



- 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  
Jeanne Chipperfield, Chief Financial Officer  
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

**April 19, 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: April 19, 2010

Meeting Start time: 2:08 p.m.

<p><b><u>Committee Members Present:</u></b>                  Steve Salazar (Chair)                  Carolyn R. Davis (Vice-Chair)                  Tennell Atkins                  Dwaine Caraway                  Angela Hunt                  Ann Margolin                  Pauline Medrano</p>	<p><b><u>Staff Present:</u></b>                  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                  Bernadette Mitchell-Asst. Director/HOU                  Karl Zavitkovsky-Director/ECO                  Theresa O'Donnell-Director/DEV                  Patrick Inyang-HOU                  Gwen Satterthwaite-CAO                  Barbara Martinez-PO                  Michael Bostic-CAO                  Telemachus Evans-ECO                  Cynthia R. Ellickson-HOU                  Esmeralda De La Cruz-HOU                  Angela Allen-HOU                  Rhonn Ramirez-PSO                  Cassandra Luster-HOU                  Jerry Gonzalez, Jr.-CMO                  Della Lowe-ECO                  Brittany Burrell-CMO                  Cobbie Ransom-HOU                  Doris Edmon-HOU</p>
<p><b><u>Other Councilmembers Present:</u></b>                  David A. Neumann</p>	<p><b><u>Other Attendees</u></b>                  Chris Dora-Shared Housing Center, Inc                  Paul D. Cook-Cedar's Neighborhood                  Zaid Roumaya-Cedar's Neighborhood</p>
<p><b><u>Committee Members Absent:</u></b></p>	

**AGENDA:**

Housing Committee Meeting Called to Order by CM Steve Salazar

1. Approval of April 5, 2010 Minutes of the Housing Committee  
 Presenter(s): Council Member Steve Salazar

**Action Taken/Committee Recommendation(s):**

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

**Follow-up (if necessary):**

2. Update on 2010 Low Income Housing Tax Credit Projects for Dallas  
 Presenter(s): A.C. Gonzalez, Asst. City Manager/Jerry Killingsworth, Director/Bernadette Mitchell, Asst. Director  
 Information Only: \_\_\_\_\_

Action Taken/Committee Recommendation(s) Motion to approve the Low Income Housing Tax Credit Projects to full City Council, however to deny approval of the Wynnewood Village Senior project and the Evergreen Residences Project. (2) Feedback from the Public Hearing held April 14, 2010 will be distributed to Council Members.

Motion made by: CM Ann Margolin	Motion seconded by: CM Tennell Atkins
Item passed unanimously: <input checked="" type="checkbox"/>	Item passed on a divide: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. Hillside West Seniors Housing Development (Davis Garden TIF District)  
 Presenter (s): Karl Zavitkovsky, Director  
 Information Only: \_\_\_\_\_

Action Taken/Committee Recommendation(s) Recommendation made to move forward with Project.

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

Follow-up (if necessary):

4. Changes to Council Housing Policy  
 Presenter(s): Councilmember Carolyn R. Davis  
 Information Only:

Action Taken/Committee Recommendation(s) (1) Committee recommends that Housing review all Housing programs and policies. Some programs and projects mentioned; CHDO's, CDBG for nonprofit, Brick and Mortar, Home Repair, Multi-family new construction vs. rehabilitation, Receivership properties and Nonconforming Use Properties (2) Committee request that a memo be submitted to full council and the Mayor asking for any individual items to be reviewed regarding policy changes and returned to the Committee in May with recommendations.

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

Follow-up (if necessary):

5. Upcoming Agenda Items

- a. Call a Public Hearing Dallas Neighborhood Alliance For Habitat, Inc. (2 lots)
- b. Call a Public Hearing for Builders of Hope CDC (4 lots)
- c. Reconstruction Replacement Homes (2 homes)
- d. Amendment to increase ICDC Economic Development Loan

Information Only: \_\_\_\_\_

Action Taken/Committee Recommendation(s) Recommendation made to move forward to full Council.

Motion made by: <b>CM Pauline Medrano</b>	Motion seconded by: <b>CM Carolyn R. Davis</b>
Item passed unanimously: <b>X</b>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

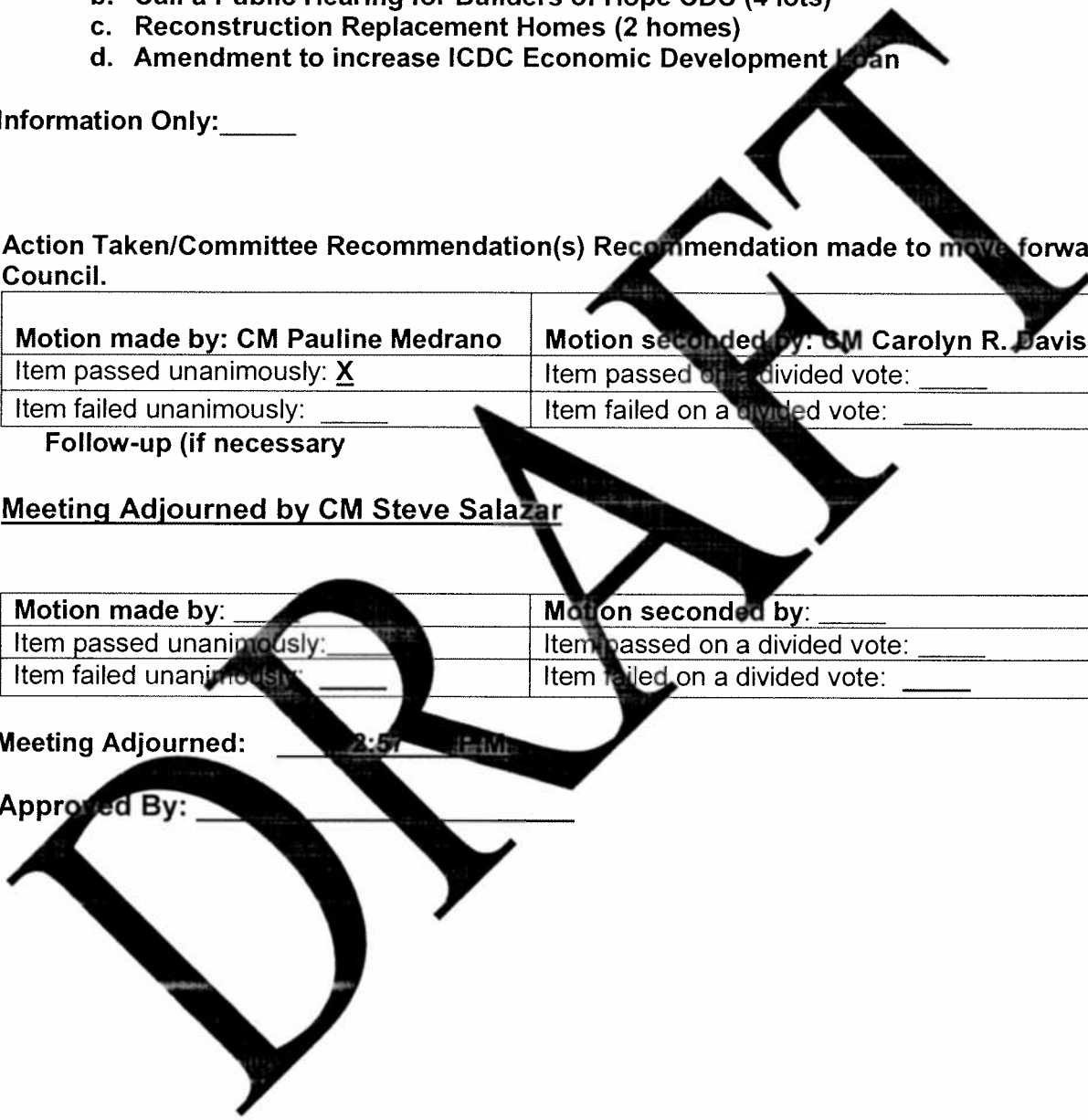
Follow-up (if necessary)

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: \_\_\_\_\_ 2:57 PM

Approved By: \_\_\_\_\_



# Memorandum



CITY OF DALLAS

DATE April 30, 2010

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

SUBJECT Community Development Block Grant Section 108 Guaranteed Loan Application for the Lancaster Urban Village Development

On Monday, May 3, 2010, you will be briefed on Community Development Block Grant Section 108 Guaranteed Loan Application for the Lancaster Urban Village Development. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez', written over a circular stamp or mark.

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  
C. Victor Lander, Administrative Judge, Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jerry Killingsworth, Housing/Community Services Director  
Helena Stevens-Thompson, Assistant to the City Manager

# Community Development Block Grant Section 108 Guaranteed Loan Application for the Lancaster Urban Village Development

---

A Briefing to the Housing Committee

May 3, 2010

Housing/Community Services Department



# Purpose

---

Consideration of Community Development Block Grant Section 108 Guaranteed Loan application for \$7.4M to fund land acquisition, sitework, a loan interest reserve, and commercial development in support of a mixed-use, transit-oriented development located along the Lancaster Rd. corridor at the southeast corner of S. Lancaster Rd. and Ann Arbor Ave. across from the V.A. Hospital

# Description of Development

---

The Lancaster Urban Village Development will be developed in three phases with five funding sources:

- Urban League Campus Expansion and Garage Construction
  - Urban League Campus expansion of existing campus and addition of surface parking, funded with a Capital Campaign, New Market Tax Credits and Public Private Partnership funds
  - Garage Component with construction of a 395 space garage to be used by the Urban League, residents of the new residential component and customers/employees of the new retail/commercial component, funded with New Market Tax Credits and Public Private Partnership funds
- Commercial/Retail Component with construction of 14,131 square feet of retail/office space to create employment opportunities and provide community-serving businesses for the area, funded with Section 108 Loan funds

# Description of Development (cont.)

---

□ Residential Component with construction of 193 multi-family residential units, including 39 affordable units (20%), consisting of studio, one, two, and three bedroom floor plans, funded with a HUD insured 221(d)(4) loan and Public Private Partnership funds

# Uses of Section 108 Funds

---

## □ Acquisition of the 3.5 acre site

- The parcels making up the site have been acquired by City Wide Community Development Corporation (Citywide CDC) with \$1.8M in Public/Partnership funds.
- The Section 108 funds will be loaned to an affiliation to purchase the site from Citywide CDC
- The new affiliation is made up of City Wide CDC, Lancaster Urban Village Residential, LLC, Lancaster Urban Village Garage, LLC, and Lancaster Urban Village Commercial, LLC

## □ Sitework including demolition of existing structures and infrastructure improvement

# Uses of Section 108 Funds (cont.)

---

- Section 108 Interest Reserve to be used by the City to pay the first three years accrued interest on the City's Section 108 loan with HUD
- Construction of the Retail/Commercial portion of the mixed-use phase of the project
  - 14,131 square feet of retail/office space
  - Creation of employment opportunities and provision of community-serving businesses for the area

# Section 108 Guaranteed Loan Application Process

---

- Develop proposed HUD application for \$7.4M
- Neighborhood Public Hearing
  - Hold hearing in the area in which funds will be used
  - Provide description of proposed HUD application and waiver
  - Obtain views of citizens
    - Community development objectives
    - Housing and economic development needs
- Prepare Final HUD Application
  - Consider public comments and views
  - Finalize description of activities

## Section 108 Guaranteed Loan Application Process (cont.)

---

- City Council Public Hearing to review
  - Description of contents of final HUD application
  - Summary of public comments
- Obtain City Council Approval for
  - Final application for project
  - Schedule of repayment to HUD of the Section 108 guaranteed loan

# Underwriting Standards

---

- ❑ Section 108 funding used as subordinate gap financing as a mezzanine refunding piece
- ❑ Total loan balance of the project, including first liens, cannot exceed 85% of the lower of total cost or appraised value of the completed stabilized project
- ❑ Debt service coverage ratio of 1.15 for all debt
- ❑ Additional credit enhancement to provide collateral support to insure that payments can be repaid, if refinancing does not repay both first and second liens
- ❑ Additional credit support required, if the first lien mortgage financing does not include an interest reserve during the construction period, redevelopment and lease up

# Developer

---

- The owner/developer will be an affiliation of City Wide Community Development Corporation, a non-profit corporation with project affiliates Lancaster Urban Village Residential, LLC, Lancaster Urban Village Garage, LLC, and Lancaster Urban Village Commercial, LLC. The affiliation is working in collaboration with Catalyst Urban Development, LLC and the Urban League of Dallas and Greater North Central Texas:
    - City Wide Community Development Corporation (City Wide CDC)
      - 501(c)(3) begun in 2001
      - City Wide CDC focuses on development activities in the Southeast Oak Cliff area of Dallas including affordable housing and social programs targeting low and moderate income families
      - President and CEO Sherman Roberts has over 10 years of experience leading non-profit corporations
-

# Developer (cont.)

---

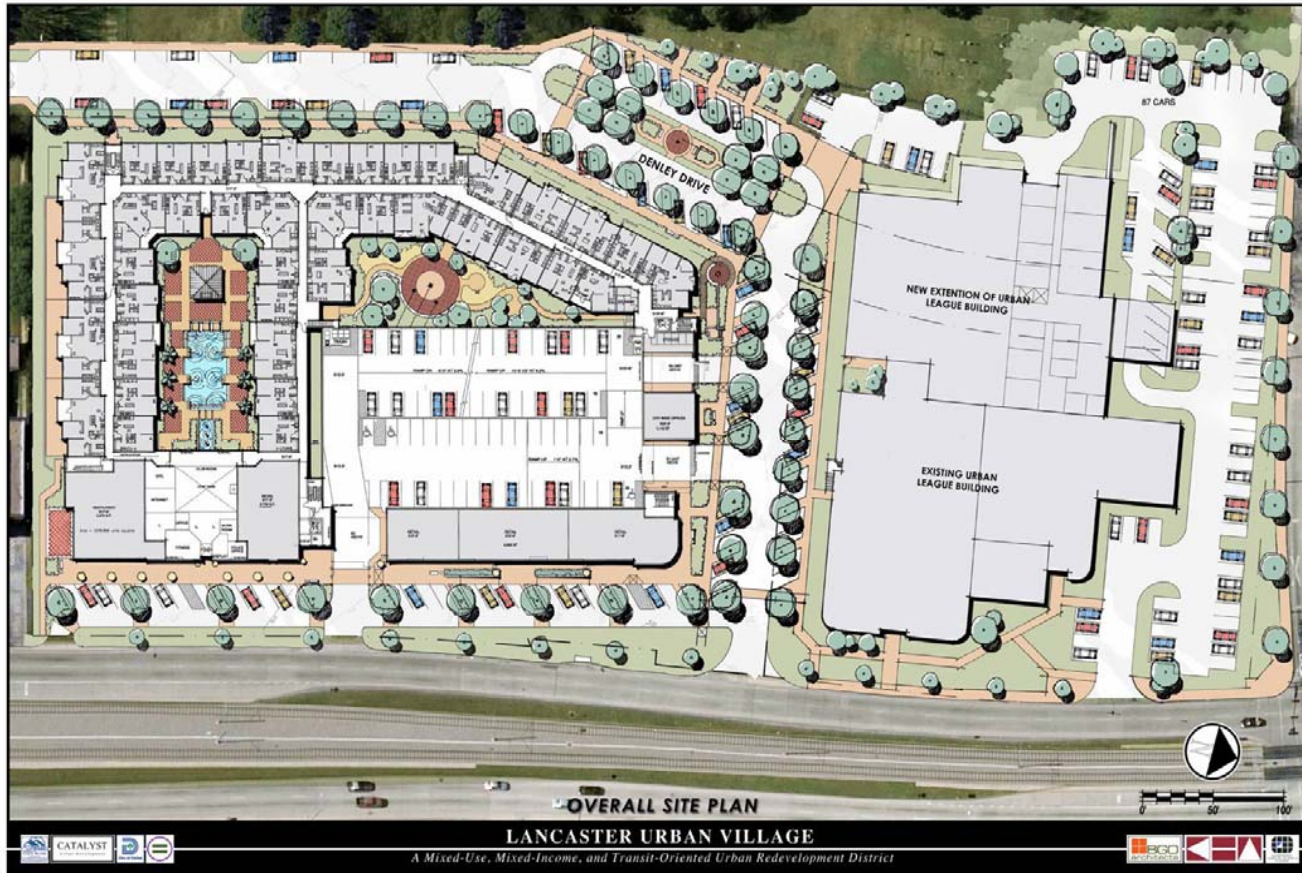
- Catalyst Urban Development, LLC, recently formed Dallas-based real estate development services company comprised of industry-leading professionals with 90+ years experience in all phases of urban development including planning and evaluation analysis involving residential, mixed-use and commercial developments:
  - Paris Rutherford, President
    - Implements company's long term strategic direction involving development of mixed-use, apartment and student housing and real estate planning consulting practice
    - President of Woodmont Investment Co./Icon Partners for 3 years, procured \$125M in both debt and equity, 7 properties entitled, delivered 2 luxury apartment communities totaling \$44M
    - 20+ years experience in real estate industry preparing successful real estate strategies for public and private entities in the US and abroad focused on mixed-use retail, resort, transit-oriented, and urban infill residential projects
    - National recognition on such Texas projects as Addison Circle, Legacy Town Center in Plano, Uptown Dallas, Midtown in Houston
  - Rhys Heinsch, Partner
    - Expertise in finance and operations involving acquisitions, investments, and project implementation strategy and assists in research and underwriting of strategic planning and new business development
    - Vice president for 3 years at Icon Partners, procured \$125M+ of debt and equity, and managed the firm's capital needs
    - Special competence including capital markets, financial analysis, real estate development, market strategies, contract negotiation, asset management, and expert testimony and other litigation support

# Property Manager

---

- Capstone Real Estate Services, Inc., Dallas Regional Office, 222 W. Las Colinas Blvd., Irving, TX
  - Formed in 1969
  - 53,000 units managed nationally
  - 35,000 units managed in Texas Market
  - Properties managed in Dallas area:
    - Dallas - Virginia Manor, 156 units
    - Irving – Waterford at Valley Ranch, 300 units
    - Mesquite – Newport, 152 units
    - Desoto – Arbors of Wintergreen, 180 units
    - Arlington
      - Claremont, 261 units
      - Walnut Ridge, 264 units
    - Plano –Old Shepard Place, 244 units
    - Frisco – Stonebrook Village, 216 units

# Site Plan



# Northwest Corner View



NORTHWEST CORNER VIEW

LANCASTER URBAN VILLAGE  
DALLAS, TEXAS

BG  
02-04-10

# S. Lancaster Rd. View

---



LANCASTER VIEW

LANCASTER URBAN VILLAGE  
DALLAS, TEXAS

02-04-10 

# Urban League Extension View

---



# Sources and Uses By Project Component

---

## Urban League Campus Expansion

### SOURCES

New Market Tax Credits	\$6,102,826
Public/Private Partnership	865,663
Capital Campaign	<u>2,920,262</u>
TOTAL SOURCES	\$9,888,751

### USES

Hard Costs	\$ 6,363,894
Soft Costs	2,133,523
Contingency	<u>429,671</u>
TOTAL USES	\$9,888,751

## Garage

### SOURCES

New Market Tax Credits	\$2,814,534
Public/Private Partnership-NMTC	<u>358,500</u>
TOTAL SOURCES	\$3,173,034

### USES

Mixed Use Garage	\$ 2,506,295
Urban League Portion of Garage	<u>666,739</u>
TOTAL USES	\$3,173,034

# Sources and Uses By Project Component

---

## Acquisition –Sitework-Commercial

## Residential

### SOURCE

Section 108 Guaranteed Loan	7,400,000
-----------------------------	-----------

### USES

Land Acquisition	\$ 1,819,820
Sitework – demolition/infrastructure	2,606,011
Commercial Development Costs	2,041,769
Section 108 Interest Reserve	<u>932,400</u>
TOTAL USES	\$7,400,000

### SOURCES

HUD 221(d)(4)	\$12,420,129
Public Private Partnership-Residential	<u>2,841,068</u>
TOTAL SOURCES	\$15,261,197

### USE

Residential Development Costs	\$ 15,261,197
-------------------------------	---------------

# Pro Forma Analysis for Section 108 Loan

---

- Construction commences in 2010 and completed in 2012
- Project reaches rent stabilization in 2013
- Loan to Value ratio of 85% for both 1st lien debt and Section 108 second lien loan will meet underwriting standard based upon a capitalization rate of 6% of the net operating income
- Developer's interest rate on the City loan will be .50% higher than the City's Section 108 loan from HUD and both loans will have matching amortization
- Average Debt Coverage Ratio for first five years for first lien debt and second lien debt is 1.17, exceeding the underwriting standard of 1.15
- The TIF reimbursement of \$7.4M results in the City being paid back over 5 years on \$7.4M loan
- Three years of Section 108 interest reserve @ \$518,000 (current LIBOR plus 300 basis points) will be set up at closing of construction loan
- Based upon pro forma, there will be one and one-half years of extra interest reserve to allow for construction delays and or slow lease up before project stabilizes
- No partnership distributions will be made until the first TIF reimbursement is paid
- All NOI after funding replacement reserve that exceeds 1.15 debt coverage on the first and 108 loan will be used to reduce the 108 loan and not paid as a partnership distribution

# Credit Enhancement for Section 108 Loan

---

- Three years of interest reserve for the Section 108 loan represents one and one-half years more interest reserve than needed to pay debt and allows for slippage in lease up of the project
- Project @ stabilization cash flows sufficient debt coverage to pay 1<sup>st</sup> and interest on the 2<sup>nd</sup> lien debt
- 100% of the TIF reimbursements of \$7.4M beginning in 2012 will be pledged directly to repay the \$7.4M City loan
- No partnership distributions will be made until the first TIF reimbursement is paid
- All NOI after funding replacement reserve that exceeds 1.15 debt coverage on the first and 108 loan will be used to reduce the 108 loan and not paid as a partnership distribution

# RECOMMENDATION

---

City apply for \$7.4M Community Development Block Grant Section 108 Guaranteed Loan in support of a mixed-use project at the intersection of S. Lancaster Rd. and Ann Arbor Ave., along the Lancaster Rd. corridor. Loan proceeds to be used for:

- Acquisition of approximately 3.5 acres of property
- Sitework and infrastructure
- Section 108 loan interest reserve
- Commercial construction

# Next Steps

---

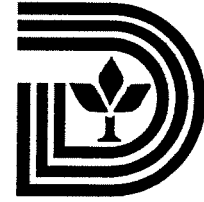
- Section 108 Loan Funds
  - Complete draft of Section 108 Guaranteed Loan application
  - May 12, 2010 City Council call for public hearing
  - May 13, 2010 Neighborhood Public Meeting to be held
  - June 23, 2010 City Council Public Hearing and final approval for filing of Section 108 Guaranteed Loan application to HUD
- June 23, 2010 City Council Public Hearing and final approval for filing of Section 108 Guaranteed Loan application to HUD

# Next Steps (cont.)

---

- New Market Tax Credits
  - New Market Tax Credit Board approval expected in Summer 2010
  - City Council agenda item expected in Fall 2010
- Tax Increment Financing
  - May 12, 2010 City Council approval of TIF development agreement

# Memorandum



CITY OF DALLAS

DATE April 30, 2010

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

SUBJECT Community Housing Development Organizations (CHDOs) Update

On Monday, May 3, 2010, you will be briefed on Community Housing Development Organizations (CHDOs) Update. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A. Gonzalez', written over a circular stamp or mark.

A. 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
- C. Victor Lander, Administrative Judge, Municipal Court
- Ryan S. Evans, First Assistant City Manager
- Forest Turner, Assistant City Manager
- Jill A. Jordan, P.E., Assistant City Manager
- Jeanne Chipperfield, Chief Financial Officer
- Jerry Killingsworth, Housing/Community Services Director
- Helena Stevens-Thompson, Assistant to the City Manager



# Community Housing Development Organizations (CHDOs) Update

**A Briefing to the Housing Committee**

**Housing Department  
May 3, 2010**



# Key Focus Area: Economic Vibrancy

---



## PURPOSE

- To provide an update
  - ◆ On the current activities of Community Housing Development Organizations (CHDOs) that work with the City of Dallas
  - ◆ On actions taken to address concerns raised by CHDOs at the August 17, 2009 Housing Committee briefing



# CHDOs in Dallas

- The City of Dallas currently has seventeen certified CHDOs which are certified annually
- Nine CHDOs are active and represent 100% of production
- The City of Dallas has approximately \$19.6 million in active loans and commitments with area CHDOs
- The majority of CHDOs are engaged in single family development (new construction)
- A few CHDOs are engaged in special needs housing and multifamily rehabilitation



# CHDO Production



Fiscal Year	05-06	06-07	07-08	08-09	09-10
# of Homes Completed with City Assistance	101	39	61	71	56

Note#1 Numbers do not include any multifamily units produced

Note #2 – Of the 328 units produced over the last five years, approximately 50% have been built by Habitat for Humanity



# Prominent CHDO Projects

**Builders of Hope:** Eagle Ford-60 single family homes (CD6) & Prairie Creek-55 single family homes (CD4)

**Central Dallas CDC:** 511 N. Akard-200 single room apartments with 50 permanent supportive housing units (CD14)

**City Wide CDC:** Lancaster Corridor Revitalization (CD4) & 5650 Gaston-12 senior units (CD14)

**Dallas Neighborhood Alliance for Habitat:** Cedar Creek-94 single family homes (CD8) & Hickory Creek-50 single family homes (CD8)

**East Dallas Community Organization:** Bexar Street-28 townhomes (CD7) & Thornton Heights-29 single family homes (CD8)

**South Dallas/Fair Park Innerscity CDC:** Pittman Place-19 single family homes (CD7) & Spring Street Revitalization (CD7)





# Steps Forward

---

- With the City's commitment to local CHDO capacity and production, we have achieved the following:
  - ◆ CHDOs are thinking outside the box
  - ◆ CHDOs are taking on cutting edge projects
  - ◆ CHDOs are better able to utilize all the tools available
  - ◆ CHDOs are realizing growth

# Challenges Identified & Progress Made



- Effectively utilizing the City CHDO liaison
  - ◆ The liaison has been utilized by CHDOs to facilitate development work with other Departments
  
- MAP Program changes-increase subsidy, transparent guidelines, and streamline approvals
  - ◆ MAP subsidies were increased from \$10,000 to \$25,000 in Oct. 2009
  - ◆ Review of other cities MAP programs completed Dec. 2009
  - ◆ Procedures were changed to allow one approval from Enterprise for CHDOs
  - ◆ City staff facilitated meeting between CHDOs and Enterprise to clarify guidelines and procedures for approvals
  
- Allow for CHDO identification of Land Bank lots
  - ◆ CHDOs have provided 130 lots for research and foreclosure

# Challenges Identified & Progress Made (continued)



- Expand performance measures for CHDOs beyond # of units produced
  - ◆ The Housing Department instituted a format for reporting under the operating assistance grant contracts that allow for the CHDO to report anything of significance in their business to the City
  
- Implement creative funding strategies
  - ◆ Staff has been working more closely with CHDOs to develop their specific project funding needs
  - ◆ Four projects are now receiving 0% interim construction financing
  - ◆ Two projects are being undertaken in close partnership with lenders

# Challenges Identified & Progress Made (continued)



- Allow CHDOs to expand marketing efforts
  - ◆ Staff has redesigned the Housing/Community Services website to allow for links to all certified CHDOs to market their services and products
  - ◆ Funding has been availed to cover marketing costs for one project per CHDO
  - ◆ Staff has worked closely with CHDOs to develop specific marketing plans for projects
  - ◆ City staff facilitated meeting between CHDOs and North Texas Housing Coalition for marketing and attracting potential homebuyers
  
- Expand boundaries of NIP areas
  - ◆ Department staff continues to work on NIP recommendations and research for further City Council consideration

# Challenges Identified & Progress Made (continued)



- Initiate \$50M bond fund for housing to increase available funding
  - ◆ Bond initiatives will continue to be discussed in the upcoming fiscal year
  - ◆ Department staff continues to identify available funds based on project applications for immediate needs
  
- CHDOS to meet once a quarter
  - ◆ First meeting held December 10, 2009
  - ◆ Second meeting held April 6, 2010
  - ◆ These meetings are well attended and have provided for meaningful discussions and communication
  - ◆ CHDOs have asked for training to be part of these meetings in the future



# Next Steps

---

- Consolidated Plan funding for CHDOs will be considered by City Council on May 12, 2010 for preliminary budget adoption
- Final adoption for the Consolidated Plan will be considered by City Council on June 23, 2010
- Next CHDO quarterly meeting to be held in July 2010

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 12, 2010  
**COUNCIL DISTRICT(S):** 3  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 44E J

---

### **SUBJECT**

Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Dallas Neighborhood Alliance for Habitat, Inc. for the construction of affordable houses; (2) the sale of 3 vacant lots from Dallas Housing Acquisition and Development Corporation to Dallas Neighborhood Alliance for Habitat, Inc.; and (3) execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

### **BACKGROUND**

On February 4, 2008 and August 3, 2009, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Dallas Neighborhood Alliance for Habitat, Inc. (Habitat) has the right of first refusal in the area and submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 3 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Habitat to the City's Land Bank, the sale of those lots from DHADC to Habitat and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any. The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Habitat will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Habitat and construction financing is not closed within three years of conveyance. Habitat will build affordable houses on the lots.

## **BACKGROUND (continued)**

The approximate square footage and sales prices of the houses will be from 1,170 to 1,380 square feet and from \$75,000 to \$95,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 percent of the AMFI. DHADC will receive \$13,430.00 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

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

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution 09-0981.

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557.

**FISCAL INFORMATION**

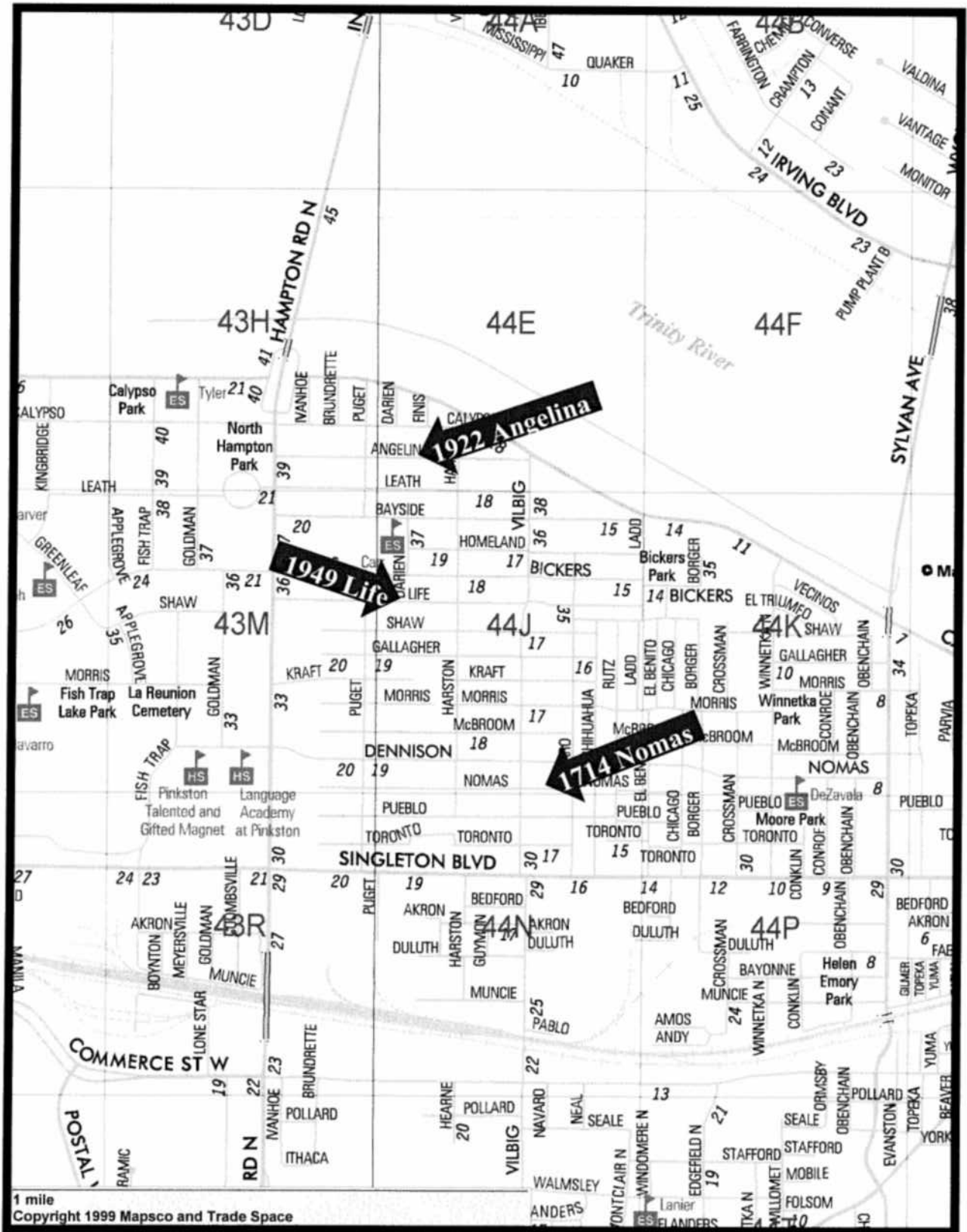
No cost consideration to the City.

**MAP**

Attached

**LAND BANK (DHADC) SALE OF 3 LOTS  
TO DALLAS NEIGHBORHOOD ALLIANCE FOR HABITAT**

<b><u>Property Address</u></b>	<b><u>MAPSCO</u></b>	<b><u>Council District</u></b>
1. 1922 Angelina	44E	3
2. 1949 Life	44J	3
3. 1714 Nomas	44J	3



**MAPSCO 44E & 44J**

May 12, 2010

**WHEREAS**, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

**WHEREAS**, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

**WHEREAS**, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

**WHEREAS**, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

**WHEREAS**, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

**WHEREAS**, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

**WHEREAS**, on October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785; and

**WHEREAS**, on December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403; and

May 12, 2010

**WHEREAS**, on August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385; and

**WHEREAS**, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

**WHEREAS**, on August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257; and

**WHEREAS**, on October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785; and

**WHEREAS**, on April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 09-0981; and

**WHEREAS**, on September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313; and

**WHEREAS**, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557; and

**WHEREAS**, Dallas Neighborhood Alliance for Habitat, Inc. (Habitat) submitted a proposal and development plan to DHADC for 3 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

**WHEREAS**, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Habitat and authorize the sale of the said 3 lots from DHADC to Habitat to build affordable houses;

**NOW, THEREFORE;**

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

May 12, 2010

**Section 1.** That the development plan shown on Exhibit "B" submitted by Habitat and the sale of 3 lots shown on "Exhibit A" from DHADC to Habitat is approved.

**Section 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

**Section 3.** 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 Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

**EXHIBIT "A"**

<b>LAND BANK PROPERTY</b>				
<b>PARCEL NUMBER</b>	<b>STREET ADDRESS LEGAL DESCRIPTION</b>	<b>QUALIFIED PURCHASER</b>	<b>NUMBER OF HOMEOWNER UNITS</b>	<b>SALE AMOUNT</b>
1	<b>1922 Angelina</b> Lot 13, Roosevelt Manor Addition Block 12/7130	Dallas Neighborhood Alliance for Habitat	1	\$4,476.67
2	<b>1949 Life</b> Lot 12, Victory Gardens No. 5 Addition Block 28/7127	Dallas Neighborhood Alliance for Habitat	1	\$4,476.67
3	<b>1714 Nomas</b> Lot 14, Homestead Addition Block C/7116	Dallas Neighborhood Alliance for Habitat	1	\$4,476.66
<b>TOTAL</b>				<b>\$13,430.00</b>

## EXHIBIT B

### SECTION II: DEVELOPMENT PLAN

#### A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

- (1) Number of lots requested in this proposal. 3
- (2) Land Bank name for this parcel of lots. West Dallas
- (3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property"). 1922 Angelina, BLK 12/7130 LOT 13, 1949 Life, Victory Gardens, Lot 12 Life, and 1714 Nomas, Homestead BLK C/7116 LOT 14

#### B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

##### Single Family Home (to be sold to low income households at 60% or less of AMFI):

Number of homes to be built on lots 3  
Square Footage of each home 1200 - 1500  
Number of Bedrooms/Baths in each home 3 / 2  
Number of Garages      Number of Carports      Detached      Attached       
Type of Exterior Veneer 1 Which sides Veneer  
Sales Price ranges without Subsidies to Qualified Low Income Buyer \$85,000

##### Single Family Home (to be sold to low income households at 80% or less of AMFI):

Number of homes to be built on lots       
Square Footage of each home       
Number of Bedrooms/Baths in each home      /       
Number of Garages      Number of Carports      Detached      Attached       
Type of Exterior Veneer      Which sides       
Sales Price ranges without Subsidies to Qualified Low Income Buyer     

##### Single Family Home (to be sold to low income households between 81% and 115% of AMFI):

Number of homes to be built on lots       
Square Footage of each home       
Number of Bedrooms/Baths in each home      /       
Number of Garages 1 Number of Carports      Detached      Attached       
Type of Exterior Veneer      Which sides       
Sales Price ranges without Subsidies to Qualified Low Income Buyer     

**Attach extra sheet(s) breaking out above information for each different model of home.**

**PROVIDE FLOOR PLANS AND ELEVATIONS.**

**C. CONSTRUCTION TIMETABLE**

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 729 days  
Completion of Construction 1000 days  
Sale of first affordable housing unit to low income households 1160 days  
Sale of last affordable unit to low income households 1160 days

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 12, 2010  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 46V 47S

---

### **SUBJECT**

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Frazier Revitalization, Inc. for the construction of affordable houses; **(2)** the sale of 4 vacant lots from Dallas Housing Acquisition and Development Corporation to Frazier Revitalization, Inc.; and **(3)** execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

### **BACKGROUND**

On February 4, 2008 and August 3, 2009, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Frazier Revitalization, Inc. (Frazier) has the right of first refusal in the area and submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 4 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Frazier to the City's Land Bank, the sale of those lots from DHADC to Frazier and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any. The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Frazier will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Frazier and construction financing is not closed within three years of conveyance. Frazier will build affordable houses on the lots.

## **BACKGROUND (continued)**

The approximate square footage and sales prices of the houses will be from 1,200 to 1,500 square feet and from \$100,000 to \$125,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 percent of the AMFI. DHADC will receive \$16,167.15 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

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

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution 09-0981.

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557.

**FISCAL INFORMATION**

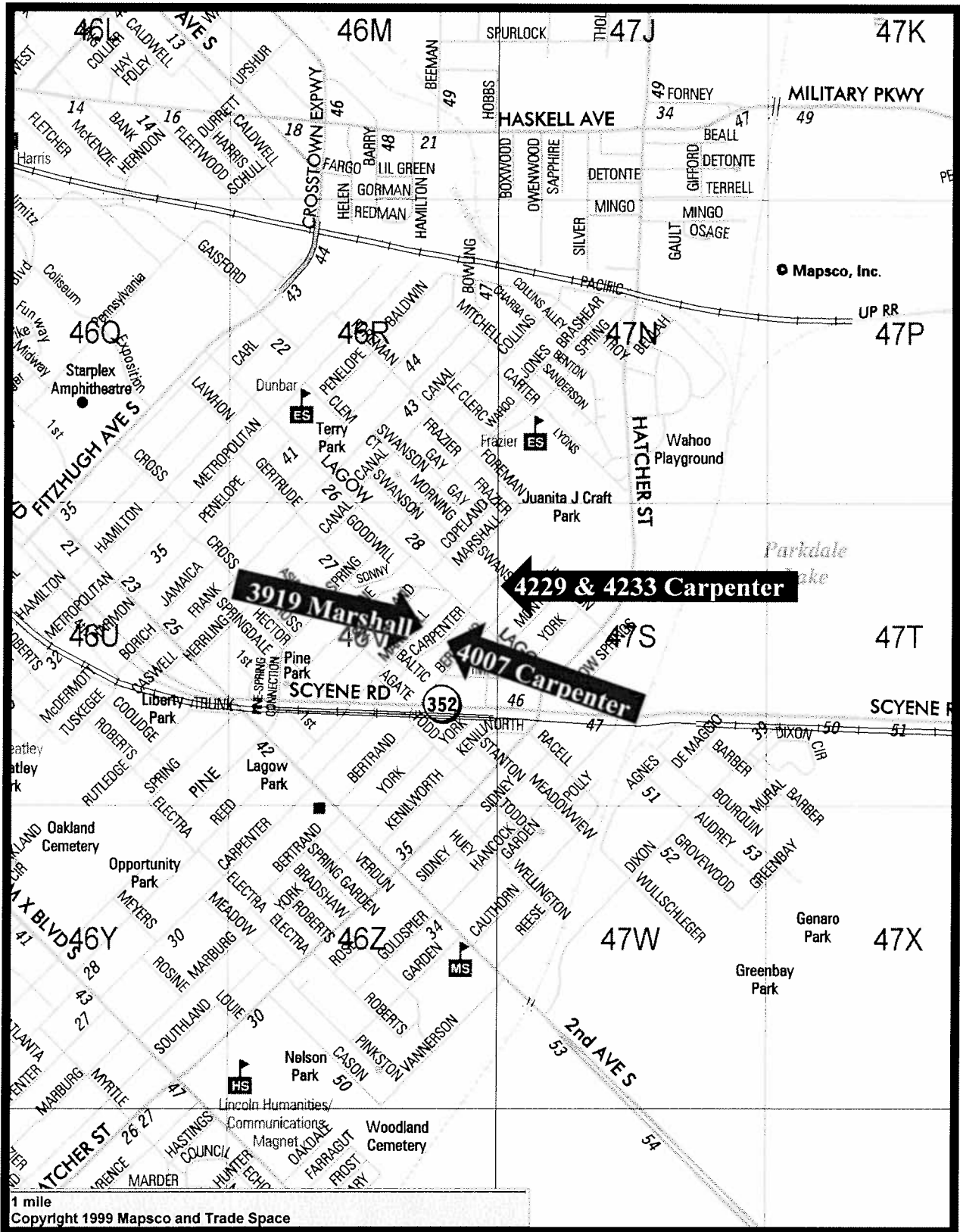
No cost consideration to the City.

**MAP**

Attached

**LAND BANK (DHADC) SALE OF 4 LOTS  
TO FRAZIER REVITALIZATION, INC.**

<b><u>Property Address</u></b>	<b><u>MAPSCO</u></b>	<b><u>Council District</u></b>
1. 4007 Carpenter	46V	7
2. 4229 Carpenter	47S	7
3. 4233 Carpenter	47S	7
4. 3919 Marshall	46V	7



**3919 Marshall**

**4229 & 4233 Carpenter**

**4007 Carpenter**

**MAPSCOS 46V & 47S**

May 12, 2010

**WHEREAS**, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

**WHEREAS**, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

**WHEREAS**, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

**WHEREAS**, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

**WHEREAS**, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

**WHEREAS**, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

**WHEREAS**, on October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785; and

**WHEREAS**, on December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403; and

May 12, 2010

**WHEREAS**, on August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385; and

**WHEREAS**, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

**WHEREAS**, on August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257; and

**WHEREAS**, on October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785; and

**WHEREAS**, on April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 09-0981; and

**WHEREAS**, on September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313; and

**WHEREAS**, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557; and

**WHEREAS**, Frazier Revitalization, Inc. (Frazier) submitted a proposal and development plan to DHADC for 4 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

**WHEREAS**, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Frazier and authorize the sale of the said 4 lots from DHADC to Frazier to build affordable houses; **NOW, THEREFORE;**

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

May 12, 2010

**Section 1.** That the development plan shown on Exhibit "B" submitted by Frazier and the sale of 4 lots shown on "Exhibit A" from DHADC to Frazier is approved.

**Section 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

**Section 3.** 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 Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

EXHIBIT "A"

LAND BANK PROPERTY				
PARCEL NUMBER	STREET ADDRESS LEGAL DESCRIPTION	QUALIFIED PURCHASER	NUMBER OF HOMEOWNER UNITS	SALE AMOUNT
1	<b>4007 Carpenter</b> Lot 2, Parish Subdivision Block B/2385	Frazier Revitalization, Inc.	1	\$4,010.72
2	<b>4229 Carpenter</b> Lot 8, Bertrand Place Addition Block 4/2386	Frazier Revitalization, Inc.	1	\$4,010.72
3	<b>4233 Carpenter</b> Lot 9, Bertrand Place Block 4/2386	Frazier Revitalization, Inc.	1	\$4,010.71
4	<b>3919 Marshall</b> Lot 20, Sunnyside Addition Block 5/1838	Frazier Revitalization, Inc.	1	\$4,135.00
<b>TOTAL</b>				<b>\$16,167.15</b>

**EXHIBIT B**

**SECTION II: DEVELOPMENT PLAN**

**A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT**

(1) Number of lots requested in this proposal. 4

(2) Land Bank name for this parcel of lots. Fair Park / Frazier

(3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property").

1. 4007 Carpenter Ave, Parish, Blk B/2385 Lot 2. 2. 4229 Carpenter Ave, Bertrand Place, Blk 4/2386 Lot 8. 3. 4233 Carpenter Ave - Bertrand Place, Blk 4/2386 Lot 9. 4. 3919 Marshall St. - Sunnyside Blk 5/1838 Lot 20

**B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT**

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

**Single Family Home (to be sold to low income households at 60% or less of AMFI):**

Number of homes to be built on lots 2  
Square Footage of each home 1200-1500  
Number of Bedrooms/Baths in each home 3BR / 2BA  
Number of Garages 2 Number of Carports     Detached     Attached 2  
Type of Exterior Veneer Brick Which sides      
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$100,000 - 125,000

**Single Family Home (to be sold to low income households at 80% or less of AMFI):**

Number of homes to be built on lots 2  
Square Footage of each home 1200-1500  
Number of Bedrooms/Baths in each home 3BR / 2BA  
Number of Garages 2 Number of Carports     Detached     Attached 2  
Type of Exterior Veneer Brick Which sides      
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$100,000 - 125,000

**Single Family Home (to be sold to low income households between 81% and 115% of AMFI):**

Number of homes to be built on lots      
Square Footage of each home      
Number of Bedrooms/Baths in each home     /      
Number of Garages     Number of Carports     Detached     Attached      
Type of Exterior Veneer     Which sides      
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer    

Attach extra sheet(s) breaking out above information for each different model of home.

PROVIDE FLOOR PLANS AND ELEVATIONS.

### C. CONSTRUCTION TIMETABLE

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 120 days  
Completion of Construction 210 days  
Sale of first affordable housing unit to low income households 1 year days  
Sale of last affordable unit to low income households 2 years days

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 12, 2010  
**COUNCIL DISTRICT(S):** 3  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 44J N

---

### **SUBJECT**

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Builders of Hope Community Development Corporation for the construction of affordable houses; **(2)** the sale of 7 vacant lots from Dallas Housing Acquisition and Development Corporation to Builders of Hope Community Development Corporation; and **(3)** execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

### **BACKGROUND**

On February 4, 2008, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Builders of Hope Community Development Corporation (Builders of Hope CDC), a City Certified Housing Development Organization, has submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 7 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Builders of Hope CDC to the City's Land Bank, the sale of those lots from DHADC to Builders of Hope CDC and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and post-judgment non-tax liens, if any.

## **BACKGROUND (continued)**

The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Builders of Hope CDC will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Builders of Hope CDC and construction financing is not closed within three years of conveyance. Builders of Hope CDC will build affordable houses on the lots. The approximate square footage and sales prices of the houses will be from 1,100 to 1,500 square feet and from \$90,000 to \$120,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 per cent of the AMFI. DHADC will receive \$33,318.36 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

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

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan to allow rental housing units on Land Bank lots and/or rental housing units above retail development on Land Bank lots by Resolution No. 09-0981.

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

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557

**FISCAL INFORMATION**

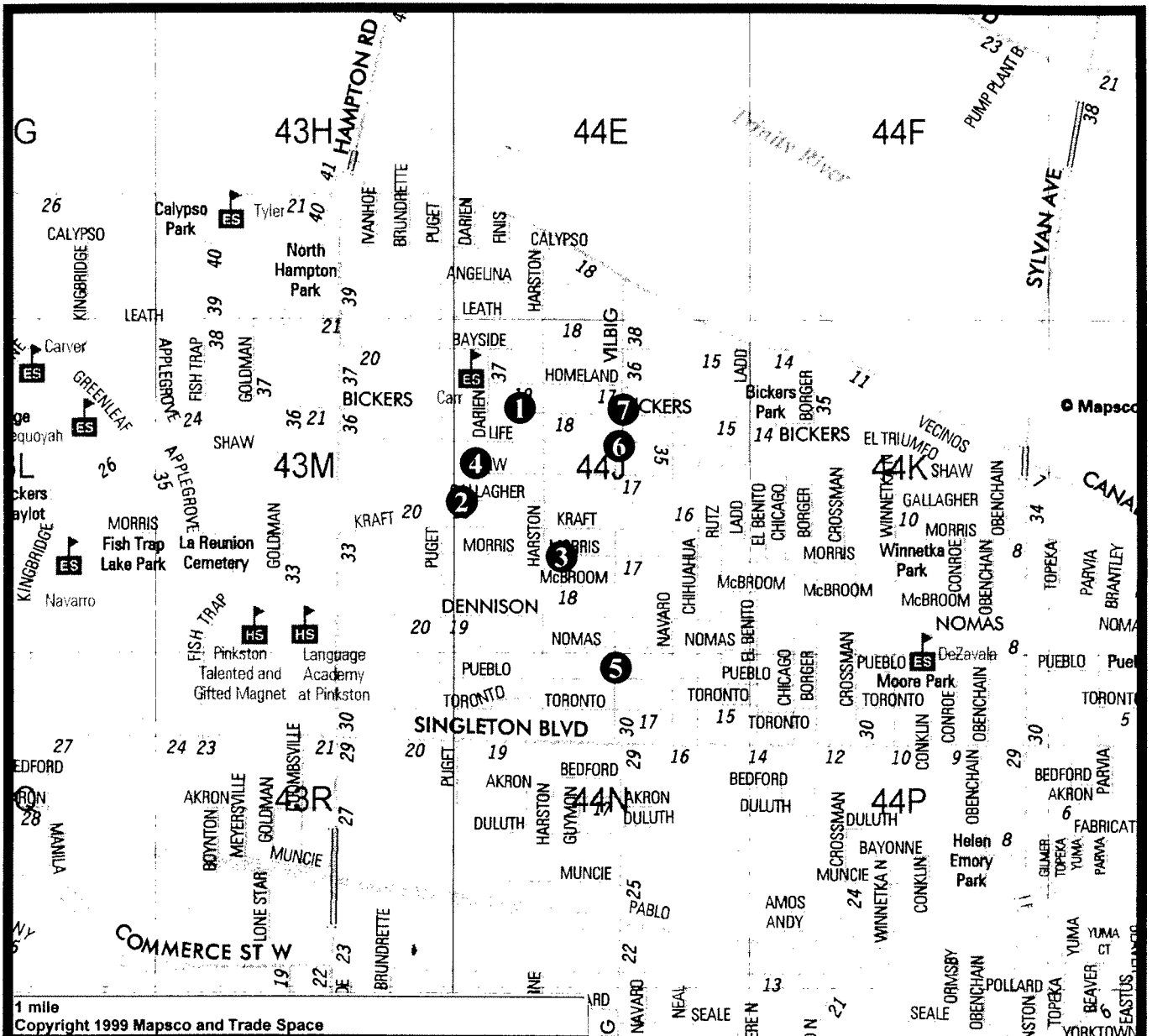
No cost consideration to the City.

**MAP**

Attached

**LAND BANK (DHADC) SALE OF LOTS  
TO BUILDERS OF HOPE COMMUNITY DEVELOPMENT CORPORATION**

<b>PROPERTY ADDRESS</b>	<b>MAPSCO</b>	<b>COUNCIL DISTRICT</b>
1. 1906 Bickers	44J	3
2. 1961 Gallagher	44J	3
3. 1847 Morris	44J	3
4. 1943 Shaw	44J	3
5. 3203 Vilbig	44N	3
6. 3540 Vilbig	44J	3
7. 3614 Vilbig	44J	3



1 mile  
Copyright 1999 Mapsco and Trade Space

**PROPERTY ADDRESS**

**MAPSCO**

**COUNCIL DISTRICT**

- |                   |     |   |
|-------------------|-----|---|
| 1. 1906 Bickers   | 44J | 3 |
| 2. 1961 Gallagher | 44J | 3 |
| 3. 1847 Morris    | 44J | 3 |
| 4. 1943 Shaw      | 44J | 3 |
| 5. 3203 Vilbig    | 44N | 3 |
| 6. 3540 Vilbig    | 44J | 3 |
| 7. 3614 Vilbig    | 44J | 3 |

May 12, 2010

**WHEREAS**, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

**WHEREAS**, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

**WHEREAS**, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

**WHEREAS**, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

**WHEREAS**, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

**WHEREAS**, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

**WHEREAS**, on October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785; and

**WHEREAS**, on December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403; and

May 12, 2010

**WHEREAS**, on August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385; and

**WHEREAS**, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

**WHEREAS**, on August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257; and

**WHEREAS**, on October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785; and

**WHEREAS**, on April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan to allow rental housing units on Land Bank lots and/or rental housing units above retail development on Land Bank lots by Resolution No. 09-0981; and

**WHEREAS**, on September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

**WHEREAS**, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557

**WHEREAS**, Builders of Hope Community Development Corporation (Builders of Hope CDC) submitted a proposal and development plan to DHADC for 7 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

**WHEREAS**, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Builders of Hope CDC and authorize the sale of the said 7 lots from DHADC to Builders of Hope CDC to build affordable houses; **NOW, THEREFORE;**

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

May 12, 2010

**Section 1.** That the development plan shown on Exhibit "B" submitted by Builders of Hope CDC and the sale of 7 lots shown on "Exhibit A" from DHADC to Builders of Hope CDC is approved.

**Section 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

**Section 3.** 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 Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

EXHIBIT "A"

<b>LAND BANK PROPERTY</b>				
<b>PARCEL NUMBER</b>	<b>STREET ADDRESS LEGAL DESCRIPTION</b>	<b>QUALIFIED PURCHASER</b>	<b>NUMBER OF HOMEOWNER UNITS</b>	<b>SALE AMOUNT</b>
1	<b>1906 Bickers</b> Lot 8, Victory Gardens No. 2 Addition Block T/7123	Builders of Hope	1	\$4,706.57
2	<b>1961 Gallagher</b> Lot 8, Victory Gardens #5 Addition Block 30	Builders of Hope	1	\$4,706.57
3	<b>1847 Morris</b> Lot 12, Victory Gardens Addition Block 7122-D	Builders of Hope	1	\$4,706.57
4	<b>1943 Shaw</b> East 40 Feet of Lot 15 & West 10 Feet of Lot 16, Victory Gardens 5 Addition Block 29/7121	Builders of Hope	1	\$4,706.57
5	<b>3203 Vilbig</b> South 1/2 of Lots 1 and 2, Victory Gardens Addition Block H/7122	Builders of Hope	1	\$4,706.57
6	<b>3540 Vilbig</b> Lot 7, L.H. Bomars Subdivision Block 5/7119	Builders of Hope	1	\$4,926.00
7	<b>3614 Vilbig</b> Part of Lots 1,2 & 3, L.H. Bomars Subdivision Block 5/7119	Builders of Hope	1	\$4,859.51
<b>TOTAL</b>				<b>\$33,318.36</b>

**EXHIBIT B**

**SECTION II: DEVELOPMENT PLAN**

**A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT**

- (1) Number of lots requested in this proposal. 7
- (2) Land Bank name for this parcel of lots. West Dallas
- (3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property"). See Attachment

**B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT**

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

**Single Family Home (to be sold to low income households at 60% or less of AMFI):**

Number of homes to be built on lots 2  
 Square Footage of each home 1100-1300  
 Number of Bedrooms/Baths in each home 3 / 2  
 Number of Garages 0-1 Number of Carports      Detached      Attached 0-1  
 Type of Exterior Veneer Brick Which sides Front & Sides  
 Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$90,000-\$104,000

**Single Family Home (to be sold to low income households at 80% or less of AMFI):**

Number of homes to be built on lots 3  
 Square Footage of each home 1200-1500  
 Number of Bedrooms/Baths in each home 3-4 / 2  
 Number of Garages 1 Number of Carports      Detached      Attached       
 Type of Exterior Veneer Brick Which sides Front & Sides  
 Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$96,000-\$120,000

**Single Family Home (to be sold to low income households between 81% and 115% of AMFI):**

Number of homes to be built on lots 2  
 Square Footage of each home 1200-1500  
 Number of Bedrooms/Baths in each home 3-4 / 2-2 1/2  
 Number of Garages 1 Number of Carports      Detached      Attached       
 Type of Exterior Veneer Brick Which sides Front & Sides  
 Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$96,000-\$120,000

**Attach extra sheet(s) breaking out above information for each different model of home.**

**PROVIDE FLOOR PLANS AND ELEVATIONS.**

### C. CONSTRUCTION TIMETABLE

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 1,095 days  
Completion of Construction 1,215 days  
Sale of first affordable housing unit to low income households 1,305 days  
Sale of last affordable unit to low income households 1,800 days

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** May 12, 2010  
**COUNCIL DISTRICT(S):** 5  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 65G

---

**SUBJECT**

Authorize an amendment to Resolution No. 09-1102, previously approved on April 22, 2009, to increase the loan amount by \$700,000 on an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for the acquisition of improved and unimproved properties, located along the Lancaster Corridor Neighborhood Investment Program Area, including associated closing costs, relocation, environmental remediation, demolition, and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the area - Not to exceed \$700,000, from \$2,000,000 to \$2,700,000 - Financing: 2006 Bond Funds

**BACKGROUND**

The Lancaster Corridor in the Lancaster Road community of Dallas is a vital main street for South Central Dallas and is a City Council priority for development and redevelopment options that will improve neighborhoods all along the corridor. The immediate development will begin at the Urban league site and will include the expansion of the Dallas Urban League to a two level facility and add a 50,000 sq. ft. skills training center with structured parking and surface parking. Public assistance is required for the development of this site and other properties in the Lancaster Corridor Neighborhood Investment Program Area.

The City Council is asked to consider adding \$700,000 to an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC to assist with acquisition costs, associated closing costs, relocation, environmental remediation, demolition, and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment. Sapphire Road Development, LLC has shown progress in acquiring properties and preparing to develop those properties but additional funds are needed to complete acquisitions and to begin the predevelopment stages.

**BACKGROUND (continued)**

The loan is forgiven provided that demolition occurs within one year from the date of the initial advance, development within 24 months from the date of the initial advance, and construction completion with Certificate of Occupancy not later than five years from the date of the initial advance under the Loan Agreement. If the Developer/Borrower fails to comply with these requirements, the City has the option to require conveyance of lien free, fee simple title to the City of Dallas.

Sapphire Road Development, LLC has been in real estate development for over 15 years in Dallas and has built several hundred homes. Yigal Lelah, company president, has previously worked with the City of Dallas on the Pleasant Oaks affordable housing community. Sapphire has made good progress with its work on this contract and needs these additional funds to further its first phase efforts.

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

On April 20, 2009, a briefing was presented to the Economic Development Committee regarding authorization of the proposed Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC.

On April 20, 2009, a briefing was presented to the Housing Committee regarding authorization of the proposed Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC.

**FISCAL INFORMATION**

2006 Bond Funds - \$700,000

**OWNERS**

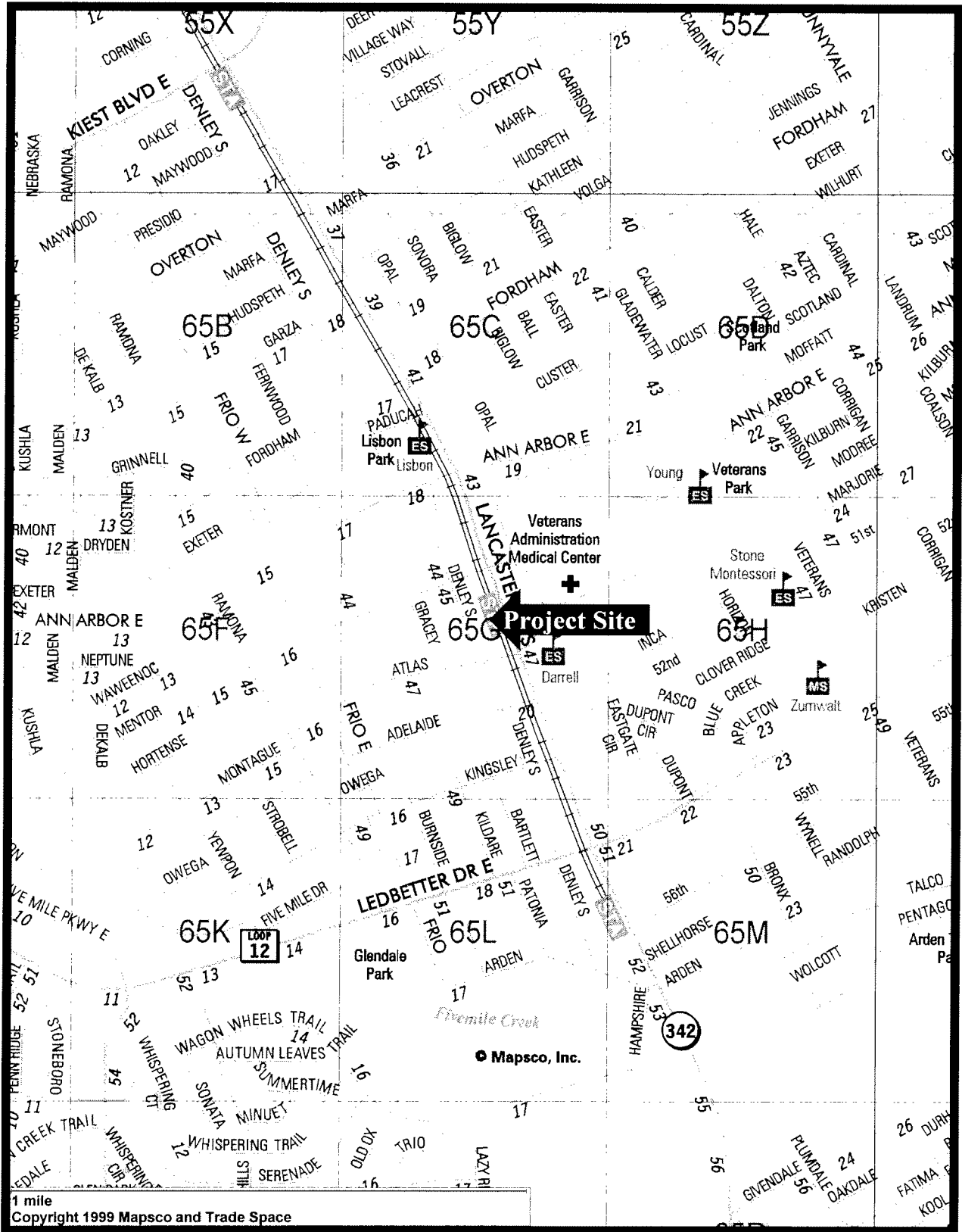
**Sapphire Road Development, LLC**  
Yigal Lelah, President

**DEVELOPER**

**Sapphire Road Development, LLC**  
Yigal Lelah, President

**MAP**

Attached



# MAPSCO 65G

May 12, 2010

**WHEREAS**, the City recognizes the importance of its role in local economic development; and

**WHEREAS**, the City seeks to stimulate redevelopment of certain areas in the southern sector, including the Lancaster Corridor Neighborhood Investment Program Area, to foster the public purpose of economic development; and

**WHEREAS**, on August 9, 2006, the City Council authorized 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 \$45,495,000 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 April 22, 2009, the City Council authorized a Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for development and related cost including the acquisition of improved and unimproved properties along the Lancaster Corridor Neighborhood Investment Program (NIP) area, including associated closing costs, relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment in accordance with the Economic Development Master Plan for the area; and

**WHEREAS**, Sapphire Road Development, LLC proposes to continue to work with the City of Dallas for the Lancaster Corridor Neighborhood Investment Program Area project; **NOW, THEREFORE**,

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

May 12, 2010

**Section 1.** That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to increase the loan amount by \$700,000 on an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for the acquisition of improved and unimproved properties, located along the Lancaster Corridor Neighborhood Investment Program Area, including associated closing costs, relocation, environmental remediation, demolition and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the area

**Section 2.** That the other terms of the loan documents shall include:

- a. Borrowers notes payable to the City of Dallas will have a maturity date of 5 years; provided however, if the Borrower fails to commence redevelopment of the acquired properties within 2 years from the date of initial advance under the Loan Agreements, commence demolition if necessary within 1 year or complete construction evidenced by a certificate of occupancy having been obtained from the City of Dallas within 5 years from the date of initial advance under the Loan Agreements, the entire amount of each loan becomes due and payable.
- b. If Borrower fails to timely comply with requirements in Section 2 (a) hereof, the City of Dallas has the option to require Borrower to convey to the City of Dallas fee simple title to the properties acquired with funds under the loan from the City of Dallas, free of any liens or encumbrances not acceptable to the City.
- c. Borrower shall execute a first lien deed of trust on each property acquired for which acquisition, demolition, and closing costs have been expended from loan proceeds.
- d. For Borrower to receive approval from the City to purchase a property or expend funds for other allowable costs, borrower must provide a property survey, title commitment, environmental assessment, and appraisal performed by an independent fee appraiser, acceptable to the City in the City's sole discretion. The City retains the right to conduct a review of the appraisal of the property for which approval is sought, and in no event will the City loan in excess of the appraised value of the property as determined by the City.
- e. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or re-plat change that Borrower may request for the properties.

May 12, 2010

- f. Borrower shall obtain approval from the City for permitted uses of the properties. "Permitted uses" includes those uses that are permitted under the Dallas Development Code on the property, but in no event may they include any use that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.
- g. As a certificate of occupancy has been obtained for a constructed structure or project on a property, Borrower will be released from the indebtedness on the note for the corresponding loan proceeds advanced.
- h. Deed Restrictions to prevent property sale or transfer of ownership without consent and approval of the City.
- i. Intermediate benchmarks for progress acceptable to the City of Dallas may be established in the loan documents.

**Section 3.** That the loan(s) (secured by liens on the real property) will provide for 0% annual interest and repayment in five (5) years from the date of the initial advance under each Loan Agreement, each portion forgivable if development of sites purchased is commenced within 24 months of the date of the initial advance under each Loan Agreement and demolition is completed within one (1) year of the initial advance under each Loan Agreement and all development is complete with certificates of occupancy issued within 5 years from the date of the initial advance under the Loan Agreement unless the time is extended by the Director of the City of Dallas Housing/Community Services Department.

**Section 4.** That the City Controller is hereby authorized to encumber and disburse funds from Fund 9T52, Department HOU, Unit T807, Object 3562, Activity HOIN, Encumbrance No. HOUT807G410, Vendor No. VS0000054745, in an amount not to exceed \$700,000.

**Section 5.** That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund 9T52 for the amount of the loan.

**Section 6.** That nothing in this resolution shall be construed as a binding contract or agreement upon the City and there will be no liability or obligation on the City until final contract documents are approved and executed.

May 12, 2010

**Section 7.** 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 Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN