the public hearing, consideration of approval of the sale of these properties (list attached) - Financing: No cost consideration to the City

BACKGROUND

This item will begin the acquisition process for Builders of Hope Community Development Corporation to purchase five (5) unimproved properties for construction of five (5) single-family homes containing approximately 1,100 – 1,500 square feet each for purchase by a low to moderate income homebuyer at the proposed sales price of \$90,000 - \$120,000 each. The anticipated commencement date of construction is January 2013. The calling of a public hearing is part of the state requirements under House Bill 110.

The 1997 Texas State Legislature enacted House Bill 110 which amended Chapter 34 of the Texas Property Tax Code. Subsequently, Tax Code Section 34.015 was redesignated as Local Government Code Section 253.010. The legislation allows a municipality to adopt an ordinance which provides for land acquired by the municipality following the foreclosure of a tax lien in favor of or seizure by the municipality, to be sold to non-profit organizations for the development of affordable housing for low income individuals and families. The City Council approved Ordinance No. 23713, implementing House Bill 110, on November 11, 1998. Subsequently, the Texas Legislature moved these provisions by redesignating Tax Code Section 34.015 as Local Government Code Section 253.010. On December 8, 2003, the City Council approved Ordinance No. 25443 to reference this applicable state law.

BACKGROUND (continued)

The ordinance requires that housing be provided to households with incomes at or below 80% of Area Median Family Income. The ordinance defines non-profit organization as either: (1) a non-profit corporation as provided by the State law, or (2) a joint venture or partnership between a nonprofit corporation and a non-profit corporation or other non-profit legal entity composed of residents or property owners in the community or neighborhood in which the land subject to a purchase proposal under the ordinance is located.

Housing units require a 5-year deed restriction for single-family properties and a 15-year deed restriction for multi-family properties developed under this program. Rental property to be developed that contains more than 25 housing units will also be deed-restricted to require that social services be provided to residents based on the needs of the residents.

Non-profit organizations are allowed to purchase the property for a fixed sum of \$1,000 for up to 7,500 square feet of land purchased under the single proposal plus \$0.133 for each additional square foot of land purchased under the proposal. This revenue is paid first for court costs and maintenance costs and then any excess to taxing units in proportion to their share of taxes on the property. An additional sum will be paid to the City for costs of recording legal documents associated with the transaction. The purchase of properties is subject to any redemption rights of the owners. Approval by the City Council and the other taxing units will be required for all land transactions under this ordinance. The affordable housing unit(s) must be constructed within 3 years from the date on which the City conveys the quitclaim deed, unless City Council extends the time line.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On November 13, 1996, the City Council authorized the development of procedures to allow for the private sale of tax foreclosed or seized properties to qualified non-profit organizations by Resolution No. 96-3691.

On May 14, 1997, the City Council authorized implementation of the procedures for the Land Assembly Program by Resolution No. 97-1504.

On November 11, 1998, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for an alternate manner of sale for tax foreclosed property to non-profit housing corporations and non-profit organizations by Ordinance No. 23713.

PRIOR ACTION/REVIEW (Council, Boards, Commissions) (continued)

On September 22, 1999, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to authorize and provide requirements, qualifications, restrictions, and procedures for an alternate manner of sale of seized real property to nonprofit organizations for the development of affordable housing by Ordinance No. 24046.

On May 9, 2001, the City Council authorized implementation of the procedures contained in the Land Transfer Program Statement and consolidate all land assembly processes under the Land Transfer Program Statement to allow for the private sale of City surplus, tax foreclosed and seized property to qualified, non-profit organizations for the public purpose of creating or preserving affordable housing by Resolution No. 01-1411.

On June 27, 2001, the City Council authorized implementation of policies and procedures contained in the adopted Housing Policy and to allow for modifications to Housing Program Statements under the adopted Housing Policy by Resolution No. 01-2049.

On December 8, 2003, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for changes in and extension of the development periods under H.B. 110 proposals and update references to applicable state law by Ordinance No. 25443.

On December 8, 2003, the City Council authorized an amendment to the program statement of the Land Transfer Program Policy to reflect the December 8, 2003 Ordinance change and changes to Section V. of the program statement by Resolution No. 03-3355.

On November 10, 2004, the City Council authorized an amendment to the program statement of the House Bill 110 Program to prohibit the placement of industrialized housing on properties sold by the City by Resolution No. 04-3193.

FISCAL INFORMATION

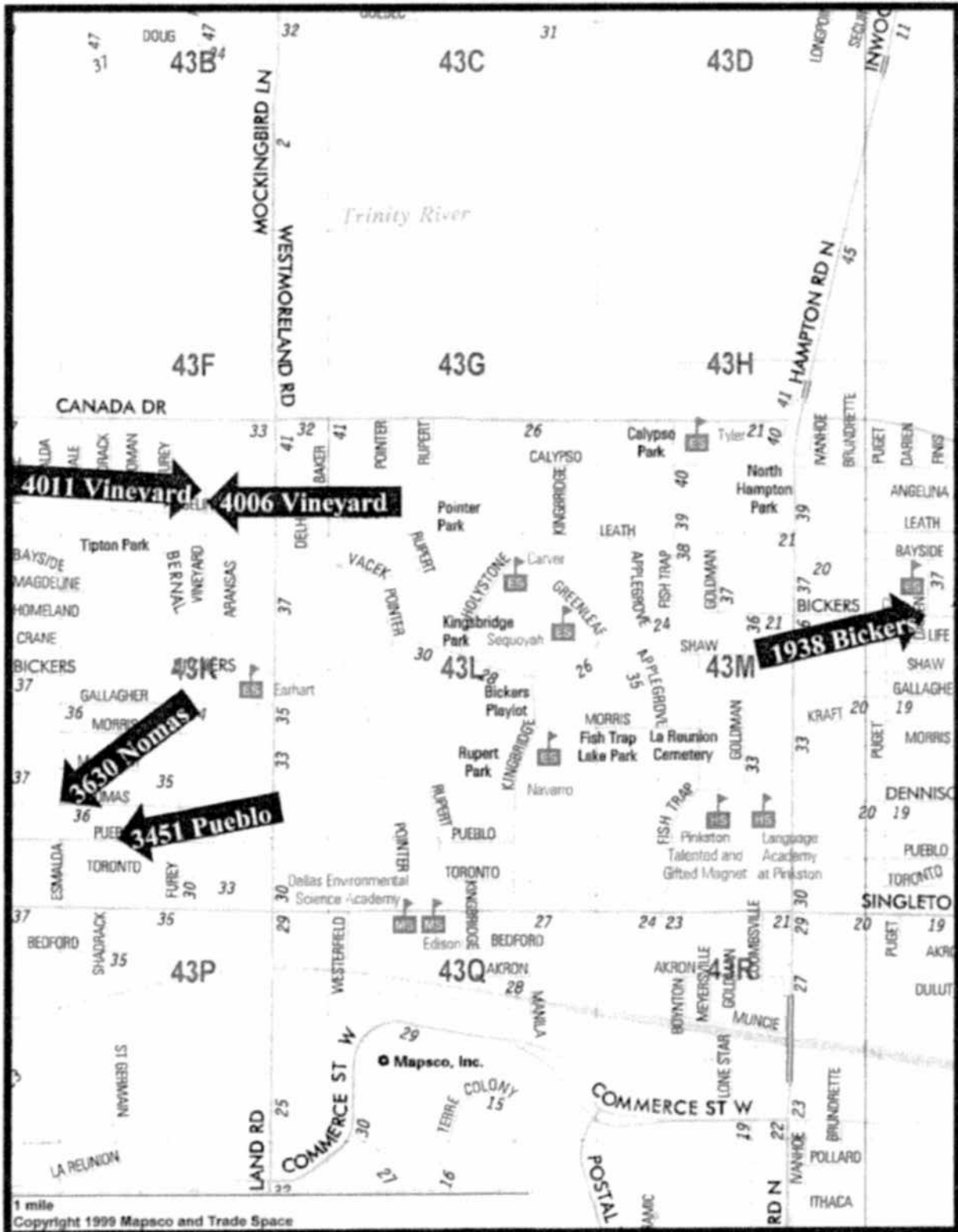
No cost consideration to the City.

MAP

Attached

Tax Foreclosure and Seizure Property Resale

| <u>Parcel No.</u> | <u>Address</u> | <u>Non-Profit Organization</u> | <u>Mapsco</u> | <u>DCAD Value</u> | <u>Sale Amount</u> | <u>Vac/ Imp Zoning</u> | <u>Council District</u> |
|-------------------|----------------|--|---------------|-------------------|--------------------|------------------------|-------------------------|
| 1. | 3541 Pueblo | Builders of Hope Community Development Corporation | 43K | \$10,200 | \$1,000 | V R-5(A) | 3 |
| 2. | 3630 Nomias | Builders of Hope Community Development Corporation | 43K | \$12,000 | \$1,000 | V R-5(A) | 3 |
| 3. | 4011 Vineyard | Builders of Hope Community Development Corporation | 43F | \$12,000 | \$1,000 | V R-5(A) | 3 |
| 4. | 4006 Vineyard | Builders of Hope Community Development Corporation | 43F | \$10,000 | \$1,000 | V R-5(A) | 3 |
| 5. | 1938 Bickers | Builders of Hope Community Development Corporation | 44J | \$12,000 | \$1,000 | V R-5(A) | 3 |



MAPSCO 43K, 43F & 44J

February 24, 2010

WHEREAS, on November 13, 1996, the City Council authorized the development of procedures to allow for the private sale of tax foreclosed or seized properties to qualified non-profit organizations by Resolution No. 96-3691; and

WHEREAS, on May 14, 1997, the City Council authorized implementation of the procedures for the Land Assembly Program by Resolution No. 97-1504; and

WHEREAS, on November 11, 1998, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for an alternate manner of sale for tax foreclosed property to non-profit housing corporations and non-profit organizations by Ordinance No. 23713; and

WHEREAS, on September 22, 1999, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to authorize and provide requirements, qualifications, restrictions, and procedures for an alternate manner of sale of seized real property to nonprofit organizations for the development of affordable housing by Ordinance No. 24046; and

WHEREAS, on May 9, 2001, the City Council authorized implementation of the procedures contained in the Land Transfer Program Statement and consolidated all land assembly processes under the Land Transfer Program Statement to allow for the private sale of City surplus, tax foreclosed and seized property to qualified, non-profit organizations for the public purpose of creating or preserving affordable housing by Resolution No. 01-1411; and

WHEREAS, on June 27, 2001, the City Council authorized implementation of policies and procedures contained in the adopted Housing Policy and to allow for modifications to Housing Program Statements under the adopted Housing Policy by Resolution No. 01-2049; and

WHEREAS, on December 8, 2003, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for changes in and extension of the development periods under H.B. 110 proposals and update references to applicable state law by Ordinance No. 25443; and

WHEREAS, on December 8, 2003, the City Council authorized an amendment of the program statement of the Land Transfer Program Policy to reflect the December 8, 2003 Ordinance change and changes to the program statement by Resolution No. 03-3355; and

WHEREAS, on November 10, 2004, the City Council authorized an amendment of the program statement of the House Bill 110 Program to prohibit the placement of industrialized housing on properties sold by the City by Resolution No. 04-3193; and

February 24, 2010

WHEREAS, on January 21, 2010, the City received five proposals from Builders of Hope Community Development Corporation to purchase five (5) properties shown on Exhibit "A" for construction of five (5) single-family homes for purchase by low to moderate income homebuyers; **NOW, THEREFORE**,

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

Section 1. That the public hearing shall be held at 1:00 p.m. on March 10, 2010 in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, at which time any interested person may appear and speak for or against the proposed private sale by quitclaim deed of five (5) unimproved properties acquired by the taxing authorities from the Sheriff's Sale to a qualified non-profit organization; and, at the close of the public hearing, consider approval of the sale of the properties to the nonprofit organization, all as shown on Exhibit "A".

Section 2. That notice of such public hearing shall be published in the newspaper of record not later than ten (10) days prior to the date of such hearing. Written notice of such hearing shall be sent to all owners of real property lying within 200 feet of the boundary of the area subject to the purchase and notice of the hearing along with a copy of this resolution shall be delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed purchase.

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

DISTRIBUTION:

Housing\Community Services
City Attorney's Office
Office of Financial Services/Community Development, 4FN
Office of Property Management

EXHIBIT "A"

TAX FORECLOSURE PROPERTY SALE

| PARCEL NO. | Address | Mapsco | Non-Profit Organization | Sale Amount | Council District |
|-------------------|----------------|---------------|---|--------------------|-------------------------|
| 1. | 3541 Pueblo | 43K | Builders of Hope Community Development Corporation | \$1,000.00 | 3 |
| 2. | 3630 Nomas | 43K | Builders of Hope Community Development Corporation | \$1,000.00 | 3 |
| 3. | 4011 Vineyard | 43F | Builders of Hope Community Development Corporation | \$1,000.00 | 3 |
| 4. | 4006 Vineyard | 43F | Builders of Hope Community Development Corporation | \$1,000.00 | 3 |
| 5. | 1938 Bickers | 44J | Builders of Hope Community Development Corporation | \$1,000.00 | 3 |

KEY FOCUS AREA: A Cleaner, Healthier City Environment
AGENDA DATE: February 24, 2010
COUNCIL DISTRICT(S): 3, 4, 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 44N 55U 65A

SUBJECT

Authorize the reconstruction on-site of three homes in accordance with the Reconstruction/SHARE Program Statement requirements for properties located at 2029 East Illinois Avenue in the amount of \$93,400, 3322 Alaska Avenue in the amount of \$93,400 and 2612 Harston Street in the amount of \$93,400 – Total not to exceed \$280,200 - Financing: 2008-09 Home Funds (\$238,076) and 2008-09 Community Development Block Grant Funds (\$42,124)

BACKGROUND

On November 12, 2007, City Council approved an amendment to the Program Statement for the Home Repair Program which authorizes loans for reconstruction on site of new homes to low-income homeowners in Dallas earning less than 50% Citywide and 80% in NIP areas of Area Median Family Income (AMFI).

On December 9, 2009, City Council approved an amendment to the Program Statement for the Reconstruction/SHARE program to provide to the homeowners a maximum of \$93,400 for a new home on-site of approximately 1,200 sq ft.

City Council authorization is also required prior to proceeding with reconstruction on site when all of the following conditions exist: (a) repairs necessary to meet the City's locally adopted Housing Rehabilitation Standards or Federal Housing Quality Standards and all applicable codes cannot be accomplished within the program funding limits; (b) the conditions of the home create an imminent danger to the life, health and/or safety of the residents and/or the neighborhood; and (c) repairs are not feasible in that they will not extend the life of the repaired structure beyond 15 years.

BACKGROUND (continued)

On October 8, 2008, City Council approved an amendment to the Program Statement for the Home Repair Program which authorizes loans for reconstruction on site of new homes to low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI) and who are older than 62 years of age or disabled and provide assistance with one (1) tax and insurance payment.

The following homeowners are at 80% and below AMFI, are eligible for a loan to reconstruct the homes on-site and the properties described are eligible: an elderly female, Durene Davis, 76 years old, resides at 2029 E. Illinois Avenue; an elderly female, Shirley Thomas, 72 years old, resides at 3322 Alaska Avenue and an elderly female, Ella L. Thompson, 81 years old, resides at 2612 Harston Street.

This action provides authority to proceed with reconstruction of three (3) single-family homes on-site, as all conditions noted above have been met.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 28, 1998, the City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program and included clarification of procedures for reconstruction on-site under certain conditions by Council Resolution No. 98-3157.

On August 23, 2000, the City Council authorized approval of the Program Statement for the Home Improvement Loan Program by Resolution No. 00-2656.

On June 27, 2001, the City Council authorized approval of a Program Statement for the Home Repair Program by Resolution No. 01-2049.

On August 14, 2002, the City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-2272.

On October 23, 2002, the City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-3047.

On October 22, 2003, the City Council authorized the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 03-2833.

On June 23, 2004, the City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 04-2097.

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

On October 18, 2004, the Housing and Neighborhood Development Committee recommended increasing the Maximum loan for a replacement home to \$70,000.

On November 10, 2004, the City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program to increase the maximum amount to \$70,000 by Resolution No. 04-3194.

On November 12, 2007, the City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site under certain conditions for assistance up to \$87,500 by Resolution No. 07-3307.

On April 23, 2008, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to add an amenities package up to \$5,900 by Resolution No. 08-1266.

On October 8, 2008, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI) and who are older than 62 years of age or disabled and provide assistance with one (1) tax and insurance payment in Resolution No. 08-2768.

On December 9, 2009, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 in Resolution No. 09-2951.

FISCAL INFORMATION

2008-09 Home Funds - \$238,076

2008-09 Community Development Block Grant Funds - \$42,124

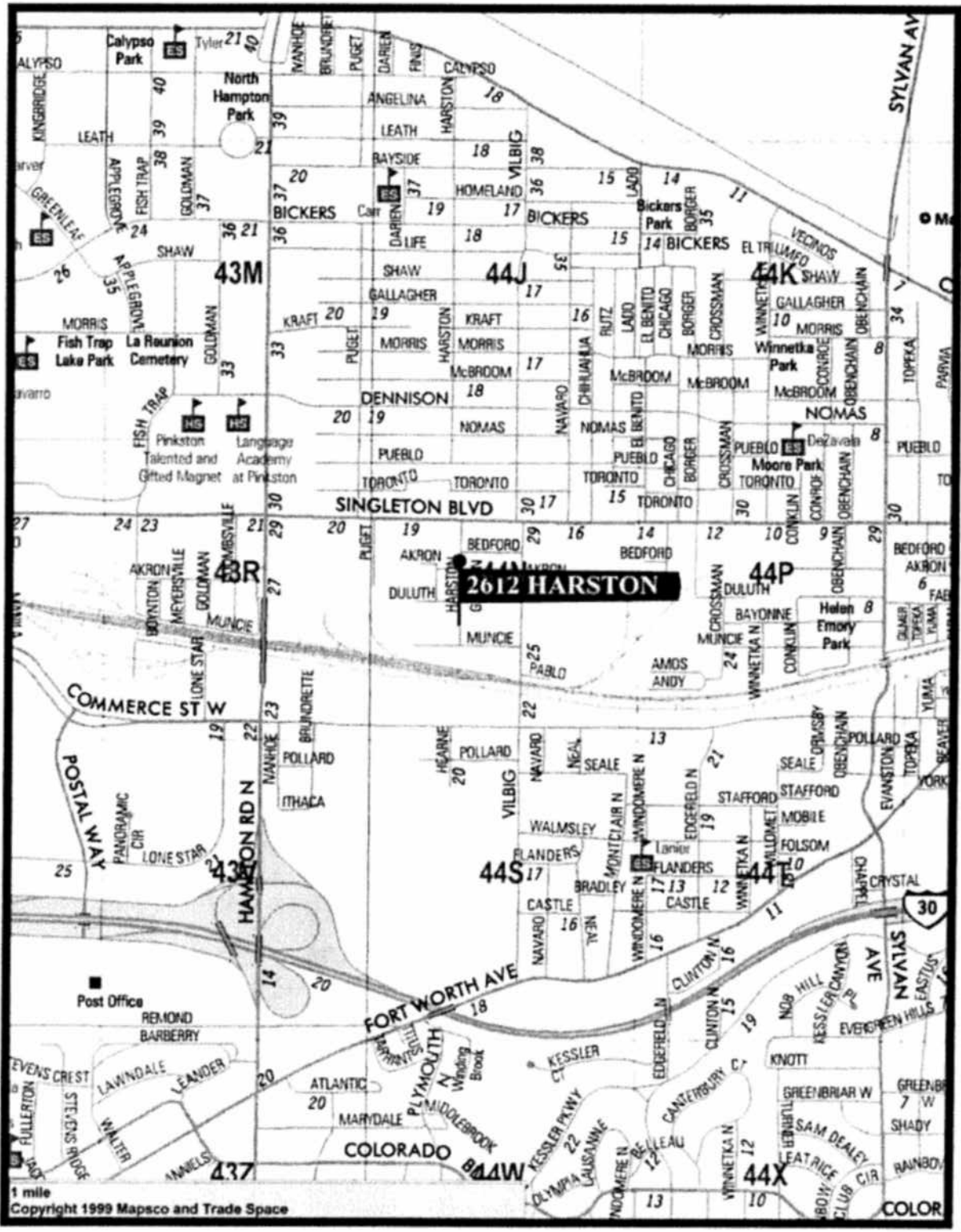
Council District 3 - \$93,400

Council District 4 - \$93,400

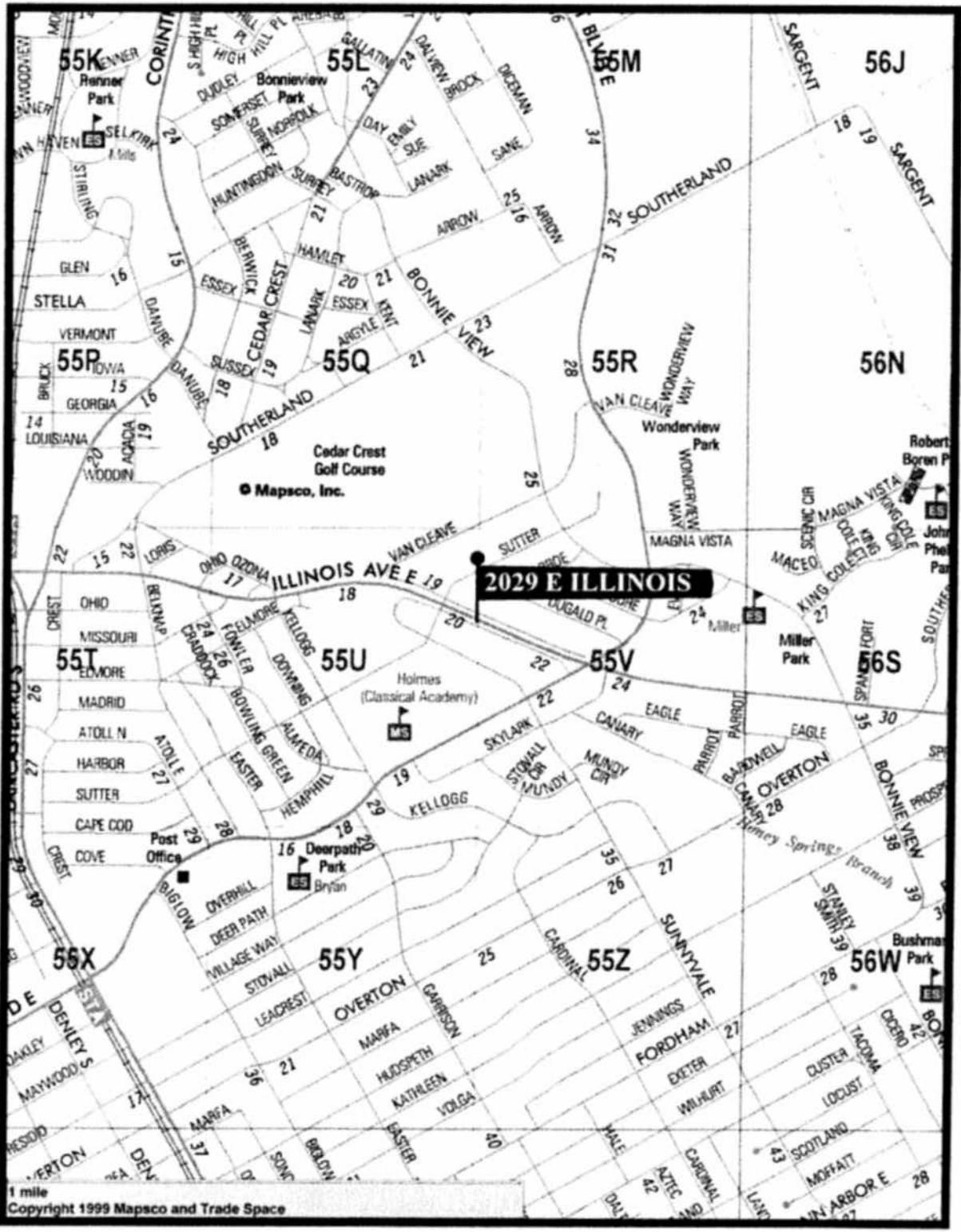
Council District 7 - \$93,400

MAP(S)

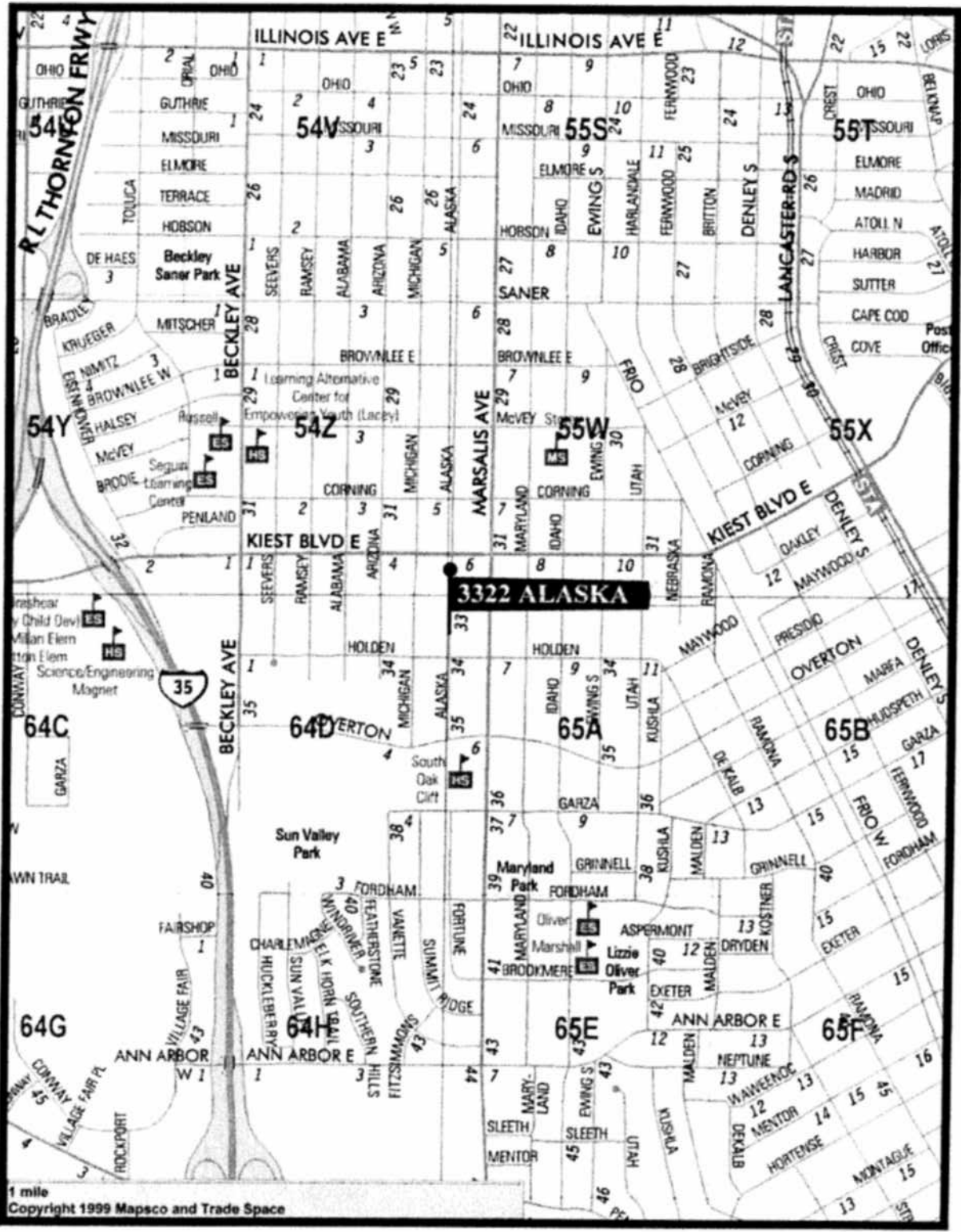
Attached



MAPSCO 44N



MAPSCO 55U



MAPSCO 65A

February 24, 2010

WHEREAS, on October 28, 1998, the City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program and included clarification of procedures for reconstruction on-site under certain conditions by Resolution No. 98-3157; and

WHEREAS, on August 23, 2000, the City Council authorized approval of the Program Statement for the Home Improvement Loan Program by Resolution No. 00-2656; and

WHEREAS, on June 27, 2001, the City Council authorized approval of a Program Statement for the Home Repair Program by Resolution No. 01-2049; and

WHEREAS, on August 14, 2002, the City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-2272; and

WHEREAS, on October 23, 2002, the City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-3047; and

WHEREAS, on October 22, 2003, the City Council authorized the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 03-2833; and

WHEREAS, on June 23, 2004, the City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 04-2097; and

WHEREAS, on October 18, 2004, the Housing and Neighborhood Development Committee recommended increasing the Maximum loan for a replacement home to \$70,000; and

WHEREAS, on November 10, 2004, the City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program to increase the maximum amount to \$70,000 by Resolution No. 04-3194; and

WHEREAS, on November 12, 2007, the City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site under certain conditions for assistance up to \$87,500 by Resolution No. 07-3307; and

WHEREAS, on April 23, 2008, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to add an amenities package up to \$5,900 by Resolution No. 08-1266; and

February 24, 2010

WHEREAS, on October 8, 2008, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners at 80% of AMFI who are older than 62 years old or disabled and to provide assistance with one (1) tax and insurance payment; and

WHEREAS, on December 9, 2009, the City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951; and

WHEREAS, the homeowners described made application to the Home Repair Program; Durene Davis, at 2029 E. Illinois Avenue; Shirley Thomas, at 3322 Alaska Avenue and Ella L. Thompson, at 2612 Harston Street; and

WHEREAS, all three conditions outlined in the Reconstruction/SHARE Program Statement for reconstruction of a home on-site have been met for the property owners Durene Davis, Shirley Thomas and Ella L. Thompson; **NOW THEREFORE**,

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

SECTION 1. That the application and property from homeowners described for a reconstruction loan be approved under the Reconstruction/SHARE Program: Durene Davis, 2029 E. Illinois Avenue; Shirley Thomas, 3322 Alaska Avenue and Ella L. Thompson, 2612 Harston Street, all in the amounts shown in Section 3 hereof.

SECTION 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute loan documents with Durene Davis, Shirley Thomas and Ella L. Thompson for reconstruction on-site of the homes to be located at 2029 E. Illinois Avenue, 3322 Alaska Avenue and 2612 Harston Street.

SECTION 3. That the City Controller is authorized to make payments for reconstruction of the home in accordance with the funding information listed according to:

Fund CD08 Dept HOU, Unit 304A, Obj 3100 CT HOU305AD351 (\$42,124)

Fund HM08 Dept HOU, Unit 322A, Obj 3100 (\$51,276)

Vendor # VS0000040190 – Altura Homes DFW, LP. – 2029 E. Illinois Avenue

Fund HM08 Dept HOU, Unit 322A, Obj 3100 CT HOU322AD352 (\$93,400)

Vendor # 337798 – Torres Construction – 3322 Alaska Avenue

Fund HM08 Dept HOU, Unit 322A, Obj 3100 CT HOU322AD353 (\$93,400)

Vendor # VS0000040190 – Altura Homes DFW, LP – 2612 Harston Street

February 24, 2010

SECTION 4. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas and it is accordingly so resolved.

DISTRIBUTION:

Housing\Community Services

City Attorney's Office

Office of Financial Services/Community Development, 4FS

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: February 24, 2010
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 56C

SUBJECT

Authorize **(1)** an amendment to Resolution No. 07-3305, previously approved on November 12, 2007, to increase the economic development loan amount from \$300,000 to \$550,000 with Kaminski Holdings, Inc. and change the terms to allow \$150,000 to be forgivable over a five year period and \$400,000 to be repaid over 20 years with 3% interest for construction development financing for the commercial portion of a mixed-use building at 5208 Bexar Street; and **(2)** a housing development loan agreement with Kaminski Holdings, Inc. in the amount of \$550,000 for construction of six affordable rental housing units at 5208 Bexar Street as part of a mixed-use building - Not to exceed \$800,000 - Financing: 2006-07 Community Development Block Grant Reprogramming Funds (\$250,000), 2009-10 HOME Investment Partnership Program Grant Funds (\$550,000)

BACKGROUND

The Bexar Street Mixed-Use project is being implemented under the City's Neighborhood Investment Program (NIP) and is located within NIP target area CT 39.02/115.00 pt. The project is being undertaken in two phases. Phase I (Brigham to CF Hawn Freeway along Bexar Street) will be redeveloped to include a mix of residential, retail, office and neighborhood-serving uses. Master planning is underway for Phase II (CF Hawn Freeway to dead end/Trinity River Forest).

The subject site is owned by Kaminski Holdings, Inc. and is located at 5208 Bexar Street, within the Bexar Street Mixed-Use project. The site has been cleared and will be replaced by a new two-story mixed-use building containing 13,400 square feet of commercial/retail and residential space with 6 apartment units.

On November 12, 2007, City Council authorized a loan agreement with Kaminski Holdings, Inc., ("The Borrower") in the amount of \$300,000 with a fixed interest of 5% to facilitate the construction of a mixed-use two-story building at 5208 Bexar Street.

BACKGROUND (continued)

Due to market lending conditions, the developer has been unable to secure financing for the full development of the mixed-use building.

On January 7, 2010, the City Council Housing Committee was briefed on the project and the need for additional loan funds from the City of Dallas for the full development to be completed.

This action authorizes additional loan funds for the complete construction of the mixed-use facility at 5208 Bexar. The economic development loan will total \$550,000 with \$150,000 being forgiven over a five year period and \$400,000 repaid over a 20 year period with 3% interest. The retail space must be used by neighborhood serving businesses for a five year period. The housing development loan will total \$550,000 to be repaid over a 20 year period with 3% interest. Housing units will be affordable rental units for 20 years and will be deed restricted. The entire property will carry a first lien from the City of Dallas for the full amount of both loans.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS COMMISSIONS)

On June 26, 2002, the City Council approved the FY 2002-2003 Consolidated Plan budget which included an appropriation of \$714,000 for the redevelopment of Bexar Street by Resolution No. 02-1980.

On February 26, 2003, the City Council approved five target areas to receive focused housing and public improvements, and code enforcement under the Neighborhood Investment Program (NIP) by Resolution No. 03-0830.

On September 28, 2005, the City Council authorized the re-designation and expansion of three of the original five NIP target areas by Resolution No. 05-2795.

On November 12, 2007, City Council authorized a loan agreement with Kaminski Holdings, Inc., ("The Borrower") in the amount of \$300,000 with a fixed interest of 5% to facilitate the construction of a mixed-use two-story building at 5208 Bexar Street by Resolution No. 07-3305.

On January 7, 2010, the City Council Housing Committee was briefed on the project and the need for additional loan funds from the City of Dallas for the full development to be completed.

FISCAL INFORMATION

2006-07 Community Development Block Grant Reprogramming Funds - \$250,000
2009-10 HOME Investment Partnership Program Grant Funds - \$550,000

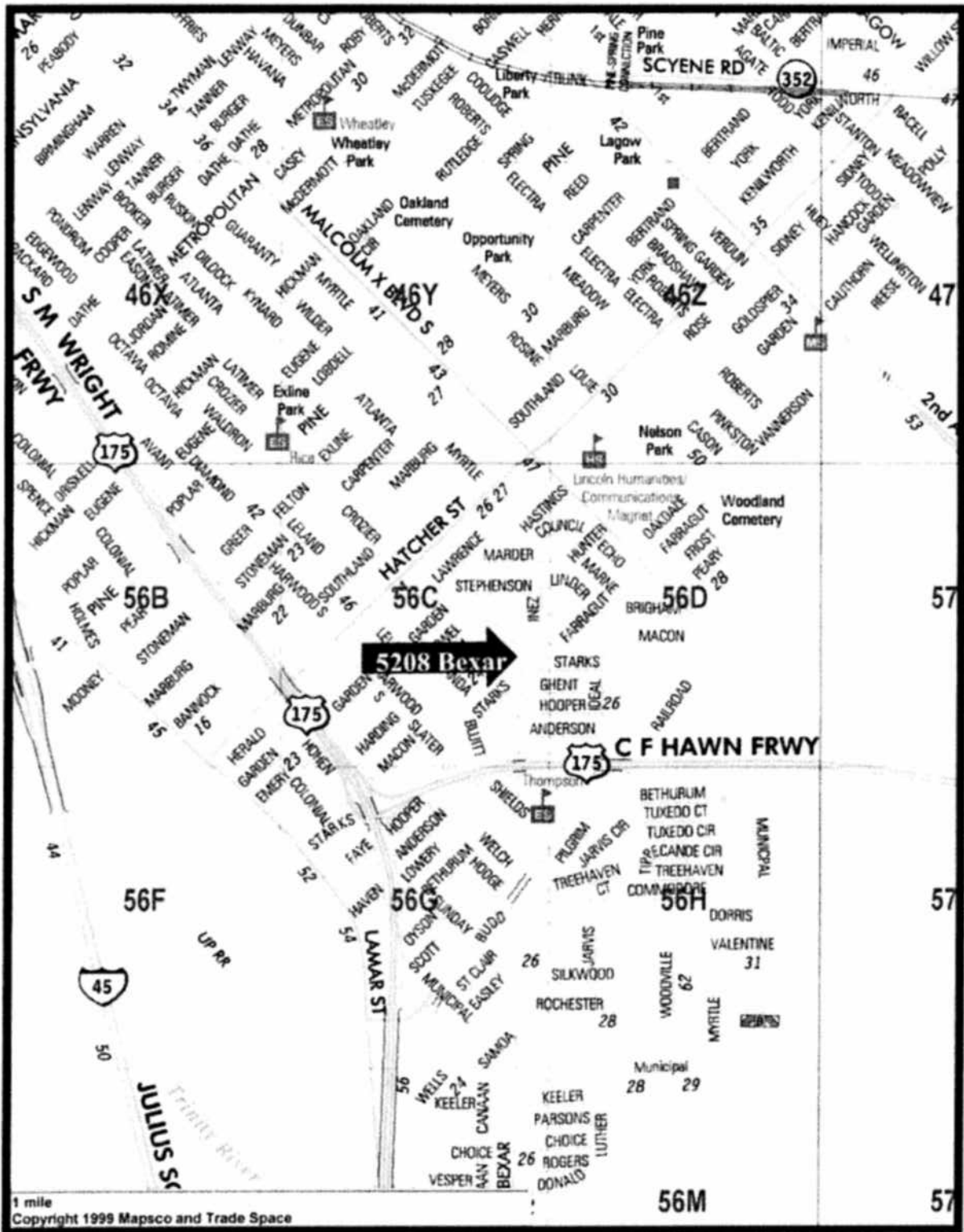
OWNERS(S)

Kaminski Holdings, Inc.

Bruce Kaminski, President

MAP(s)

Attached



MAPSCO 56C

February 24, 2010

WHEREAS, on February 26, 2003, the City Council approved by Resolution No. 03-0830, five target areas (delineated by census tracts) to receive focused housing and public improvements, and code enforcement under the Neighborhood Investment Program (NIP). The Bexar Street Redevelopment Project is located in target area CT 39.02/115.00; and

WHEREAS, on September 28, 2005, the City Council authorized the re-designation and expansion of three of the original five NIP target areas by Resolution No. 05-2795; and

WHEREAS, on November 12, 2007, City Council authorized a loan agreement with Kaminski Holdings, Inc., ("The Borrower") in the amount of \$300,000 with a fixed interest of 5% to facilitate the construction of a mixed-use two-story building at 5208 Bexar Street. by Resolution No. 07-3305; and

WHEREAS, the City of Dallas desires to provide an amendment to Resolution No. 07-3305 to increase the economic development loan agreement with Kaminski Holdings, Inc. for predevelopment costs, demolition, and development financing for the construction of the retail component of a mixed-use building at 5208 Bexar Street; and

WHEREAS, the City of Dallas desires to provide a housing development loan from HOME Investment Partnership (HOME) grant funds in the amount of \$550,000 for construction of six affordable rental housing units in the mixed-use building at 5208 Bexar Street; **NOW, THEREFORE**,

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

Section 1. That the City Manager is hereby authorized to increase the economic development loan amount from \$300,000 to \$550,000 with Kaminski Holdings, Inc. ("Borrower") and change the terms to allow \$150,000 to be forgivable over a five year period and \$400,000 to be repaid over 20 years with 3% interest for construction development financing for the commercial portion of a mixed-use building at 5208 Bexar Street.

The terms of the agreement include:

- a. The Borrower must execute a note payable to the City of Dallas for \$550,000 for the economic development loan. Of the \$550,000, \$150,000 will be forgiven over a five year period while \$400,000 will be repaid over a 20 year period with 3% interest.
- b. Borrower must build a mixed-use building containing both retail and affordable housing rental space. Retail space must be occupied by neighborhood serving businesses approved by the City for a five year period.

February 24, 2010

- c. Borrower will execute a Deed of Trust and Deed Restrictions on the property for a period of 20 years.
- d. Borrower will be released from 1/5th of \$150,000 liability on the Note annually, provided that there are no defaults under any of the loan documents.
- e. Borrower will begin construction no later than 12 months from contract execution and obtain Certificate of Occupancy no later than three years from the date of this Council action.
- f. Borrower will document and report ongoing occupancy requirements on a monthly basis for the commercial tenants.
- g. Kaminski Holdings, Inc. must provide source documentation for the developer's equity for the balance of the construction funds.

Section 2. That the City Manager is hereby authorized to execute a housing development loan agreement with Kaminski Holdings, Inc. in the amount of \$550,000 for construction of six affordable rental housing units at 5208 Bexar Street as part of a mixed-use building.

The terms of the agreement include:

- a. The Borrower must execute a note payable to the City of Dallas for \$550,000.
- b. The loan of \$550,000 will carry a 3% interest rate and will be repaid monthly upon initial lease up of the units and for 20 years thereafter.
- c. The Borrower must execute and file in County Records a Deed of Trust and Deed Restriction for 20 years.
- d. Borrower must build and rent six units within 3 years.
- e. The Property will be deed restricted for 20 years for low-to-moderate income families. At all times, at least 20% of the families' incomes must be at 50% of Dallas AMFI or below and the remaining units at 80% of Dallas AMFI or below. Rents will meet Fair Market Rents as established by HUD.
- f. Borrower will document and report ongoing occupancy requirements on a monthly basis for the residential tenants for 20 years.

February 24, 2010

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 Kaminski Holdings, Inc. as follows:

| <u>FUND</u> | <u>DEPT</u> | <u>UNIT</u> | <u>OBJ</u> | <u>CT</u> | <u>AMOUNT</u> |
|-------------|-------------|-------------|------------|-------------|---------------|
| 09R1 | HOU | 631B | 3015 | HOU631BE359 | \$250,000 |
| HM09 | HOU | 654B | 3015 | HOU654BE359 | \$550,000 |

Section 4. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) in funds 09R1 and HM09 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 it is accordingly so resolved.

DISTRIBUTION:

Housing\Community Services
City Attorney's Office - Michael Bostic
Office of Financial Services/Community Development, 4FS

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: February 24, 2010
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 56C

SUBJECT

Authorize **(1)** an amendment to Resolution No. 09-1924, previously approved on August 12, 2009, to increase the economic development loan amount from \$455,000 to \$530,800 and change the terms to a five-year forgivable loan with Hai Tak Enterprises, Inc. for predevelopment costs and development financing for the construction of the retail component of a mixed-use building at 5203 Bexar Street; and **(2)** a housing development loan agreement with Hai Tak Enterprises, Inc. in the amount of \$796,200 for the construction of nine affordable rental housing units at 5203 Bexar Street as part of a mixed-use building - Not to exceed \$872,000 - Financing: 2006-07 Community Development Block Grant Reprogramming Funds (\$75,800), 2009-10 HOME Investment Partnership Program Grant Funds (\$796,200)

BACKGROUND

The Bexar Street Mixed-Use project is being implemented under the City's Neighborhood Investment Program (NIP) and is located within NIP target area CT 39.02/115.00. The project is being undertaken in two phases. Phase I (Brigham to CF Hawn Freeway along Bexar Street) will be redeveloped to include a mix of residential, retail, office and neighborhood-serving uses. Master planning is underway for Phase II (CF Hawn Freeway to dead end/Trinity River Forest).

The subject site is owned by Hai Tak Enterprises, Inc. and is located at 5203 Bexar, within the Bexar Street Mixed-Use project. An existing building on the property was demolished and will be replaced by a new two-story mixed-use building containing 6,000 square feet of commercial/retail space and 9 apartment units.

BACKGROUND (continued)

On August 12, 2009, the City Council authorized a loan with Hai Tak Enterprises, Inc., ("The Borrower") in an amount not to exceed \$455,000, with a fixed interest rate of 1% per annum to facilitate the construction of a mixed-use two-story building at 5203 Bexar Street, by Resolution 09-1924.

On January 7, 2010, the City Council Housing Committee was briefed on the project and the need for additional loan funds from the City of Dallas for the full development to be completed.

This action authorizes additional loan funds for the complete construction of the mixed-use facility at 5203 Bexar. The economic development loan will total \$530,800 and will be forgivable over a five year period. The retail space must be used by neighborhood serving businesses for a five year period. The housing development loan will total \$796,200 with \$174,200 forgivable amount over a five year period and \$622,000 repaid over a 20 year period with 3% interest. Housing units will be affordable rental units for 20 years and will be deed restricted. The entire property will carry a first lien from the City of Dallas for the full amount of both loans.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS COMMISSIONS)

On June 26, 2002, the City Council approved the FY 2002-2003 Consolidated Plan budget which included an appropriation of \$714,000 for the redevelopment of Bexar Street by Resolution No. 02-1980.

On February 26, 2003, the City Council approved five target areas to receive focused housing and public improvements, and code enforcement under the Neighborhood Investment Program (NIP) by Resolution No. 03-0830.

On September 28, 2005, the City Council authorized the re-designation and expansion of three of the original five NIP target areas by Resolution No. 05-2795.

On December 13, 2006, the City Council approved an economic development loan to Hai Tak Enterprises, Inc. in an amount not to exceed \$305,000 to facilitate the construction of a mixed-use two-story building at 5203 Bexar Street, by Resolution No. 06-3362.

On August 12, 2009, the City Council authorized a loan to Hai Tak Enterprises, Inc., ("The Borrower") in an amount not to exceed \$455,000, with a fixed interest rate of 1% per annum to facilitate the construction of a mixed-use two-story building at 5203 Bexar Street, by Resolution No. 09-1924.

On January 7, 2010, the City Council Housing Committee was briefed on the project and unanimously approved the project.

FISCAL INFORMATION

2006-07 Community Development Block Grant Reprogramming Funds - \$75,800
2009-10 HOME Investment Partnership Program Grant Funds - \$796,200

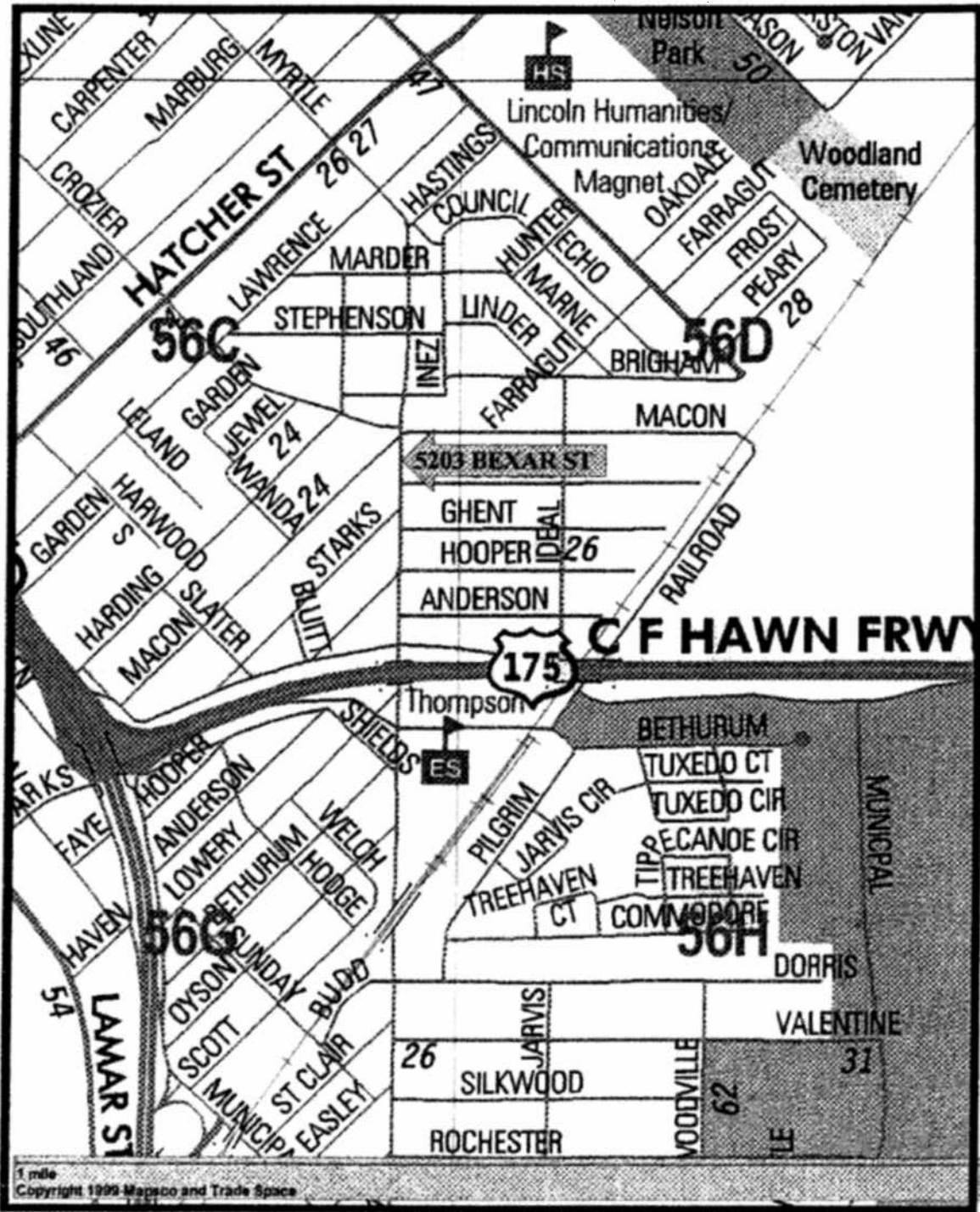
OWNERS(S)

Hai Tak Enterprises, Inc.

Hailu Ejigu, President

MAP(s)

Attached



MAPSCO 56 C

February 24, 2010

WHEREAS, on February 26, 2003, the City Council approved by Resolution No. 03-0830, five target areas (delineated by census tracts) to receive focused housing and public improvements, and code enforcement under the Neighborhood Investment Program (NIP). The Bexar Street Redevelopment Project is located in target area CT 39.02/115.00; and

WHEREAS, on September 28, 2005, the City Council authorized the re-designation and expansion of three of the original five NIP target areas by Resolution No. 05-2795; and

WHEREAS, on December 13, 2006, the City Council approved an economic development loan to Hai Tak Enterprises, Inc. in an amount not to exceed \$305,000 to facilitate the construction of a mixed-use two-story building at 5203 Bexar Street, by Resolution No. 06-3362; and

WHEREAS, on August 12, 2009, the City Council authorized a loan to Hai Tak Enterprises, Inc., ("The Borrower") in an amount not to exceed \$455,000, with a fixed interest rate of 1% per annum to facilitate the construction of a mixed-use two-story building at 5203 Bexar Street, by Resolution No. 09-1924; and

WHEREAS, the City of Dallas desires to provide an amendment to Resolution No. 09-1924 to increase the economic development loan agreement with Hai Tak Enterprises, Inc. for predevelopment costs, demolition and development financing for the construction of the retail component of a mixed-use building at 5203 Bexar Street; and

WHEREAS, the City of Dallas desires to provide a housing development loan to Hai Tak Enterprises, Inc. from HOME Investment Partnership Program (HOME) loan in the amount of \$796,200 for construction of nine affordable rental housing units in the mixed-use building at 5203 Bexar Street; **NOW, THEREFORE,**

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

Section 1. That the City Manager is hereby authorized to increase the economic development loan amount from \$455,000 to \$530,800 and change the terms to a five-year forgivable loan with Hai Tak Enterprises, Inc. ("Borrower") for predevelopment costs and development financing for the construction of the retail component of a mixed-use building at 5203 Bexar Street.

The terms of the agreement include:

- a. The Borrower must execute a note payable to the City of Dallas for \$530,800 with 0% interest.

February 24, 2010

- b. Borrower must build a mixed-use building containing both retail and affordable housing rental space. Retail space must be occupied by neighborhood serving businesses approved by the City for a five year period.
- c. Borrower will execute a Deed of Trust and Deed Restrictions on the property for a period of 20 years.
- d. Borrower will be released from 1/5th of liability on the Note annually, provided that there are no defaults under the loan agreement.
- e. Borrower will begin construction no later than 12 months from contract execution and obtain Certificate of Occupancy no later than three years from the date of this Council action.
- f. Borrower will document and report ongoing occupancy requirements on a monthly basis for the commercial tenants.
- g. Hai Tak Enterprises, Inc. must provide source documentation for the developer's equity for the balance of the construction funds.

Section 2. That the City Manager is hereby authorized to execute a housing development loan agreement with Hai Tak Enterprises, Inc. in the amount of \$796,200 for the construction of nine affordable rental housing units at 5203 Bexar Street as part of a mixed-use building.

The terms of the agreement include:

- a. The Borrower must execute a note payable to the City of Dallas for \$796,200. Of the loan amount, \$174,200 will be forgiven over a five year period provided that there are no defaults under the loan agreement.
- b. The balance of the loan, \$622,000, will carry a 3% interest rate and will be repaid monthly upon initial lease up of the units and for 20 years thereafter.
- c. The Borrower must execute and file in County Records a Deed of Trust and Deed Restriction for 20 years.
- d. Borrower must build and rent nine units within 3 years.
- e. Property will be Deed Restricted for 20 years for low-to-moderate income families. At all times, at least 20% of the families' incomes must be at 50% of Dallas AMFI or below and the remaining units at 80% of Dallas AMFI or below. Rents will meet Fair Market Rents as established by HUD.

February 24, 2010

f. Borrower will document and report ongoing occupancy requirements on a monthly basis for the residential tenants for 20 years.

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 Hai Tak Enterprises, Inc. as follows:

| <u>FUND</u> | <u>DEPT</u> | <u>UNIT</u> | <u>OBJ</u> | <u>CT</u> | <u>AMOUNT</u> |
|-------------|-------------|-------------|------------|-------------|---------------|
| 09R1 | HOU | 631B | 3015 | HOU631BE360 | \$ 75,800 |
| HM09 | HOU | 654B | 3015 | HOU654BE360 | \$796,200 |

Section 4. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) in funds 09R1 and HM09 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 it is accordingly so resolved.

DISTRIBUTION:

Housing/Community Services
 City Attorney's Office - Michael Bostic
 Office of Financial Services/Community Development, 4FS

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: February 24, 2010
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: N/A

SUBJECT

A public hearing to receive comments on Substantial Amendment No. 2 to the FY 2009-10 Consolidated Plan for the Reprogramming of **(a)** 2006-07 Community Development Block Grant Reprogramming Funds from Downtown Mortgage Assistance program to Bexar Street Mixed-Use Project \$475,800 and Reconstruction/SHARE Program \$1,474,200; and **(b)** 2009-10 HOME Investment Partnership Program Grant Funds from Reconstruction/SHARE program to Bexar Street Mixed-Use Project \$1,346,200; and at the close of the hearing, authorize final adoption of Substantial Amendment No. 2 to the FY 2009-10 Consolidated Plan - Total not to exceed \$3,296,200 - Financing: 2006-07 Community Development Block Grant Reprogramming Funds (\$1,950,000) and 2009-10 HOME Investment Partnership Program Grant Funds (\$1,346,200)

BACKGROUND

On June 24, 2009, the City Council approved and adopted the FY 2009-10 Consolidated Plan and FY 2008-09 Reprogramming budgets, in an estimated amount of \$34,904,780 by Resolution No. 09-1635.

On December 7, 2009, the Housing Committee of the City Council was briefed on the reprogramming of funds in favor of the Bexar Street Mixed-Use Project.

On January 13, 2010, the City Council authorized a preliminary adoption of Substantial Amendment No. 2 to the FY2009-10 Consolidated Plan and a public hearing to be held.

This action would, at the close of the public hearing, authorize final adoption of the Substantial Amendment No. 2 to reprogram 2006-07 Community Development Block Grant Reprogramming Funds from Downtown Mortgage Assistance program to Bexar Street Mixed-Use Project in an amount of \$475,800 and 2009-10 HOME Investment Partnership Funds from Reconstruction/SHARE Program to Bexar Street Mixed-Use Project in an amount of \$1,346,200.

BACKGROUND (continued)

Also, in order to replace funding for the Reconstruction/SHARE Program, 2006-07 Community Development Block Grant Reprogramming Funds would be reprogrammed from Downtown Mortgage Assistance program to the Reconstruction/SHARE Program in the amount of \$1,474,200.

The Bexar Street Mixed-Use Project will fund two mixed use developments to Hai Tak Enterprises, Inc. and to Kaminski Holdings, Inc. to develop 12,400 sq ft. of retail space and 15 affordable apartment units at the 5200 block of Bexar Street. Each project contract will be presented for final approval by the City Council on February 24, 2010 provided that reprogramming funding is approved.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 24, 2009, the City Council approved and adopted the FY 2009-10 Consolidated Plan and FY 2008-09 Reprogramming budgets, in an estimated amount of \$34,904,780 by Resolution No. 09-1635.

On December 7, 2009, the Housing Committee approved the reprogramming of funds in favor of the Bexar Street Mixed Use Project.

On January 13, 2010, the City Council authorized preliminary adoption of Substantial Amendment No. 2 to the FY 2009-10 Consolidated Plan by Resolution No. 10-0186.

FISCAL INFORMATION

2006-07 Community Development Block Grant Programming Funds \$1,950,000
2009-10 HOME Investment Partnership Program Grant Funds \$1,346,200

February 24, 2010

WHEREAS, On June 24, 2009, the City Council approved and adopted the FY 2009-10 Consolidated Plan and FY 2008-09 Reprogramming budgets, in an estimated amount of \$34,904,780 by Resolution No. 09-1635; and

WHEREAS, On October 28, 2009, the City Council approved Substantial Amendment No. 1 to the FY 2009-10 Consolidated Plan by Resolution No. 09-2667; and

WHEREAS, On December 7, 2009, the Housing Committee was briefed on this reprogramming and the projects to be funded; and

WHEREAS, On January 13, 2010, the City Council authorized preliminary adoption of Substantial Amendment No. 2 to the FY 2009-10 Consolidated Plan and authorized a public hearing to be held on February 24, 2010 by Resolution No. 10-0186; and

WHEREAS, federal regulations and City's Citizen Participation Plan requires not less than a 30 day public comment period and public hearing be held on any substantial amendment; **NOW, THEREFORE,**

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

SECTION 1. That a public hearing is held on February 24, 2010 to receive comments on the proposed Substantial Amendment No. 2 to the FY 2009-10 Consolidated Plan, and at the close of the hearing, authorize the final adoption for the Reprogramming of funds as follows:

Source of funds:

| FY | Fund/Unit | Project/Program Title | Amount |
|-------------|------------------|---|--------------------|
| CDBG | | | |
| 2006-07 | 06R1/4463 | Downtown Mortgage Assistance Program (DMAP) | \$1,950,000 |
| HOME | | | |
| 2009-10 | HM09/663B | Reconstruction/SHARE Program | <u>\$1,346,200</u> |
| | | | \$3,296,200 |

February 24, 2010

Use of funds:**CDBG**

| | | | |
|---------|-----------|---------------------------------|--------------------|
| 2006-07 | 09R1/631B | Bexar Street Mixed –Use Project | \$ 475,800 |
| | 09R1/653B | Reconstruction/SHARE Program | <u>\$1,474,200</u> |
| | | | \$1,950,000 |

HOME

| | | | |
|---------|-----------|--------------------------------|-------------|
| 2009-10 | HM09/654B | Bexar Street Mixed-Use Project | \$1,346,200 |
|---------|-----------|--------------------------------|-------------|

SECTION 2. That the City Manager be authorized to establish appropriations and disburse funds up to \$1,950,000 of reprogrammed **(a)** 2006-07 Community Development Block Grant Reprogramming Funds from Downtown Mortgage Assistance program to Bexar Street Mixed-Use Project \$475,800 and Reconstruction/SHARE Project \$1,474,200; and **(b)** 2009-10 HOME Investment Partnership Program Grant Funds from Reconstruction/SHARE program to Bexar Street Mixed-Use Project \$1,346,200.

SECTION 3. That the City Manager be authorized to release \$1,950,000 of 2006-07 Community Development Block Grant Reprogramming Funds and \$1,346,200 of HOME Funds previously allocated to Downtown Mortgage Assistance Program and Reconstruction/SHARE Program respectively.

SECTION 4. That the City Controller is authorized to transfer funds up to \$1,950,000 of 2006-07 Community Development Block Grant Reprogramming Funds from the Downtown Mortgage Assistance Program to Bexar Street Mixed-Use Project \$475,800 and Reconstruction/SHARE Project \$1,474,200; and 2009-10 HOME Investment Partnership Program Grant Funds from Reconstruction/SHARE program to Bexar Street Mixed-Use Project \$1,346,200.

SECTION 5. That the City Manager be authorized to take actions necessary to amend the FY2009-10 Action Plan as submitted to HUD and to provide additional information, make adjustments and take other actions necessary to satisfy HUD Requirements.

February 24, 2010

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/Community Services

City Attorney's Office

Office of Financial Services/Community Development, 4FS