

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 14, 2015
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 56L

SUBJECT

Authorize an amendment to Resolution No. 14-0661, Section 2 (a), previously approved on April 23, 2014, to extend the term of the maturity date from December 21, 2014 to December 21, 2015 for the loan agreement with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street – 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 located at 6601 Bexar Street 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 October 2014, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2015. 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 2015.

This agenda item will authorize the City Manager to amend Resolution No. 14-0661, Section 2 (a) for the development loan agreement with Dallas Housing Authority for the Turner Courts Project.

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.

On April 23, 2014, City Council authorized an amendment to Resolution No. 13-2059 Section 2 (e) of the development loan terms to reduce the private financing amount from \$37,000,000 to \$28,000,000.

FISCAL INFORMATION

No cost consideration to the City

OWNERS

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

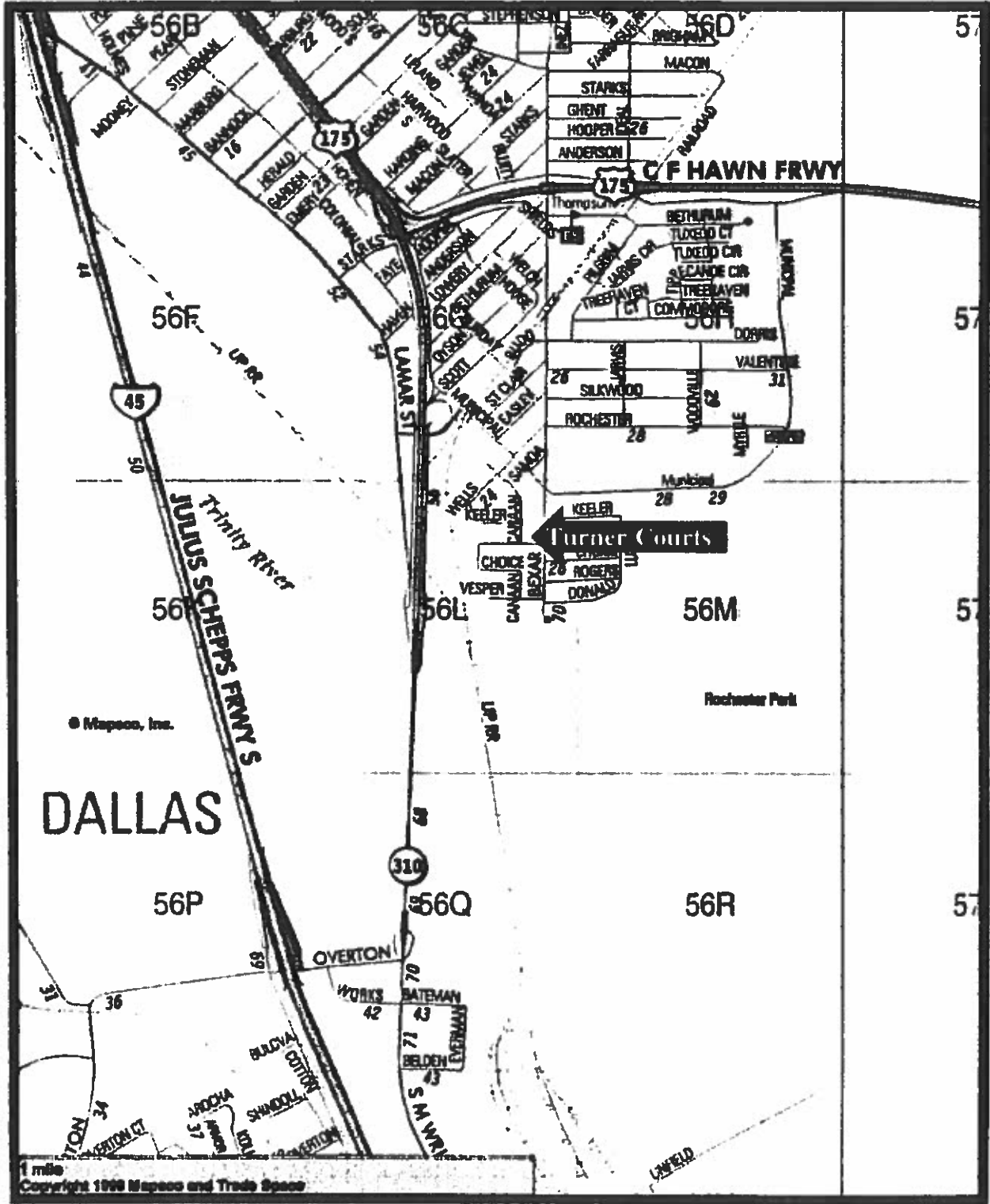
DEVELOPER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

MAP

Attached



MAPSCO 56L

January 14, 2015

WHEREAS, the City of Dallas has adopted 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;

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

WHEREAS, on April 23, 2014, City Council authorized an amendment to Resolution No. 13-2059 Section 2 (e) of the development loan terms to reduce the private financing amount from \$37,000,000 to \$28,000,000, by Resolution No. 14-0661.

WHEREAS, Dallas Housing Authority requested an amendment to the terms in Resolution No. 14-0661, Section 2 (a) for the development loan for Turner Courts Project;

NOW, THEREFORE,

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

January 14, 2015

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 14-0661, Section 2 (a) approved on April 23, 2014 to extend the term of the maturity date from December 21, 2014 to December 21, 2015 for the development loan with Dallas Housing Authority 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, 2015.
- 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 \$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, 2015.

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.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 14, 2015
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: N/A

SUBJECT

Authorize an amendment to the Mortgage Assistance Program (MAP) to modify the assistance categories as follows: **Category 1** will provide assistance up to \$14,000 with 5 year deed restrictions for Existing Homes and New Construction including non-profit and for-profit organizations; and **Category 2** will provide assistance up to \$20,000 with deed restrictions following HUD guidelines (currently 10 years if \$15,000 and above) for New Construction by Certified Housing Development Organizations (CHDO), New Construction on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in the Neighborhood Investment Program (NIP) Areas and any other Target Areas selected by the Housing/Community Services Department - Financing: No cost consideration to the City

BACKGROUND

The Mortgage Assistance Program (MAP) is funded with annual entitlement grant allocations from the U.S. Department of Housing and Urban Development (HUD). MAP provides principal reduction and closing cost assistance to eligible homebuyers to purchase a home in the City of Dallas. MAP provides homeownership opportunities for residents of the City of Dallas earning at or below 80% of area median family income.

MAP currently has three categories of funds: 1) eligible homebuyers purchasing existing homes may receive up to \$8,500 in principal reduction and closing cost assistance as a 5-year forgivable loan; 2) eligible homebuyers purchasing a home constructed by a Certified Community Housing Development Organization (CHDO) may receive up to \$20,000 in principal reduction and closing cost assistance as a 10-year forgivable loan; and 3) eligible homebuyers purchasing a new home that is constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (Land Bank) may receive up to \$10,000 in principal reduction and closing cost assistance as a 5-year forgivable loan.

BACKGROUND (continued)

By modifying the assistance categories, homebuyers could be served by additional non-profit and for-profit developers willing to build new homes for low to moderate income homebuyers while allowing greater incentives in focus areas where the City is targeting additional resources.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 20, 2012, the Housing Committee of the City Council was briefed on the MAP program changes for FY 2012-13 including bringing the Program in-house.

On September 26, 2012, the City Council approved the FY2012-13 Mortgage Assistance Program by Resolution No. 12-2403.

On February 27, 2013, the City Council approved an amendment to the FY2012-13 Mortgage Assistance Program to add a third category of assistance by Resolution No. 13-0406.

On June 26, 2013, the City Council approved the final FY 2013-14 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 13-1142.

On September 25, 2013, the City Council approved the FY2013-14 Mortgage Assistance Program by Resolution No. 13-1686.

On June 25, 2014, the City Council approved the final FY 2014-15 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 14-1001 (reconsidered and amended on August 13, 2014 by Resolution No 14-1314).

FISCAL INFORMATION

No cost consideration to the City

January 14, 2015

WHEREAS, homeownership is a high priority of the City of Dallas; and

WHEREAS, the Mortgage Assistance Program provides assistance to eligible homebuyers; and

WHEREAS, on September 26, 2012, the City Council approved the FY2012-13 Mortgage Assistance Program by Resolution No. 12-2403; and

WHEREAS, on October 1, 2012, the City began operating the Mortgage Assistance Program in-house; and

WHEREAS, on February 27, 2013, the City Council approved an amendment to the FY2012-13 Mortgage Assistance Program to add a new category of assistance by Resolution No. 13-0406; and

WHEREAS, on June 26, 2013, the City Council approved the final FY 2013-14 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 13-1142; and

WHEREAS, on September 25, 2013, the City Council approved the FY2013-14 Mortgage Assistance Program by Resolution No. 13-1686; and

WHEREAS, on June 25, 2014, the City Council approved the final FY 2014-15 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 14-1001 (reconsidered and amended on August 13, 2014 by Resolution No 14-1314); and

WHEREAS, the City desires to amend the Mortgage Assistance Program to modify the assistance categories to serve additional homebuyers through other non-profit and for-profit organizations willing to build new homes for low to moderate income homebuyers while allowing greater incentives in focus areas where the City is targeting additional resources;

NOW, THEREFORE,

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

January 14, 2015

Section 1. That modification to the Program Statement for the Mortgage Assistance Program (MAP) be approved as set forth in Exhibit A, to modify the assistance categories as follows: **Category 1** will provide assistance up to \$14,000 with 5 year deed restrictions for Existing Homes and New Construction including non-profit and for-profit organizations; and **Category 2** will provide assistance up to \$20,000 with deed restrictions following HUD guidelines (currently 10 years if \$15,000 and above) for New Construction by Certified Housing Development Organizations (CHDO), on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in the Neighborhood Investment Program (NIP) Areas and any other Target Areas selected by the Housing/Community Services Department.

Section 2. That the City Manager is authorized to execute such instruments, upon approval as to form by the City Attorney's office, as may be necessary to carry out the program in accordance with the MAP Program Statement.

Section 3. That the City Controller be authorized to encumber and disburse funds in accordance with the MAP Program Statement.

Section 4. 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 is accordingly so resolved.

EXHIBIT A

PROGRAM STATEMENT MORTGAGE ASSISTANCE PROGRAM (MAP)

Program Purpose:

- To provide homeownership opportunities to low to moderate income homebuyers through the provision of financial assistance in purchasing a home in accordance with federal, state and local laws and regulations.
- To incentivize new construction of homes for enhancement of the property tax base.

General Provisions:

- Homes must be located in the Dallas city limits.
- Homebuyer must successfully complete homeownership education from an approved counseling agency.
- Borrower may obtain a conventional, FHA, or portfolio loan through an approved lender. High cost or sub-prime loans, adjustable rate mortgages (ARM), interest only loans are not allowed. Borrower may also pay cash.
- For this program, low to moderate income is defined as a household with calculated income at 80% or less of the Area Median Family Income, adjusted for family size.
- Sufficient income and household size documentation to certify eligibility per HUD guidelines is required.
- Borrower must be a U.S. citizen or a permanent resident, and possess a valid social security card.
- Borrower must occupy the property as a primary residence.
- All properties purchased under this program must meet federal and local requirements including Minimum Acceptable Property Standards (MAPS) and international residential code.
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act.

- Homebuyer mortgage affordability must meet front-end debt ratio of 35% and back-end debt ratio of 45%.
- The maximum amount of assistance to be used to pay Borrower's closing costs is \$4,000. Cash back at closing and discount points paid by the Borrower are not allowed.
- The City Manager, or his designee, is authorized to implement the Mortgage Assistance (MAP) program as per this Program Statement, execute any documents necessary to implement this program, and grant waivers to the Mortgage Assistance Program guidelines, as set forth in this Program Statement, without further City Council authorization, on a case by case basis.
- Under exceptional cases, loan guarantees may be granted for Community Housing Development Organizations (CHDOs) that provide permanent mortgage financing and have the financial capacity to pay back the MAP loan in the event of default. Guarantees must receive Housing/ Community Services Director approval.
- The City Manager, or his designee, upon legal review and approval by the City Attorney's Office, is authorized pursuant to the Mortgage Assistance Program to: a) endorse on behalf of the City of Dallas, as the lien holder, insurance recovery checks issued by insurance companies to borrowers for any recovery of property damage(s) under borrower's homeowners insurance policies; and b) authorize the insurance recovery proceeds to be used by borrowers to repair the damaged properties secured by City liens.
- The City Manager, or his designee, is authorized to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements.
- Assistance may be provided from only one of the categories listed below.

Categories of Assistance:

Category #1: Homebuyer Assistance for Existing Homes and New Construction by Non-Profit and For-Profit Organizations

- Provide (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for existing homes in this category.
- An existing home is defined as a home which was previously occupied by another homeowner and a new home is defined as a home which has not been previously occupied by another homeowner.

- Subsidy amount up to ~~\$8,500~~ \$14,000.
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven over a five year period.
- All properties assisted with MAP funds must meet Minimum Housing Standards (MHS). As part of the total subsidy for existing homes, MHS repair funds cannot exceed \$1,500.

Category #2: Homebuyer Assistance for New Construction by Community Housing Development Organizations (CHDO) Homes, New Construction on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in Neighborhood Investment Program (NIP) areas or any other Target area selected by the Housing/Community Services Department

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes in this category.
- A newly constructed (~~CHDO~~) home is defined as a home which has not been previously occupied by another homeowner and ~~constructed by a City of Dallas-Certified CHDO~~
-
- Subsidy amount up to \$20,000
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property pursuant to HUD guidelines (currently for a ten (10) year term if the amount borrowed is \$15,000 or greater) for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven pursuant to HUD guidelines. Currently over a ten year period if amount borrowed is \$15,000 or greater and over 5 years if amount borrowed is \$14,999 and less.
- ~~Each CHDO, including affiliates, is limited in its access to total funding up to 50% of the available funding for this category.~~

~~Category #3: Homebuyer Assistance for Newly Constructed Homes on Lots Purchased from the Dallas Housing Acquisition and Development Corporation (City of Dallas Land Bank)~~

- ~~Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes on Land Bank lots~~
- ~~A newly constructed home is defined as a home which has not been previously occupied by another homeowner~~
-
- ~~Subsidy amount up to \$10,000~~
- ~~Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided.~~

~~The lien is amortized and forgiven over a five year period.~~

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 7, 2015
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 55X

SUBJECT

Authorize an amendment to Resolution No. 14-1728, previously approved on October 8, 2014, to redefine loan terms for a \$1,000,000 loan and a \$959,913 grant to City Wide Community Development Corporation from Community Development Block Grant funds for construction costs for the Serenity Place Apartments - Financing: No cost consideration to the City

BACKGROUND

In July 2014, City Wide Community Development Corporation was approved for 9% Low Income Housing Tax Credits for Serenity Place Apartments, L.P. by the Texas Department Housing Community Affairs (TDHCA) for the 2014 Low Income Housing Tax Credit Program. The project includes 45 multifamily units for permanent supportive housing, consisting of 40 two-bedroom units and 5 three-bedroom units.

Due to the complexity of the financing for the project, the developer has requested redefined terms be detailed in the resolution.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No.10-0498.

On February 18, 2014, the Serenity Place Apartments' Low Income Housing Tax Credit multifamily project was briefed to the Housing Committee.

PRIOR ACTION/REVIEW (Council, Boards, Commissions) (continued)

On February 26, 2014, the City Council authorized (1) support for the TDHCA 9% LIHTC application for Serenity Place Apartments; (2) a loan in the amount of \$1,000,000 for the construction costs; (3) a grant in the amount of \$959,913 for construction costs; and (4) a predevelopment grant in the amount of \$38,000 for costs associated with the tax credit by Resolution No. 14-0462.

On October 8, 2014, the City Council authorized more defined terms to the loan agreement by Resolution No. 14-1728.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

DEVELOPER

City Wide Serenity Place Apartments, L.P.

Carleton Residential Properties

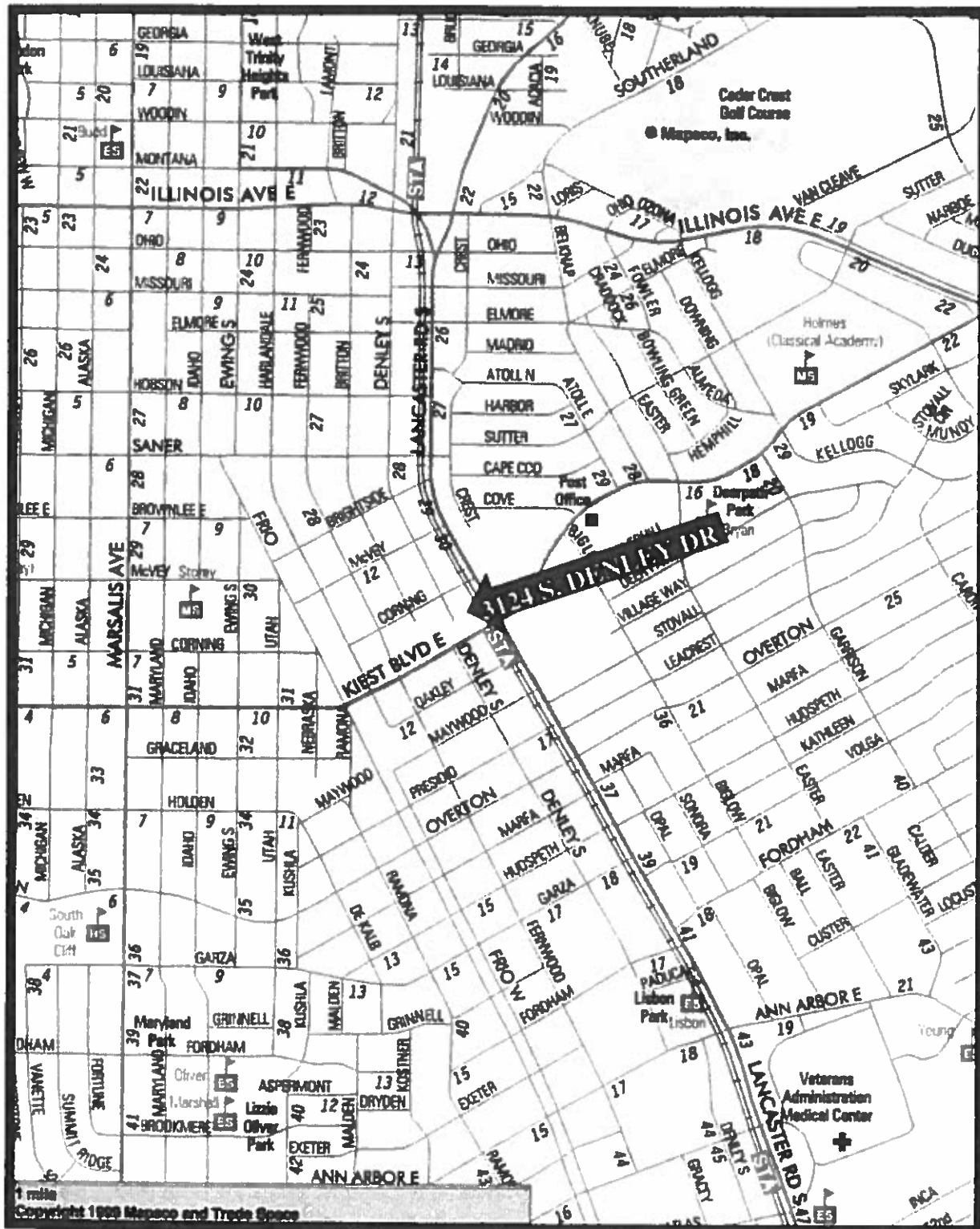
**City Wide Community Development Corp.
Sherman Roberts, President & CEO**

**Carleton Construction, Ltd.
Neal Hildebrandt, President**

CWCDC Serenity GP, Inc., GP

MAP

Attached



MAPSCO 55X

January 7, 2015

WHEREAS, City Wide Community Development Corporation, on behalf of City Wide Serenity Place Apartments, L.P. was approved by the Texas Department of Housing & Community Affairs (TDHCA) for 2014 9% Housing Tax Credits for Serenity Place Apartments, a development for affordable rental housing at 3124 South Denley in the City of Dallas; and

WHEREAS, pursuant to §11.9(d)(7) Community Revitalization Plan, the Lancaster Corridor/Cigarette Hill Community Revitalization Plan (CRP) was adopted by the City Council on December 12, 2012 with a total budget or projected economic value of \$6,000,000 or greater and Serenity Place Apartments is located within this CRP area; and

WHEREAS, the Housing Tax Credit multifamily project to be located at 3124 South Denley Drive is selected as contributing most significantly to the concerted revitalization efforts of the city, pursuant to §11.9(d)(7)(A)(ii)(III) of the 2014 Housing Tax Credit Qualified Allocation Plan; and

WHEREAS, on February 26, 2014, the City Council approved (1) support for the TDHCA 9% LIHTC application for Serenity Place Apartments; (2) a loan in the amount of \$1,000,000 for the construction costs; (3) a grant in the amount of \$959,913 for construction costs; and (4) a predevelopment grant in the amount of \$38,000 for costs associated with the tax credit by Resolution No. 14-0462 the Applicant has submitted a request for gap funding of \$1,997,913 from the City of Dallas which has been authorized by Resolution No. 14-0462; and

WHEREAS, the City Council authorized more defined terms to the loan agreement by Resolution No. 14-1728; and

WHEREAS, the City of Dallas desires to provide terms to the contract; **NOW, THEREFORE,**

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

SECTION 1. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a loan agreement in the amount of \$1,000,000 to City Wide Community Development Corporation (CWCDC), or Applicant for the development costs, including soft and hard construction costs, at 3124 South Denley Drive with the following terms:

SECTION 2. The loan agreement is contingent upon,

- a. CWCDC, or its wholly owned subsidiary, being awarded 2014 9% tax credits.
- b. CWCDC must adhere to all applicable CDBG Program requirements.

January 7, 2015

- c. CWCDC must execute a note, deed of trust, and deed restriction to the City for a 35-year affordability period.
- d. The outstanding principal balance of the City's \$1,000,000 loan shall bear an interest rate of 1% with interest only annual payment from available cash flow over a period of 35 years. The loan's maturity date shall be the earlier of (i) completion of the 35-year term, or (ii) sale or other transfer of the property.
- e. The loan may be subordinated to lenders.

SECTION 3. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a grant in the amount of \$959,913 to City Wide Community Development Corporation (CWCDC), or Applicant, to mitigate basis and tax issues only, for construction costs for the development at 3124 South Denley Drive. The following terms apply:

- a. CWCDC, or its wholly owned subsidiary, must be awarded 2014 9% tax credits.
- b. CWCDC must adhere to all applicable CDBG Program requirements.
- c. CWCDC must complete construction and receive a certificate of occupancy.
- d. Fifty one percent of the units must be occupied by low-income households at or below 80% AMFI.
- e. Rents will be set at Fair Market Rents or other acceptable levels defined by TDHCA.
- f. CWCDC must execute a note, deed of trust, and deed restriction to the City for performance only. Once 51% of the units are occupied, the loan will be forgiven.
- g. The loan may be subordinated to construction and permanent lenders.

SECTION 4. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a predevelopment grant in the amount of \$38,000 to City Wide Community Development Corporation (CWCDC), or Applicant, for costs associated with the TDHCA 9% application, not conditioned upon 2014 9% LIHTC award.

SECTION 5. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a subordination of lien to a lender who is providing construction financing on the property.

January 7, 2015

SECTION 6. That the City of Dallas' funding and endorsement of the TDHCA LIHTC application for the project, Serenity Place Apartments, will be contingent on the following: (1) the Project Owner expending a minimum of \$40,000 (a minimum of \$40,000 or \$200 per unit per year, whichever is greater) for social services for the residents of the development, at no cost, based on a survey of resident's needs, to be implemented within three months of project completion; (2) inclusion of this requirement in the City's Deed Restrictions containing the social services requirement (up to 50% of the social services requirement can be fulfilled with in-kind social services provided the Housing/Community Services Department gives prior approval to the social services plan).

SECTION 7. That before receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas Sustainable Development and Construction Department with regard to security related design standards.

SECTION 8. That the City of Dallas' funding and endorsement for this project will be contingent on the Project Owner paying to the City an annual monitoring review fee in the amount of \$500, beginning on the anniversary of the closing on the 9% tax credits and ending at the end of the tax credit compliance.

SECTION 9. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute releases of liens and terminate deed restrictions on the property upon compliance with the loan terms and deed restrictions.

SECTION 10. 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: January 7, 2015
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 55X

SUBJECT

Authorize an amendment to Resolution No. 13-1926, previously approved on November 12, 2013, to subordinate the possibility of reverter with right of reentry contained in the Deed Without Warranty conveying six tracts of land to City Wide Community Development Corporation to the first lien deed of trust in favor of Bank of America and any other first lien deed of trust related to a new refinanced loan (list attached) - Financing: No cost consideration to the City

BACKGROUND

The City conveyed the six tracts of land to City Wide Community Development Corporation for the development of affordable housing pursuant to that certain Deed Without Warranty dated December 12, 2013. Due to the complexity of the financing for the project and since the statutory requirement to develop the property as affordable housing has been satisfied by the award of the 9% Low Income Housing Tax Credits, the developer has requested release of the possibility of reverter with right of reentry and termination of the Deed Restrictions.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On November 12, 2013, the City Council approved the conveyance of six tracts of land to be included in the Serenity Place Apartments for the development of affordable housing by Resolution No.13-1926.

On February 26, 2014, the City Council approved an amendment to the Deed Restrictions for the Serenity Place Apartments development to remove the definition of "Permanent Supportive Housing" and to revise the definition of "Low Income Family" to include both men and women with children by Resolution No. 14-0451.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

City Wide Serenity Place Apartments, L.P.

**City Wide Community Development Corp.
Sherman Roberts, President & CEO**

CWCDC Serenity GP, Inc., GP

MAP

Attached

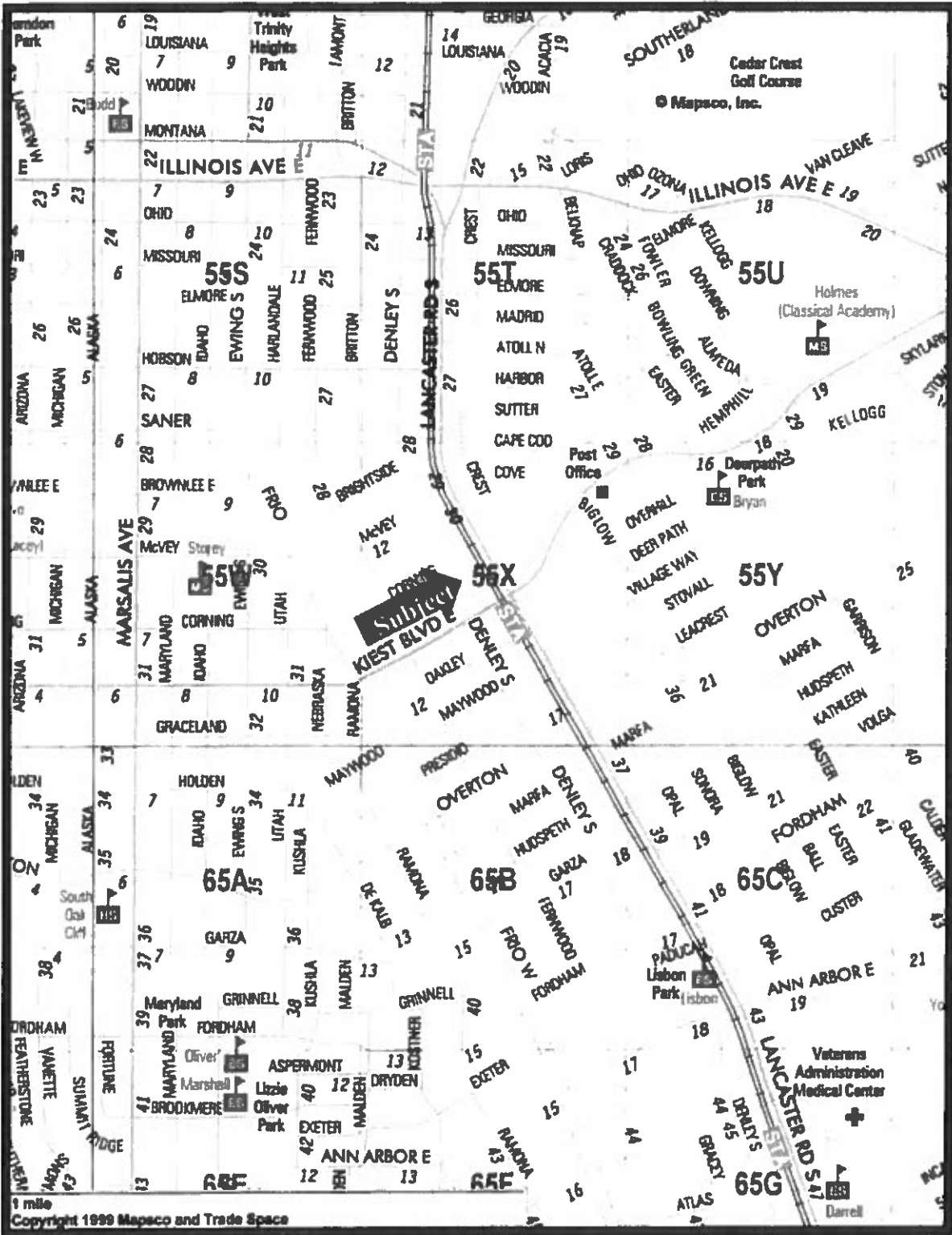
DEVELOPER

**Carleton Residential
Properties**

**Carleton Construction, Ltd.
Neal Hildebrandt, President**

**Lots Previously Conveyed to
City Wide Community Development Corporation**

Parcel No.	Address	DCAD Amount
1	1310 E. Corning	\$24,000
2	3106 S. Denley	\$11,000
3	3110 S. Denley	\$26,490
4	3114 S. Denley	\$23,430
5	3118 S. Denley	\$26,700
6	3122 S. Denley	\$38,990



MAPSCO 55X

January 7, 2015

WHEREAS, on November 12, 2013, the City Council approved the conveyance of six tracts of land identified by legal description ("Property") on Exhibit A attached hereto and made a part hereof to City Wide Community Development Corporation, a Texas nonprofit corporation ("City Wide"), for the development of a forty-five (45) unit low-income housing project to be known as Serenity Place Apartments (the "Project"); and

WHEREAS, the Deed Without Warranty contains certain deed restrictions and a possibility of reverter with right of reentry to ensure that the Property is developed as an affordable housing project leased to eligible low-income families; and

WHEREAS, City Wide has obtained approval from the City to replat the Property with additional real property owned by City Wide, in satisfaction of requirement for the same contained in the deed restrictions and the possibility of reverter with right of reentry; and

WHEREAS, City Wide, by and through its ownership and control over is the sole shareholder of CWCDC Serenity GP, Inc., a Texas corporation, and has formed City Wide Serenity Place Apartments, LP, a Texas limited partnership, for the purpose of owning, developing, and leasing the Project as affordable housing for homeless families; and

WHEREAS, City Wide Serenity Place Apartments, LP has secured Low Income Housing Tax Credits ("LIHTC") and other financing; and

WHEREAS, City desires to release the possibility of reverter with right of reentry and terminate the deed restrictions since the intended use as affordable housing has been satisfied by the LIHTC award;

NOW, THEREFORE,

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

SECTION 1. That the City Manager is authorized to execute an instrument, approved as to form by the City Attorney, releasing the City's reverter rights and terminating the deed restrictions to the Property.

SECTION 2. 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

<u>Parcel No.</u>	<u>Property Address</u>	<u>Legal Lot</u>	<u>Description Block</u>
1	1310 E. Corning	1	D/3891
2	3106 S. Denley	2	D/3891
3	3110 S. Denley	3	D/3891
4	3114 S. Denley	4	D/3891
5	3118 S. Denley	5	D/3891
6	3122 S. Denley	6	D/3891

Memorandum



DATE January 2, 2015

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

SUBJECT Section 108 Guaranteed Loan for Plaza Hotel Project

At the January 14, 2015 Council meeting, you will consider an addendum agenda item to accept a Section 108 Guaranteed Loan award from HUD in the amount of \$11,000,000 for development of the Plaza Hotel project located at 1011 S. Akard St. The HUD award notice was released on December 31, 2014.

Please let me know if you have any questions.


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