

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 23, 2014
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 56L

SUBJECT

Authorize an amendment to Resolution No. 13-2059, Section 2 (e), previously approved on December 11, 2013, to reduce the financing requirement from \$37,000,000 to a minimum of \$28,000,000 for the development loan with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of \$2,500,000 at 4% interest for infrastructure improvements for a 206-unit apartment project – Financing: No cost consideration to the City

BACKGROUND

On November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street. DHA obtained additional financing in the amount of \$10,200,000 to complete this project.

In November 2013, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2014. The construction began promptly after closing the financing for the project. However, the contractor is behind schedule in completing the project in time to meet the estimated closing date for permanent financing and for repayment to the City. The newly estimated completion date for construction is December 2014.

City Council approval of this agenda item will authorize the City Manager to amend Resolution No. 13-2059, Section 2 (e) for the development loan agreement with Dallas Housing Authority for the Turner Courts Project to reduce the financing requirement from \$37,000,000 to a minimum of \$28,000,000.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

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.

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 November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street, by Resolution No. 09-2768.

On December 11, 2013, City Council authorized an amendment to the development loan to extend the term of the maturity date from December 21, 2013 to December 21, 2014 by Resolution No. 13-2059.

FISCAL INFORMATION

No cost consideration to the City

OWNER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

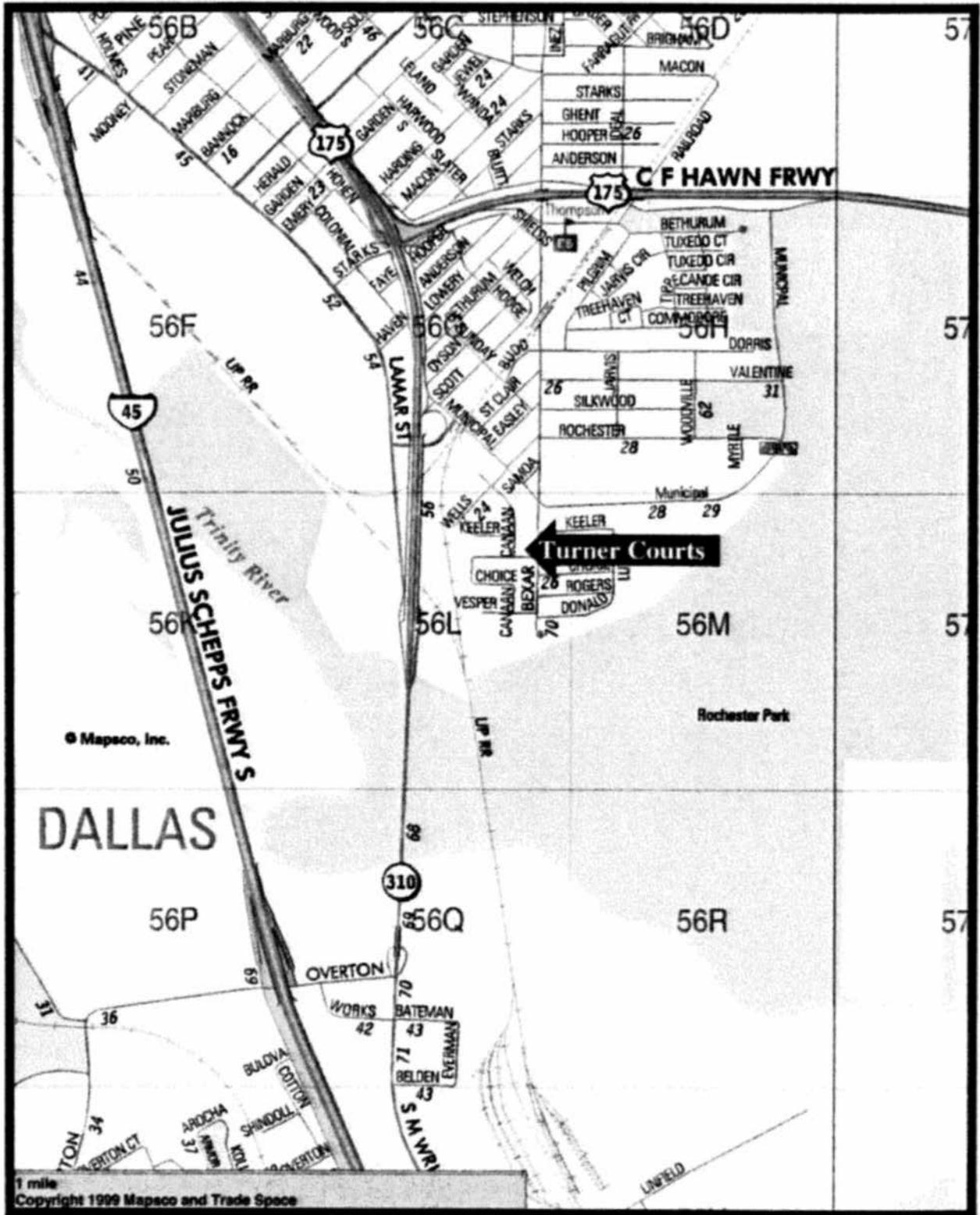
DEVELOPER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

MAP

Attached



MAPSCO 56L

April 23, 2014

WHEREAS, the City of Dallas has adopted a number an Economic Development and Transit-Oriented Plan for the Bexar Street Neighborhood which includes construction retail, commercial and mixed-use development; 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 improvement for the fostering of Economic Development projects; 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 November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street by Resolution No. 09-2768; and

WHEREAS, on December 11, 2013, City Council authorized an amendment to extend the term of the maturity date for the development loan for Dallas Housing Authority Turner Courts Project from December 21, 2013 to December 21, 2014, by Resolution No. 13-2059; and

WHEREAS, Dallas Housing Authority requested an amendment to the terms in Resolution No. 13-2059, Section 2 (e) for the development loan for Turner Courts Project;

NOW, THEREFORE,

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

April 23, 2014

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 13-2059, Section 2 (e), previously approved on December 11, 2013 to reduce the financing requirement from \$37,000,000 to a minimum of \$28,000,000 for the development loan with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of \$2,500,000 at 4% interest for infrastructure improvements for a 206-unit apartment project.

Section 2. That some of the terms of the loan documents include:

- a. Borrower's note payable to the City of Dallas will have a maturity date of December 21, 2014.
- b. Borrower must commit and/or expend all funds within two (2) years after execution of the loan agreement.
- c. Borrower shall execute deed restrictions and a deed of trust on all properties acquired through City of Dallas funds.
- d. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or replat change that Borrower may request for the properties.
- e. This loan is subject to DHA obtaining additional financing of at least ~~\$37,000,000~~ \$28,000,000 needed to complete this project.
- f. Borrower will repay the City of Dallas in full by the maturity date of December 21, 2014.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of lien and intercreditor agreements with lenders providing acquisition or interim construction financing on the property as necessary.

Section 4. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute lien releases and terminate deed restrictions on the properties upon compliance with the terms of the contract.

Section 5. 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.