

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 9, 2014
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 55S

SUBJECT

Authorize on-site reconstruction of one home in accordance with the requirements of the Reconstruction Program Statement for the property located at 2507 Harlandale Avenue - Total not to exceed \$103,000 - Financing: 2009-10 HOME Investment Partnership Program Grant Funds (\$7,927); 2011-12 HOME Investment Partnership Program Grant Funds (\$99) and 2012-13 HOME Investment Partnership Program Grant Funds (\$94,974)

BACKGROUND

On September 22, 2010, City Council authorized 10% of funds to be used to assist persons younger than 62 years of age, or without a disability, and still meeting all other loan criteria. The homeowner, Sharon Beard, 53 year old female, residing at 2507 Harlandale Avenue has been found eligible for the Reconstruction Program.

Authorization by City Council is required before proceeding with on-site reconstruction of a home when all of the following conditions exist: (a) repairs necessary to meet the Quality Standards and all applicable codes cannot be accomplished within the program funding limits; (b) the condition of the home creates an imminent danger to the life, health and/or safety of the residents, and/or the neighborhood; and (c) repairs are not feasible to extend the life of the repaired structure beyond 15 years.

This action provides the authority to proceed with on-site reconstruction of one (1) single-family home in compliance with the conditions listed above.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program including using 10% to assist persons younger than 62 years of age, or without a disability, and still meeting all other loan criteria by Resolution No. 10-2465.

On November 10, 2010, City Council authorized an amendment to the Home Repair Program Statement for Reconstruction/SHARE Program Statement previously approved on September 22, 2010 by Resolution No. 10-2465; allow payoff of liens up to the amount of the amenities package of \$5,900 amended to: allow refinancing of liens up to the amount of the amenities package of \$5,900 by Resolution No. 10-2884.

On May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000 by Resolution No. 11-1349.

On January 22, 2014, City Council authorized modifications to the Reconstruction Program Statement to provide assistance as a twenty-year forgivable loan by Resolution No. 14-0180.

FISCAL INFORMATION

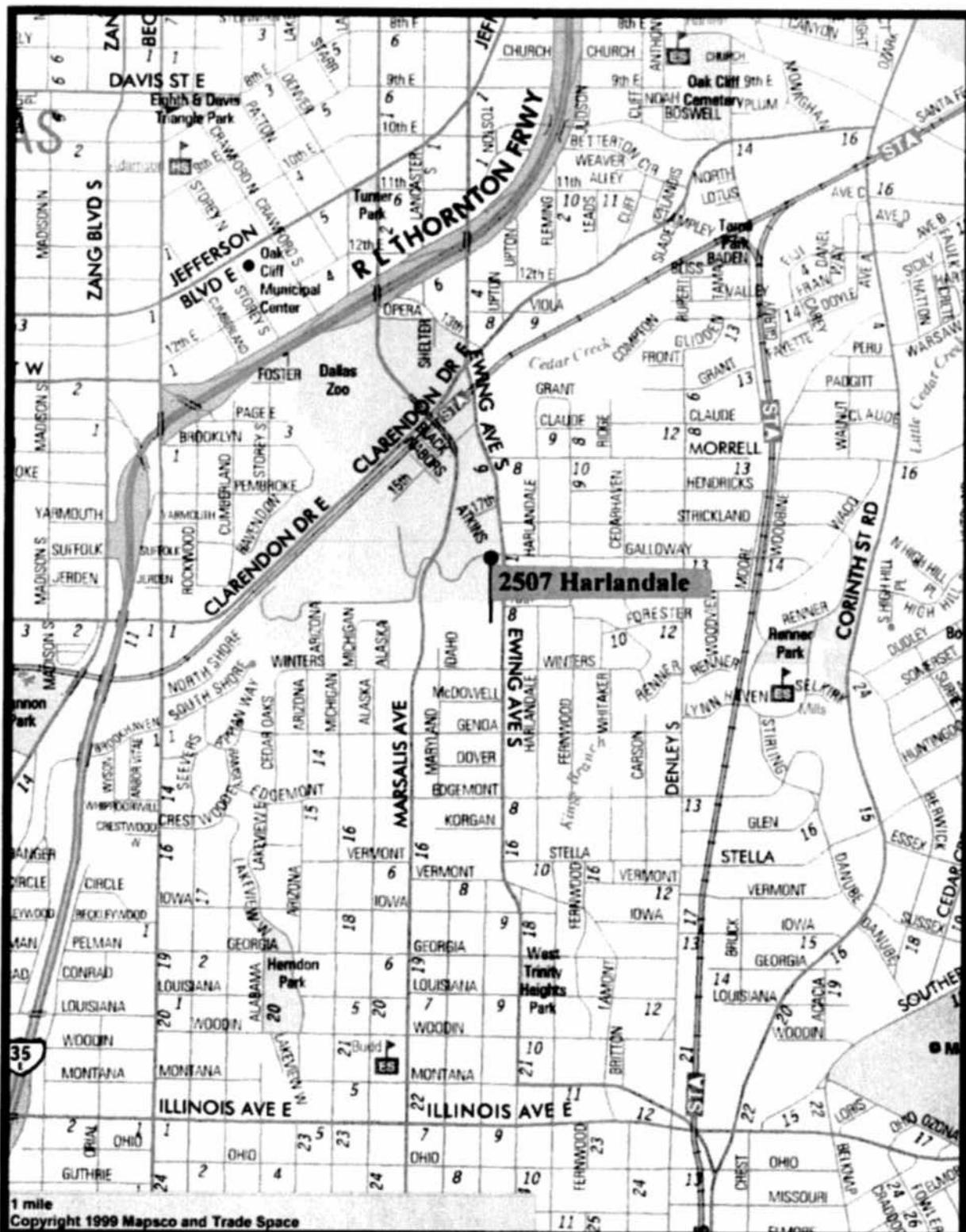
2009-10 HOME Investment Partnership Program Grant Funds - \$7,927

2011-12 HOME Investment Partnership Program Grant Funds - \$99

2012-13 HOME Investment Partnership Program Grant Funds - \$94,974

MAP

Attached



MAPSCO 55S

April 9, 2014

WHEREAS, on September 22, 2010, the City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program to allow for 10 % of available funding to be used for homeowners that are not seniors or disabled by Resolution No. 10-2465; and

WHEREAS, on May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000 by Resolution No. 11-1349; and

WHEREAS, on January 22, 2014, City Council authorized modifications to the Reconstruction Program Statement to provide assistance as a twenty-year forgivable loan by Resolution No. 14-0180; and

WHEREAS, the homeowner, Sharon Beard has made application to the Home Repair Program for her home located at 2507 Harlandale Avenue; and

WHEREAS, all three conditions outlined in the Reconstruction Program Statement for on-site reconstruction of the homes were met for the property owners: Sharon Beard; **NOW, THEREFORE,**

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

SECTION 1. That the City Manager, upon approval of City Attorney can approve the on-site reconstruction of one home in accordance with the requirements of the Reconstruction Program Statement for property located at 2507 Harlandale Avenue.

SECTION 2. That the City Manager, upon approval as to form by the City Attorney is authorized to execute the following loan documents for Sharon Beard for on-site home reconstruction at 2507 Harlandale Avenue.

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

Torres Construction

Vendor No. 337798

<u>Fund</u>	<u>Dept.</u>	<u>Unit</u>	<u>Object Code</u>	<u>Encumbrance No.</u>	<u>Amount</u>
HM09	HOU	663B	3100	HOU896EF094	\$ 7,927
HM11	HOU	744D	3100	HOU896EF094	\$ 99
HM12	HOU	896E	3100	HOU896EF094	\$94,974

April 9, 2014

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

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 9, 2014
COUNCIL DISTRICT(S): 2
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 46K

SUBJECT

Authorize a housing development loan in an amount not to exceed \$63,000 with East Dallas Community Organization (EDCO), a certified Community Housing Development Organization (CHDO) for the construction of two affordable single family homes located at 4529 and 4531 Garland Avenue – Not to exceed \$63,000 - Financing: 2012-13 HOME Investment Partnership Program Grant Funds

BACKGROUND

This item was placed on the addendum for approval of funding for the East Dallas Community Organization Housing Development on Garland Avenue and allows the developer to commence construction. The developer has interim construction lender approval which will expire before April 23rd, and the developer is attempting to meet the timeline for funding commitment for the development.

In 2013, EDCO purchased two properties from the Land Bank program with private funds. In December 2013, EDCO submitted a proposal to the City of Dallas for the construction of two (2) affordable housing units on those properties located at 4529 and 4531 Garland, included within the Neighborhood Investment Program Area.

EDCO has requested that the City provide gap financing. Inwood Bank will provide interim construction financing while the City is being asked to provide up to \$31,500 per home in subordinated gap financing which will be the subsidy per home. EDCO is proposing to build two, three-bedroom, two bathroom homes around 1,243 square feet with a total cost of approximately \$140,000 per home (\$113/square feet). Any amount above the Bank funds and City funds will be paid by the developer. Homes recently sold in the area appraised at \$105,000. Homes must be sold to households at or below 80% Area Median Family Income.

BACKGROUND (Continued)

The City funds will be provided through FY 2012-13 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 prorate 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. The organization is in good standing and has received favorable audits.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2012, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2012-13 federal funds which included the HOME Investment Partnership Funds, CHDO Development Loans by Resolution No. 12-1629.

FISCAL INFORMATION

2012-13 – HOME Investment Partnership Program Grant Funds - \$63,000

OWNER

East Dallas Community Organization

Gerald Carlton, Chief Operations Officer

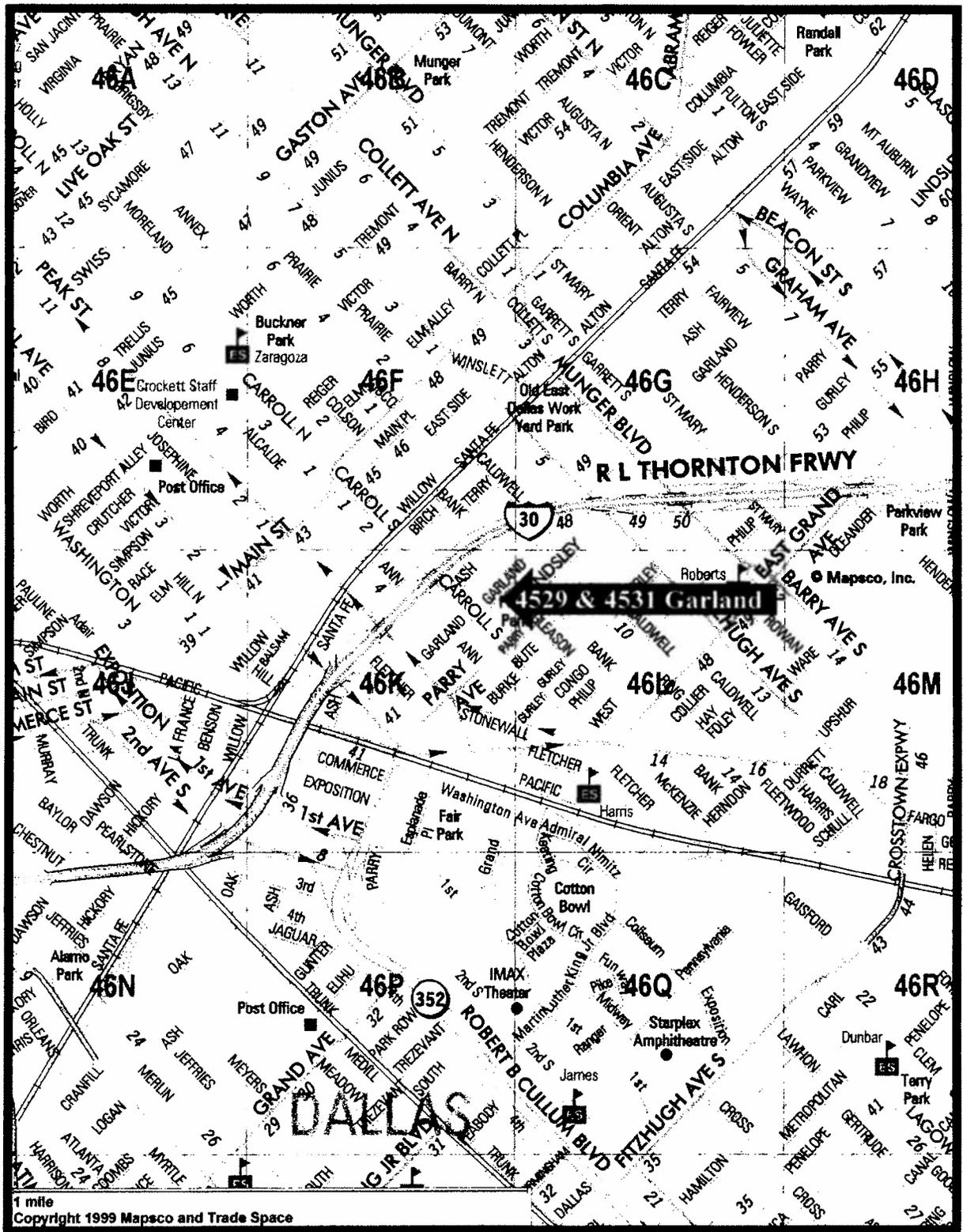
DEVELOPER

East Dallas Community Organization

Gerald Carlton, Chief Operations Officer

MAP

Attached



MAPSCO 46K

April 9, 2014

WHEREAS, affordable housing for low and moderate income families is a high priority of the City of Dallas; and

WHEREAS, on June 27, 2012, the City Council approved the FY 2012-13 Consolidated Plan Budget which included the HOME Investment Partnership Program, CHDO Development Loan funds, by Resolution No. 12-1629; and

WHEREAS, East Dallas Community Organization proposed to work with the City of Dallas to undertake the development of two (2) affordable units on Garland Ave; and

WHEREAS, the City desires for East Dallas Community Organization to develop affordable units for low and moderate income families; **NOW, THEREFORE**,

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

Section 1. That following approval as to form by the City Attorney, the City Manager is authorized to execute a housing development loan in an amount not to exceed \$63,000 with East Dallas Community Organization (EDCO), a certified Community Housing Development Organization (CHDO), for the construction of two (2) single family homes located at 4529 and 4531 Garland Avenue.

Section 2. The terms of the loan agreement include:

- (a) EDCO must execute a deed of trust and note payable to the City of Dallas for \$63,000 for the loan which will be released upon sale to each eligible homebuyer.
- (b) EDCO will execute deed restrictions requiring a 10 year term for the two units.
- (c) EDCO will have one (1) year to fully complete the project.
- (d) Contract will be effective from March 1, 2014 to February 28, 2015.
- (e) EDCO must build and sell the affordable units to low and moderate income families with incomes at or below 80% of area median family income.
- (f) The City will subordinate second lien deed of trust to the interim construction lender.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of liens, releases of liens and terminate deed restrictions on the property upon compliance with the loan terms and deed restrictions.

April 9, 2014

Section 4. That the City Controller is hereby authorized to disburse funds in accordance with this resolution and the terms and conditions of the loan agreement with East Dallas Community Organization as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
HM12	HOU	890E	3015	HOU890EF103	354413	\$63,000

Section 5. That the City Controller is hereby authorized to modify receivable balance sheet account 033F and an allowance for uncollectible debt 022D in funds HM12, 890E for the amount of the loan.

Section 6. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loan, until such time as the loan documents are duly approved by all parties and executed.

Section 7. 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: April 9, 2014
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 46U

SUBJECT

Authorize a housing development loan in an amount not to exceed \$283,363 with South Dallas Fair Park Inncity Community Development Corporation (ICDC), a certified Community Housing Development Organization (CHDO), for construction of four (4) affordable single family homes for the Pittman development project located along the 3100 block of Lenway Street - Not to exceed \$283,363 - Financing: 2012-13 HOME Investment Partnership Program Grant Funds

BACKGROUND

This item was placed on the addendum for approval of funding for the South Dallas Fair Park Inncity Community Housing Development on Lenway Street and allows the developer to commence construction. The developer has interim construction lender approval which will expire before April 23rd, and the developer is attempting to meet the timeline for funding commitment for the development.

In 1999, the City provided a forgivable loan of approximately \$500,000 to ICDC to fund the acquisition of a 51-unit severely dilapidated apartment complex, to relocate existing tenants, and to demolish the structure. In 2005, ICDC completed the above noted actions, completed the installation of infrastructure, and completed architecture work for nineteen single family homes. Following the infrastructure installation, ICDC requested interim construction financing and gap financing for nine homes in phased construction. Upon sale of the nine homes, proceeds were repaid to the City for the construction loan and a prorated portion of the \$500,000 was forgiven based on performance.

ICDC is ready to begin the next phase of four single family homes and has requested that the City provide partial interim construction financing and gap financing. Capital One Bank will provide \$75,000 per home in interim construction financing while the City is being asked to provide up to \$70,840.75 per home.

BACKGROUND (Continued)

ICDC is proposing to build four three-bedroom, two-bathroom homes between 1,408 and 1,519 square feet with a total cost of approximately \$145,000 per home (\$86.25/square feet). Homes recently sold in the project area appraised at \$105,000. Based on these appraisals, each home would receive \$40,000 in subsidy from the construction loan. Homes must be sold to households at or below 80% Area Median Family Income. Homebuyers may be eligible to apply for the Mortgage Assistance Program and receive up to \$20,000 in downpayment and closing cost assistance.

The City funds will be provided through FY 2012-13 HOME Investment Partnership Program CHDO set aside funds from the Department of Housing and Urban Development (HUD). ICDC will be required to execute a deed of trust and note payable to ensure performance. The City will subordinate its remaining acquisition loan and construction loan to Capital One. ICDC will pay back a portion of the loan with any proceeds collected with the sale of the homes, minus Capital One’s interim construction loan and allowable closing costs. Homebuyers will assume a deed restriction for the regulated affordability period of fifteen years. ICDC will have two years to complete construction and sell all four homes. The organization is in good standing and has received favorable audits.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 27, 2012, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2012-13 federal funds which included the HOME Investment Partnership Funds, CHDO Development Loans by Resolution No. 12-1629.

On April 7, 2014, the Housing Committee was briefed on the Pittman Project Phase III.

FISCAL INFORMATION

2012-13 – HOME Investment Partnership Program Grant Funds - \$283,363

OWNER

**South Dallas Fair Park/
Innercity CDC**

Diane Ragsdale, Executive Director

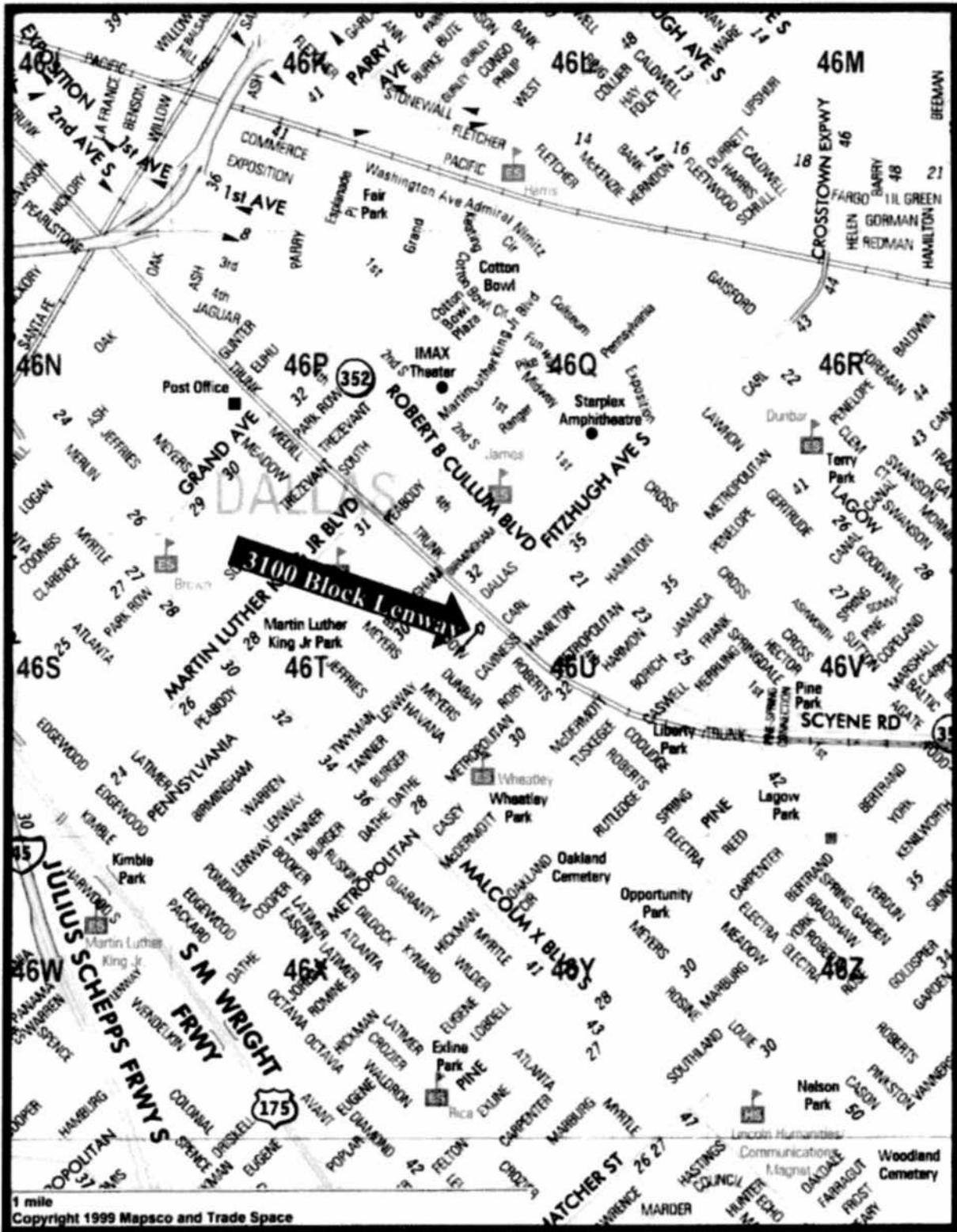
DEVELOPER

**South Dallas Fair Park/
Innercity CDC**

Diane Ragsdale, Executive Director

MAP

Attached



MAPSCO 46U

April 9, 2014

WHEREAS, affordable housing for low and moderate income families is a high priority of the City of Dallas; and

WHEREAS, on June 27, 2012, the City Council approved the FY 2012-13 Consolidated Plan Budget which included the HOME Investment Partnership Program, CHDO Development Loan funds, by Resolution No. 12-1629; and

WHEREAS, on April 7, 2014, the Housing Committee was briefed on the ICDC Pittman Project for \$283,363; and

WHEREAS, South Dallas Fair Park Innercity Community Development Corporation proposed to work with the City of Dallas to undertake the development of four (4) affordable units on Lenway Street; and

WHEREAS, the City desires for South Dallas Fair Park Innercity Community Development Corporation to develop affordable units for low and moderate income families; **NOW, THEREFORE**,

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

Section 1. That following approval as to form by the City Attorney, the City Manager is authorized to execute a housing development loan in an amount not to exceed \$283,363 with South Dallas Fair Park Innercity Community Development Corporation (ICDC), Community Housing Development Organization (CHDO) for the construction of four (4) affordable single family homes for the Pittman development project located along the 3100 block of Lenway Street.

Section 2. The terms of the loan agreement include:

- (a) South Dallas Fair Park Innercity Community Development Corporation must execute a deed of trust and note payable to the City of Dallas for \$283,363 for the loan which will be released upon sale to each eligible homebuyer.
- (b) ICDC will execute deed restrictions requiring a 15 year term for the four units.
- (c) ICDC will repay the loan minus Capital One's interim construction loan and allowable closing costs.
- (d) ICDC will have two years to complete the construction and sale of the four units.
- (e) ICDC must build and sell the affordable units to low and moderate income families with incomes at or below 80% of area median family income.
- (f) The City will subordinate its acquisition lien and construction lien to the interim construction lender.

April 9, 2014

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of liens, releases of liens and terminate deed restrictions on the property upon compliance with the loan terms and deed restrictions.

Section 4. That the City Controller is hereby authorized to disburse funds in accordance with this resolution and the terms and conditions of the loan agreement with South Dallas Fair Park Innercity Community Development Corporation as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
HM12	HOU	890E	3015	HOU233FF097	266539	\$283,363

Section 5. That the City Controller is hereby authorized to modify receivable balance sheet account 033F and an allowance for uncollectible debt 022D in funds HM12, 890E for the amount of the loan.

Section 6. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loan, until such time as the loan documents are duly approved by all parties and executed.

Section 7. That this resolution shall take effect immediately from and after its passage in accordance with the provisions to the Charter of the City of Dallas, and it is accordingly so resolved.