

# Memorandum



CITY OF DALLAS

DATE April 4, 2014

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

SUBJECT South Dallas Fair Park Inncity Community Development Corporation (ICDC) Organizational Overview, Current Projects, and Future Plans Project

On Monday April 7, 2014, you will be briefed on South Dallas Fair Park Inncity Community Development Corporation (ICDC) Organizational Overview, Current Projects, and Future Plans Project. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink that reads "Theresa O'Donnell". The signature is written in a cursive, flowing style.

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  
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  
Shawn Williams, Interim Public Information Officer  
Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# East Dallas Community Organization (EDCO)

## Organizational Overview, Current Projects, and Future Plans

A Briefing to the Housing Committee  
April 7, 2014



# Our Mission and Vision

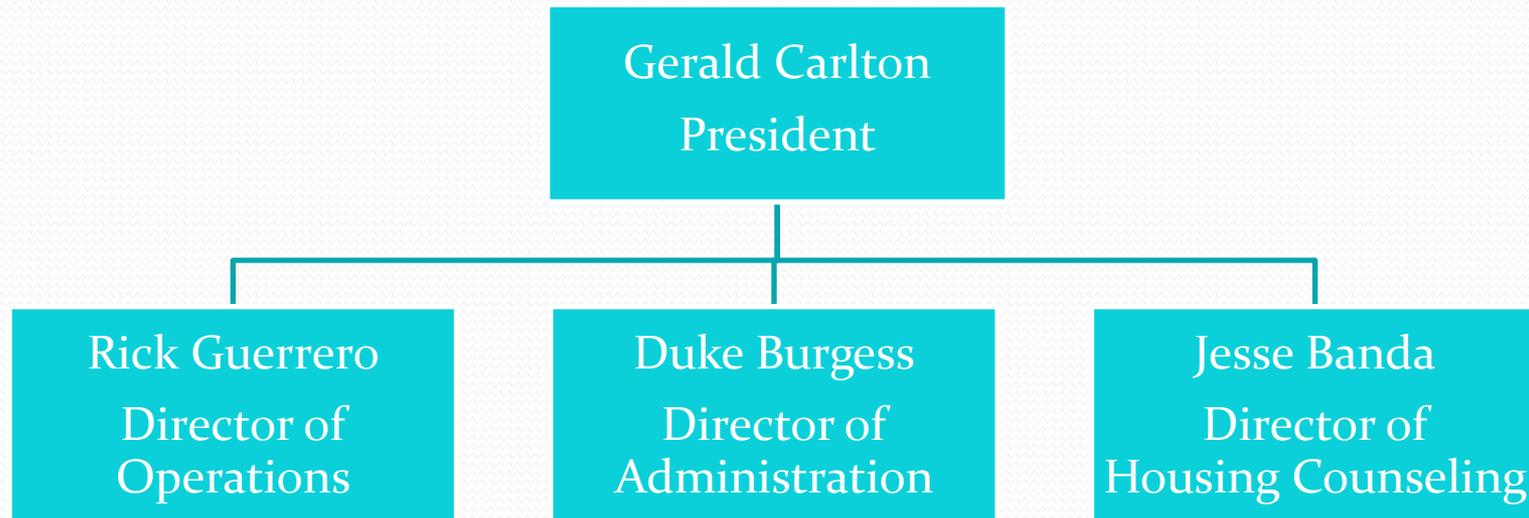
- EDCO's mission is to provide affordable, quality housing while revitalizing the communities in which we are engaged.
- Our vision is that all communities in which we are engaged are safe, vibrant, and productive neighborhoods which contribute to the quality of life in Dallas.

# Organization Background

- Organized in 1993 by Elizabeth Blessing and community volunteers
- Became a nonprofit 501(c)(3) in 1997
- Became a CHDO in 1997
- Twelve-member board of directors
- Three board members are previous EDCO homeowners
- Built first house in 2002
- The organization is in good standing and has received favorable audits

# Our Staff

We optimize our resources and operate with a staff of only two part-time and two full-time employees.



# Our Support

- Primary revenue support comes from home sales, grants, and contributions from the community
- Successful in developing strong relationships with lenders, banks, The Real Estate Council, and community organizations

# Our Neighborhoods

Bexar Street Village

Dolphin Heights

East Oak Cliff

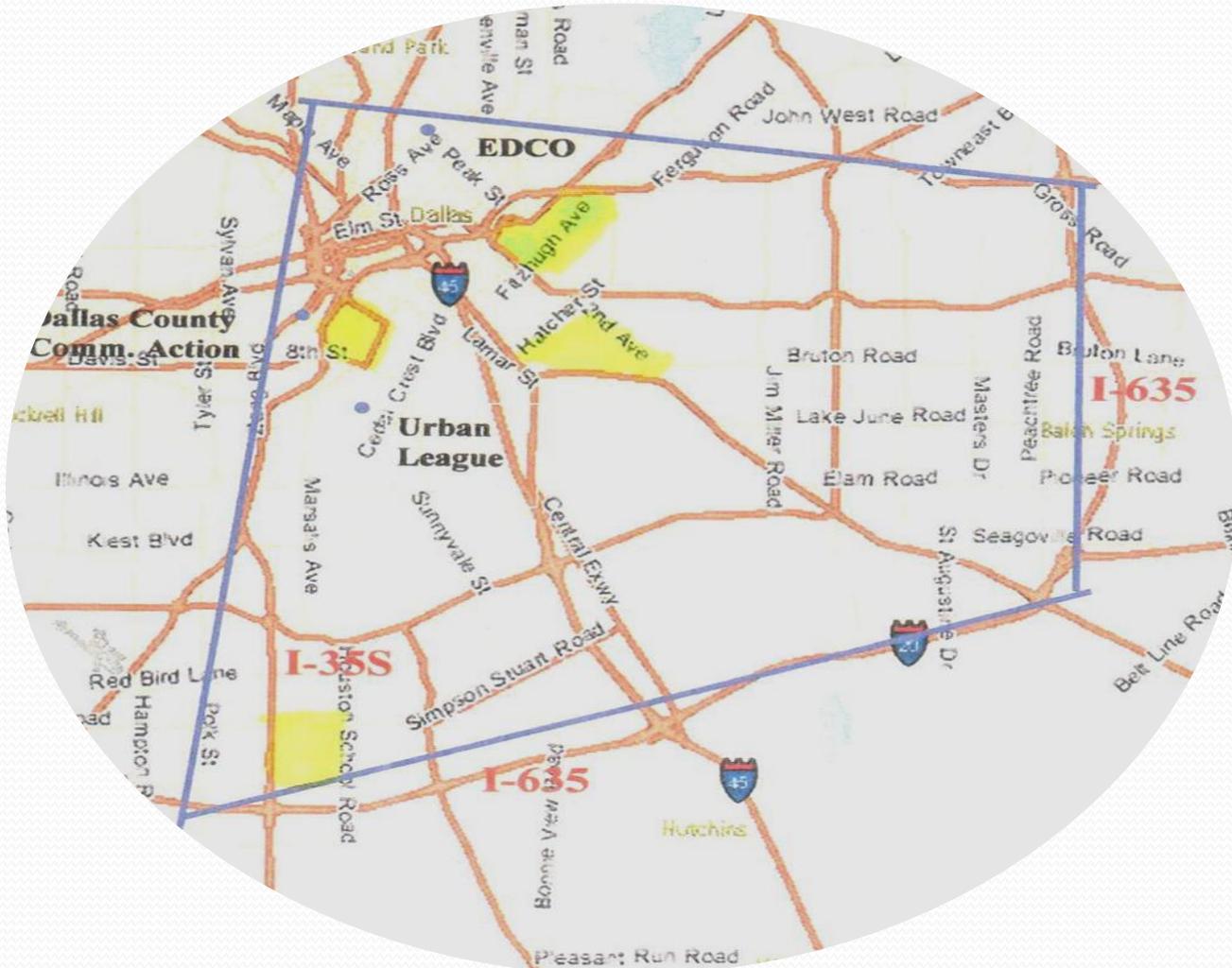
Old East Dallas

South Oak Cliff

(Thornton Heights)

Jubilee Park

# Our Service Area



# Project History

- Built 31 townhomes and 45 detached homes
- Built first “green” home in 2008
- Built two LEED-certified homes
- Served six communities
- Has never had a foreclosure!

# Bexar Street Development

- Project is located at 5302-5410 Bexar Street
- Constructed 21 single family townhome units for sale
- Cost to build was \$3,255,000
- Mixed-income development



# Dolphin Heights Project

- Constructed 3 single family units for sale at scattered sites
- Cost to build was \$362,000
- Other activities included: playground, tree planting, and comprehensive community development plan



# East Oak Cliff

- Project is located at 1103-1105 Church Street
- Constructed 2 single family units for sale
- Cost to build was \$306,000
- Two units LEED certified



# Old East Dallas

- Project is located at various sites on Grigsby Street, Fitzhugh, Scurry and N. Prairie
- Constructed 13 single family, 4 townhomes and 4 duplexes for sale
- Cost to build was \$2,663,000



# Thornton Heights Project

- Project is located at Wheatland and I-35
- Constructed 17 single family units for sale
- Cost to build was \$2,180,000



# NSP Activities

- Project is located at scattered sites in the Bexar Street Neighborhood Investment Program Area
- Constructed 10 single family units for sale
- Cost to build was \$1,233,000



# EDCO FY 2013-14 Projects

- Bexar Street Townhomes

- Purchased 6 lots
- Complete construction of 6 houses by March 2014

- East Oak Cliff

- Purchased 2 lots
- Complete construction of 2 houses by December 2014

- NSP

- Purchased 3 lots
- Completed construction of 3 houses by March 2014

# EDCO FY 2013-14 Projects (continued)

- Jubilee Project

- Purchased 2 lots
- Complete construction of 2 houses by May 2014

- Bexar Senior Units

- Purchased 8 lots
- Build 3 single family homes and 2 duplexes by October 2014
- Phase II to build 3 additional units by December 2015

# Land Assemblage

12	Lots in South Oak Cliff
2	Lots in East Oak Cliff
10	Lots in Jubilee Park
<u>16</u>	Lots in Bexar Street Village
40	Total Lots

- Negotiating to purchase over 20 lots in various neighborhoods

# Strategic Plan for 2014

- Develop 3-year financial model to include:
  - All revenue streams
  - Various types of projects, i.e., build to sell, rent, lease, single family, multi-family
- Maximize support by strengthening/increasing relationships with funders, City of Dallas, and State of Texas
- Strengthen governance through an increase in the size and expertise of board of directors
- Continue to enhance impact on revitalization efforts for the City of Dallas

# Garland Project

- In 2013, EDCO purchased two properties from the Land Bank program with private funds at approximately \$13,000
- In December 2013, EDCO submitted a proposal to the City of Dallas for the construction of two affordable housing units on those properties located at 4529 & 4531 Garland, included within the Neighborhood Investment Program Area
- EDCO has requested that the City provide gap financing for the two homes
  - Inwood Bank will provide full, interim construction financing while the City is being asked to provide up to \$31,500 per home in subordinated gap financing which is the subsidy per home
  - Any amount above the Bank funds and City funds will be covered by the developer
- EDCO is proposing to build two, three-bedroom, two bathroom homes around 1243 square feet with a total cost of approximately \$140,000 per home
  - \$113 per square
  - Homes recently sold in the area appraised at \$105,000
  - Homes must be sold to households at or below 80% Area Median Family Income

# Garland Project (continued)

- The City funds will be provided through HOME Investment Partnership Program CHDO set aside funds from the Department of Housing and Urban Development (HUD), which the City Council appropriated for housing developments such as this
- EDCO will be required to execute a deed of trust and note payable to ensure performance and receive a pro rata forgiveness based on performance
- Homebuyers will assume a deed restriction for the regulated affordability period of ten years
- Homebuyers may be eligible to apply for the Mortgage Assistance Program and receive up to \$20,000 in down payment and closing cost assistance
- EDCO will have one year to complete construction and sell the two homes

# Request Approval

- Housing Committee approval of the development loan not to exceed \$63,000 with East Dallas Community Organization (EDCO) for the construction of two single family homes on Garland Avenue

# Next Steps

- April 9, 2014 – City Council consideration of a CHDO HOME development loan for \$63,000 to East Dallas Community Organization for the construction of 2 single family homes on Garland Avenue
- April 2014 – contract with EDCO
- June 2014 – estimated construction completion

# To the Housing Committee of the City of Dallas

EDCO's Board of Directors and Staff thank the Housing Committee for the opportunity to share its vision to work with Southern Dallas neighborhoods to continue improvements in the quality of life through safe, vibrant, and productive communities.

We desire a strong, solid working relationship with the Housing Committee and with our neighborhoods to continue the revitalization effort.