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CITY OF DALLAS  
DALLAS, TEXAS



CITY OF DALLAS

**Memorandum**

**REVISED**

DATE August 29, 2014

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

SUBJECT September 2, 2014 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Tuesday, September 2, 2014, 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 August 18, 2014 Minutes  
Carolyn R. Davis  
Councilmember
  
2. Land Bank Program  
Mitchell/O'Donnell  
(Estimated time 30 minutes)
  
3. Builders of Hope Community Development Coporation  
Mitchell/O'Donnell  
(Estimated time 30 minutes)
  
4. Upcoming Agenda Items  
Housing Items Only  
For Information Only
  - a. Builders of Hope CDC Prairie Creek Loan Modification
  - b. Land Bank Interlocal Cooperation Contract



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  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P. E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim 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 August 18, 2014

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: August 18, 2014

Meeting Start time: 11:07 A.M.

<p><b><u>Committee Members Present:</u></b> Carolyn R. Davis (Chair) Scott Griggs (Vice-Chair) Dwayne Caraway Monica Alonzo Rick Callahan Philip Kingston</p>	<p><b><u>Staff Present:</u></b> Theresa O'Donnell-Interim Asst. City Manager Bernadette Mitchell-Interim Director/HOU Maria Munoz-Blanco-Director/OCA Charles Brideau-Asst. Director/HOU Patrick Inyabri-Interim Asst. Director Beverly Davis-Asst. Director/FHO Peer Chacko-Asst. Director/DEV Don Babers-HOU Chan Williams-Asst. Director/OFS Don Whitmire III-OFS Jeanne Chipperfield-CMO Jack Ireland-OFS Rick Robin-HOU Candi Chambers-OFS Robin Bentley-CAO Barbara Martinez-CAO Renita Griggs-MCC Mark Lea-MCC Alida Allen-HOU</p> <p>Charles Estee-CAO Michael Bostic-CAO Art Hudman-CAO Nikki Dunklin Karen Riley-DEV Doris Edmon-HOU Cassandra Luster-HOU Priscyllia Bento-SEC Brian Price-HOU</p>
<p><b><u>Other Council Members Present:</u></b></p>	
<p><b><u>Committee Members Absent:</u></b></p>	<p><b><u>Other Attendees</u></b> Sherman Roberts-City Wide, CDC Rich Sheridan- M.A.S.S Gail Misener-Dallas Habitat for Humanity Jesse Banda-EDCO Diane Ragsdale-ICDC Joan Smotzer-ICDC Norman Henry-Builders of Hope, CDC Susan Watkins-ICP Anthony McGill-City</p>

AGENDA:

Housing Committee Meeting Called to Order by CM Carolyn R. Davis

**1. Approval of August 4, 2014 Minutes of the Housing Committee**

**Presenter(s): Council Member Carolyn R. Davis**

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> CM Dwaine Caraway	<b>Motion seconded by:</b> CM Scott Griggs
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):**

**2. HUD Monitoring Update**

**Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Chan Williams, Asst. Director**

**Information Only:** X

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> _____	<b>Motion seconded by:</b> _____
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

**3. Housing Plus Plan Update**

**Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Peer Chacko, Asst. Director/Karen Riley, DEV**

**Information Only:** X

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> _____	<b>Motion seconded by:</b> _____
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**



# Memorandum



CITY OF DALLAS

DATE August 29, 2014

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

SUBJECT Land Bank Program

On Tuesday September 2, 2014, you will be briefed on the Land Bank Program. A copy of the briefing is attached.

Please let me know if you have any questions.

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

Theresa O'Donnell  
Interim Assistant City Manager

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  
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Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council



# Land Bank Program

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## A Briefing to the **Housing Committee**

**Housing/Community  
Services Department  
September 2, 2014**





# Purpose

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- To provide information on the Land Bank Program and schedule next steps





# Background

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- 2003 State Legislature enacted the Texas Urban Bank Demonstration Program Act: (HB2801)
- 2004 Negotiation and execution of Interlocal Agreement with all taxing entities and began filing law suits
- 2005 Land Bank acquires first properties
- 2006 Land Bank sells first lots to developers
- 2007 First home completed and sold to an eligible family
- 2014 300<sup>th</sup> home sold to an eligible family



# Goal

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- The goal of the Land Bank Program is to develop a significant quantity of affordable single-family homes on vacant, tax-delinquent properties within Dallas neighborhoods. Putting these properties to this productive use will:
  - Address the shortage of affordable workforce housing in Dallas;
  - Eliminate blight in target neighborhoods;
  - Stabilize “at risk” communities and enhance quality of life;
  - Stimulate community investment and economic growth; and
  - Increase local government property tax, sales tax and fee revenues.



# Partners

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## Taxing Entities

- City
- County
- School District
- Hospital Districts
- Community College District

## Developers

- CHDOs
- For-Profit

## The Real Estate Council

- Title Companies
- Law firms
- Case filing
- Ad Litem services



# Land Bank Board

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- Dallas Housing Acquisition and Development Corporation (Land Bank)
  - 501(c)(3) non-profit corporation
  - Quasi-governmental
- Eight Directors
  - City of Dallas Directors of Housing, Development Services & Code Compliance
  - 2 Dallas County representatives
  - 1 DISD representative
  - 1 Real Estate Council representative
  - 1 Non-profit affordable housing organization representative (currently vacant)

# Six Basic Steps

Land Bank assembles list of potential vacant lots and forwards to Law Firm and Title Company

Title Company Abstracts Title, forwards opinion to Law Firm and to City Attorney's Office

After approval by City Attorney's Office, lawsuit is prepared and filed with County Court

County Court adjudicates law suit and Sherriff conducts private sale to Land Bank

Land Bank solicits Proposals from CHDOs and forwards list of remaining lots to Real Estate Company for marketing

Obtains Land Bank Board approval, obtains City Council approval and conveys lots to developer



# Required Criteria

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- Eligible Properties must:
  - have at least 5 years of delinquent taxes
  - have an appraisal district value less than the amount of taxes and non-tax liens
  - be zoned residential
  - have a minimum frontage of 40' and minimum size of 4,000 square feet
  - may also allow for 6,000 square foot enclosed grocery store that offers fresh produce for home consumption



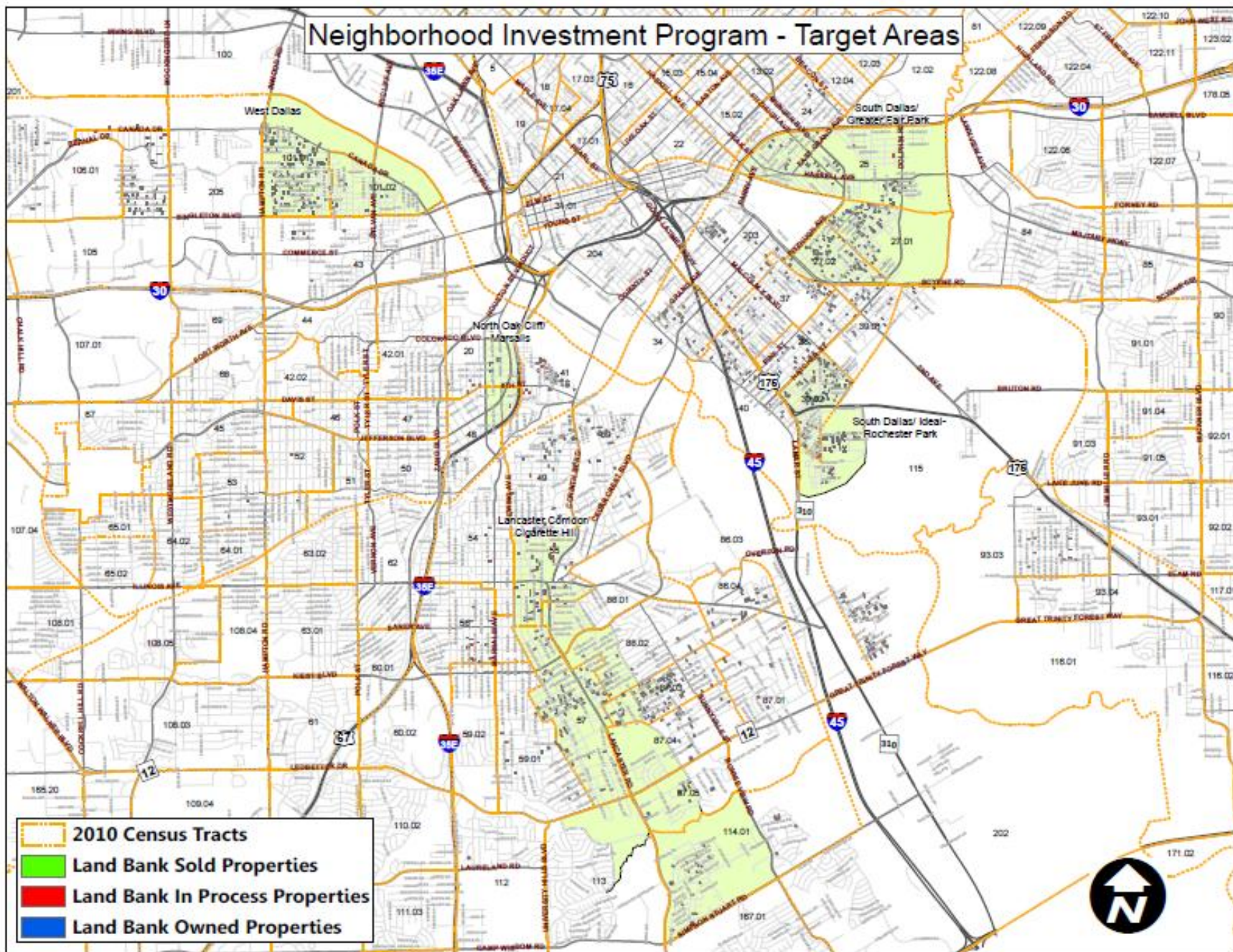
# Additional Selection Criteria

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- Lots in Neighborhood Investment Program (NIP) Areas
- Lots adjacent to NIP Areas
- Lots 1 mile on either side of DART Rail Lines
- Selected Lots for CHDOs



# Neighborhood Investment Program - Target Areas







# Financial Update

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- Land Bank is currently self supporting without any General Funds
- Total operating costs for one year are estimated to be \$300,000
- There are 4 staff operating the Land Bank
  - 1 manager
  - 2 staff processing real estate acquisitions and sales including researching title reports, liens, judgments, Sheriff's notices & deeds, performing due diligence on lots, site inspections and corresponding with citizens & developers
  - 1 staff updating lot inventory, maintenance reports, audit reports and other administrative duties
- Breakeven total sales is 75 lots per year



# Operating Proforma (FY2014–15)

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Total Estimated Funds 9/30/14 \$300,000

Projected Sales (75 lots @ average net price of \$4,500/lot) \$337,500

Projected Expenses (2014-15)

Staffing Costs \$315,000

Acquisition Fee Reimbursement (100 lots @ \$1,000/lot) (\$100,000)

Mowing Expense (300 lots average) \$ 65,000

Audit Fee \$ 8,500

Insurance \$ 9,500

Recording Fees \$ 6,000

Misc. Expense (training, supplies, tree removal) \$ 15,000

subtotal \$319,000

Estimated Funds Available @ 9/30/15 \$318,500



# Outcomes

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- 1,759 lawsuits filed
- 1,065 properties acquired by the Land Bank
- 480 lots sold to CHDOs and Developers
- 102 lots currently approved for sale
- 300 homes completed and sold



# Potential Changes for Land Bank

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- Public comment period is open from August 27th – November 12th
- Staff will collaborate with internal city departments, City Attorney's Office and Land Bank clients to research and discuss possible changes to current Land Bank processes and policies
- Staff will brief committee on potential changes in September/October



# Upcoming Actions

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- August – Calling of Public Hearing for Land Bank annual plan
- September – Authorize Interlocal Cooperation Contract between taxing entities
- November– Amend Land Bank Program Statement
- November – Hold public hearing and authorize approval of Land Bank annual plan



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# Questions & Answers

# Memorandum



CITY OF DALLAS

DATE August 29, 2014

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

SUBJECT Builders of Hope Community Development Corporation

On Tuesday September 2, 2014, you will be briefed on Builders of Hope Community Development Corporation. 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  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
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# Builders of Hope Community Development Corporation

A Briefing to the Housing Committee  
September 2, 2014

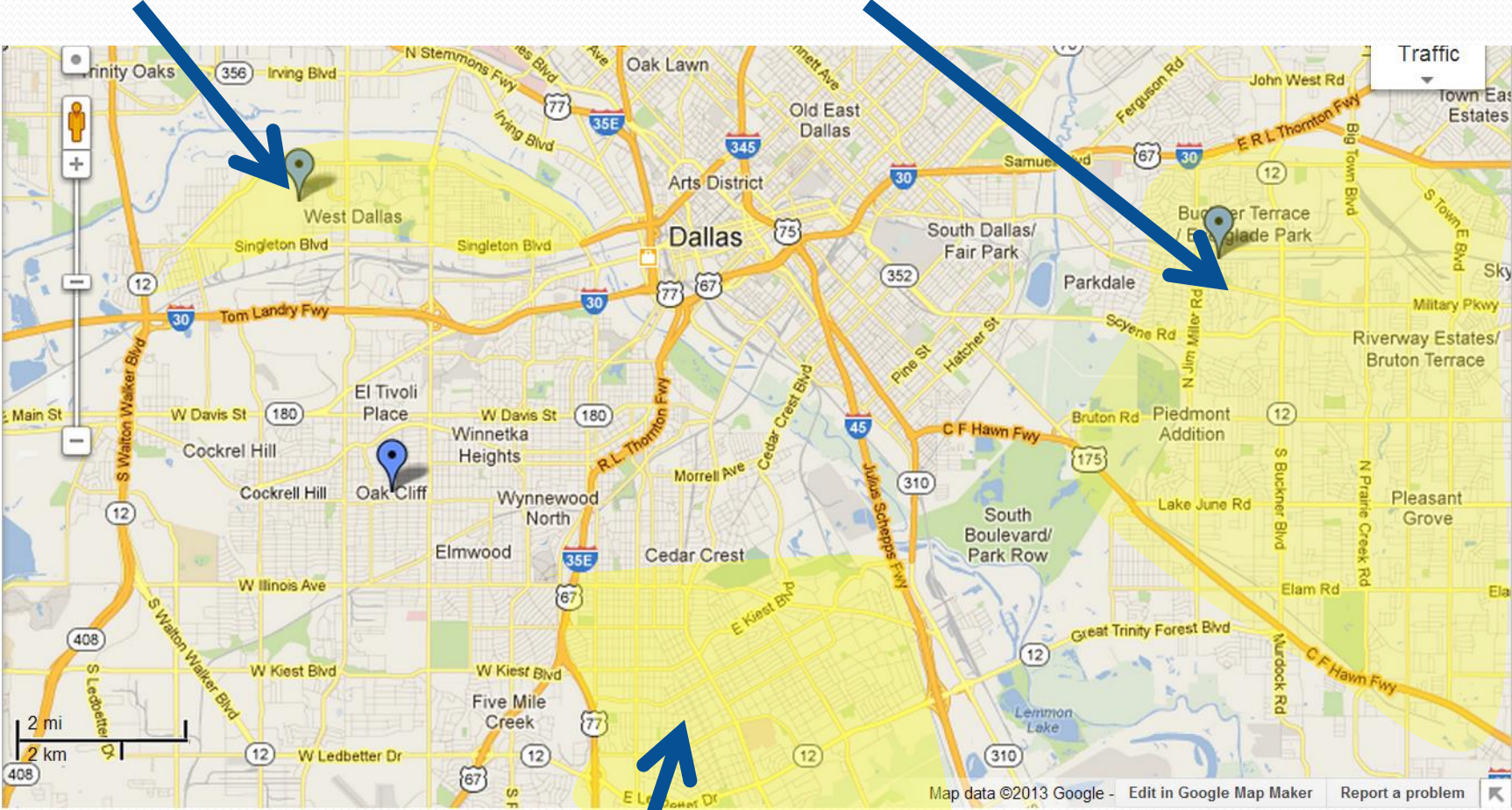




# Builders of Hope's History

- Formed in 1998 as a split from Voice of Hope
- Nine person board
  - Chairman, Jimmy Strawn
- 8 full time, 1 temporary staff
  - President/CEO, Norman Henry
- A nonprofit organization, 501(c)3, and a Certified Housing Development Organization (CHDO)
- BOH works all over the city with some target areas including: Prairie Creek / Pleasant Grove, West Dallas, Oak Cliff / Creekside Neighborhood
- Built over 200 homes in the City of Dallas

# Project Areas



# Builders of Hope's Plans for 2014-15

- Prairie Creek Project
  - Purchased 40 lots with City of Dallas funds
  - 24 homes are built and occupied
  - 16 parcels left to be developed
- West Dallas Project
  - Purchased 22 lots with City of Dallas funds
  - 11 homes are built and occupied
  - 11 parcels left to be developed
- Creekside Project
  - Purchased 34 lots (no City funding)
  - 6 homes are built and occupied
  - 18 parcels left to be developed





# Prairie Creek Project

- Located in District 7
- In 2009, City of Dallas provided \$500,000 to Builders of Hope (BOH) to purchase forty properties in Pleasant Grove
- BOH has built and occupied twenty-four of the homes
- BOH has requested City assistance of \$480,000 to complete the remaining sixteen homes
- City funds would be used along with interim construction financing from Inwood Bank
  - City would subordinate to the first lender



# Prairie Creek Project-Budget

## SOURCES

Private Financing	\$ 1,843,952
City Funds- Acquisition	\$ 200,000
City Funds-Construction	<u>\$ 480,000</u>
Total Sources	\$ 2,523,952

## USES

Hard Construction Costs	\$ 1,920,000
Land Acquisition	\$ 200,000
Soft Costs	\$ 163,952
Developer Fee	<u>\$ 240,000</u>
Total Uses	\$ 2,523,952

# Prairie Creek Project Budget

## BOH PRAIRIE CREEK CONSTRUCTION BUDGET PROJECT BUDGET PER UNIT

	1500 Sq Ft	X16
<b>LAND COSTS</b>		
TOTAL LAND COSTS	\$ 12,500.00	\$ 200,000.00
<b>CONSTRUCTION SOFT COSTS</b>		
ENERGY CODE FEES	\$ 550.00	\$ 8,800.00
BUILDERS RISK	\$ 250.00	\$ 4,000.00
WARRANTY INSPECTIONS	\$ 302.00	\$ 4,832.00
FORM SURVEY	\$ 150.00	\$ 2,400.00
HOME WARRANTY	\$ 370.00	\$ 5,920.00
ARCHITECT PLANS	\$ 800.00	\$ 12,800.00
FOUNDATION PLANS	\$ 275.00	\$ 4,400.00
PERMITS	\$ 1,800.00	\$ 28,800.00
INTERIM LOAN	\$ 4,900.00	\$ 78,400.00
UTILITIES	\$ 850.00	\$ 13,600.00
<b>CONSTRUCTION SOFT COST TOTAL</b>	<b>\$ 10,247.00</b>	<b>\$ 163,952.00</b>
<b>CONSTRUCTION HARD COSTS</b>		
<b>CONSTRUCTION HARD COST TOTAL</b>	<b>\$ 120,000.00</b>	<b>\$ 1,920,000.00</b>
<b>DEVELOPER FEE</b>		
<b>DEVELOPER FEE TOTAL</b>	<b>\$ 15,000.00</b>	<b>\$ 240,000.00</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 157,747.00</b>	<b>\$ 2,523,952.00</b>
<b>ESTIMATED SALES PRICE</b>	<b>\$ (119,000.00)</b>	<b>\$ (1,904,000.00)</b>
<b>ESTIMATED CITY SUBSIDY</b>	<b>\$ 38,747.00</b>	<b>\$ 619,952.00</b>

# Prairie Creek Project-Details

- Units will be 3 bedroom, 2 baths, approximately 1500 sq.ft. with 2-car garage
- Sales price for the homes will be approximately \$119,000
- Units will be sold to low-moderate income families at or below 80% AMFI (homebuyers may also qualify for \$20,000 in mortgage assistance)
- BOH will have until December 31, 2015 to build and occupy the eleven homes
- City funds will pay for a portion of the soft costs, construction costs, and developer fees
- Proceeds from the sale of the units will be repaid to Inwood Bank and the City, less related and approved closing costs.
- BOH will sign a loan agreement, Deed of Trust and Deed restrictions with the City
- Deed Restrictions for affordability for 15 years

# West Dallas Project

- Located in District 6
- In 2009, City of Dallas provided \$500,000 to Builders of Hope (BOH) to purchase twenty-two properties in West Dallas
- BOH has built and occupied eleven of the homes
- BOH has requested City assistance of \$521,400 to complete the remaining eleven homes
- City funds would be used along with interim construction financing from Inwood Bank
  - City would subordinate to the first lender



# West Dallas Project-Budget

## SOURCES

Private Financing	\$ 962,269
City Funds-Acquisition	\$ 253,000
City Funds-Construction	<u>\$ 521,400</u>
Total Sources	\$1,736,669

## USES

Hard Construction Costs	\$ 1,122,000
Acquisition Costs	\$ 345,774
Soft Costs	\$ 103,895
Developer Fee	<u>\$ 165,000</u>
Total Uses	\$ 1,736,669

# West Dallas Project Budget

## BOH WEST DALLAS CONSTRUCTION BUDGET PROJECT BUDGET PER UNIT

	1350 Sq Ft	X11
<b>LAND COSTS</b>		
TOTAL LAND COSTS	\$ 31,434.00	\$ 345,774.00
<b>CONSTRUCTION SOFT COSTS</b>		
ENERGY CODE	\$ 580.00	\$ 4,060.00
BUILDERS RISK	\$ 250.00	\$ 1,750.00
WARRANTY INSPECTIONS	\$ 350.00	\$ 2,450.00
FORM SURVEY	\$ 150.00	\$ 1,050.00
FOUNDATION PLANS	\$ 275.00	\$ 1,925.00
ARCHITECT PLANS	\$ 580.00	\$ 4,060.00
HOME WARRANTY	\$ 370.00	\$ 2,590.00
PERMITS	\$ 1,800.00	\$ 12,600.00
INTERIM LOAN	\$ 500.00	\$ 3,500.00
SITE DEVELOPMENT	\$ 3,740.00	\$ 26,180.00
UTILITIES	\$ 850.00	\$ 5,950.00
<b>CONSTRUCTION SOFT COST TOTAL</b>	<b>\$ 9,445.00</b>	<b>\$ 103,895.00</b>
<b>CONSTRUCTION HARD COSTS</b>		
VERTICAL CONSTRUCTION	\$ 102,000.00	\$ 1,122,000.00
<b>DEVELOPER FEE</b>		
	\$ 15,000.00	\$ 165,000.00
<b>TOTAL PROJECT COSTS</b>	<b>\$ 157,879.00</b>	<b>\$ 1,736,669.00</b>
<b>ESTIMATED SALES PRICE</b>	<b>\$ (100,000.00)</b>	<b>\$(1,100,000.00)</b>
<b>ESTIMATED CITY SUBSIDY</b>	<b>\$ 57,879.00</b>	<b>\$ 636,669.00</b>

# West Dallas Project-Details

- Homes will be 3-bedroom, 2 bath, approximately 1350 sq.ft. with garages
- Sales price for the homes will be approximately \$100,000
- Units will be sold to low-moderate income families at or below 80% AMFI (homebuyers may also qualify for \$20,000 in mortgage assistance)
- BOH will have until December 31, 2015 to build and occupy the eleven homes
- City funds will pay for a portion of the soft costs, construction costs, and developer fees
- Proceeds from the sale of the units will be repaid to Inwood Bank and the City, less related and approved closing costs.
- BOH will sign a loan agreement, Deed of Trust and Deed restrictions with the City
- Deed Restrictions for affordability for 15 years

# Next Steps West Dallas Project

- September 10, 2014 - City Council consideration of a HOME development loan for \$480,000 to Builders of Hope CDC for the construction of 16 single family homes for the Prairie Creek Project
- September 24, 2014 - City Council consideration of a HOME development loan for \$521,400 to Builders of Hope CDC for the construction of 11 single family homes for the West Dallas Project
- September 31, 2014 – contract with BOH
- Nov/Dec 2014 –construction begins

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 10, 2014  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Theresa O'Donnell, 671-9195  
**MAPSCO:** 48V

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## **SUBJECT**

Authorize **(1)** an extension of the development loan agreement with Builders of Hope CDC, Prairie Creek Project for acquisition and related acquisition costs of 40 unimproved properties to December 31, 2015; and **(2)** a development loan in the amount of \$480,000 for the construction of the final sixteen homes – Financing: 2010-11 Home Investment Partnership Program Grant Funds (\$115,235), 2011-12 Home Investment Partnership Program Grant Funds (\$270,767), and 2012-13 Home Investment Partnership Program Grant Funds (\$93,998)

## **BACKGROUND**

In January 2009, Builders of Hope CDC (BOH) and the City of Dallas entered into a loan agreement for funding for the Prairie Creek Project for \$500,000 to acquire 40 unimproved properties for the construction of single-family homes available to low-to-moderate income families located at Military Parkway and Prairie Creek.

Pursuant to the CHDO Program Statement for June 27, 2001, Council Resolution No. 01-2049, the City of Dallas Housing Director was authorized to approve development funding for projects with fewer than 100 units. The Prairie Creek Project was approved by this method. As of the notice from the City Manager dated February 28, 2014 requiring more transparency, this and similar projects must now be presented for City Council approval.

As of July 31, 2014, BOH has built and sold 24 single family homes to low-moderate income families at or below 80% AMFI. Sixteen homes remain to be built. The total cost of construction per unit is \$150,000 for 1539 square foot home at \$97 per square foot. The recent sales are valued at \$120,000. BOH has obtained private financing for a portion of the construction costs with Inwood Bank and has requested a \$480,000 development loan from the City. The City funds will be used to pay \$30,000 per unit for a portion of the total development costs including soft costs and developer fees.

**BACKGROUND (continued)**

The loan terms will be zero percent interest with a maturity date of December 31, 2015. BOH will be forgiven a prorated portion of the loan as homes are sold with a repayment of \$6,625 to the City. Homebuyers will assume a 15 year resale restriction.

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

On June 27, 2001, the City Council approved the CHDO Loan Program Statement that authorized the Housing Director to approve development funding for projects with fewer than 100 units, by Resolution No. 01-2049.

On June 23, 2010, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2010-11 federal funds which included the HOME Investment Partnership Funds for Housing Development Loan Program, by Resolution No. 10-1594.

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

On June 26, 2013, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2013-14 federal funds which included the HOME Investment Partnership Funds for Housing Development Loan Program, by Resolution No. 13-1142.

On November 27, 2013, the City Council Housing Committee was briefed on the organization and this project.

**FISCAL INFORMATION**

2010-11 Home Investment Partnership Program Grant Funds - \$115,235  
2011-12 Home Investment Partnership Program Grant Funds - \$270,767  
2012-13 Home Investment Partnership Program Grant Funds - \$93,998

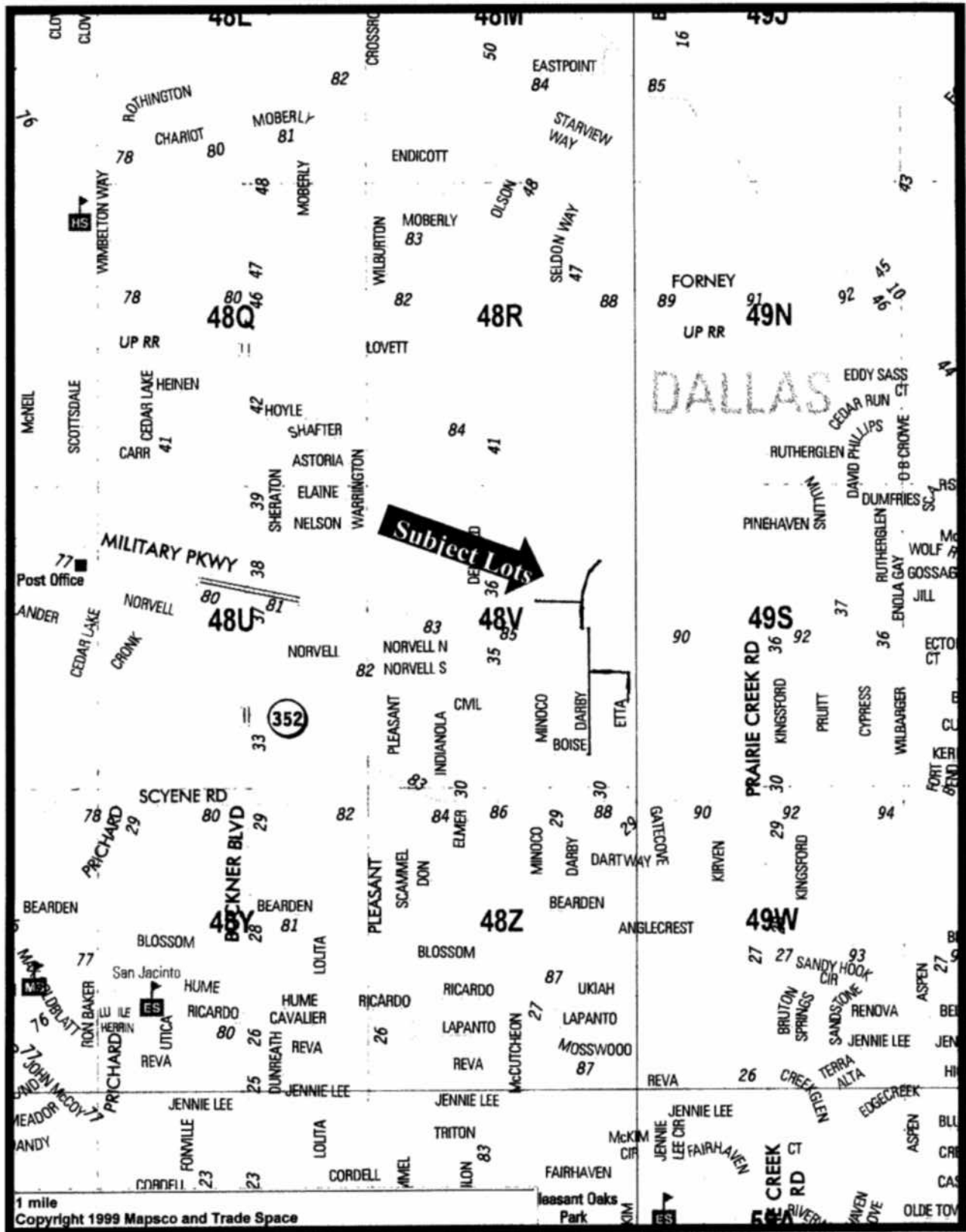
**OWNER**

**Builders of Hope CDC**

Norman Henry, President

**MAP(S)**

Attached



**MAPSCO 48V**

September 10, 2014

**WHEREAS**, on June 27, 2001, the City Council approved the CHDO Loan Program Statement that authorized the Housing Director to approve development funding for projects with fewer than 100 units, by Resolution No. 01-2049; and

**WHEREAS**, on June 23, 2010, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2010-11 federal funds which included the HOME Investment Partnership Funds for Housing Development Loan Program, by Resolution No. 10-1594; and

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

**WHEREAS**, on June 26, 2013, the City Council approved the City of Dallas Consolidated Plan Budget for FY 2013-14 federal funds which included the HOME Investment Partnership Funds for Housing Development Loan Program, by Resolution No. 13-1142; and

**WHEREAS**, Builders of Hope CDC has requested an extension of time to the development loan agreement to allow them to continue their efforts to construct the final 16 units and complete the sale of the units to low-to-moderate income families at or below 80% AMFI; **NOW, THEREFORE,**

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

**Section 1.** That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend the development loan agreement with Builders of Hope CDC to: (1) extend the current development loan agreement to December 31, 2015; and (2) provide a development loan in the amount of \$480,000 for the construction of the final sixteen homes.

**Section 2.** The terms of the agreement include:

- (a) Borrower must execute a Notes Payable and Deed Restrictions.
- (b) Borrower must complete and sell the remaining homes to low-to-moderate income families whose incomes are 80% or less of area median family income by the maturity date.
- (c) Borrower will be released from liability on the Note at the same time the low-to-moderate income family closes the purchase of the home.
- (d) Properties will be deed restricted for affordability at 80% or less of Area Median Family Income for sale and resale to eligible homebuyers for a period of fifteen years.



September 10, 2014

**Section 3.** 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.

**Section 4.** 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 40 properties upon compliance with the loan terms and deed restrictions.

**Section 5.** That the City Controller is hereby authorized to disburse funds in accordance with this Resolution and the terms and conditions of the loan agreement with as follows:

Builders of Hope CDC Vendor # 337558

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>AMOUNT</u>
HM10	HOU	463C	3015	HOU463CK129	\$115,235
HM11	HOU	745D	3015	HOU463CK129	\$270,767
HM12	HOU	893E	3015	HOU463CK129	\$93,998

**Section 6.** That the City Controller is hereby authorized to modify receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in funds HM10, HM11, and HM12 for the amount of the loan.

**Section 7.** That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available HOME funds and there will be no liability or obligation on the City until final contract documents are approved, executed, and final closing completed.

**Section 8.** 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:** September 10, 2014  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Theresa O'Donnell, 671-9195  
**MAPSCO:** N/A

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**SUBJECT**

Authorize an Interlocal Cooperation Contract for the Urban Land Bank Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County Community College District to facilitate the Dallas Housing Acquisition and Development Corporation's (Land Bank) acquisition of unimproved tax foreclosed properties for sale to qualified developers for the development of affordable housing - Financing: No cost consideration to the City

**BACKGROUND**

This action will authorize the City Manager to execute an Interlocal Cooperation Contract for the Urban Land Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County Community College District to facilitate the Land Bank's acquisition of unimproved, tax-foreclosed properties for sale to qualified developers for the development of affordable housing in accordance with Chapter 379C of the Texas Local Government Code (Code).

The term of the contract will begin on October 1, 2014 and end on September 30, 2015.

Under the contract, the City may refer to the County up to 300 parcels of real property intended for acquisition by the Land Bank for filing of a tax lawsuit prior to March 31, 2015. The City or the Land Bank must give written notice to all parties to the contract of the specific addresses of parcels intended for acquisition by the Land Bank prior to referring said parcels to the County for filing of a tax lawsuit and prior to the sale of a property to the Land Bank after a judgment is obtained. Each party will have the right to withhold its consent to the filing of lawsuit on a parcel or sale of a particular parcel to the Land Bank.

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

On January 28, 2004, by Resolution No. 04-0458, the City Council established the Dallas Housing Acquisition and Development Corporation as its Land Bank and authorized an Interlocal Contract for an Urban Land Bank Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County Community College District (Interlocal Contract).

On August 28, 2013, by Resolution No. 13-1437, the City Council authorized an Interlocal Contract to allow the City to refer up to 300 additional parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2014 and to extend the term to September 30, 2014.

**FISCAL INFORMATION**

No cost consideration to the City

September 10, 2014

**WHEREAS**, the City has an interest in preserving and increasing the tax base and creating affordable housing for low-income households to provide necessary decent, safe, and sanitary housing for such households; and

**WHEREAS**, on January 28, 2004, by Resolution No. 04-0458, the City Council established the Dallas Housing Acquisition and Development Corporation (Land Bank) as its land bank for the purpose of acquiring, holding, and transferring unimproved, tax-foreclosed, real property for the development of affordable housing in accordance with Chapter 379C of the Texas Local Government Code (Code); and

**WHEREAS**, the City Council desires to enter into an Interlocal Cooperation Contract for the Urban Land Bank Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County Community College District to facilitate the Land Bank's acquisition of unimproved, tax-foreclosed properties for sale to qualified developers for the development of affordable housing in accordance with the Code;

**NOW, THEREFORE,**

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

**Section 1.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute an Interlocal Cooperation Contract for the Urban Land Bank Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County Community College District, which will include the following provisions:

- a. The term of the contract will begin on October 1, 2014 and end on September 30, 2015.
- b. The City will be allowed to refer to the County up to 300 parcels of real property intended for acquisition by the Land Bank for filing of a tax lawsuit prior to March 31, 2015.
- c. The City or the Land Bank must give written notice to all parties to the contract of the specific addresses of parcels intended for acquisition by the Land Bank prior to referring said parcels to the County for filing of a tax lawsuit and prior to the sale of a property to the Land Bank after a judgment is obtained. Each party will have the right to withhold its consent to the filing of lawsuit on a parcel or sale of a particular parcel to the Land Bank.

September 10, 2014

**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.