

RECEIVED

2013 OCT -3 PM 2:41

CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

Memorandum

DATE October 4, 2013

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

SUBJECT October 7, 2013 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Monday, October 7, 2013, City Hall, 1500 Marilla - Room 6ES, Dallas, Texas, 75201, from 11:00 a.m. - 12:30 p.m. The agenda is as follows:

1. Approval of September 16, 2013 Minutes Councilmember Carolyn R. Davis
2. SouthFair Community Development Corporation - Organizational Overview, Current Projects and Future Plans Mitchell/O'Donnell (Estimated time 20 minutes)
3. Fowler Christian Apartments Brideau/Mitchell (Estimated time 20 minutes)
4. Housing Projects Update Mitchell/O'Donnell (Estimated time 20 minutes)
5. 2013 Low Income Housing Tax Credit Program Update Mitchell/O'Donnell (Estimated time 20 minutes)
6. Upcoming Agenda Items Housing items only For Information Only
 - a. Amendment to support 4% LIHTC application for 4623 S. Lancaster
 - b. Amendment to South Dallas/Fair Park ICDC development loan (Addendum)



Carolyn R. Davis, Chair
Housing Committee

C: A.C. Gonzalez, Interim City Manager
Warren M. S. Ernst, Interim City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

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 September 16, 2013

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: September 16, 2013

Meeting Start time: 11:02 A.M.

<p><u>Committee Members Present:</u> Carolyn R. Davis (Chair) Scott Griggs (Vice-Chair) Monica Alonzo Rick Callahan Dwaine Caraway Phillip Kingston</p>	<p><u>Staff Present:</u> Theresa O'Donnell-Interim City Manager Bernadette Mitchell-Interim Director/HOU Charles Brideau-Asst. Director/HOU Karen Rayzer-HOU Patrick Inyabri-HOU Terry William-HOU David Silva-HOU Rick Robin-HOU Michael Bostic-CAO Robin Bentley-CAO Renita Griggs-MCO Doris Edmon-HOU Robyn Gerard-CMO Bryan Price-HOU Alida Allen-HOU</p>
<p><u>Other Council Members Present:</u></p>	<p><u>Other Attendees</u> Sherman Roberts-City Wide CDC Kristen Schulz-Dallas Habitat for Humanity Mark Graham-Dallas Observer</p>
<p><u>Committee Members Absent:</u></p>	

AGENDA:

Housing Committee Meeting Called to Order by CM Carolyn R. Davis

1. Approval of September 3, 2013 Minutes of the Housing Committee

Presenter(s): Council Member Carolyn R. Davis

Action Taken/Committee Recommendation(s)

<p>Motion made by: CM Scott Griggs</p>	<p>Motion seconded by: CM Phillip Kingston</p>
<p>Item passed unanimously: X</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. Dallas Urban Land Bank Demonstration Program

Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Terry Williams, Land Bank Manager

Information Only: X

Action Taken/Committee Recommendation(s)

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

Follow-up (if necessary):

3. Mortgage Assistance Program Update

Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Charles Brideau, Asst. Director

Information Only:

Action Taken/Committee Recommendation(s) Motion to move forward to full City Council

Motion made by: _____	Motion seconded by: _____
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
Housing items only

- a. Land Transfer- East Dallas Community Organization (EDCO) (4 parcels)
- b. Amendment to the Mortgage Assistance Program Statement

Information Only:

Action Taken/Committee Recommendation(s) Motion to move forward to full City Council

Motion made by: <u> CM Monica Alonzo </u>	Motion seconded by: <u> CM Dwaine Caraway </u>
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 Carolyn R. Davis

Meeting Adjourned: 12:35 P.M.

Approved By: _____

Memorandum



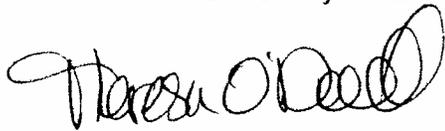
DATE October 4, 2013

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

SUBJECT SouthFair Community Development Corporation - Organization Overview, Currents Projects and Future Plans

On Monday October 7, 2013, you will be briefed on the SouthFair Community Development Corporation - Organization Overview, Currents Projects and Future Plans. A copy of the briefing is attached.

Please let me know if you have any questions.



Theresa O'Donnell
Interim Assistant City Manager

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

SouthFair Community Development Corporation

Organizational Overview, Current Projects
and Future Plans

A Briefing to the Housing Committee
October 7, 2013



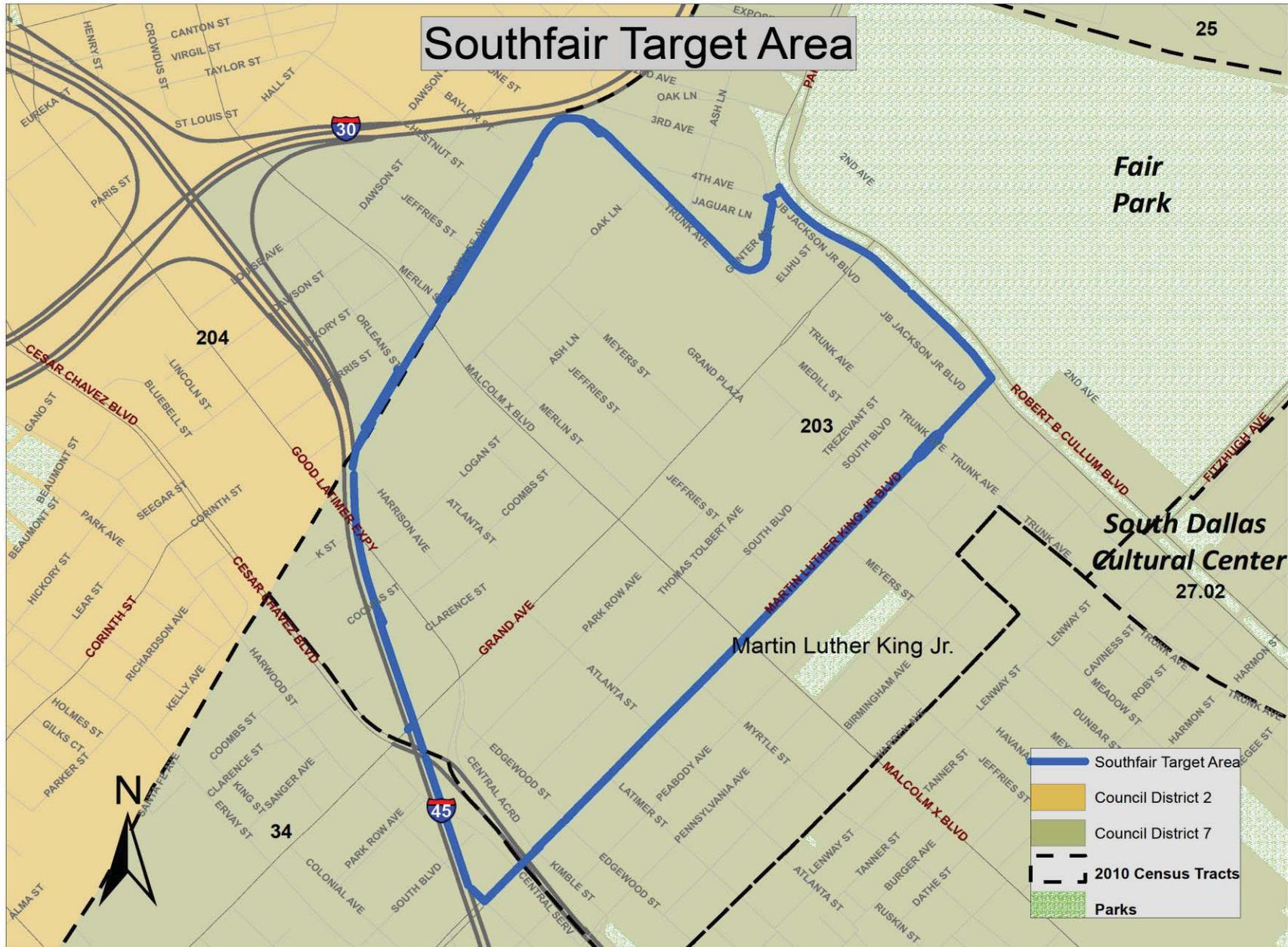
SouthFair's History

- Formed in 1991 by Linda Walker
- Eleven person board
 - Chairman, Ted Lawe
- 3 full time, 2 part time staff
 - Executive Director, Annie Evans
- A nonprofit organization, 501(c)3, and a Certified Housing Development Organization (CHDO)
- Target neighborhood: South Dallas/Fair Park Jeffries-Meyers
 - MLK Jr. Blvd, 175, Oak, Robert B. Cullum

Southfair's Mission

- “SouthFair seeks to acquire, develop, rehabilitate, construct, and preserve decent, affordable housing for low and moderate-income persons and families.”
 - With this mission, SouthFair hopes to improve the quality of life and eliminate poverty through permanent benefits to the community
- SouthFair's primary sources of revenue are grants, contributions, and rental property income
- SouthFair has been successful in attracting lenders and investors, including the City of Dallas, for development of affordable housing

Southfair Target Area



SouthFair's Human/Public Service Engagement

– Past

- Mentoring Children of Prisoners
- Weed & Seed Program

– Current

- Fair Park Estates Neighborhood Association
- Fair Park Merchants Association
- Senior resident outings
- Community engagement/organizing
- Homebuyer Club

SouthFair's Commercial Development & Land Assemblage

- Commercial Development
 - Medical Office Building
 - 6,000 square feet
 - Located on Grand Avenue
 - Completed in 2003, cost \$1.2 million
 - 15-year Lease to Baylor Medical Center
- Land Assemblage
 - 70 plus lots owned within area for future development
 - Acquired over a 10 year span



SouthFair's Multi-Family Development

- Eban Village I and Eban Village II located at 3023 Park Row
- Eban I (110 units) completed in 1997; cost \$4.7 million
- Eban II (220 units) completed in 2001; cost \$14 million
- Bedroom mix of 1,2,3 bedroom units ranging from 445 sq.ft to 1,088 sq.ft.



SouthFair's Multi-Family Development

- Ethel Parnell Place Apartments
 - 18 senior units located at 2821 South Blvd.
 - completed renovation in 1998
 - cost \$345,000
- Boulevard Square Apartments
 - 4 units for low-income families located at 2932 South Blvd.
 - completed renovation in 2004
 - cost \$220,000
- AYA Village
 - 29 senior units located at 2607 Jeffries
 - Completed in 2005
 - cost \$1.4 million



SouthFair's Single Family Home Development

- Scattered Site Development
 - 3 SF units located at 2800 Birmingham
 - New Construction Project completed 2001
 - Cost of \$250,000



SouthFair's Single Family Home Development

- Fair Park Estates
 - Located between Malcolm X, Park Row, Jeffries St., & South Blvd.
 - Newly constructed Billy Dade Middle School across the street
 - Properties were originally purchased from tax foreclosure and replatted with 30 parcels
 - Thomas Tolbert Street was installed in 2005
 - Five phases of construction have resulted in 22 units to date



Fair Park Estates -Continued

- All units are currently occupied
- 4 homeowners
- 18 renters pending purchase while going through credit counseling and learning how to maintain a home
- Rent paid is partially credited to the purchase of the home
- The City of Dallas has participated with over \$4,088,651 in infrastructure, debt restructuring, and interim financing
- As homes are sold, the City of Dallas is repaid up to appraised value of the home
- The final phase will begin in October with 8 single family homes with Inwood Bank participating with approximately \$200,000 of interim construction financing



SouthFair's Plans for 2014

- 2800 Park Row
 - Recently purchased from foreclosure
 - Two-single-family houses in its place by Spring 2014
- 2814 Park Row
 - Attempting to acquire and replace with two single family homes by Spring 2014
- 2825 South
 - Expansion of Ethel Parnell
 - Working with BC Workshop on designs
 - Interested parties for funding are Capital One Bank and Texas Mezzanine
 - Completed units by Fall 2014

Southfair's Multi-Year Development Plan

- We will be working with BC Workshop to Master Plan the area bounded by Malcolm X, Grand Avenue, Meyers, & Oak
- Southfair owns many properties in the Plan area and in the target area and wants to move forward to develop:
 - Retail & office space
 - Commercial space
 - Creative mixed-use space
 - Market rate apartments or townhomes

Message from SouthFair CDC

Thank you to the City of Dallas for allowing us the opportunity to share our vision for a new South Dallas. We hope that you will continue to join SouthFair on its redevelopment journey.

“No matter what accomplishments you make, somebody helps you.” –Wilma Rudolph

Memorandum



CITY OF DALLAS

DATE October 4, 2013

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

SUBJECT Fowler Christian Apartments

On Monday October 7, 2013, you will be briefed on Fowler Christian Apartments. 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 'Theresa O'Donnell'.

Theresa O'Donnell
Interim Assistant City Manager

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



Fowler Christian Apartments

A Briefing to the Housing Committee

Housing/Community Services Department

October 7, 2013





PURPOSE

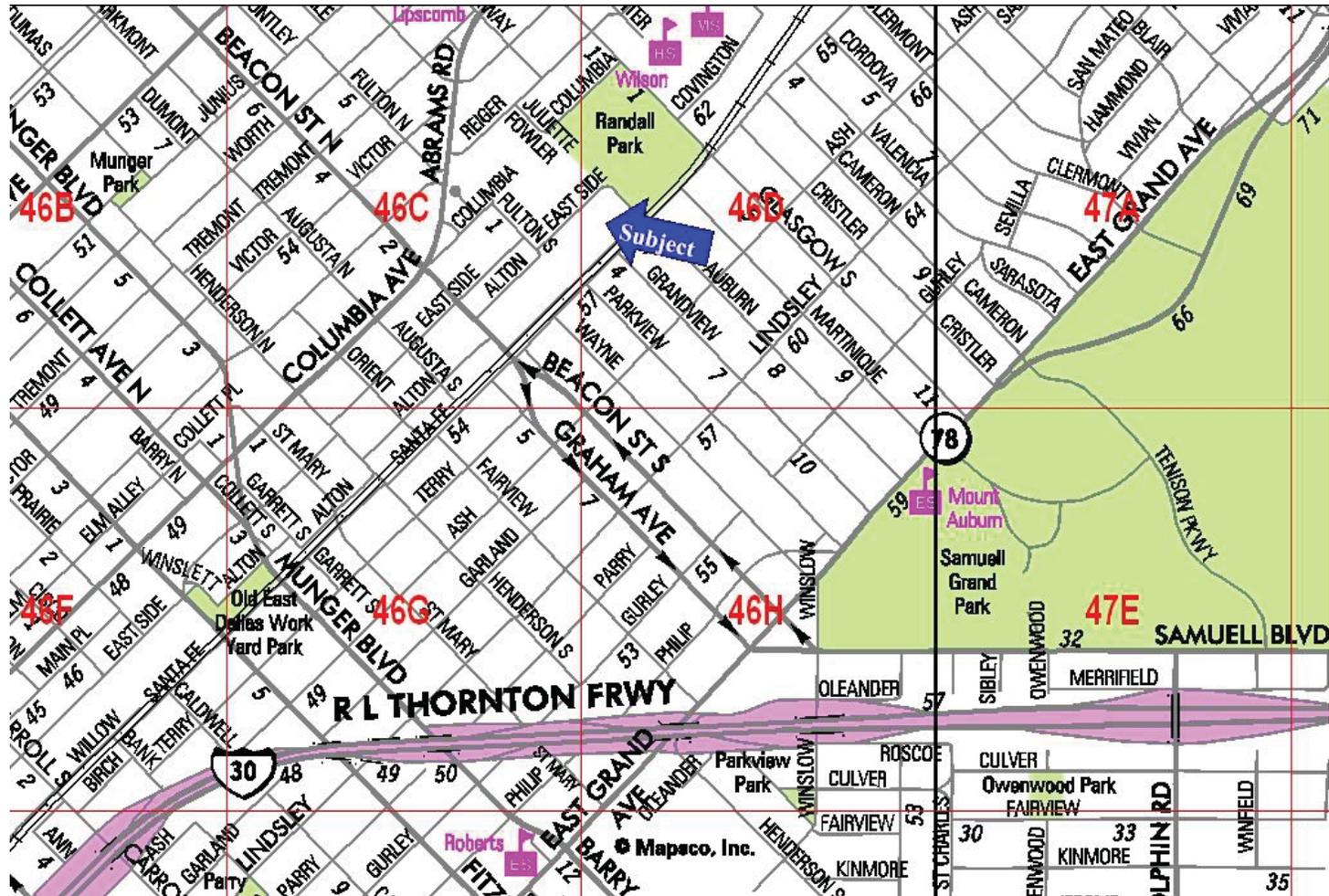
- To present a new development project which will provide affordable housing opportunities for low income seniors in Dallas
- To request consideration for a \$250,000 subordinate loan using U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program Funds (HOME loan)



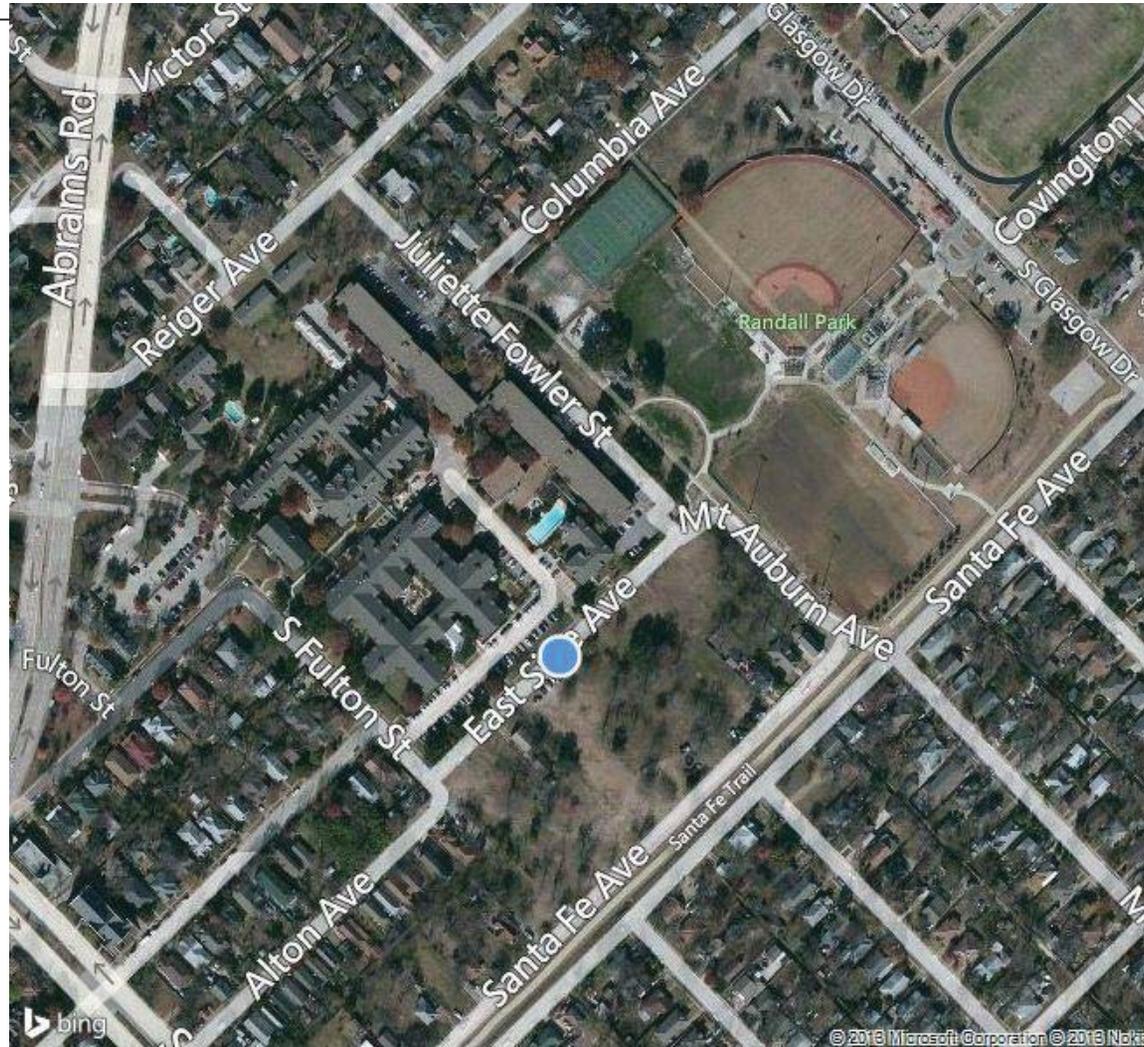
Fowler Christian Apartments III Project

- Located in the 5800 block of East Side Ave., on the grounds of the Juliette Fowler complex
- Council District 2
- Thirty-six one bedroom/one bath units to be built for persons 62 years of age and older
 - One 3 story building

Fowler Christian Apartments III Site



Fowler Christian Apartments III Site





Developer Information

- Fowler Christian Apartments III, Inc. is a single asset 501(c)(3) corporation that supports senior men and women
 - Ms. Billie Collins, Executive Director
- Juliette Fowler first dreamed of creating a facility for the elderly in the late 1800 with the first building constructed on the East Dallas site in 1911
- The 16+ acre campus is currently home to more than 350 seniors in three residential programs including retirement and assisted living, long-term and skilled nursing care, and HUD subsidized independent and assisted living apartments for elderly and the mobility impaired

Existing Fowler Christian Apartments





Fowler Christian Apartments III

Sources & Uses

HUD 202 Capital Grant	\$3,758,200
HUD Predevelopment Grant	\$ 285,275
City of Dallas HOME Funds	\$ 250,000
Deferred Developer Fee	<u>\$ 198,814</u>
Total Sources	\$4,492,289

Development Costs	\$4,253,289
Land	\$ 229,000
Miscellaneous	<u>\$ 10,000</u>
Total Uses	\$4,492,289

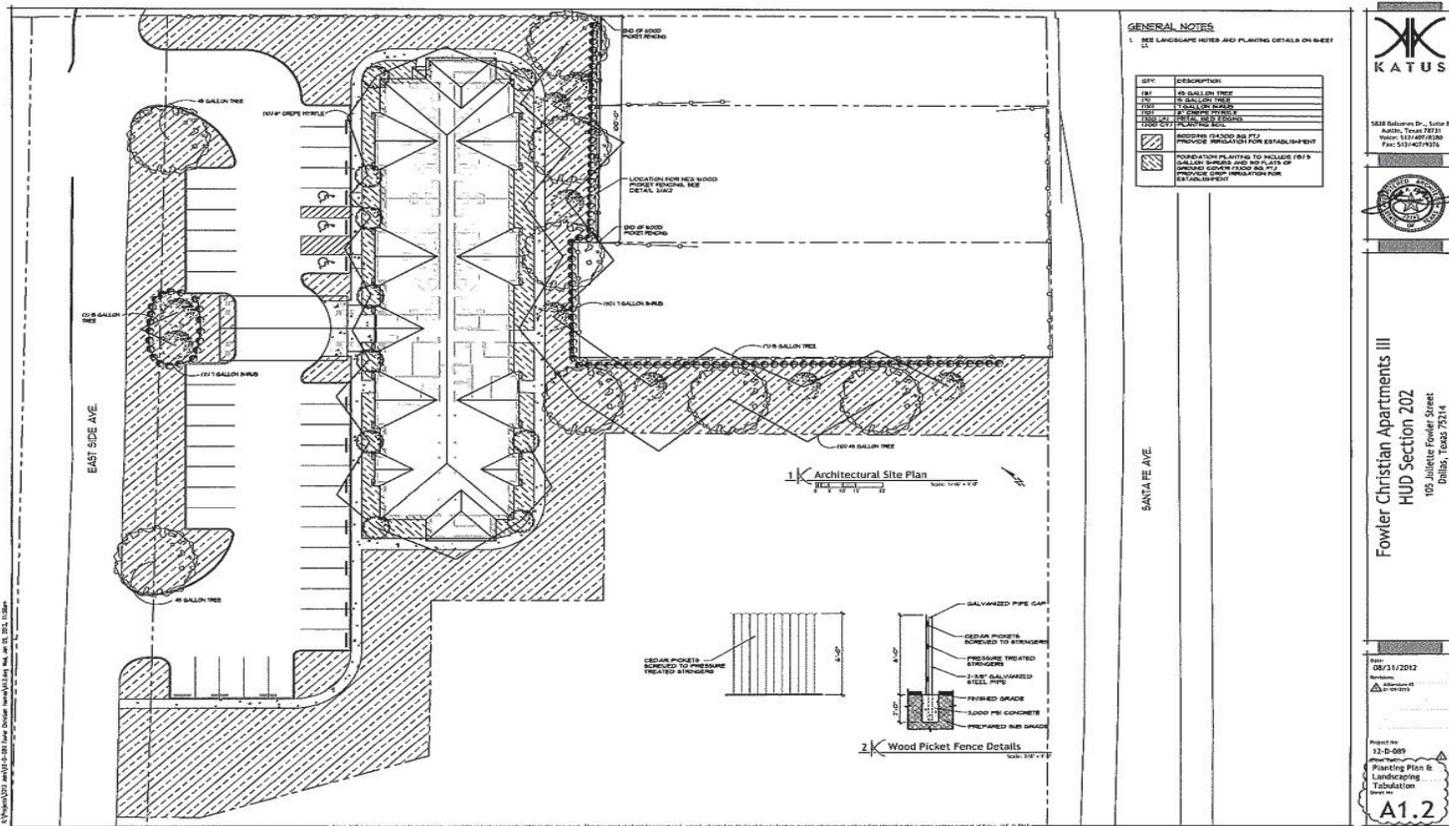


Fowler Christian Apartments III

Financing for the Project

- A \$3,758,200 senior loan in the form of a HUD 202 Capital Grant
 - Supportive Housing for the Elderly program Loan
 - 40 year term grant as long as project is rented as affordable housing to seniors with income at 50% or less AMFI
- A \$285,275 HUD predevelopment Grant
- A \$250,000 City of Dallas conditional 20 year loan
 - Subordinate Loan to HUD 202 grant
 - Forgiven 1/20th per year as long as 6 units are rented affordably
- HUD will also provide \$128,700 per year for 1st three years as project based rental subsidy for low income seniors

Fowler Christian Apartments III Site





Next Steps

- The Fowler Christian Apartments III Project will be presented to the City Council on October 23, 2013 to consider providing a \$250,000 HOME loan to aid in construction of the complex
 - A 20 year affordability period will be required on 6 of the units
 - All of the units at 50% or less AMFI
 - No rents may exceed Fair Market Rent limits

Memorandum



CITY OF DALLAS

DATE October 4, 2013

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

SUBJECT Housing Projects Update

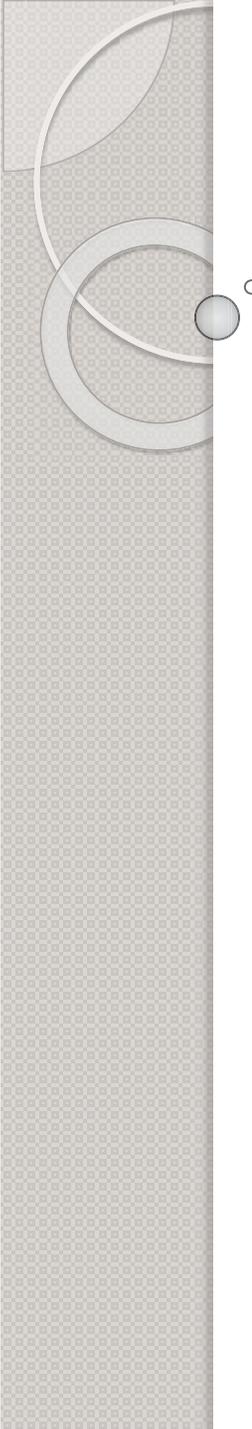
On Monday October 7, 2013, you will be briefed on Housing Projects Update. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Theresa O'Donnell'.

Theresa O'Donnell
Interim Assistant City Manager

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



Housing Projects Update

A Briefing to the Housing Committee
Housing/Community Services Department

October 7, 2013





Purpose

To provide a “Snapshot” of projects completed within the past 18 months and current projects under contract with anticipated production within the next 18 months

Housing Projects Completed Within The Last 18 Months

Nonprofit Development

- **Builders of Hope:** Prairie Creek-14 single family homes (CD4); West Dallas Scattered Sites-18 homes (CD6)
- **Catholic Housing Initiative:** Notre Dame Place Seniors Housing 8 units (CD1)
- **City Wide CDC:** Runyon Springs- 13 single family homes (CD8)
- **Defenders of Freedom:** Veteran housing 2 single family homes (CD9)
- **East Dallas Community Organization:** Bexar Street- 20 townhomes (CD7); Thornton Heights-17 single family homes (CD8); NSP- 4 Single family homes (CD7)
- **Jubilee Seniors Project:** 24 apartment for Seniors on Gurley Avenue (CD2)
- **South Dallas/Fair Park ICDC:** Frazier Courtyards-11 single family homes; Pittman Place- 9 single family homes completed (CD7); NSP- 4 single family homes (CD7)
- **Southfair CDC:** Fair Park Estates 22 homes (CD7)
- **SCB:** NSP- 2 single family homes (CD4)



Housing Projects Completed Within The Last 18 Months

For Profit Development

- **Pleasant Oaks:** 14 single family homes (CD4)
- **Altura Homes:** Scattered Sites- 7 single family homes (CD4); Cedar Creek Ranch-76 single family homes (CD8)
- **Atmos Phase I:** 107 Multifamily units for families completed (CD14)
- **Continental:** Ground floor commercial and 203 apartments downtown (CD14)
- **Kaminiski Building:** 7 apartment units on Bexar and 6,700 sq. ft. of retail (CD7)
- **Hai Tak Building:** 9 apartment units on Bexar and 6,000 sq. ft. of retail (CD7)





Housing Projects With Anticipated Completions Over The Next 18 Months

Nonprofit Development

- **Builders of Hope:** West Dallas – 10 single family homes (CD6)
- **CityWide CDC:** Lancaster Urban Village-14,131 square feet of commercial/retail office space and 193 apartment units (CD5); Rudy's Commercial (CD4)
- **East Dallas Community Organization:** Bexar Street-11 townhomes (CD7); Thornton Heights- 2 single family homes (CD8); NSP: Bexar Street -3 units to build(CD7)
- **Frazier Revitalization Inc.:** 6 single family homes (CD7)
- **Habitat for Humanity:** Greenleaf Village II- 10 single family homes (CD6)
- **South Dallas/Fair Park ICDC:** Spring Street Medical Building; Pittman Place: 10 single family units (CD7); NSP- 3 units (CD7)
- **Jubilee Park CCC:** 9 single family homes (CD2)
- **Central Dallas CDC:** 50 permanent supportive housing units (CD2)
- **2000 Roses:** 2 single family homes (CD7)
- **Southfair CDC:** Park Row Estates-8 single family homes (CD7)

Housing Projects With Anticipated Completions Over The Next 18 Months



For Profit Development

- **Heroes House:** 32 apartment units (CD7)
- **Hall Family:** 38 apartment units (CD7)
- **Pleasant Oaks:** 6 single family homes (CD4)
- **Altura Homes:** 4 single family homes (CD4); 36 single family homes (CD8)
- **Hatcher Gardens:** 10 apartment units & 2 retail spaces (CD7)
- **Wynnewood Seniors:** 140 apartments (CD3)
- **1400 Belleview:** 164 apartments (CD2)
- **Lake Highlands Town Center:** 165,000 sq. ft. commercial space (CD10)
- **Atmos Phase II:** Ground floor commercial and 123 apartment units (CD14)

Other Entities

- **DHA:** Buckeye Trail Commons- 323 apartment units (CD4)

Current NIP Projects & Schedule of Work

South Dallas- Greater Fair Park NIP

- **Spring Avenue Redevelopment:** Construction start on Spring Avenue streetscape and public improvements commenced April 2013 with completion by May 2014. Construction on first new mixed use building underway.

West Dallas NIP

- **Neighborhood Infrastructure Improvements:** Neighborhood sidewalk improvements within the La Bajada and Los Altos communities to commence March 2014 with estimated completion by May 2014.

Lancaster Corridor / Cigarette Hill

- **Miller Family Park Improvements:** Installation of LED Security lighting, picnic tables, BBQ grills and creation of small plaza on track completed July 2013.
- **Neighborhood Lighting:** Additional street lighting installed spring 2013 at the request of residents.



Herbert Street (West Dallas) Traffic Calming
Completed Winter 2012

Current NIP Projects & Schedule of Work

South Dallas- Ideal/Rochester Park

- **Bexar Street Redevelopment Investment Center (DPD):** Construction underway with completion by May 2014.
- **Bexar Street Public Improvements:** Construction of Phase II, Phase III street and streetscape improvements in progress, with completion by winter 2014.
- **Ideal/Rochester Park Neighborhood:** Public improvements within the Ideal and Rochester Park neighborhood underway. Projects include neighborhood street and green space improvements, gateway enhancements, landscaping, neighborhood banners, security measures, monthly stakeholder engagement.

North Oak Cliff / Marsalis NIP

- **Median Improvements:** Acquisition of 138 W. Davis for median improvements authorized by City Council May 2013.





Summary

- Completed Over Last 18 Months
 - 213 single family units
 - 378 multifamily units
 - 12,700 sq. ft. retail/commercial space
- Anticipated Production Over Next 18 Months
 - 113 single family units
 - 1,040 multifamily units
 - 50 permanent supportive housing units
 - 180,731 sq. ft. Retail/Commercial/Office Space

Memorandum



CITY OF DALLAS

DATE October 4, 2013

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

SUBJECT 2013 Low Income Housing Tax Credit Program Update

On Monday October 7, 2013, you will be briefed on the 2013 Low Income Housing Tax Credit Program 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 read 'Theresa O'Donnell'.

Theresa O'Donnell
Interim Assistant City Manager

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

2013 Low Income Housing Tax Credit Program Update

A Briefing To The
Housing Committee

Housing/Community Services Department
October 7, 2013



Key Focus Area: Economic Vibrancy

Purpose

- ❑ Provide a status update for the 2013 Low Income Housing Tax Credit (LIHTC) Projects for Dallas
- ❑ Recommend one project receive support to apply for 2013 4% low income housing tax credits

Final Results of 9% LIHTC Projects for Dallas

Project Name/Developer	Address	Council District	# of Units	Unit Types	LIHTC
Flora Street Lofts Graham Greene	2121 Flora	14	47	Artist	Successful
Serenity Place Apartments Sherman Roberts	3124 S. Denley	4	45	Supportive Housing	Unsuccessful
Summit Place Lisa Stevens	SWC of Merit Drive & LBJ	11	100	Families	Successful
Patriot's Crossing Yigal Lelah	4623 S. Lancaster	4	150	Veterans	Unsuccessful
AT RISK CATEGORY					
Wynnewood Family Housing	2048 S. Zang Blvd.	3	160	Families	Successful

Flora Street Lofts

2121 Flora Street

■ **Description**

- New construction of 47 multifamily units for artists
- 15 One Bedroom, 30 Two Bedroom and 2 Four Bedroom Units
- 39 units will be affordable; 8 units will be market rate
- Five to six story building with 290 spaces of structured parking
- Mixed-Use 8,800 sq. ft. of retail space
- Within a mile of the DART Rail – Pearl Station
- Zoning: PDD 145 Dallas Arts District, Ordinance #17710 Sasaki Plan's Flora Street massing profiles

■ **Applicant** – La Reunion TX

■ **Developer/Partners** – Flora Street Lofts, Ltd., METROarts Properties, Ltd., Arts District Properties, Ltd., GREENarc Corporation, Neighborhood Strategies, LLC

- Graham Greene
- Robert Meckfessel
- Linda McMahon

Serenity Place Apartments

3124 South Denley

■ **Description**

- New construction of 45 Permanent Supportive Housing units for women and children
- 40 two-bedroom units and 5 three-bedroom
- Two-story building with ground level parking
- Within a quarter mile of the DART Rail Line- Kiest Station
- Zoning: Single Family; developer must replat and rezone to PD

■ **Applicant** – City Wide Serenity Place Apartments, L.P.

■ **Developer/Partners** – City Wide Community Development Corporation, National Housing Advisors, LLC, Carleton Development, Ltd.

- Sherman Roberts
- Will Henderson
- Ellen Rourke

Summit Place Apartments

SWC of Merit Drive & LBJ

■ **Description**

- New construction of 100 multifamily units for families
- 32 one bedroom; 48 two-bedroom; 20 three-bedroom
- 75 units will be affordable; 25 units will be market rate
- Seven story building with two levels of structured parking
- Zoned MU-3

■ **Applicant** – Summit Place, LLC

■ **Developer/Partners** – Zenstar Development, LLC

- Mitchell Friedman, Managing Member of Summit Place LLC: Zenstar Summit, LLC
- Lisa Stephens, Project Manager
- Megan De Luna, Development Coordinator

Patriot's Crossing

4623 S. Lancaster

■ **Description**

- New construction of 162 units for families
- 3.7 acres, four story building
- 46 one bedroom, 104 two bedroom
- Across Street from DART Rail Line – VA Hospital Station
- Zoning – PD #855 CR; MF-2

□ **Applicant** – Sapphire Road Development Patriots Crossing, LLC

□ **Developer/Partners** – Sapphire I GP, LLC, Yigal Lelah

- Mike Sugrue

Wynnewood Family Housing

2048 South Zang

- **Description**

- New construction of 160 multifamily units for families
- 48 one bedroom, 72 two-bedroom, and 40-three bedroom units
- Phase II of overall redevelopment
- Zoning – MF-1 (A) Multifamily Residential

- **Applicant** – Wynnewood Family Housing, LP

- **Developer/Partners** –Central Dallas Community Development Corporation (CDC) , G.P. & Banc of America CDC, Special Limited Partner

- John Greenan
- Brian L. Roop

Patriot's Crossing Project Request

- The Developer, Yigal Lelah, has attempted 9% LIHTC three times but has been unsuccessful, primarily due to award criteria changes at the state level
- Developer has requested that the City of Dallas:
 - provide a resolution in support of the Patriot's Crossing Project for the 2013 4% LIHTC
 - maintain the February 27, 2013 approval of \$1,350,000 in loan funds
- Developer has already received approval of the rezoning and development plan in August of this year by the City Council

Upcoming Events

- October 8, 2013, City Council will consider providing support for Patriots Crossing to apply for 2013 4% low income housing tax credits
- Final Draft QAP for 2014 has been posted by TDHCA
- October 21, 2013, Housing Committee will discuss a multifamily housing policy and guidelines for the upcoming year
- Comment period for the 2014 QAP will close by November
- November 2013, City Council will formally adopt the multifamily housing guidelines
- Governor will approve a final QAP by December
- QAP is issued in December

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: October 8, 2013
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 65G

SUBJECT

Authorize an amendment to Resolution No.13-0458, previously approved on February 27, 2013, to support an application for 4% low income housing tax credits (LIHTC) to the Texas Department of Housing & Community Affairs (TDHCA) for the proposed project to be located at 4623 South Lancaster Road, for a multifamily residential development for low income families - Financing: No cost consideration to the City

BACKGROUND

On January 21, 2013, Yigal Lelah, Managing Member, submitted an application to the City of Dallas on behalf of Sapphire Road Development Patriot's Crossing South, LLC ("Applicant"), for support of their application to TDHCA for the 2013 Low Income Housing Tax Credit Program.

As a requirement for City of Dallas' funding and endorsement of low income housing tax credit projects, the Applicant(s) are required to conduct a survey of the needs of the tenants as each lease is signed and will provide some or all of the following social services at no cost to the tenants, such as: after-school and summer break care for children, health screenings; counseling/domestic crisis intervention; emergency assistance, computer education, adult education programs (such as: ESL, life skills and nutrition classes, etc.); and social and recreational activities. This requirement only applies if the Applicant(s) is utilizing City funding in the financing of the low income housing tax credit project. The Applicant has committed to renting all 162 units at 60% of area median family income.

This project is included in the City of Dallas adopted Community Revitalization Plan adopted by the City Council on December 12, 2012. On February 27, 2013, the City Council provided a resolution in support of the LIHTC application for 9% low income housing tax credits, authorized a loan in the amount of \$1,350,000 for the vertical development, and explicitly identified the project as contributing most significantly to the concerted revitalization efforts of the city.

BACKGROUND (continued)

The applicant, Sapphire Road Development Patriots Crossing South, LLC has requested that the City of Dallas amend its support to allow for them to apply for 4% LIHTC. The applicant would utilize the \$1,350,000 gap financing previously approved on February 27, 2013. With this support, the applicant would file paperwork with TDHCA in October.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No. 10-0498.

On February 4, 2013, the Housing Committee was briefed on the Low Income Housing Tax Credit Program.

On February 19, 2013, the Low Income Housing Tax Credit multifamily project to be located at 4623 S. Lancaster Road was briefed to the Housing Committee.

On February 27, 2013, the City Council provided a resolution in support of the LIHTC application for 9% low income housing tax credits, authorized a loan in the amount of \$1,350,000 for the vertical development, and explicitly identified the project as contributing most significantly to the concerted revitalization efforts of the city by Resolution No. 13-0458.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)/DEVELOPER

Sapphire Road Development Patriots Crossing South, LLC

Sapphire I GP, LLC, Managing Member

Yigal Lelah, President

Vernon Smith, Vice-President

Mike Sugrue, Secretary/Treasurer

NBCDC

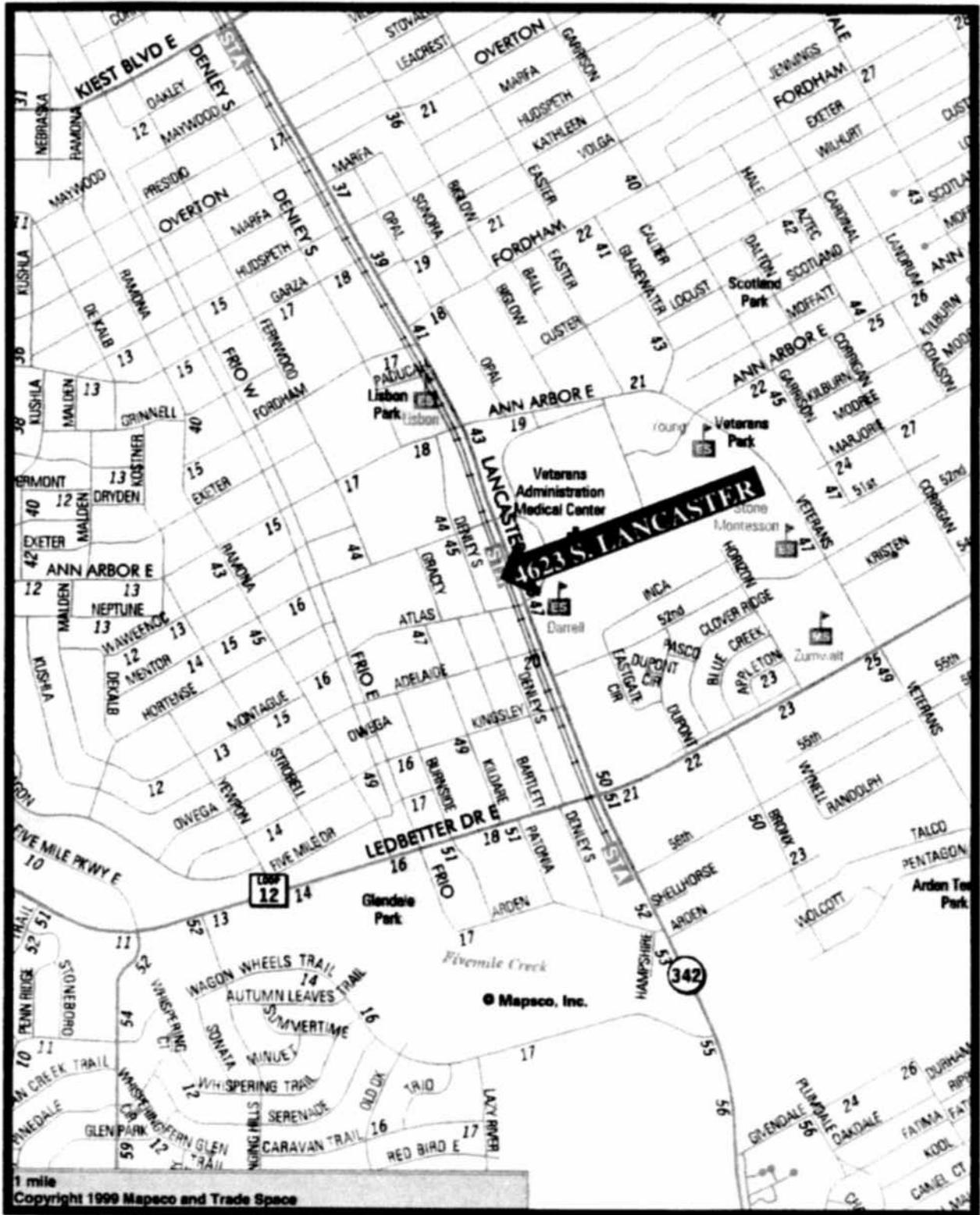
Vernon Smith, Director

Tracy Lelah, Director

Claudia Vargas, Director

MAP

Attached



MAPSCO 65G

October 8, 2013

WHEREAS, on February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No. 10-0498; and

WHEREAS, the Managing Member, Yigal Lelah, submitted an application to the City of Dallas on behalf of Sapphire Road Development Patriots Crossing South, LLC (“the Applicant”), for support of their application to TDHCA for the 2013 Low Income Housing Tax Credit Program; and

WHEREAS, on February 4, 2013 and February 19, 2013, the Low Income Housing Tax Credit multifamily project to be located at 4623 S. Lancaster Road was briefed to the Housing Committee; and

WHEREAS, the Tax Credit multifamily project to be located at 4623 S. Lancaster Road was selected as contributing most significantly to the concerted revitalization efforts of the city, pursuant to §11.9(d)(6)(A)(ii)(III) of the 2013 Housing Tax Credit Qualified Allocation Plan; and

WHEREAS, as a condition for being considered for the award of the 4% tax credit, the Applicant has committed to renting all 162 units at 60% of area median family income; and

WHEREAS, as with the City of Dallas’ funding and endorsement of the TDHCA LIHTC application for Sapphire Road Development Patriots Crossing South, LLC the owner of the project will provide social services with the project approved by the Housing/Community Services Department, if the Project Owner is utilizing City funding in the financing of the low income housing tax credit project; and

WHEREAS, the City of Dallas desires to provide approval of the TDHCA 4% LIHTC application for the project located at 4623 S. Lancaster Road; **NOW, THEREFORE**,

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

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to amend Resolution No. 13-0458 previously approved on February 27, 2013, to support an application for 4% low income housing tax credits (LIHTC) to the Texas Department of Housing & Community Affairs (TDHCA) for the proposed project to be located at 4623 South Lancaster Road, for a multifamily residential development for low income families.

October 8, 2013

SECTION 2. That some of the terms of the loan documents previously approved include:

- a. Sapphire Road Development Patriots Crossing South, LLC must adhere to all applicable HOME Program requirements.
- b. Sapphire Road Development Patriots Crossing South, LLC must execute a note, deed of trust, and deed restrictions for a thirty-five year affordability period.
- c. The outstanding principal balance of the City's \$1,350,000 loan shall bear an interest rate of zero percent 0% per year forgivable in equal amounts annually over a thirty-five year period.
- d. The balance will be due and payable upon the sale or refinancing of the project.

SECTION 3. That the City of Dallas' funding and endorsement of the TDHCA LIHTC application for the project to be located at 4623 S. Lancaster Road will be contingent on the following if the owner is utilizing City funding in financing of the low income housing tax credit project: (1) the Project Owner expending a minimum of \$40,000 (a minimum of \$40,000 or \$200 per unit per year, whichever is greater) for social services for, and at no cost, to the residents of the development, based on a survey of residents needs, to be implemented within three months of project completion; (2) inclusion of this requirement in the Land Use Restriction Agreement (LURA) by the Texas Department of Housing and Community Affairs (TDHCA) and the City's Deed Restrictions containing the social services requirement; and, (3) if the LURA does not require the social services expenditures to be made prior to debt service payment, a separate guarantee by an entity or individual acceptable to the City that the social services expenditures will be made. Up to 50% of the social service requirement can be fulfilled with in kind social services provided the Housing/Community Services Department gives prior approval of the social service plan.

SECTION 4. That prior to receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas Sustainable Development and Construction Department with regard to security related design standards.

SECTION 5. That the City of Dallas' funding and endorsement for this project will be contingent on the Project Owner paying to the City an annual monitoring review fee in the amount of \$500, beginning on the anniversary of the closing on the 4% tax credits and ending at the end of the tax credit compliance period, for the cost of monitoring compliance with the social service requirement, if the Project Owner is utilizing City funding in the financing of the low income housing tax credit project.

October 8, 2013

SECTION 6. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: October 8, 2013
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 47N

SUBJECT

Authorize an amendment to Resolution No. 13-0732, previously approved on April 24, 2013, to increase an existing economic development loan with South Dallas/Fair Park Innercity Community Development Corporation (ICDC) by \$100,000, from \$3,300,000 to \$3,400,000, for the completion of the construction of commercial space located at 4922 Spring Avenue as part of the redevelopment plan for the Frazier area – Not to exceed \$100,000 - Financing: 2006 Bond Funds

BACKGROUND

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

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

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

On February 20, 2008, the City Council approved the first economic development loan for ICDC to begin acquisition of improved and unimproved properties, address any relocation issues, address environmental remediation, and demolish existing improvements in order to begin revitalization efforts.

BACKGROUND

To date, ICDC has purchased forty-six improved and unimproved properties within the Frazier area. In late 2012, ICDC had an opportunity to fast track the redevelopment of commercial space with some of the acquired property at 4922 Spring Street with an executed tenant agreement with My Children's. At that time, ICDC requested that the City of Dallas allow funds to be used to construct fifty-six hundred square feet of commercial space. The City of Dallas agreed to ICDC's request.

Due to change orders for special amenities by the lessee, ICDC has asked the City for an additional \$100,000 to complete the construction of the commercial space. ICDC will complete the construction in October with the lessee occupying the space soon after.

ICDC's loan will continue to be zero percent interest, with a maturity date of February 20, 2015. ICDC must redevelop all the acquired properties within this timeframe. To be considered "redeveloped," the properties must be either residential units that have all been constructed and sold or rented to households at 140% or less of area median income or all the construction for the retail, commercial, or mixed-use redevelopment structures and projects on the acquired properties have all been completed, as evidenced by a certificate of occupancy having been obtained from the City of Dallas for each unit in all the structures or projects.

If ICDC fails to timely comply with the redevelopment requirements, the City of Dallas has the option to require them to convey fee simple title to the properties acquired with the bond funds under the loan to the City of Dallas, free of any liens or encumbrances not acceptable to the City.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

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

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

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

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

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

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

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

On August 26, 2009, the City Council approved an increase in the economic development loan to ICDC from \$500,000 to \$1,000,000 by Resolution No. 09-2085.

On April 28, 2010, the City Council approved an increase in the economic development loan to ICDC from \$1,000,000 to \$1,500,000 by Resolution No. 10-1101.

On September 22, 2010, the City Council approved an increase in the economic development loan to ICDC from \$1,500,000 to \$2,500,000 by Resolutions No. 10-2419.

On December 12, 2012, the City Council approved an increase in the economic development loan to ICDC from \$2,500,000 to \$3,100,000 by Resolution No. 12-3019.

On April 24, 2013, the City Council approved an increase in the economic development loan to ICDC from \$3,100,000 to \$3,300,000 by Resolution No. 13-0732.

FISCAL INFORMATION

2006 Bond Funds - \$100,000

Original Contract Amount	\$ 500,000
Amendment No. 1	\$ 500,000
Amendment No. 2	\$ 500,000
Amendment No. 3	\$1,000,000
Amendment No. 4	\$ 600,000
Amendment No. 5	\$ 200,000
Amendment No. 6 (this action)	<u>\$ 100,000</u>
Total	\$3,400,000

OWNERS

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

Diane Ragsdale, Executive Director

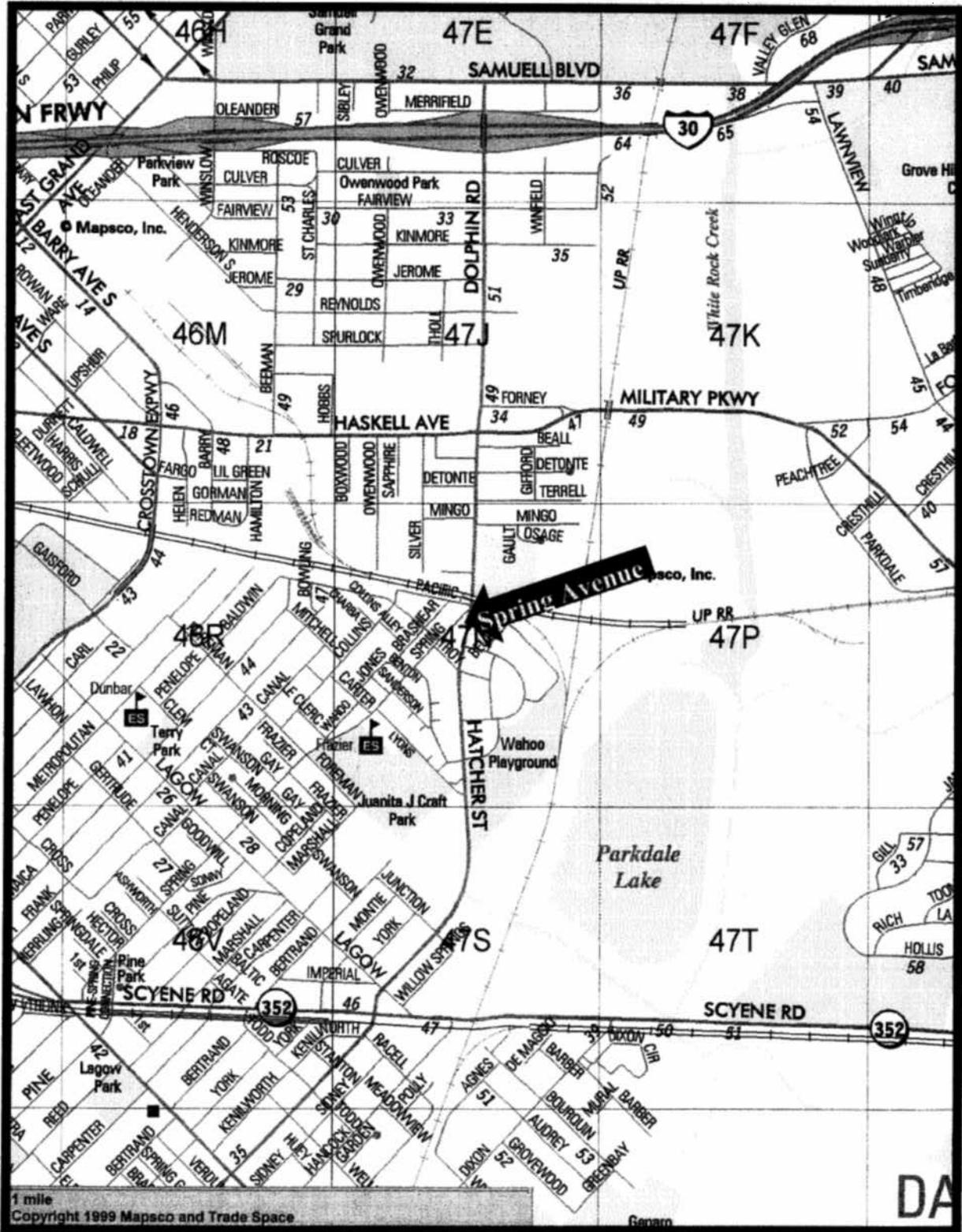
DEVELOPER

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

Diane Ragsdale, Executive Director

MAP(S)

Attached



MAPSCO 47N

October 8, 2013

WHEREAS, the City of Dallas seeks to increase the supply of new affordable workforce housing in order to attract and retain economic growth; and

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

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

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

WHEREAS, On November 7, 2006, the voters of Dallas approved a \$1.35 billion General Obligation Bond Program of which \$41,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development; and

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

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

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

WHEREAS, on August 26, 2009, the City Council approved an increase in the economic development loan to ICDC from \$500,000 to \$1,000,000 by Resolution No. 09-2085; and

WHEREAS, on April 28, 2010, the City Council approved an increase in the economic development loan to ICDC from \$1,000,000 to \$1,500,000 by Resolution No. 10-1101; and

WHEREAS, on September 22, 2010, the City Council approved an increase in the economic development loan to ICDC from \$1,500,000 to \$2,500,000 by Resolution No. 10-2419; and

WHEREAS, on December 12, 2012, the City Council approved an increase in the economic development loan to ICDC from \$2,500,000 to \$3,100,000 by Resolution No. 12-3019; and

WHEREAS, on April 24, 2013, the City Council approved an increase in the economic development loan to ICDC from \$3,100,000 to \$3,300,000 by Resolution No. 13-0732; and

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

NOW, THEREFORE,

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

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 13-0732, previously approved on April 24, 2013, to increase an existing economic development loan with South Dallas/Fair Park Innercity Community Development Corporation (ICDC) by \$100,000, from \$3,300,000 to \$3,400,000, for the completion of the construction of commercial space located at 4922 Spring Avenue as part of the redevelopment plan for the Frazier area.

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

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

South Dallas/Fair Park Innercity Development Corp. Vendor # VS266539
Fund 9T52, Dept HOU, Unit T808, Act AQDM, Obj 3015
Program # FRAZIER1, CT HOUT807J277A - in an amount not to exceed \$100,000

Section 4. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund 9T52 for the amount of the loan.

October 8, 2013

Section 5. That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available bond funding, and there will be no liability or obligation on the City until final contract documents are approved, executed, and final closing completed.

Section 6. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.