

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: February 26, 2014
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: N/A

SUBJECT

A public hearing to receive comments on Substantial Amendment No. 1 to the 2013-14 Action Plan for **(1)** adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); **(2)** addition of the CDBG Community Based Development Organization (CBDO) Program to the FY 2013-14 Action Plan; **(3)** the use of funds for the Community Based Development Organization Program and the Housing Development Loan Program; **(4)** the establishment of appropriations in the CDBG Community Based Development Organization Program in the amount of \$1,744,142 and increase appropriations in HOME, Housing Development Loan Program in the amount of \$600,000 made possible by unanticipated program income – Total not to exceed \$2,344,142 – Financing: FY13-14 CDBG Program Income #1 (\$1,744,142) and FY13-14 HOME Program Income #1 (\$600,000)

BACKGROUND

On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds. The grant funds were available beginning on October 1, 2013. The FY 2013-14 Action Plan includes Community Development Block Grant funding in the amount of \$15,730,135 for various activities.

On January 22, 2014, City Council authorized (1) preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) the establishment of appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income; and

BACKGROUND (continued)

(5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-14 Action Plan.

This council action will authorize a public hearing to receive comments on Substantial Amendment No. 1 to the 2013-14 Action Plan for (1) adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) the establishment of appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds, by Resolution No. 13-1142.

On January 22, 2014, the City Council authorized (1) preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) the establishment of appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income; and (5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-14 Action Plan, by Resolution No. 14-0254.

FISCAL INFORMATION

\$1,744,142.58 - FY13-14 CDBG Program Income #1

\$600,000 – FY13-14 HOME Program Income #1

February 26, 2014

WHEREAS, On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds, by Resolution No. 13-1142.

WHEREAS, On January 22, 2014, City Council authorized (1) a preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) to receipt and deposit program income in the amount of \$1,744,142; (2) to receipt and deposit HOME program income in the amount of \$600,000 from repayments of interim construction development funds and loans to Development Loan Program (3) to add the Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; 4) use of the funds for the Community Based Development Organization program; and (5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-2014 Action Plan, by Resolution No. 14 0254.

WHEREAS, Program income generated through Community Development Block Grant Program activities must be used for other Community Development Block Grant Program eligible activities; **NOW, THEREFORE**,

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

SECTION 1. That the City Council hereby authorizes (1) adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) to receive and deposit program income in the amount of \$1,744,142; (2) to receive and deposit HOME program income in the amount of \$600,000 from repayments of interim construction development funds and loans to Development Loan Program (3) to add the Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; and (4) use of the funds for the Community Based Development Organization program.

SECTION 2. That the City Manager is hereby authorized to establish appropriations in the amount of \$1,744,142.58 in Fund 13R1, Dept HOU, Unit 307F.

SECTION 3. That the City Manager is hereby authorized to increase appropriations in the amount of \$600,000 in Fund 13M1, Dept HOU, Unit 310F.

SECTION 4. That the City Controller is authorized to receive and deposit the following funds in an amount not to exceed \$2,344,142.58 in:

Fund 13R1, Dept HOU, Unit 307F \$1,744,142.58 in Revenue Source 847A
Fund 13M1, Dept HOU, Unit 310F \$600,000.00 in Revenue Source 8474

February 26, 2014

SECTION 5. That the City Controller is authorized to disburse funds from the following appropriations in an amount not to exceed \$2,344,142.58:

Fund 13R1, Dept HOU, Unit 307F, Obj 3015, \$1,744,142.58

Fund 13M1, Dept HOU, Unit 310F, Obj 3015, \$600,000.00

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

Memorandum



CITY OF DALLAS

DATE February 14, 2014

TO Members of the Housing Committee,
Carolyn Davis (Chair), Scott Griggs (Vice Chair), Monica Alonzo, Rick Callahan Dwaine
Caraway

SUBJECT **Public Hearing Low Income Housing Tax Credit (3 requests) Addendum Item**

At the February 26, 2014 Council meeting, you will consider these addendum agenda items to authorize support for the 2014 LIHTC projects. The three (3) projects to consider are Carolina Chase Apartments, Serenity Place Apartments, and Wynnewood Seniors Housing II.

Should you have any questions, please contact me at (214) 670-3296.

A handwritten signature in black ink that reads "Theresa O'Donnell".

Theresa O'Donnell
Assistant City Manager

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

Memorandum



CITY OF DALLAS

DATE February 14, 2014

TO Members of the Housing Committee:
Carolyn Davis (Chair), Scott Griggs (Vice Chair), Monica Alonzo, Rick Callahan,
Dwayne R. Caraway, Philip T. Kingston

SUBJECT **Wynnewood Seniors Housing II, L.P. Loan Request to DHFC as a Conduit Lender**

Staff seeks approval for the City of Dallas Housing Finance Corporation (DHFC), as a conduit lender, to provide a loan with funds provided by FSC Asset Administration, Inc. (First Southwest Company) to Wynnewood Senior Housing II, L.P., in an amount not to exceed \$1.75 Million. Funds will be used for development costs associated with a 9% tax credit application for Phase III of the redevelopment of the Parks at Wynnewood, a 140 unit project for seniors.

The Texas Department of Housing & Community Affairs ("TDHCA") operates the 9% Tax Credit program (the "Program"). The Program is very competitive and point based. Necessary points (up to 14) are awarded to an applicant who receives local Political Subdivision Funding from a qualified local subdivision as defined by the TDHCA. Due to the competitive nature of the Program, these points are essential to be competitive in the region.

Both The City of Dallas and the DHFC are qualified entities for providing funding to developers under this point category. Bank of America and CDC both approached the DHFC and completed a loan application in an amount up to \$1.75 Million (15 year term/30 year amortization, 3% interest rate) with respect to its 2014 9% tax credit application for the Parks at Wynnewood Phase III, in order to obtain these funding points. Loan funding is contingent upon the applicant obtaining a tax credit allocation/availability of a funding source in the amount of the loan at the time funding is requested.

In the event this loan request is ultimately funded, the DHFC contemplates entering into a conduit or tri-party arrangement whereby funds would be advanced to the DHFC by a third party and then loaned to Wynnewood Seniors Housing II, L.P., for development costs associated with the project. The loan terms and collateral would be assigned back to the third party funding source without recourse or liability.

On February 14, 2014, the DHFC Board met and approved a loan to Wynnewood Senior Housing II, L.P., in an amount not to exceed \$1.75 Million to be used for development costs associated with Phase III of the redevelopment of the Parks at Wynnewood.

Owner

Wynnewood Senior Housing II, L.P. (Bank of America CDC)

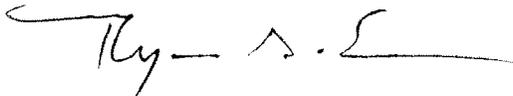
Brian L. Roop, Senior Vice President
John Greenan, Executive Director

Staff

Karen Schaffner – Office of Economic Development

Recommendation

Staff recommends approval of the subject item. Please contact me if you have any questions at (214) 670-3296.



Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
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
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Memorandum



DATE February 14, 2014

TO Members of the Housing Committee,
Carolyn Davis (Chair), Scott Griggs, (Vice-Chair), Monica Alonzo, Rick Callahan,
Dwayne Caraway and Philip Kingston

SUBJECT **Amendment of Deed Restrictions Agenda Item**

At the February 26, 2014 Council meeting, you will consider an addendum agenda item to authorize an amendment of the Deed Restrictions placed on 6 unimproved properties sold to City Wide Community Development Corporation. The amendment will remove the definition of Permanent Supportive Housing and revise the definition of Low Income Family to include both men and women with children.

Should you have any questions, please contact me at (214) 670-3296.



Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
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