

Memorandum



CITY OF DALLAS

DATE August 16, 2017

TO The Honorable Members of the Economic Development and Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Lee M. Kleinman, Scott Griggs,
Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT Authorize an amendment to Resolution No. 16-1094, previously approved on June 22, 2016, with Southfair Community Development Corporation, a certified Community Housing Development Organization, for a housing development loan in the amount of \$112,000 to (1) increase the number of units from two to six; (2) increase the amount of funding from \$112,000 to \$712,000; and (3) extend the loan agreement from June 30, 2017 to August 31, 2018 to complete construction of six affordable single family homes located in the 2800-2900 block of South Boulevard – Not to exceed \$600,000 - Financing: 2004-05 HOME Investment Partnership Program Funds (\$23,741), 2005-06 HOME Investment Partnership Program Funds (\$141,936), 2006-07 HOME Investment Partnership Program Funds (\$19,999), 2009-10 HOME Investment Partnership Program Funds (\$384,777), 2010-11 HOME Investment Partnership Program Funds (\$9,551) and 2013-14 HOME Investment Partnership Program Funds (\$19,996)

In June 2017, Annie Evans, Executive Director for Southfair Community Development Corporation (Southfair) requested an amendment to its existing HOME Investment Partnership funds contract approved on June 22, 2016 to increase the number of units from two to six; to increase the amount of funding from \$112,000 to \$712,000; and to extend the loan agreement from June 30, 2017 to August 31, 2018. The Land is currently owned by Southfair.

Total Development Cost	\$1,219,700
City HOME	\$ 712,000
Private Financing	\$ 507,700

The market conditions have provided the developer an opportunity to build and sell several more homes under this existing contract since they currently own the additional lots and have homebuyers waiting for homes to be built. Two of the six lots are currently under construction at approximately 75% complete. Homebuyers are under contract for the homes.

The developer indicated that several situations have contributed to a slight delay in completion of the two units, including

- 1) Lack of available and experienced contractors interested in small projects.
 - Southfair continues to seek contractors to work on projects of this size. They have interviewed several contractors to work with in the future.
- 2) Platting and utility requirements.
 - Platting was required to divide a large lot into two smaller lots and correct several encroachments.

To ensure performance on the contract for the next year, the City's agreement will contain the following thresholds. City staff has informed Southfair of the monitor requirements.

- a) Monthly reports submitted by developer to provide updates on the status of the project on construction, next steps, and expected completion.
- b) Private financing available no later than October 30, 2017.
- c) Start construction on two homes no later than November 30, 2017.
- d) Continue the start of construction for two homes every 90 days.
- e) Close on the homebuyer sales within 30 days of completion of construction.
- f) Expend funding on a monthly basis with final draw submitted by August 1, 2018.
- g) Report delays immediately within one week to City staff.

Should you have any question, please contact me at 214-671-5257.



Raquel Favela

Chief of Economic Development and Neighborhood Services

- c: The Honorable Mayor and the Members of City Council
- T.C. Broadnax, City Manager
- Larry Casto, City Attorney
- Craig D. Kinton, City Auditor
- Rosa A. Rios, City Secretary
- Daniel F. Solis, Administrative Judge
- Kimberly Bizer Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
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SUBJECT Authorize an amendment to Resolution No. 16-0391, previously approved on February 24, 2016, to extend the loan agreement with Southfair Community Development Corporation, a certified Community Housing Development Organization, in the amount of \$290,000 from June 22, 2017 to June 22, 2018 to complete construction of four affordable single family homes for the Townhomes Project located at 2825 South Boulevard - Financing: No cost consideration to the City

In June 2017, Annie Evans, Executive Director for Southfair Community Development Corporation (Southfair) requested an amendment to the existing HOME Investment Partnership Program contract approved on April 22, 2015 in the amount of \$290,000 for construction of 4 townhomes to extend the loan agreement from June 22, 2017 to June 22, 2018.

Total Development Cost	\$754,330
City HOME	\$290,000
Private Financing	\$464,330

Construction of the townhomes is underway and approximately 40% complete. The developer indicated several situations have contributed to delays in completion of the four units, including

- 1) Lack of available and experienced contractors interested in small projects.
 - Southfair continues to seek contractors to work on projects of this size. They have interviewed several contractors to work with in the future.
- 2) Underground utility upgrades.
 - Infill lots require utility upgrades when located in older neighborhoods. The planning and construction cause significant delays in the timeline.

This contract extension is recommended based on a one-year construction and sales schedule provided by Southfair Community Development Corporation. To ensure performance on the contract for the next year, the City's agreement will contain the following thresholds. The developer has been informed of the monitoring.

- a) Monthly reports submitted by developer to provide updates on the status of the project on construction, next steps, and expected completion.
- b) Close on the homebuyer sales within 30 days of completion of construction.
- c) Expend funding on a monthly basis with final draw submitted by May 15, 2018.
- d) Report delays immediately within one week to City staff.

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TO Members of the Economic Development Committee:
Tennell Atkins, Chair, Rickey D. Callahan Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT Authorize (1) the first of four twelve-month renewal options to the contract with PeopleFund to administer the Community Development Block Grant (CDBG) Business Revolving Loan Program, for the purpose of serving and making loans to area businesses and creating and/or retaining jobs for low-to-moderate income persons, in accordance with Department of Housing and Urban Development (HUD) regulations; and (2) any unexpended balances of program income from prior contract years be rolled over to continue the Business Revolving Loan Program - Financing: No cost consideration to the City

On September 13, 2017, the City Council will consider (1) authorizing the first of four twelve-month renewal options to the contract with PeopleFund to administer the City of Dallas CDBG Revolving Loan Program, for the purpose of servicing and making loans to for profit businesses to create and retain jobs for low-to-moderate income persons; and (2) any unexpended balances of program income and allocations from prior contract years be rolled over to continue the CDBG Revolving Loan Program.

Should you have any questions, please contact me at (214) 671-5257.



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SUBJECT **GrowSouth Neighborhood Challenge Grant Program Statement Revisions**

An amendment to the GrowSouth Neighborhood Challenge Grant Program statement is scheduled for Council action on September 13, 2017.

The GrowSouth Neighborhood Challenge Grant Program was created to develop neighborhoods into viable communities by improving livable environments through service-based and neighborhood improvement projects with financial-based assistance. The GrowSouth Neighborhood Challenge Grant Program statement, which was approved on February 4, 2014, by Council Resolution No. 14-0334, defines eligibility criteria and scope for neighborhood groups to receive competitive grant-based financial assistance for projects that will improve quality of life.

During the FY 2016-17 grant cycle there were several items identified that warranted adjustment of the program statement to further clarify eligibility requirements and application process. The proposed amendments are shown in Exhibit A attached.

Please contact me at 214-671-5257 if you have any questions.

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EXHIBIT A
AMENDED PROGRAM STATEMENT
growSouth NEIGHBORHOOD CHALLENGE GRANT

Program Purpose:

The growSouth Neighborhood Challenge Grant was created to promote neighborhood pride, resident engagement, and community improvements in the growSouth geographical boundaries defined by Dallas city limits on the west, south, and east. The northern border is the Trinity River west of downtown and Interstate 30 East of downtown.

The grant program will offer financial assistance for neighborhood groups to improve physical features and develop service-based projects. **Projects must serve a public purpose which promotes strong, safe, vibrant communities.**

Program Description:

The City will award up to \$10,000 in grant funds, a minimum of ten (10), to neighborhood groups with top-ranked service-based or construction projects. Residents will come together in their neighborhood to utilize existing assets, knowledge, skills, partnerships, and creativity to improve their neighborhood.

Grant funding will be considered for **projects that fulfill a public purpose:**

- **Service-based Projects** - Community enrichment activities, events, or projects that increase neighborhood engagement and improve the quality of the community.
- **Neighborhood Improvement Projects** -Activities that build and/ or alter a neighborhood's appearance including entrance point and new/ existing neighborhood landscaping. These area's must be highly visible to the public realm and serve as a community benefit.

Eligibility:

(1) A group of residents residing within the City of Dallas limits. Neighborhood groups are not required to be 501(c) 3. The following are examples of eligible participants:

- Neighborhood or Homeowner Associations
- Crime Watch groups
- Civic organizations
- Schools
- Community garden groups
- Parent Teacher Organizations
- Organized Youth Groups, such as Boy Scouts, Girl Scouts, or Sports groups
- Non-Profits (501(c)3)

(2) Neighborhood groups will submit applications to the Review Committee for review by the application submission deadline. Eligibility will require one representative to attend and complete the Development Workshop to ensure all parties fully understand guidelines, restrictions and insurance requirements.

Application Review Process:

- Applications will not be accepted after 5PM CST on application deadline.
- Upon receipt of application, City staff will review the application for completeness. If the application is determined incomplete, it will not be considered by the Review Committee.
- The Review Committee will be comprised of representatives from partnership organizations that assist with the Program on a collaborative basis and City staff from the Office of Environmental Quality, Risk Management, Community Prosecution, Parks and Recreation, Economic Development, Housing and Neighborhood Revitalization and Mobility Planning, Code Compliance and Neighborhood Vitality. The Review Committee can request interviews from finalists if needed.

Program Requirements:

Applications should demonstrate resident engagement, for neighborhood groups whose projects will:

- Be maintained by the neighborhood group without any assistance or future funding from the City of Dallas
- Projects must provide a public benefit which promotes a stronger, safer, vibrant community
- Be maintained by the neighborhood group for two (2) years for construction projects and one (1) year for service-based projects
- All projects must be completed within one (1) year of executing the grant agreement
- Projects must meet all City insurance requirements, policies, or codes
- If awarded, previous applicants can only apply every two (2) fiscal years

Service-based projects are reimbursement only. Working in conjunction with the grant manager, Neighborhood Improvement Projects may have alternative purchasing streams; however, it is not guaranteed.

Unallowable Use of Funding include:

Neighborhood groups are not allowed to use funds for the following activities:

- Individual maintenance projects required by city code
- Operating/ Administration expenses
- Projects that conflict with city insurance requirements, policies, or codes
- Expenditures incurred or financial commitment made prior to signing grant agreement
- Travel or transportation expenses
- Payment to individual other than those who provide their professional services to the project

Program Review Criteria:

The application will be reviewed using a rubric based on criteria to include:

- Application Overview 10%
- Project Description 40%
- Project Timeline 10%
- Budget Sheet 15%
- Neighborhood Participation 25%

OFFICIAL ACTION OF THE DALLAS CITY COUNCIL

FEBRUARY 12, 2014

14-0334

Addendum Addition 2: Authorize the Program Statement for the growSouth Neighborhood Challenge providing requirements, eligibility criteria, and project scope for neighborhood groups to receive competitive grant-based financial assistance for projects that will improve an area's quality of life - Financing: This action has no cost consideration to the City

Adopted as part of the consent agenda.

EXHIBIT A

**PROGRAM STATEMENT
growSouth NEIGHBORHOOD CHALLENGE****Program Purpose:**

To provide up to \$100,000 in total funding for neighborhood revitalization and improvement projects. To offer financial incentives to neighborhood groups to develop and implement self-help projects or programs for their communities. To offer neighborhood groups competitive grant-based financial assistance for projects that will improve their community's quality of life. To improve the condition of neighborhoods which will result in a more revitalized community and a better city.

Program Description:

The City will award up to \$10,000 in grant funds, a minimum of ten (10), to neighborhood groups with top-ranked projects and programs. Residents will come together in their community and/or neighborhood to utilize their existing assets, knowledge, skills, contacts, and creativity to improve their neighborhood.

Funding will be considered for the following activities:

- Service Projects - Activities that benefit the community and can be continued or repeated after funding is exhausted. These Community Enrichment projects can include events and/or activities that increase community involvement or help supplement City programs geared to improve the quality of life of the residents.
- Construction - Improvement Project - Activities that include building and/or altering an area's "look" or appearance. Include a plan and timeline for implementing the project. Projects should be self-sustaining and enhance the landscape of the neighborhood.
- Construction - Neighborhood Feature Projects - Activities designed to improve the entrance points to a neighborhood area.
- Construction - New Physical Community Improvement Project - Those activities that involve new, large-scale neighborhood landscaping with the community.

Neighborhood oriented groups will submit application packages to the Application Review Board for review by the application deadline. Basic eligibility requires that each group have at least one member attend and complete an Application Development Workshop to ensure all parties fully understand requirements, restrictions, and guidelines.

Program Selection Criteria:

The Application Review Board will review and rank applications based on the following evaluation criteria:

- Neighborhood Description – 15 points
- Project/ Idea Description – 30 points
- Community Involvement – 20 points
- Budget – 20 points
- Community Impact and Project Evaluation – 15 points

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Briefed to the Quality of Life Council Committee on the "Loving My Community (LMC) Neighborhood Improvement Grant" on May 11, 2009.

The City Council authorized the implementation of the LMC Grant Program on May 27, 2009, by Resolution No. 09-1342.

The City Council authorized the acceptance of a grant from the Communities Foundations of Texas for \$100,000 and established appropriations in the amount of \$200,000 in the FY 2009-10 Budget on September 23, 2009, by Resolution No. 09-2375.

Briefed to the Quality of Life and Environment Committee on the "growSouth Neighborhood Challenge" on January 27, 2014.

FISCAL INFORMATION

This action has no cost consideration to the City

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SUBJECT **Fair Chance Hiring**

On April 17, 2017, the Economic Development Committee was briefed on Fair Chance Hiring. The Committee voted for full City Council consideration. On September 13, 2017, the City Council will be presented with three options on Fair Chance Hiring: (1) A resolution of support for Fair Chance Hiring. (2) In ordinance covering Contractors, Vendors and Suppliers who do business with the City. (3) A comprehensive ordinance covering most employers within the City of Dallas.

Should you have any questions, please contact me at (214) 671-5257.



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