

RECEIVED

2015 APR -2 PM 4: 30

CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

Memorandum

DATE April 3, 2015

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

SUBJECT April 6, 2015 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Monday, April 6, 2015, 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 March 2, 2015 Minutes
Carolyn R. Davis
Councilmember
2. Changes to Chapter 27:
Minimum Urban Rehabilitation Standards
Kris Sweckard, Director
Code Compliance
(Estimated time 20 minutes)
3. Oak Glen Apartments
Mitchell/O'Donnell
(Estimated time 20 minutes)
4. Deaf Action Center
Martha's Vineyard Place
Karl Zavitkovsky, Director
Economic Development
(Estimated time 20 minutes)
5. Briefing Memo: Single Family
Notice of Funding Availability Proposals
For Information Only
6. Briefing Memo: Fair Housing
Symposium
For Information Only
7. Upcoming Agenda Items
Housing Items Only
For Information Only
 - a. Authorize acceptance of additional grant funds for DHFC for Home Repair warranty program
 - b. MSRP Program Statement amendment
 - c. Land Transfer – Call Public Hearing for sale of 1 lot to EDCO



Carolyn R. Davis, Chair
Housing Committee

- c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, 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

March 2, 2015

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: March 2, 2015

Meeting Start time: 11: 15 A.M.

<p><u>Committee Members Present:</u> Carolyn R. Davis (Chair) Scott Griggs (Vice-Chair) Monica Alonzo Rick Callahan Philip Kingston Dwaine Caraway</p>	<p><u>Staff Present:</u> Theresa O'Donnell-PNV Bernadette Mitchell-Interim Director/HOU Charles Brideau-Asst. Director/HOU Patrick Inyabri-Interim Asst. Director./HOU Don Babers-HOU Beverly Davis-Asst. Director/FHO Art Hudman-CAO Robin Bentley-CAO Pamela Jones-HOU Angelyn Page-HOU Cynthia Rogers-Ellickson-HOU Brent Brown-PNV Arturo Del Castillo-PNV Chalonda Jackson-PNV Samuel Oviedo-MCC Renita Griggs-CCO Doris Edmon-HOU Alida Allen-HOU Brian Price-HOU</p>
<p><u>Other Council Members Present:</u></p>	
<p><u>Committee Members Absent:</u></p>	<p><u>Other Attendees</u> Dallas Area Habitat for Humanity</p>

AGENDA:

Housing Committee Meeting Called to Order by CM Scott Griggs

1. Approval of February 17, 2015 Minutes of the Housing Committee

Presenter(s): Council Member Scott Griggs

Action Taken/Committee Recommendation(s)

<p>Motion made by: CM Philip Kingston</p>	<p>Motion seconded by: CM Monica Alonzo</p>
<p>Item passed unanimously: <u>X</u></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. Wynnewood Urban Design

Presenter(s): Theresa O'Donnell, PNV/Bernadette Mitchell, Interim Director/Don Babers, HOU
Arturo Del Castillo & Brent Brown, The Design Studio

Information Only: ___

Action Taken/Committee Recommendation(s)

Motion made by: CM Dwaine Caraway	Motion seconded by: CM Rick Callahan
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):

3. Home Repair Program Update

Presenter(s): Theresa O'Donnell, PNV/Bernadette Mitchell, Interim Director/Don Babers, HOU

Information Only: ___

Action Taken/Committee Recommendation(s)

Motion made by: CM Monica Alonzo	Motion seconded by: CM Carolyn R. Davis
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 Scott Griggs

Meeting Adjourned: 12: 29 P.M.

Approved By: _____

Memorandum



DATE April 3, 2015

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

SUBJECT Changes to Chapter 27: Minimum Urban Rehabilitation Standards

On Monday, April 6, 2015 you will be briefed on Changes to Chapter 27: Minimum Urban Rehabilitation Standards. A copy of the briefing is attached.

Please let me know if you have any questions.



Joey Zapata
Assistant City Manager

Attachment

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
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Changes to Chapter 27: Minimum Urban Rehabilitation Standards

Briefing to the Housing Committee

April 6, 2015



Chapter 27 - Minimum Urban Rehabilitation Standards

- ▶ Purpose: protect the health, safety, morals, and welfare of city of Dallas residents by establishing minimum standards applicable to residential and nonresidential structures
- ▶ Minimum standards are established with respect to utilities, facilities, and other physical components essential to make structures safe, sanitary, and fit for human use and habitation

Scope of Chapter 27

- ▶ Minimum Urban Housing Standards
- ▶ Regulation of Urban Nuisances
- ▶ Administrative Adjudication Procedures
- ▶ Multi-Family Registration and Inspections
- ▶ Non-Owner Occupied Rental Program (NOORP)
- ▶ Mandatory Crime Reduction Program (MCRP)

Scope of Chapter 27

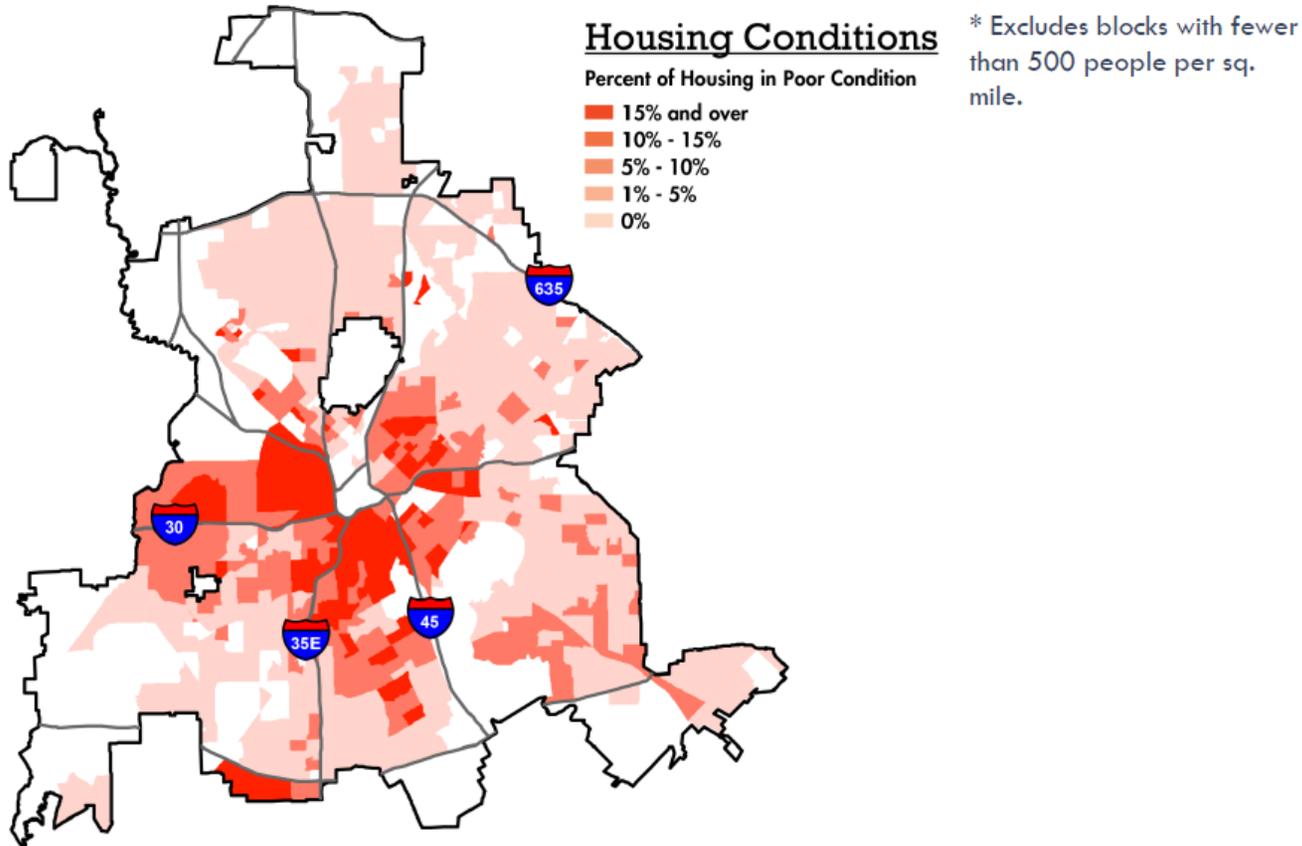
- ▶ Affects nearly everyone who lives in Dallas directly or indirectly
- ▶ The ordinance establishes the minimum standards of health, safety, and quality of life throughout the City



Vacant Buildings and Housing in Poor Condition Affects Quality of Life



Concentrated areas with high percentage of housing in poor condition



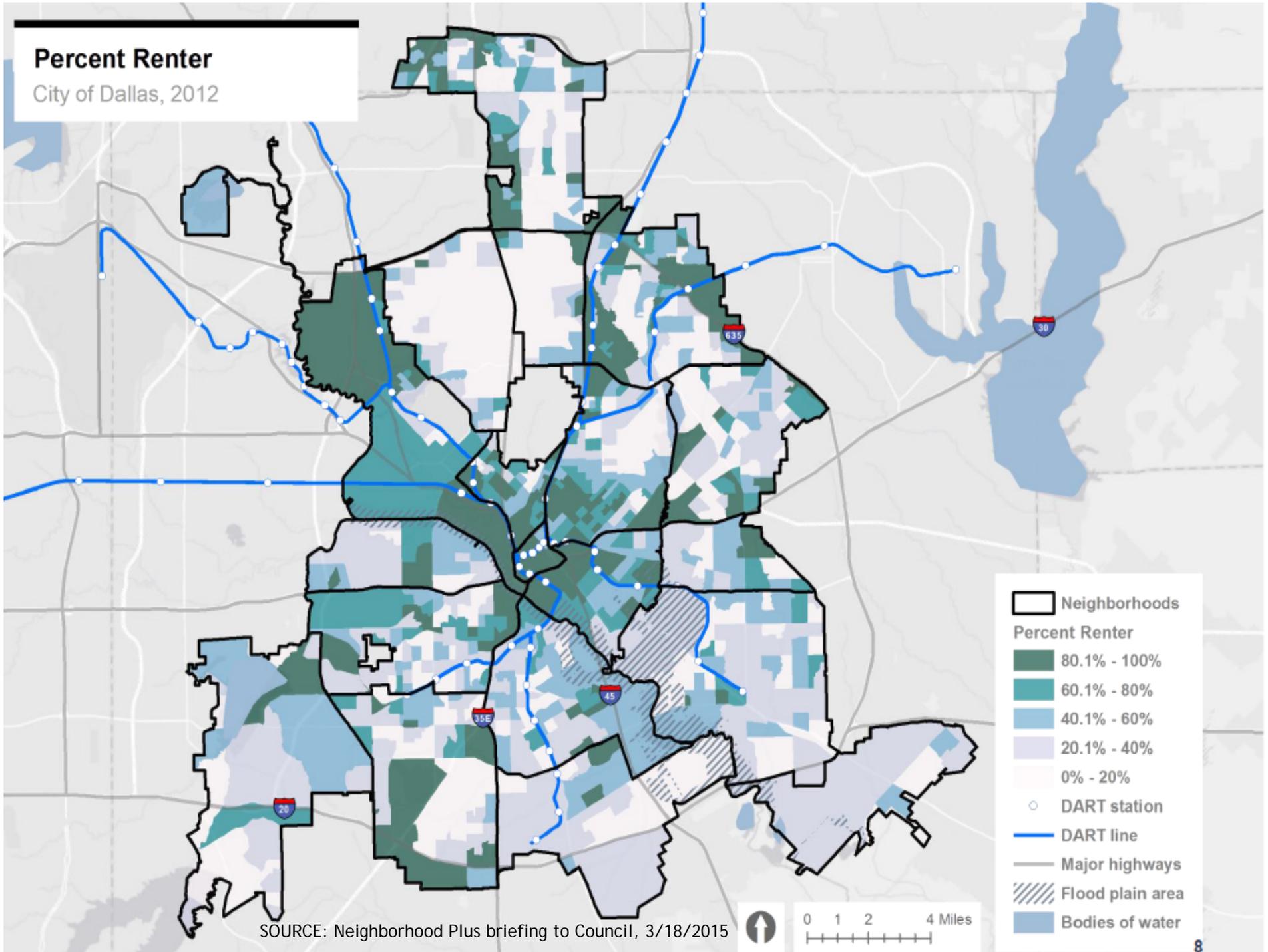
SOURCE: Neighborhood Plus briefing to Council, 3/18/2015

Importance of Chapter 27

- Non-compliance affects neighborhood sustainability/quality of life
 - Often affects most vulnerable citizens
- Provides tools for addressing high profile issues
 - Blight
 - Housing aspects of Poverty Task Force
- 60% of residents live in rental properties
 - 40% of residents live in apartments which are subject to periodic inspection by Code and Fire departments
 - 20% of residents live in rented single family or condominium properties (approximately 50,000 households) with no periodic inspection required

Percent Renter

City of Dallas, 2012



SOURCE: Neighborhood Plus briefing to Council, 3/18/2015

Purpose of Proposed Changes

- ▶ Look at ways to do things differently as we talk about Neighborhood Plus
- ▶ Increase compliance with housing standards by creating standards that are clear and concise
- ▶ Identify and document rental, vacant and blighted properties to enable the City to strategically address these issues
- ▶ Ensure that Dallas' most vulnerable citizens are protected
- ▶ Ensure that housing in Dallas is clean and safe
- ▶ Improve the registration procedures for Multi-family Properties, Non-Owner Occupied Rental Properties (NOORP), and Vacant Buildings

Process

- ▶ Review began in 2013 by Code Compliance
- ▶ Related effort by the City Attorney's Office began in 2014
- ▶ In 2015, Code and CAO combined efforts and sought Stakeholder input
 - Neighborhood Groups
 - Industry organizations
 - Non-profit housing advocates and providers
 - Property owners and managers
 - Municipal court
 - Community Prosecutors
 - Dallas Police and Fire Departments
- ▶ Community Prosecution and Code met with 30 groups and individuals
 - Geographically dispersed across the City

Stakeholders Consulted

Neighborhoods

- Revitalize South Dallas Coalition
- Lake Highlands
- Casa View
- Mill City
- Oak Cliff
- Homestead
- Ferguson Road
- Old East Dallas
- Downtown Resident
- Claremont
- West Dallas
- Vickery Meadow
- Casa View Oaks
- South Central
- Southeast
- North Dallas

Industry

- Apartment Association of Greater Dallas
- MetroTex Realtors
- Real Estate Council
- Apartment Property Owners
- Dallas Builders Association

Agencies

- Services of Hope
- Two-WINS Foundation
- Dallas Police Department
- Texas Tenants Union
- Vickery Meadows PID
- Housing Crisis Center
- Neighborhood Plus
- Habitat for Humanity
- Children's Health and Wellness Alliance

Other Input

- ▶ In addition to Stakeholders, input was included from:
 - ▶ Ordinances of other Texas and US Cities
 - ▶ Health and Wellness Alliance / Children's Health
 - ▶ National Center for Healthy Housing
 - ▶ Habitat for Humanity
 - ▶ City Square
 - ▶ Community Development Clinic, UT-Austin
 - ▶ Center for Community Progress

Highlights of Proposed Changes

- ▶ Update minimum housing standards
 - ▶ Clarify to increase enforcement efficiency and eliminate confusion of property owners
- ▶ Enhance enforcement of nuisance properties
 - ▶ Property owners could become personally liable
- ▶ Revise rental regulation and inspections
 - ▶ Strengthen single family rental regulation
- ▶ Tighten administrative court procedures
 - ▶ Require minimum penalties, clarify rules of evidence and appeals

Specific Issues - Housing Standards

- ▶ Minimum Urban Housing Standards
 - ▶ Have not been updated to reflect changes in Building Codes
 - ▶ Many sections use terms that are not defined
 - ▶ Emphasis of possible changes is on clarification of the existing Minimum Standards

Housing Standards- Stakeholder Input

- ▶ Most Stakeholders agree that clarifying the standards would aid inspector training; increase understanding and compliance from residents and businesses
- ▶ Most concerns were about uneven or inconsistent enforcement

Possible Changes to Consider

- ▶ Model Dallas standards after those of the International Property Maintenance Code and other benchmarked cities
- ▶ Incorporate standards from current construction and fire code (emergency escapes, smoke alarms, etc.)
- ▶ Consider revisions to indoor temperature standards and remedies for non-compliance
- ▶ Strengthen regulations regarding infestations of bugs and rodents as well as indoor air quality

Possible Changes to Urban Nuisances

- ▶ Align regulations with State law
- ▶ Allow City Attorney to sue a property owner individually in Municipal Court in addition to a suit against the property by itself

Possible Changes to Administrative Adjudication Procedures

- ▶ The goal is to strengthen the court procedures to support enforcement
 - ▶ Set minimum threshold for penalties
 - ▶ Require Texas Rules of Evidence to apply
 - ▶ Limit hearing officer's findings
 - ▶ Allow City to appeal a ruling of the hearing officer

Possible Changes to Rental Registration and Inspection

- ▶ Almost 60% of Dallas Citizens live in rental property
 - ▶ 40% in apartments; 20% in single family (including condominiums)
 - ▶ Condominiums pose a difficult problem in regulation that needs to be corrected
 - ▶ The single family rental program is ineffective in fulfilling the objective of establishing uniform minimum housing standards for all rental property

Possible Changes to Rental Registration and Inspection (2)

- ▶ Much of the comment from Stakeholders was directed to administration of the two rental programs
- ▶ The major complaint about apartment inspection is that the program is onerous for well managed properties
 - ▶ Suggestions for a “risk based” inspection program that rewards well-managed properties with less frequent inspections
 - ▶ Other incentives are possible

Possible Changes to Rental Registration and Inspection (3)

- ▶ Single Family Rental Program
 - ▶ Census data indicates that there are between 48,000 and 52,000 single family rental properties in Dallas
 - ▶ Less than 10% are currently registered
 - ▶ Inspection is not currently authorized, only registration
 - ▶ Unlike surrounding communities, registration is not tied to getting a water connection

Possible Changes to Rental Registration and Inspection (4)

- ▶ Possible Changes
 - ▶ Researched most major cities throughout the United States
 - ▶ Seattle requires 10% of all single family rental properties to be inspected each year on a random basis and all inspected during a 10 year period
 - ▶ Berkeley, CA has a non-inspection program for their 30,000 rentals
 - ▶ Relies on property condition affidavits
 - ▶ Program for Dallas should be implemented over a 2-5 year timeframe

Next Steps

- ▶ Significant Stakeholder input has been received and confirmed that changes are warranted
- ▶ Code and City Attorney's Office will lead drafting of ordinance changes
- ▶ Stakeholder input will continue through proposed ordinance revisions
- ▶ Estimate enforcement resources necessary and propose funding model
- ▶ Review by the Dallas Police Department of SAFE and MCRP programs in the context of other proposed Chapter 27 changes

Memorandum



CITY OF DALLAS

DATE April 3, 2015

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

SUBJECT Oak Glen Apartments

On Monday, April 6, 2015, you will be briefed on Oak Glen Apartments. 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".

Theresa O'Donnell
Chief Planning Officer

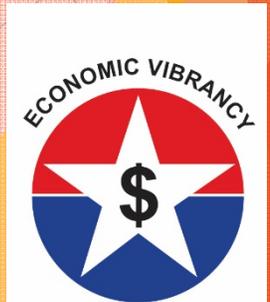
c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Oak Glen Apartments

A Briefing to the Housing Committee

Housing/Community Services Department

April 6, 2015



Purpose

- ▶ Provide background information regarding the Oak Glen Apartments
 - ▶ Located at 2120 52nd Street, along the Lancaster corridor
 - ▶ Council District 3
 - ▶ 64 apartment units
 - ▶ Built in 1971
- ▶ Provide options for the development or disposition of the property

History

- ▶ February 7, 2011 - The Housing Committee was briefed on the Oak Glen Apartments located at 2120 52nd Street and the development partner, Ecological Community Builders (ECB)
 - ▶ The property was vacant and owned by a lender who had foreclosed on it
 - ▶ The City would provide for the acquisition, related soft costs
 - ▶ ECB would provide private financing to rehabilitate the property and operate it

- ▶ February 23, 2011 - City Council approved the project
 - ▶ The developer would have 3 years from the approval to complete rehabilitation on the apartment complex
 - ▶ The City would have first liens and deed restrictions on the property, which would prevent sale or transfer
 - ▶ Liens and deed restrictions would be released upon occupancy of 51% occupancy with low-income families at 80% AMFI

- ▶ June 29, 2011 - ECB purchased the property from foreclosure and prepared for rehabilitation of the property with private financing

History (continued)

- ▶ July 2011- June 2012 - ECB continued to negotiate financing for the rehabilitation with several lenders
 - ▶ They secured and maintained the property
 - ▶ They started clean up on a few units
 - ▶ They provided the City several Term Sheets for financing the rehabilitation
- ▶ July 2012 - ECB notified the City of their financial situation
 - ▶ They had another project in Louisiana that was in litigation
 - ▶ The financing for the Oak Glen property was not approved as a result of the litigation
 - ▶ They requested a rework of the project with the possibility of returning the property to the City
- ▶ August 2012 -The City received the property back in Lieu of Foreclosure

History (continued)

- ▶ Since the time of City ownership
 - ▶ City secured the property
 - ▶ City Code Compliance maintained the property
 - ▶ City sought any interested parties for the purchase of the property
 - ▶ VA did due diligence but could not pay the amount needed to extinguish the debt on the property
 - ▶ A fire occurred at the property damaging four units
- ▶ In 2014, City submitted request to HUD to allow demolition and redevelopment of property for new construction
- ▶ Following the response from HUD, the City set out a Request for Applications (RFA) in early 2015 which sought applicants to complete the project as originally proposed
 - ▶ The RFA would provide options for the City in lieu of repayments to HUD

2120 52nd Street



2120 52nd Street



Options for consideration

- ▶ Repayment to HUD of approximately \$781,691 with additional stipulations
- ▶ Repayment to HUD of \$859,231 which are total costs to date
- ▶ Transfer to nonprofit developer to rehabilitate and operate as originally intended

Option #1

- ▶ Repayment to HUD of approximately \$781,691 with additional stipulations
 - ▶ HUD would allow City to demolish the property and change the intent of the project if the City:
 - ▶ repaid the CDBG investment in excess of the fair market value of the cleared site
 - ▶ Total expenditure \$859,231 minus DCAD land value of \$77,540
 - ▶ Replace the 64 housing units elsewhere in the community
 - ▶ Agree to an end use of the property which meets federal rules and approved by HUD
 - ▶ Would demolish the property with non-federal funds
 - ▶ Estimate of \$100,000

Option #2

- ▶ Repayment to HUD of \$859,231 with nonfederal funds
 - ▶ HUD would release all conditions with full repayment
 - ▶ City would demolish the property with non-federal funds
 - ▶ Estimate of \$100,000
 - ▶ End use would be at the City's option

Option #3

- ▶ Approve the transfer to nonprofit developer to rehabilitate and operate as originally intended
 - ▶ The Project would meet the original intent and the City would not repay any HUD funds
 - ▶ The project would have mixed income tenants with 51% affordable and 49% market rate
 - ▶ The project would be a Transit Oriented Development

Request for Applications

- ▶ In order to explore this option, the Housing/Community Services Department posted a Request for Applications (RFA) for nonprofit developers to rehabilitate the 64 unit complex as originally intended
- ▶ The timeline was as follows:
 - ▶ January 16, 2015 - Application packets were available
 - ▶ January 22, 2015 - Property walk thru was conducted
 - ▶ January 30, 2015 - Application conference was held
 - ▶ February 16, 2015 - Applications due
- ▶ Proposals were evaluated based on who could best achieve the original intent of the project with minimal additional assistance

Proposals Received

- ▶ The City received 4 proposals:
 - ▶ Dallas Area Habitat for Humanity
 - ▶ Grand Central Texas Development Corporation
 - ▶ Notre Dame Place, Inc.
 - ▶ NP Community Development Corporation dba Heroes House

Proposals

▶ Dallas Area Habitat for Humanity

- ▶ Proposed replacement of 64 units with 20 homeownership units for low-income families
- ▶ Requested City to demolish, rezone, replat, and transfer ownership
- ▶ Requested additional funding of \$600,000

▶ Grand Central Texas Development Corporation

- ▶ Proposed rehabilitation of 64 units for mixed-income families
- ▶ Requested City to waive City fees, provide tax abatement, and transfer ownership
- ▶ Requested additional funding of \$1,700,000

Proposals (continued)

- ▶ Notre Dame Place, Inc.
 - ▶ Proposed rehabilitation of 64 units for low-income seniors
 - ▶ Requested City transfer ownership
 - ▶ Request additional funding of \$2,600,000

- ▶ NP Community Development Corporation dba Heroes House
 - ▶ Proposed rehabilitation of 64 units for mixed-income families
 - ▶ Requested City transfer ownership
 - ▶ Request additional funding of \$450,000

Recommendation

- ▶ Accept Option #3- Approve the transfer to nonprofit developer to rehabilitate and operate as originally intended
- ▶ Support the selection of NP CDC dba Heroes House to complete the project

Nonprofit developer

- ▶ Developer - NP Community Development Corporation dba Heroes House
 - ▶ Gary Hasty, Chairman & Founder, has over 25 years experience in housing development
 - ▶ Prior experience with City rehabilitating a 30 unit complex on Highland Road, now occupied by Veterans
- ▶ Owner - NP Community Development Corporation dba Heroes House
- ▶ General Contractor - Karrington & Co.
 - ▶ Larry Hasty, Project Manager
- ▶ Property Manager - Heroes House
 - ▶ Jim Blythe, Operations & Property Manager, has over 35 years experience in real estate, commercial development, and property management

Oak Glen Development Plan

Sources and Uses

SOURCES

Lender financing (Mid South Bank)	\$2,000,000
Private Grants	450,000
Investors	125,000
City Funding	450,000
TOTAL SOURCES	\$3,025,000

USES

Hard Construction Costs	\$2,209,899
Soft Costs	180,337
Overhead and Fees	634,764
TOTAL USES	\$3,025,000

Developer Request

- ▶ Developer is requesting gap financing up to \$450,000
 - ▶ Funds would be used in conjunction with private financing with Mid South Bank to offset the total rehabilitation costs of the units
 - ▶ The City will subordinate the first lien position to the interim construction lender after City approval of the lender
- ▶ City would transfer the property to the developer
- ▶ Units will be 1 and 2 bedroom, 1 bath, approximately 760 sq.ft.
- ▶ Developer will market to Veterans

Proposed renovation



EXTERIOR RENOVATION

Dallas, Texas



Interior view



Typical Existing Interior



Typical Renovated Interior



TYPICAL UNIT INTERIOR RENOVATION

Dallas, Texas



Loan Terms

- ▶ City of Dallas will conditionally grant Developer up to \$450,000 from general obligation bond funds:
 - ▶ Term - 1 year from construction start
 - ▶ Construction must begin prior to 06/30/2015
 - ▶ Conditional grant will pay for soft costs, construction costs, overhead and fees
 - ▶ NP Community Development Corp. dba Heroes House will sign a Conditional Grant Agreement, Deed of Trust, and Deed Restrictions with the City to ensure performance
 - ▶ Fifty-one percent or 33 units will be rented to low-moderate income families at or below 80% AMFI; the remaining 31 units will be market rate
 - ▶ City will subordinate to interim construction lender (i.e. MidSouth Bank)
 - ▶ Deed Restrictions for the affordable units for 5 years
 - ▶ Liens will be released upon certificate of occupancy

Next Steps

- ▶ April 22, 2015 - City Council consideration of:
 - ▶ conveyance of the property to the nonprofit developer
 - ▶ a conditional grant up to \$450,000 from general obligation bond funds to NP Community Development Corporation dba Heroes House for the rehabilitation of 64 rental units
- ▶ May 2015 - contract execution and construction start

Memorandum



CITY OF DALLAS

DATE April 3, 2015

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

SUBJECT **Deaf Action Center/ Martha's Vineyard Place**

On April 6, 2015, you will be briefed on the Deaf Action Center's/ Martha's Vineyard Place development. Briefing materials are attached.

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

A handwritten signature in black ink that reads "Ry - S. E." followed by a horizontal line.

Ryan S. Evans
First Assistant City Manager

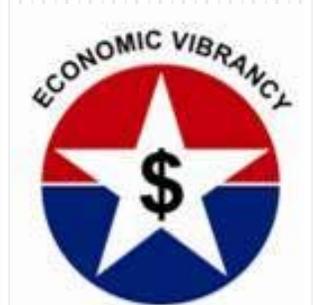
C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Deaf Action Center Martha's Vineyard Place

Housing Committee

April 6, 2015



Purpose

- Provide background information on the Deaf Action Center's Martha Vineyard project
- Seek Housing Committee approval for council consideration on 4/22 of the following:
 - Dallas Housing Finance Corp (DHFC) issuance of tax exempt bonds in an amount not to exceed \$10M to finance new construction of Deaf Action Center's 100 unit Martha's Vineyard Project (3155 Crest View)
 - A resolution to support TDHCA's award of 4% Housing Tax Credits
 - Approval for DHFC to form a subsidiary single-purpose entity to be General Partner (GP) of Limited Partnership (LP) to develop/own the improvements.
 - Approval for DHFC to accept title to ground/dirt at 3115 Crestview and ground lease land to LP(developer/owner of improvements) to ensure project is exempt from ad valorem taxes.

Background

- Existing facility consisting of 40 units is approximately 25 years old and has reached end of its useful life.
- Project qualifies as a transit oriented development, a north Dallas mixed income property , a special needs development and recently was included in a Qualified Census Tract
- Deaf Action Center (DAC) obtained support of key constituents in Inwood /Cedar Springs Neighborhood
- Public hearings completed and zoning obtained for a 4 story structure
- On February 25, 2015 - City Council approved a resolution to support THDCA's award of 4% Low Income Housing Tax Credits to DAC, or its successors or assigns, for new construction of Martha's Vineyard Place, 100 units of mixed income housing with 15% market rate units and 85% affordable units

Background (CON'T)

- On March 3, 2015 Dallas Housing Finance Corp (DHFC) approved a tax-exempt bond inducement in amount not to exceed \$10M; also approved: (1) Formation of subsidiary single purpose entity to be GP of LP to develop/own improvement; and (2) GP ownership of ground/dirt.
- DHFC has a previous history of Council-approved partnerships involving land ownership and a general partnership interest to facilitate ad valorem tax exemption for four properties:
 - Jubilee Seniors at Gurley Place – 24 Units for Seniors
 - Providence at Mockingbird – 251 Units (155 Seniors/96 Family)
 - Bruton Apartments – 264 Units (Family) currently under construction
 - Park at Cliff Creek – 280 (Existing Family Units) current rehabilitation
- On March 25, 2015 Council approved a public hearing to be held on 4/22.

Developer

Deaf Action Center

- A 501(C)(3) operating since 1975, DAC serves unique needs of people with all levels of hearing loss
- DAC implements tenant service programs, including, but not limited to health, education and nutrition with enrichment in accordance with multifamily social services requirement
- Second floor of four story building will be a service center for the hearing impaired
- DAC submitted NOFA to City's Housing Department on December 1, 2014 and its full application to DHFC on January 28, 2015.

Developer

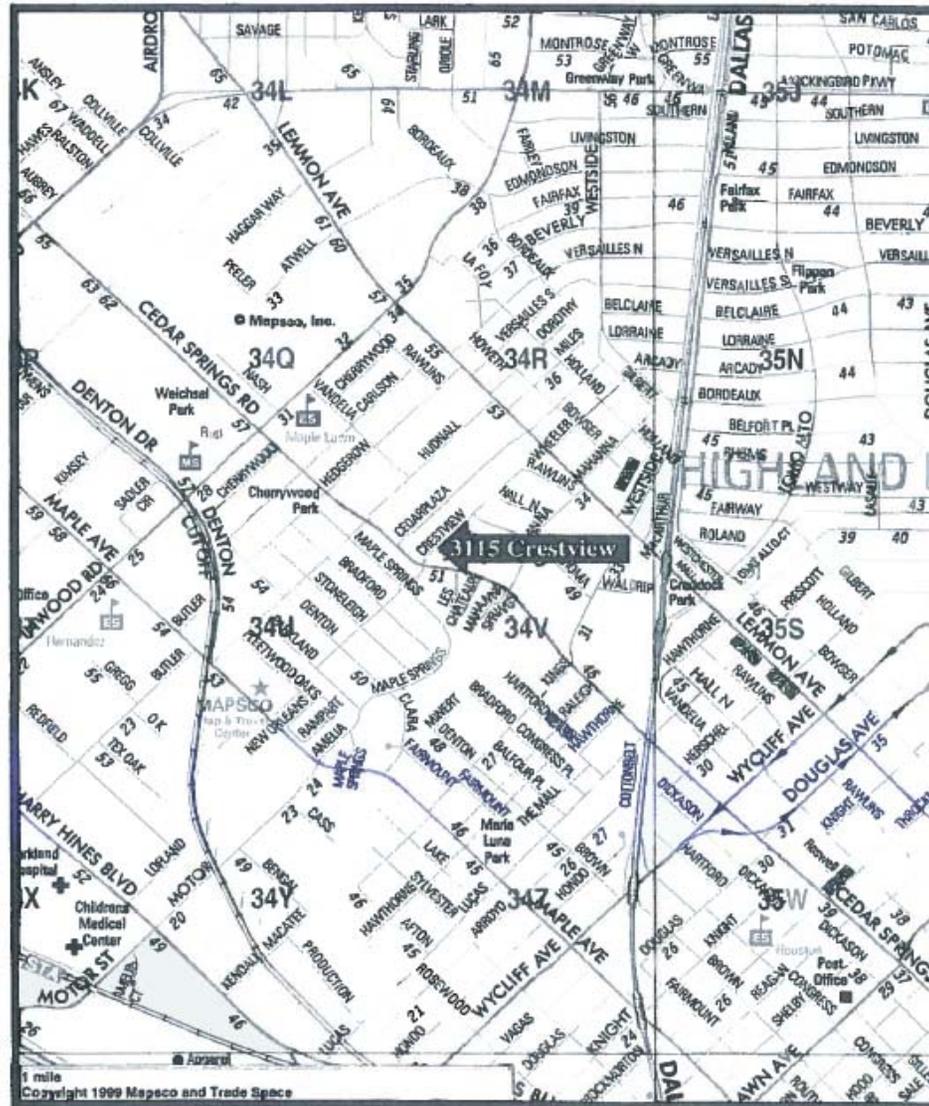
Carleton Residential

- Carleton Residential is a builder and developer of affordable housing units utilizing HUD's Section 108 financing and both 4% tax credits with tax exempt bonds and 9% tax credits.
- Recent Projects in the City of Dallas include:
 - Carpenters Point Seniors – 140 units for Seniors
 - Serenity Place – 45 units of Permanent Supportive Housing for Seniors
 - Treymore at City Place – 180 units for families

Project

- Martha's Vineyard Place, located at 3115 Crestview – Council District 2 - demolition of 40 units and the new construction of
 - 100 mixed income units with 15% market rate units
 - 21 units at 50% AMFI, 64 units at 60% AMFI and 15 Market Rate Units
 - 16 Efficiencies, 47 One Bedrooms, 33 Two Bedrooms and 4 Three Bedrooms
 - Net Monthly Rents:
 - Efficiencies \$557 for both 50% and 60% , including Market Rate (MR)
 - One Bedroom \$637 and \$715 - \$800 for all units, including MR
 - Two Bedrooms \$913 and \$992 for all units, including MR
 - Three Bedrooms \$1,068 for all units, including MR

Map



MAPSCO 34-V

Site Plan and Renderings



Applicant Ownership Chart

*w/ HFC a GP for
100% tax
exemption*

Unicom Crest Development, LP
(EIN#)

TBD, LLC, General
Partner, .01%
(EIN#)

Investor Limited
Partnership
99.98%

Special Limited Partner
Unicom Crest Development
LLC,
.01%
(EIN#)

Sole Member
City of Dallas Housing
Finance Corporation
100% 501(c)3
(EIN# 75-2007624)

Deaf Action Center,
100% 501(c)3

Proposed Ownership, Developer and Management Company

- Owner, a to be formed Limited Partnership , Unicom Crest Development, LP
 - Limited Partner equity provider with 99.98% - owner to be Equity Investor
 - .01% ownership : General Partner , an entity created by the City of Dallas Housing Finance Corporation (DHFC) with the DHFC as the Sole Member (100%)
 - .01% ownership: Special Ltd. Partner/Co/Developer , Unicom Crest Development, LLC, with Deaf Action Center as the Sole Member (100%)
 - (“SLP”/Guarantor , proposes to receive a percentage of the developer fee)
- Management Company, Lincoln Property Company

DHFC Risk & Tax Implications of GP Ownership Position

- Creation of single purpose LLC reduces liability of DHFC
- A DHFC Created LLC can elect to be taxable by executing a document making the 168 (h) election with the IRS
 - When DHFC's LLC becomes taxable, it allows the Partnership to take a 20 year depreciation instead of a 40 year depreciation
 - Allows for profit LP to take depreciation at a higher rate to reduce taxable income to the partnership and DHFC's LLC will pay income taxes based upon net income (revenue minus expenses)
 - Arrangement also allows LP to get better pricing on tax credit equity
 - Management Agreement between the DHFC and LLC reduces tax liability of LLC

Social Services

- Owners will be required to provide \$200 per unit per year (a minimum of \$40,000 per year), whichever is greater, estimated to be \$40,000 for 100 units of which 100% can be in form of in-kind contribution; or
 - Owner can choose from list of 20 types of services provided at no cost to tenants
 - The second floor of the building will be offices and service center for the hearing impaired

Sources and Uses of Funds

<u>Sources</u>	<u>\$M</u>	<u>Uses</u>	
Bonds/Construction Loan ((\$10M Paid down to \$6.7M at Permanent Closing)	6.7	Construction/SiteWork	9.3
Tax Credit/Third Party Equity ⁽¹⁾	4.286	Soft Costs	0.916
		Financing Costs (2)	1.381
Hillcrest Foundation	0.100	Developer Fee (3)	1.640
City of Dallas Grant	<u>2.641</u>	Reserves	<u>0.490</u>
	<u>13,727</u>		<u>13,727</u>

(1) Tax Credit Equity (HTCs) pays down

Bond financing at permanent loan closing to \$6.7M

(2) Construction Loan: \$1,009,500; Permanent Loan, \$372,450

(3) Developer fee amortized equally over 10 year period

Budget

BUDGET

Total Construction Contract/Site Work	9,300,000
Total Soft Costs	915,700
Financing Costs	1,381,950 (1)
Developer Fee	1,640,000 (2)
Reserves	489,530
Total Housing Development Costs	\$13,727,180

(1) Construction Loan: \$1,009,500 Permanent Loan; \$372,450

(2) Developer Fee amortized equally over a ten year period

Total Cost Per Unit and Per Unit Construction Costs

- Total cost per unit is \$137,271

- Total construction costs (excluding soft costs) per unit is \$93,000
 - Structure is a 4 story building with an elevator which adds to the construction costs
 - TDHCA uses Marshall & Swift to do cost certifications on all construction costs

Stabilized Proforma

Revenue	\$1,185,959
Vacancy Loss	(90,134)
Other Income	\$15,833
Total Revenue	\$1,111,658
Operating Expenses	(556,995)
Replacement Reserves	(43,378)
Net Operating Income	\$511,585
Debt Service	\$372,344
Net Cash Flow	\$139,241

- Net Rents
- \$557 Efficiencies and
 - \$637 and \$715 -\$800 for one bedrooms
 - \$913 and \$992 for two bedrooms
 - \$1,068 for three bedrooms

Debt Coverage Ratio 1.20
 4 Months Oper. Exp. and Debt Serv. \$294,778

Ad Valorem Tax Exemption for City's portion valued at \$50,000 per year
 Deferred Developer Fee paid over 15 year compliance period including DHFC's portion

Proposed Developer Fee and Cash Flow Split To be Negotiated

- DHFC Application Fee: \$2,000
 - Processing Fee: \$10,000
 - Closing/ Origination Fee: 50 Basis Points on Outstanding Principal Balance (OPB) = \$50,000
 - Annual Issuer Fee 10 Basis points on Outstanding Principal Balance = \$10,000 per year ⁽¹⁾
 - Ground Lease Fee \$100,000 (at closing)
 - Cash flow split 20% to DHFC and 80% to DAC
- ⁽¹⁾DAC anticipates paying down bond balance to \$6.7M at permanent loan closing which would reduce annual DHFC issuer fee to \$6,700 for remainder of 15 year term.

Benefits to the City

- 100 New Construction Units in a four story elevator building substantially upgraded and managed by a nationally recognized property management company, Lincoln Property Company
- Tenant Services Programs will be provided at no cost to tenants
- A service center for tenants with all levels of hearing loss will be located on the 2nd floor next to offices for the DAC.

Martha's Vineyard Place meets DHFC Guidelines for land ownership and General Partnership Interest

- **Contributes to promotion of healthy and sustainable neighborhoods**
 - New construction in conformance with planned development for area (new constructions)
 - Connectivity with surrounding neighborhood
 - Transit-oriented/mixed income development
 - Special needs housing set aside (18% per TDHCA requirements)
- **DHFC receives payments greater than City's current ad valorem tax assessment**
 - Property currently tax exempt
 - DHFC earns \$162K in fees plus annual issuers fee and 20% cash flow split
- **Community impact benefits compensate for ad valorem tax exemption from other taxing authorities (DISD, County, Hospital, etc.)**
 - Property is currently tax exempt
 - (See appendix B)
- **DHFC is Bond Issuer:**
 - Yes

Next Steps

- April 14, 2015 Tax Equity and Fiscal Responsibility Hearing (TEFRA)
- April 22, 2015 Public Hearing and Council consideration
- April 25, 2015 - DAC submits its Bond Application to Texas Bond Review Board and receives a Bond Reservation
- Mid June – Mid July 2015 TDHCA considers 4% tax credit application
- Closing on or before Sept. 25, 2015

Recommendations:

- Housing Committee recommendation for Council consideration of the following on 4/22/15
 - Dallas Housing Finance Corp (DHFC) issuance of tax exempt bonds in an amount not to exceed \$10M to finance new construction of Deaf Action Center's 100 unit Martha's Vineyard Project (3155 Crest View)
 - A resolution to support TDHCA's award of 4% Housing Tax Credits
 - Approval for DHFC to form a subsidiary single-purpose entity to be General Partner (GP) of Limited Partnership (LP) to develop/own the improvements.
 - Approval for DHFC to accept title to ground/dirt at 3115 Crestview and ground lease land to LP(developer/owner of improvements) to ensure project is exempt from ad valorem taxes.

Appendices

Appendix A

H.B. 3361 – 4% Tax Credits/Tax-Exempt Bonds

- To allow applicant to apply for a resolution as required by State of Texas H.B. 3361, effective September 1, 2013 that can certify the following facts to be considered by Dallas City Council in January/February 2014 in a Resolution:
- (i) Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A);
- (ii) Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about proposed Development;
- (iii) Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC §10.204(4)(B); and
- (iv) After due consideration of information provided by Applicant and public comment, Governing Body does not object to proposed Application.

Appendix B

Community Impact Benefits

Martha's Vineyard Place				
100 Units multi-family				
Location	3155 Crest View		Distressed Community	
	Northwest Dallas		No. 25.6% poverty, median income of \$41,370 AMI	
Proposed Uses	Job Training	TOD	Mixed Income Special Needs Housing	
	Yes	Yes	21 units at 50% of AMFI 64 units at 60% AMFI 15 units will be leased at market rates 18% set aside for special needs	
Demonstrated need for DHFC Ownership interest:	Yes, if DAC structure is not approved by the Dallas Central Appraisal District			
Likely community impact:	Job creation for special needs	Increased wages LM/MWBE/ special needs		
	Yes	Yes		
	Community service business?	Facilitates wealth creation for special needs tenants?	Provides services to persons with all levels of hearing loss	Environmentally sustainable?
	Yes	Yes	Yes	Yes

Memorandum



CITY OF DALLAS

DATE April 3, 2015

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

SUBJECT Single Family Notice of Funding Availability Proposals

On January 20, 2015, the Housing Committee was briefed on the process for the Single Family Notice of Funding Availability (SF NOFA). On February 2, 2015, the SF NOFA was posted and fifteen (15) proposals were received (list is attached). As described in the January briefing, projects would be reviewed based on first-come first-serve basis with a review of nonprofit certified Community Housing Development Organization's (CHDO) projects first.

With the Housing Committee agenda already full and timing for City Council agenda item submission, the below noted CHDO projects could not be briefed but are ready to be considered by full City Council on April 22, 2015.

- o Creekside Project, Builders of Hope CDC, 10 homes, \$225,000
- o Runyon Springs, City Wide CDC, 10 homes, \$300,000
- o Bexar Senior Housing, East Dallas Community Organization, 7 rental units, \$608,267
- o Pittman Project, South Dallas Fair Park/ICDC, 6 homes, \$415,989
- o 2825 South Townhomes, Southfair CDC, 4 homes, \$200,000

Additional details regarding timelines, terms, and private leveraging are being addressed in the agenda items. Please let me know if you have any questions.

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

Theresa O'Donnell
Chief Planning Officer

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
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Single Family NOFA Proposals

Council District	Project Name	Developer	Location	Type of Entity	Total Units	Funding Amount Requested	Total project cost	Cost per unit	Date & Time Received
7	Scattered Sites	South Dallas Fair Park/ICDC	Fair Park area	Non Profit	5	\$ 320,000.00	\$ 645,820.00	\$ 129,164.00	02/15/2015 @ 3:04 pm
7	Pittman Project	South Dallas Fair Park/ICDC	Lenway	Non Profit	6	\$ 415,989.00	\$ 865,989.00	\$ 144,332.00	02/15/2015 @ 3:04 pm
7	2825 South Townhomes	Southfair CDC	2825 South Blvd	Non Profit	4	\$ 200,000.00	\$ 663,328.00	\$ 165,832.00	02/26/2015 @ 3:56 pm
8	Village of Runyon Springs	City Wide CDC	Runyon Springs Subdivision	Non Profit	10	\$ 300,000.00	\$ 1,524,000.00	\$ 152,400.00	02/26/2015 @ 11:18 am
2	Jubilee Housing Project	Jubilee Park & Community Center Corp.	Jubilee Neighborhood Scattered Sites	Non Profit	6	\$ 500,000.00	\$ 917,938.56	\$ 152,989.00	2/27/2015 @ 3:36 pm
7	2800 Park Row	Southfair CDC	2800 Park Row	Non Profit	2	\$ 112,000.00	\$ 278,700.00	\$ 139,350.00	03/02/2015 @ 2:50 pm
6	Bridgeview on Singleton	Greenleaf Ventures LLC	Singleton Blvd	For Profit	115	\$ 1,050,000.00	\$ 11,500,000.00	\$ 100,000.00	03/04/2015 @ 11:00 am
7	Buckner Terrace Place	Greenleaf Ventures LLC	St Francis & Samuel Blvd	For Profit	50	\$ 450,000.00	\$ 5,500,000.00	\$ 110,000.00	03/04/2015 @ 11:00 am
7	Joppa Single Family	Dallas Area Habitat	Joppa neighborhood	Non Profit	18	\$ 720,000.00	\$ 4,050,454.00	\$ 139,671.00	03/04/2015 @ 2:27 pm
8	Creekside	Builders of Hope CDC	Oak Garden Trail	Non Profit	10	\$ 225,000.00	\$ 1,519,333.00	\$ 151,933.00	03/04/2015 @ 4:35 pm

4/2/2015

Single Family NOFA Proposals

2,4,7	Neighborhood Infill	East Dallas Community Organization	Scattered Sites	Non Profit	5	\$ 250,000.00	\$ 840,150.00	\$ 168,030.00	03/06/2015 @ 2:48
7	Bexar Senior Housing	East Dallas Community Organization	Macon/Starks	Non Profit	7	\$ 608,267.00	\$ 656,252.00	\$ 80,750.00	03/06/2015 @ 2:59
7	Bexar Street Townhomes	East Dallas Community Organization	Bexar Street	Non Profit	6 Afford/ 2 Market	\$ 1,200,116.00	\$ 1,320,116.00	\$ 165,014.00	03/06/2015 @ 2:59
7	Colonial Estates	Cornerstone CDC	2801 & 2807 Colonial Ave	Non Profit	3	\$ 185,159.00	\$ 536,486.00	\$ 178,828.00	03/06/2015 @ 3:33
4	Sphinx at Townhomes	Sphinx Development Corp.	337 Tonga Street	For Profit	49	\$ 1,225,000.00	\$ 7,470,583.00	\$ 152,461.00	03/06/2015 @ 4:31
Total Amount of Requests						\$ 7,761,531.00			

Memorandum



CITY OF DALLAS

DATE April 4, 2015

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

SUBJECT Fair Housing Symposium

April is Fair Housing Month and the Fair Housing Office will conduct community outreach throughout the month to promote fair housing. The culminating event of the month will be a Fair Housing Symposium on Monday, April 27th at the Morton Meyerson Symphony Center. The theme of the Symposium is: Sustainable Communities: Strategies for Innovation and Regional Cooperation. HUD Assistant Secretary, Gustavo Velasquez will be the featured speaker for the day. The Symposium will provide an opportunity to discuss strategies to promote fair housing opportunities for all.

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

Theresa O'Donnell
Chief Planning Officer

c: The Honorable Mayor and Members of the City Council
A.C. Gonzales, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jean Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager-Mayor and Council

KEY FOCUS AREA: Clean, Healthy Environment
AGENDA DATE: April 8, 2015
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: N/A

SUBJECT

Authorize (1) the acceptance of additional grant funds from the Dallas Housing Finance Corporation (DHFC) for the purpose of providing warranty home repairs for low-income qualified families under the Home Repair Program; and (2) an increase in appropriations in the amount of \$40,000, from \$413,272 to \$453,272 for warranty home repairs - Not to exceed \$40,000 - Financing: Dallas Housing Finance Corporation Grant Funds

BACKGROUND

The City created the Dallas Housing Finance Corporation (DHFC) in April of 1984 to provide financing for affordable single-family home ownership and multifamily rehabilitation and development within the City.

Periodically the DHFC makes funds available for additional affordable housing purposes. In 2004, the DHFC voted to provide \$27,300 to the City of Dallas to continue to provide low-income and moderate-income elderly and/or disabled homeowners with minor home repair services. The City accepted the funding and appropriated it for those services.

In June 2006, the Dallas Housing Finance Corporation voted to provide \$100,000 to the Home Repair Program for necessary and emergency home repair services for low-income families.

In December 2011, the DHFC voted to provide \$100,000 to the Home Repair Program for necessary warranty repair services for low-income families.

The City's Home Repair Program receives and processes applications on a first come - first serve basis given available grant funding. Currently, there is minimal available funding for income-eligible homeowners facing minor home warranty repairs.

BACKGROUND (continued)

This resolution authorizes the City of Dallas to accept \$40,000 from the Dallas Housing Finance Corporation (DHFC) 2014-2015 Fiscal Year for warranty home repairs; authorizes the Chief Financial Officer to deposit the funds and disburse the funds; and authorizes the City Manager to appropriate the funds for warranty repairs to improve the program's ability to stabilize viable older housing stock and prioritize limited federal funding received to assist low to moderate income families with necessary warranty repairs, including health and safety issues. This additional source of funds will also provide assistance to applicants who do not qualify for the Home Repair Program the opportunity to obtain limited assistance.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 28, 1998, the City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program, by Resolution No. 98-3157.

On August 23, 2000, the City Council authorized approval of the program statement for the Home Improvement Loan Program, by Resolution No. 00-2656.

On June 27, 2001, the City Council authorized approval of a program statement for the Home Repair Program, by Resolution No. 01-2049.

On August 14, 2002, the City Council authorized the Program Statement for the Home Repair Program, by Resolution No. 02-2272.

On October 23, 2002, the City Council authorized the Program Statement for the Home Repair Program, by Resolution No. 02-3047.

On May 26, 2004, the City Council accepted \$27,300 from the Dallas Housing Finance Corporation, by Resolution No. 04-1725.

On February 14, 2007, the City Council accepted \$100,000 from the Dallas Housing Finance Corporation, by Resolution No. 07-0521.

On December 10, 2008, the City Council accepted \$125,000 from the Dallas Housing Finance Corporation, by Resolution No. 08-3342.

On February 22, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 12-0551.

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

On September 12, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 12-2251.

On April 24, 2013, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 13-0701.

FISCAL INFORMATION

Dallas Housing Finance Corporation Grant Funds - \$40,000

April 8, 2015

WHEREAS, the City has previously accepted Dallas Housing Finance Corporation funds to provide Dallas low-income and moderate-income elderly and/or disabled homeowners with minor repair services; and

WHEREAS, on May 26, 2004, the City Council accepted \$27,300 from the Dallas Housing Finance Corporation by Resolution No. 04-1725; and

WHEREAS, on February 14, 2007, the City Council accepted \$100,000 from the Dallas Housing Finance Corporation by Resolution No. 07-0521; and

WHEREAS, on December 10, 2008, the City Council accepted \$125,000 from the Dallas Housing Finance Corporation by Resolution No. 08-3342; and

WHEREAS, on February 22, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 12-0551; and

WHEREAS, on September 12, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 12-2251; and

WHEREAS, on April 24, 2013, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 13-0701; and

WHEREAS, the Dallas Housing Finance Corporation has voted to provide \$40,000 funding to the City of Dallas to provide warranty home repair services to low-income homeowners; and

WHEREAS, the City Council desires to offer health and safety solutions for low-income homeowners with warranty repair services; **NOW, THEREFORE,**

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

Section 1. That the City of Dallas accepts \$40,000 from the Dallas Housing Finance Corporation for the purpose of funding warranty repair services for low-income families under the Home Repair Program.

Section 2. That the Chief Financial Officer is authorized to deposit funds in an amount not to exceed \$40,000 into Fund 0319, Agency HOU, Unit 9815, Revenue Source 8411.

April 8, 2015

Section 3. That the City Manager is authorized to increase appropriations in the amount of \$40,000 from \$413,272 to \$453,272 in Fund 0319, Agency HOU, Unit 9815, OBJ 3099.

Section 4. That the Chief Financial Officer is authorized to disburse these funds under the Home Repair Program as follows: Fund 0319, Agency HOU, Unit 9815, OBJ 3099.

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.

KEY FOCUS AREA: Clean, Healthy Environment
AGENDA DATE: April 8, 2015
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: N/A

SUBJECT

Authorize modifications to the Home Repair Program for the MSRP Program Statement to: (1) increase the dollar amount of assistance from \$17,500 to \$20,000; and (2) decrease Assistance Type Two from \$7,500 to \$5,000 - Financing: No cost consideration to the City

BACKGROUND

On September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465.

FISCAL INFORMATION

No cost consideration to the City

April 8, 2015

WHEREAS, on September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465; and

WHEREAS, the City now desires to adopt modifications to the Home Repair Program for MSRP Program Statement attached as Exhibit A; **NOW, THEREFORE,**

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

SECTION 1. That the City Council authorizes modifications to the Home Repair Program for the MSRP Program Statement to (1) increase the dollar amount of assistance from \$17,500 to \$20,000; and (2) decrease Assistance Type Two from \$7,500 to \$5,000, and still meet all other criteria as shown on attached Exhibit A effective upon adoption of this resolution.

SECTION 2. That the City Manager is authorized to administer the Major Systems Repair Program Statement.

SECTION 3. 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.

EXHIBIT A
MAJOR SYSTEMS REPAIR PROGRAM (MSRP)

PROGRAM STATEMENT

Program Purpose:

To provide 1) repairs and/or replacement of major systems in their homes; 2) repairs to major systems that have been determined to be an immediate threat to the life, health, or safety of the resident(s); 3) "interim controls" of lead based paint when applicable; and 4) reconstruction of single-family homes on the homeowner's lot subject to City Council approval. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof.

To provide an interest free self-amortizing forgivable loan with a five (5) year lien term for a maximum of ~~\$17,500~~ \$20,000 for basic systems repairs or replacements to qualified applicants who reside in single-family, owner-occupied structures and to provide replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s)

Assistance Type One:

Repair or replacement of major systems not to exceed a maximum of ~~\$17,500~~ \$20,000 will be provided to qualified applicants. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof; to allow further eligibility for homeowners who received prior assistance provided that ten (10) years have passed since the first assistance and the new assistance is not for the same repair type.

Assistance Type Two:

Repair or replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s) will be provided to qualified applicants. Assistance provided for the repair or replacement of a system is limited to one (1) occurrence and applicant must meet all Level I household eligibility, excepting the number of liens referenced in Level I eligibility, and Level II property eligibility. Additional costs to repair or replace a system under Assistance Type Two will be provided as a grant up to ~~\$7,500~~ \$5,000.

General Conditions:

A two-level application review will be conducted and both levels, household eligibility and property eligibility, must be approved to qualify applicant for Assistance Type One and Assistance Type Two.

Level I review requires applicants to provide necessary proof to document the following:

- Identity
- Citizenship or legal residency
- Current property taxes
- Ownership and occupancy of property for a minimum of two (2) consecutive years, unless safety and/or health conditions have forced applicant to evacuate within past 24 months of application
- Income 80% or less, based on number of persons in household, as defined by the Department of Housing and Urban Development's annual income figures
- Property insurance
- Property contains no more than one active, current lien and may have no forced liens or judgment against the property

Level II property eligibility, requires the following conditions to be met:

- The scope of system repair or replacement work needed on a property will no longer be limited to two (2) systems
- The cost estimate of the systems repair or replacement cannot exceed ~~\$17,500~~ \$20,000
- Planning and development review to meet city and federal guidelines
- Environmental reviews to meet city and federal funding guidelines

Conditions that eliminate an applicant from receiving assistance:

- Household eligibility criteria and/or inspection eligibility not approved
- Repairs that exceed ~~\$17,500~~ \$20,000
- Repair costs exceeding 50% of the appraised Dallas County Appraisal District value of a property that lies within a 100-year floodplain
- Property that lies within a designated Airport Runway Clear Zone
- New assistance for the same repair type previously assisted

Loan Terms

- Interest free loans will be secured by a promissory note and deed of trust with a five (5) year lien
- The note and lien shall be released after five (5) years if the borrower occupies the property continuously for five (5) years or upon repayment of the note
- Loan payments are self-amortized over the loan term and forgiven monthly at the rate of 1/60 of the loan amount if the borrower occupies the property continuously for the entire five (5) year loan term

- Should property change ownership or occupancy during the loan term, the loan becomes due and payable for the amount equal to the balance of the unamortized loan unless a loan assumption is under consideration. Loan assumptions will be reviewed on a case by case basis. Loan assumptions applicants must meet all Level I household eligibility except ownership and occupancy requirements.
- Refinancing of existing loans with cash to homeowners will not be permitted
- Contract Certification
- A list of certified Major Systems Repair Program contractors will be made available to applicants. The applicant must either select a contractor from the list or recommend a contractor of their choosing for certification by the Housing Department that meets the certification requirements for the Home Repair, SHARE, and Replacement programs.

Lead-Based Paint

In conjunction with the system(s) repair or replacement, if lead-based paint interim controls are required in accordance with the Department of Housing and Urban Development (HUD) regulations, the cost of said lead-based paint controls may be included in the ~~\$17,500~~ \$20,000 initial scope of work.

Program Administration

The City Manager, or his/her designee, is authorized to establish guidelines and procedures to administer this program in accordance with the Program Statement and applicable Federal and local regulations.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: April 8, 2015
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 47J

SUBJECT

Authorize a public hearing to be held on May 13, 2015 to receive comments on the proposed sale of one unimproved property (list attached) acquired by the taxing authorities from the Sheriff to East Dallas Community Organization, a qualified non-profit organization, under the HB110 process of the City's Land Transfer Program and the release of the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any - Financing: No cost consideration to the City

BACKGROUND

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must to be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records. Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

BACKGROUND (continued)

East Dallas Community Organization (EDCO) submitted a proposal to construct one (1) single-family home containing approximately 1,350 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$105,000 to \$110,000 with construction to begin in June 2015.

This item calls for a public hearing on May 13, 2015, at 1:00 PM in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, to allow the public an opportunity to comment on the proposed sale of the one unimproved property to EDCO. At the close of the public hearing, the City Council will be asked to authorize the sale of the property to EDCO by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

This item has no prior action.

FISCAL INFORMATION

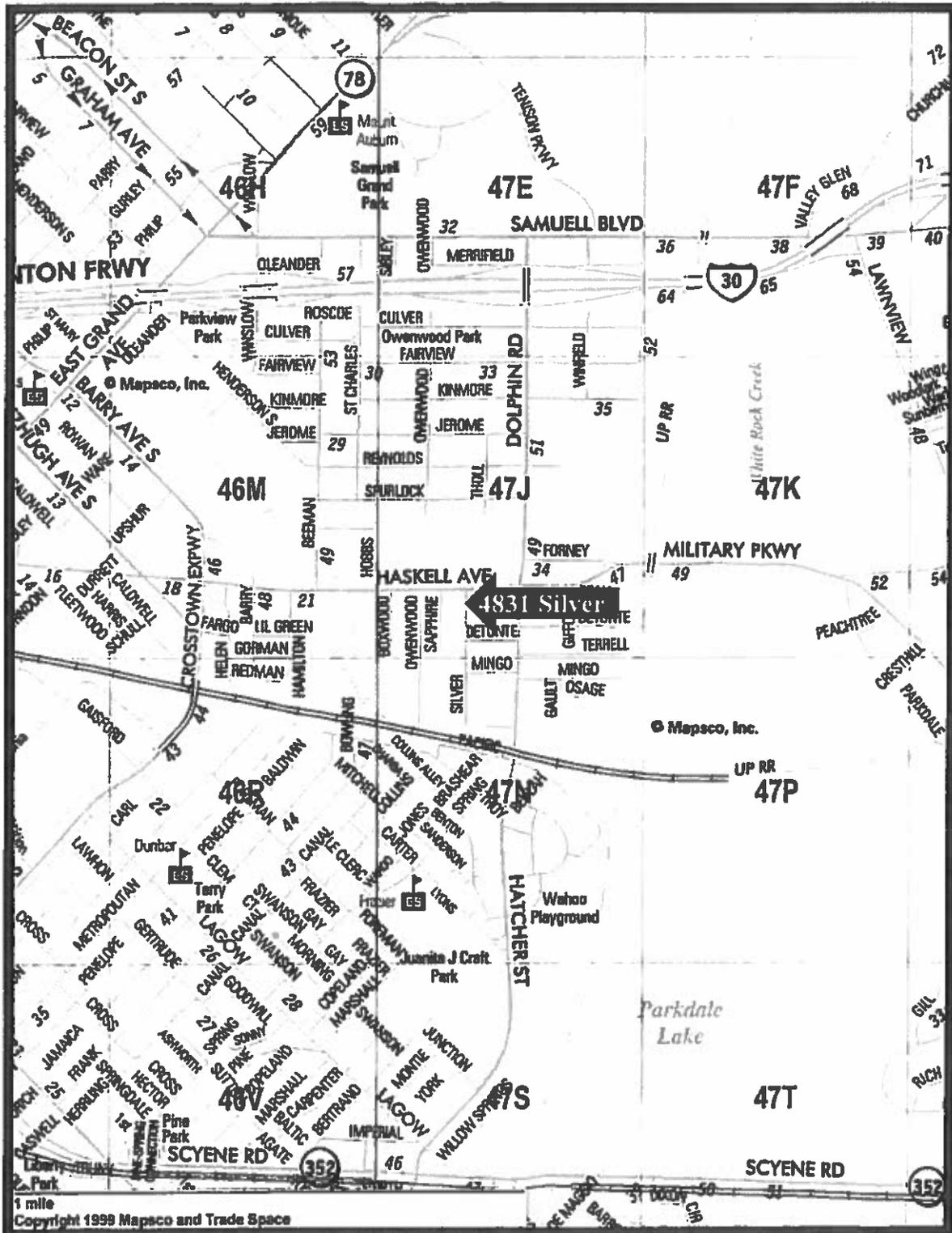
No cost consideration to the City

MAP

Attached

Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>Mapsco</u>	<u>DCAD Amount</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>
1.	4831 Silver	East Dallas Community Organization	47J	\$5,850	\$1,000.00	V	R-5(A)



MAPSCO 47J

April 8, 2015

WHEREAS, the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

WHEREAS, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

WHEREAS, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

WHEREAS, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

WHEREAS, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

WHEREAS, East Dallas Community Organization (EDCO) submitted a proposal to construct one (1) single-family home containing approximately 1,350 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$105,000 to \$110,000 with construction to begin in June 2015; and

WHEREAS, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News;

NOW, THEREFORE,

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

April 8, 2015

Section 1. That the public hearing shall be held at 1:00 p.m. on May 13, 2015 in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, at which time any interested person may appear and speak for or against the proposed sale by quitclaim deed of one (1) unimproved property, identified on Exhibit A, acquired by the taxing authorities from the Sheriff to EDCO, a qualified non-profit organization, in accordance with the HB 110 process of the City's Land Transfer Program.

Section 2. That at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing shall be placed on the property, notification of the public hearing shall be mailed to property owners within 200 feet of the property, and notice of the public hearing shall be published in the Dallas Morning News.

Section 3. 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.

EXHIBIT A

Tax Foreclosure Property Sale

<u>Parcel No.</u>	<u>Address</u>	<u>Mapsco</u>	<u>Non-Profit Organization</u>	<u>Sale Amount</u>	<u>Council District</u>
1.	4831 Silver	47J	East Dallas Community Organization	\$1,000.00	7