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CITY SECRETARY CITY OF DALLAS  
DALLAS, TEXAS

## Memorandum

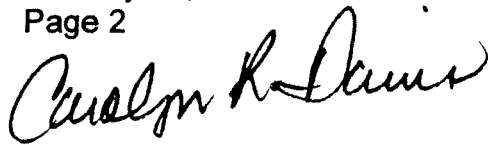
DATE January 17, 2014

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

SUBJECT January 21, 2014 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Tuesday, January 21, 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 January 6, 2014 Minutes  
Councilmember Carolyn R. Davis
2. Patriots Crossing Project  
Mitchell/O'Donnell  
(Estimated time 60 minutes)
3. Briefing Memo  
For Information Only
  - 2014 9% Low Income Housing Tax Credit (LIHTC) Applications
4. Upcoming Agenda Items  
For Information Only  
Housing items only
  - a. Amendment to Home Repair Program Statement
  - b. Preliminary Adoption for Substantial Amendment (addendum)
  - c. City of Dallas Housing Finance Corporation's 2014 Mortgage Credit Certificate Program (Economic Development Dept)



Carolyn R. Davis, Chair  
Housing Committee

c: A.C. Gonzalez, Interim 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, Interim 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  
Frank Libro, 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 January 6, 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: January 6, 2014

Meeting Start time: 11:02 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 City Manager Bernadette Mitchell-Interim Director/HOU Karl Zavitkovsky-Director/ECO James Martin-Director/CCS David Cossum Interim Director/DEV Charles Brideau-Asst. Director/HOU Karen Rayzer-Asst. Director/HOU Beverly Davis-Asst. Director Patrick Inyabri-Interim Asst. Director-HOU Lee McKinney-Asst. Director Cynthia Rogers-Ellickson-HOU Pamela Jones-HOU Warren Ernest-CAO Art Hudman-CAO Michael Bostic-CAO Chris Bowers-CAO Robin Bentley-CAO Karen Schaffner-ECO Robyn Gerard-CMO Renita Griggs-MCO Doris Edmon-HOU Cassandra Luster-HOU Aldo Fritz-HOU</p> <p>Ben Collins-CCS Barksdale Haggins-FHO Tyrone McGill-CCS Calvin McAllister-FHO Chan Williams-OFS Connie Reese-CCS Adelia Gonzalez-SEC</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> Kristen-Schulz-Dallas Habitat for Humanity Sherman Roberts-City Wide CDC Steve Drake-City Wide CDC</p>

AGENDA:

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

1. **Approval of December 2, 2013 Minutes of the Housing Committee**  
 Presenter(s): Council Member Carolyn R. Davis

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

<b>Motion made by:</b> CM Carolyn R. Davis	<b>Motion seconded by:</b> CM Dwaine Caraway
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. **Fair Housing Overview**

Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Beverly Davis, Assistant Director Office of Fair Housing

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. **Jubilee Park & Community Center Corporation Non-Recourse Language Request**

Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Bernadette Mitchell, Interim Director/Robin Bentley, Assistant City Attorney

Information Only: \_\_\_\_\_

**Action Taken/Committee Recommendation(s)** Motion to move forward to full council on January 8, 2014

<b>Motion made by:</b>	<b>Motion seconded by:</b>
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):

4. **Closed session to receive legal advice from City Attorney on regulation of boarding homes facilities (§ 551.071, T.O.M.A)**

Presenter(s): Theresa O'Donnell, Interim Asst. City Manager/Chris Bower, First Assistant City Attorney

**Action Taken/Committee Recommendation(s)** Closed Session from 11:03 A.M-12:09 P.M.

<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 January 17, 2014

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

SUBJECT Patriots Crossing Project

On Tuesday, January 21, 2014, you will be briefed on Patriots Crossing Project. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in cursive script 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, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# PATRIOTS CROSSING PROJECT

A Briefing to the Housing Committee

Housing/Community Services Department  
January 21, 2014



# PURPOSE

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- ✘ Provide information regarding the Sapphire Road Development and Patriots Crossing Projects



# HISTORY

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- ✘ April 20, 2009- the Economic Development Department briefed the Housing Committee of the City Council on the Lancaster Corridor and potential mixed-use projects, including a project with Sapphire Road Holdings and Development
  - + The Committee supported this project moving forward with a Chapter 380 economic development forgivable loan of \$2M for land assemblage for mixed-use redevelopment
    - ✘ The funds provided were 2006 General Obligation Bond Funds
- ✘ April 22, 2009- City Council approved the Chapter 380 economic development loan
  - + The developer would have 5 years from the initial advance to complete redevelopment on acquired parcels or convey title back to the City
  - + The City would have first liens and deed restrictions on each parcel purchased with City funds, which would prevent sale or transfer
  - + Liens and deed restrictions would be released upon completion of redevelopment
- ✘ May 12, 2010- City Council approved an increase in the Chapter 380 economic development loan by \$700,000 from 2006 General Obligation Bond Funds
- ✘ October 26, 2010- City Council approved an increase in the Chapter 380 economic development loan by \$1.3M from 2006 General Obligation Bond Funds

# HISTORY (CONTINUED)

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- ✘ February 7, 2011- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments
- ✘ February 22, 2011- the Housing Committee was briefed more specifically about each LIHTC project and supported the Sapphire Road Holdings project's application for a 9% LIHTC award
- ✘ February 23, 2011- the City Council approved support of the Sapphire project's application for a 9% LIHTC award
- ✘ June 22, 2011- the City Council approved an increase in the Chapter 380 economic development loan by \$300,000 and extended the completion date to 7 years (late 2016)

# HISTORY (CONTINUED)

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- ✘ February 6, 2012- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments but scored low and did not move on
- ✘ February 8, 2012- City Council approved an increase in the Chapter 380 economic development loan by \$100,000 from 2006 General Obligation Bond Funds
- ✘ February 4, 2013- the Housing Committee of the City Council was briefed on the Low Income Housing Tax Credit (LIHTC) program for the State
  - + Sapphire Road Holdings was to be an applicant utilizing a portion of the land for apartments
- ✘ February 19, 2013- the Housing Committee was briefed more specifically about each LIHTC project and supported the Sapphire Road Holdings project's application for a 9% LIHTC award and authorized gap funding of \$1.35M for construction from Federal -HOME funds
- ✘ February 27, 2013- the City Council approved support of the Sapphire project's application for a 9% LIHTC award
- ✘ August 14, 2013- the City Council approved zoning changes for the Patriot's Crossing Project

# HISTORY (CONTINUED)

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
- ✘ October 7, 2013- the Housing Committee was briefed on the status of LIHTC projects submitted to the State of Texas
  - + Sapphire Road Holdings also requested that the Committee support their request to submit an application for 4% tax credits because they were not successful in the 9% round
  - + The Committee supported the request
- ✘ October 8, 2013- the City Council approved support of the Sapphire project's application for a 4% LIHTC award and authorized gap funding of \$1.35M for construction from Federal- HOME funds
- ✘ January 6, 2014- the Housing Committee discussed an agenda item for the Sapphire project which would change the wording in the resolution provided by the City of Dallas
  - + These changes were requested by the Texas Department of Housing & Community Affairs (TDHCA)
- ✘ January 8, 2014-City Council held a public hearing to receive comments on the project and approved wording changes to the resolution adopted October 8, 2013

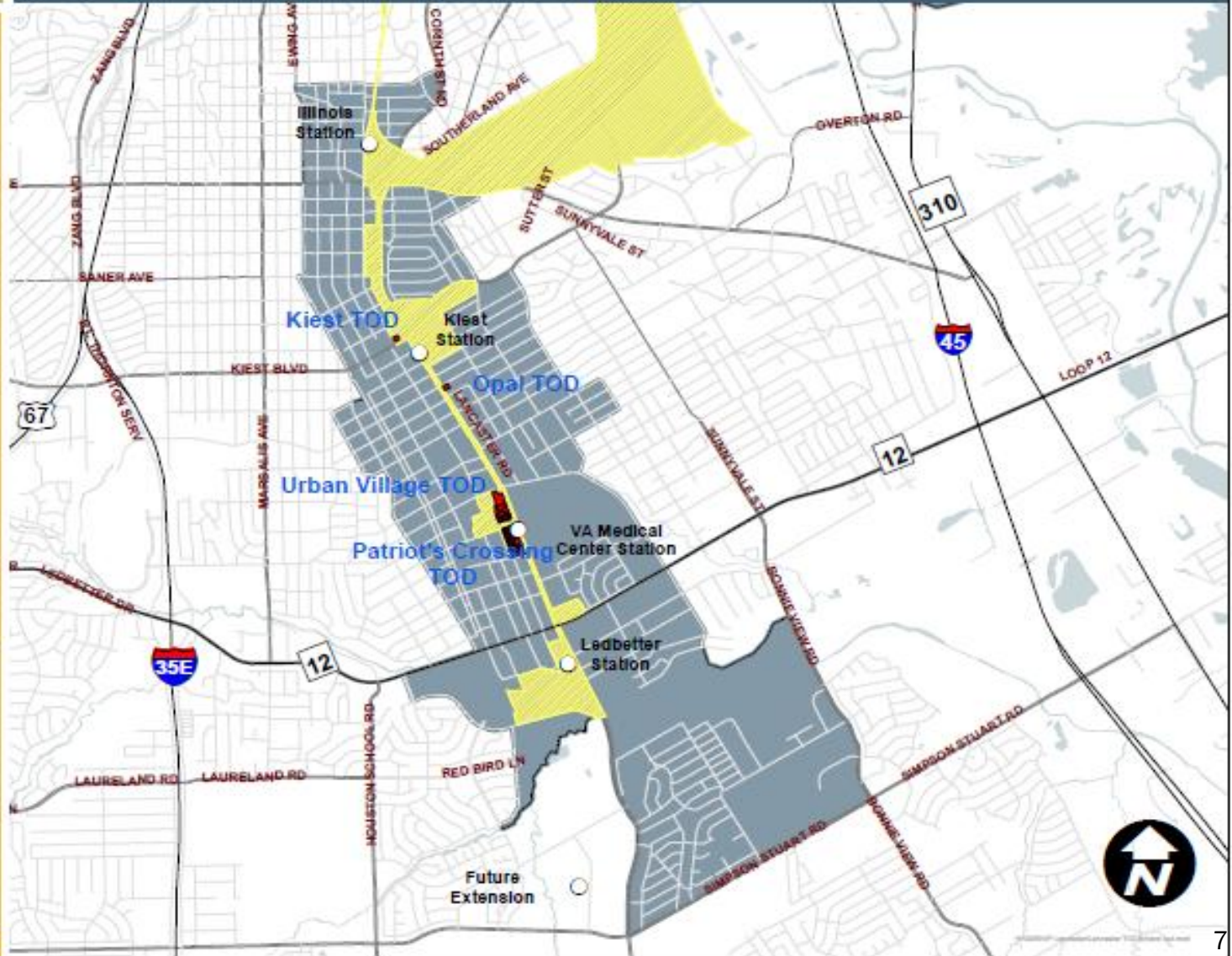
# Lancaster Corridor

## NEIGHBORHOOD INVESTMENT PROGRAM

CITY OF DALLAS  
HOUSING / COMMUNITY SERVICES DEPT

### LANCASTER CORRIDOR TRANSIT ORIENTED DEVELOPMENTS

-  Dart Stations
-  Proposed TODS
-  Major Highways
-  TOD TIF District
-  Light Rail
-  NIP Area Boundary
-  Lakes and Rivers



# SITE OF PROJECT



# ACQUISITION OF LAND

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- ✘ The developer submitted the following items for staff review prior to purchase:
  - + Property survey
  - + Title commitment
  - + Environmental assessment
  - + Appraisal performed by an independent fee appraiser
  - + Sales contract
  - + Settlement statements
  
- ✘ Once all items were reviewed by staff and approved, funds were wired to the title company for the closing
  
- ✘ The City of Dallas has a first lien deed of trust and deed restrictions on all parcels acquired with these funds

# OTHER ALLOWABLE COSTS

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- ✘ In the assemblage of land and preparation for redevelopment, other allowable costs that were reimbursed were:
  - + Closing costs
  - + Surveys
  - + Broker fees
  - + Consulting fees
  - + Relocation and moving costs
  - + Demolition and asbestos removal costs
  - + Architect and engineering work
  - + Zoning and planning fees



# COMPARISON OF APPRAISED VALUES AND PURCHASE PRICES

Address		Appraised Value	Purchase Price
4502	Denley	\$ 189,000.00	\$ 100,000.00
4506	Denley	\$ 189,000.00	\$ 100,000.00
4510	Denley	\$ 88,700.00	\$ 62,000.00
4514	Denley	\$ 120,400.00	\$ 92,000.00
4518	Denley	\$ 90,500.00	\$ 47,000.00
4522	Denley	\$ 88,700.00	\$ 60,000.00
4526	Denley	\$ 120,400.00	\$ 120,400.00
4530	Denley	\$ 120,400.00	\$ 120,400.00
4602	Denley	\$ 120,400.00	\$ 120,400.00
4606	Denley	\$ 120,400.00	\$ 120,400.00
4610	Denley	\$ 120,400.00	\$ 120,400.00
4614	Denley	\$ 120,400.00	\$ 120,400.00
4618	Denley	\$ 120,400.00	\$ 120,400.00
4622	Denley	\$ 83,192.00	\$ 86,600.00
4626	Denley	\$ 120,400.00	\$ 120,400.00
4634	Denley	\$ 156,600.00	\$ 135,000.00
4702	Denley	\$ 248,400.00	\$ 36,000.00
		\$ 2,217,692.00	\$ 1,681,800.00

Address		Appraised Value	Purchase Price
4501	Lancaster	\$ 109,200.00	\$ 100,000.00
4507	Lancaster	\$ 109,900.00	\$ 100,000.00
4515-27	Lancaster	\$ 950,000.00	\$ 850,000.00
4531	Lancaster	\$ 190,000.00	\$ 105,000.00
4615	Lancaster	\$ 109,900.00	\$ 100,000.00
4619	Lancaster	\$ 109,900.00	\$ 100,000.00
4623	Lancaster	\$ 109,900.00	\$ 77,500.00
4627	Lancaster	\$ 109,900.00	\$ 77,500.00
4631	Lancaster	\$ 298,600.00	\$ 268,000.00
4703	Lancaster	\$ 100,200.00	\$ 100,000.00
		\$ 2,197,500.00	\$ 1,878,000.00
<b>Total Land Costs</b>		<b>\$ 3,559,800.00</b>	

# OTHER COSTS INCURRED

Closing Costs					\$ 56,126.69
Environmental Report					\$ 30,636.82
Surveys & Appraisals					\$ 29,074.50
Broker Fees					\$ 74,384.00
Legal Fees					\$ 9,217.15
Consulting Fees					\$ 200,599.99
Relocation & Moving Costs					\$ 24,681.83
Demolition					\$ 75,711.10
Predevelopment Expenses					
Architect, Engineering, Zoning, Surveying					\$ 300,504.92
Alley purchase, abandonment					\$ 39,263.00
<b>Total Other Costs</b>					<b>\$ 840,200.00</b>
Plus Land Costs					\$ 3,559,800.00
<b>Grand Total</b>					<b>\$ 4,400,000.00</b>

# **Presentation of Patriot's Crossing**

## **By Yigal Lelah**

## Memorandum



DATE January 21, 2014

TO Members of the Housing Committee,  
Carolyn Davis (Chair), Scott Griggs, (Vice-Chair), Monica Alonzo, Dwaine Caraway, Rick Callahan, Philip Kingston

SUBJECT 2014 9% Low Income Housing Tax Credit (LIHTC) Applications

Following discussions at the January 6, 2014 Housing Committee meeting, the staff sent the attached letter and development application to all interested developers and consultants to instruct them on how the City would process LIHTC requests. The information was further provided on the City of Dallas website and published in the Dallas Morning News.

Staff has also provided a timeline for the processing of the LIHTC applications for you. Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell  
Interim Assistant City Manager

c: A.C. Gonzalez, Interim 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, Interim First Assistant City Manager  
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Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council  
Bernadette Mitchell, Interim Director



City of Dallas

January 7, 2014

Ref: 2014 9% Low Income Housing Tax Credit (LIHTC) Applications

Dear Developers and Consultants,

This letter is to give notice of the City of Dallas process for the 2014 9% Competitive Housing Tax Credit Program through the Texas Department of Housing and Community Affairs (TDHCA). For consideration for funding and formal City Council support of any Low Income Housing Tax Credit (LIHTC) project, you will need to submit the following items no later than January 17, 2014:

- 1) A copy of the attached Development Project Application with as much supporting documentation as possible (submitted electronically).
- 2) \$1,000 fee with each single application to cover administrative costs associated with reviewing the application (make the check payable to: City of Dallas)
- 3) Cover letter addressed to Bernadette Mitchell, Housing/Community Services Interim Director, requesting formal City Council support, any gap funding requests, and any special Resolution requests for the project.

Please email all items to [cynthia.rogersellickson@dallascityhall.com](mailto:cynthia.rogersellickson@dallascityhall.com) and [etoria.anderson@dallascityhall.com](mailto:etoria.anderson@dallascityhall.com).

Potential respondents should be aware that the city of Dallas has received communication from the U.S. Department of Housing and Urban Development with respect to its compliance with fair housing regulations. The City is committed to achieving the goals of the federal fair housing regulations and affirmatively furthering fair housing. Responses to this letter will be evaluated in light of the City's commitment; so, respondents should highlight in their submission the ways in which their project will advance the goal of affirmatively furthering fair housing.

During February 2014, staff will present all LIHTC projects to the Housing Committee of the City Council and the full City Council for consideration. You will receive further information on the specific dates. If you have any questions or concerns, please contact me at 214-670-3619.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bernadette Mitchell".

Bernadette M. Mitchell, Interim Director  
Housing/Community Services Department

Attachment

C: Charles Brideau, Assistant Director  
Cynthia Rogers-Ellickson, Development Manager  
Etoria Anderson, Coordinator IV

# DEVELOPMENT PROJECT APPLICATION

## I. Project Data

- A. Project Name/Description/Location (map)
- B. Legal Name of Applicant(s)
- C. Project Manager (s)
- D. Project Contact Phone # and email address
- E. Plans for proposed development, timelines, floor plans, project elevations, financing of activities, unit mix-both by income and bedroom size, etc...
- F. Address whether the proposed development is transit-oriented development, permanent supportive housing, or part of a community revitalization area
- G. Narrative on how project will Affirmatively Further Fair Housing
- H. Appraisals, environmentals, title commitments, contract for sale, preliminary site plan
- I. Address any anticipated rezoning or replatting
- J. Describe any neighborhood/community input considered in your project proposal

## II. Project Financial Data

- A. Sources and uses of project funds
- B. Detail equity investment in project
- C. Development schedule including detailed cost breakdown
- D. Lender and builder commitments (evidence of commitments)
- E. Pro-forma for 15 years

## III. Applicant Data

- A. Type of business (sole proprietorship, corporation, partnership)
- B. Names and addresses of general and limited partners
- C. Previous development history with references for similar projects (include description of the type of work performed)
- D. Applicant's background (experience of applicant and key personnel)
- E. Developer/Builder Information
  1. Financial Statements
  2. Primary Lender, financial officer, and contact information

## **Low Income Housing Tax Credit Application Timeline for Processing**

January 7, 2014	COD request for application to developers
January 17, 2014	Deadline for application to be submitted to COD
February 3, 2014	LIHTC briefing to Housing Committee
February 26, 2014	City Council Public Hearings and Consideration for Support of LIHTC projects
February 28, 2014	All LIHTC applications due to TDHCA

**KEY FOCUS AREA:** Clean, Healthy Environment  
**AGENDA DATE:** January 22, 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 amendment to the Home Repair Program Statement to: **(1)** establish the Emergency Repair Program; and **(2)** modify the affordability and repayment terms for Reconstruction Program loans - Not to exceed \$290,000 – Financing: Current Funds

### **BACKGROUND**

The City of Dallas desires to preserve the supply of safe, decent, and affordable homes for ownership and occupancy of low-to-moderate income households for families with incomes 80% or less, based on number of persons in household, as defined by the Department of Housing and Urban Development's annual income figures. The City of Dallas also desires to provide a program that assist the needs of homeowners who are 60 years of age and/or disabled; to improve quality of life both indoors and out; conserve energy and water usage, minimize waste of materials in landfills, preserve natural resources, reduce storm water impacts on the environment, and enhance human health. On November 12, 2007, the City Council authorized the Program Statement for the Major Systems Repair and the Reconstruction/SHARE Program.

### **EMERGENCY REPAIR PROGRAM:**

This action will authorize the City of Dallas' Home Repair Program to establish the Emergency Repair Program to respond to living situations which call for immediate action to protect the health or safety of the occupants and the possible spread of threatening conditions to the neighborhood. On September 18, 2013, Council approved \$290,000 in appropriations using Dallas Operating, Grants and Trusts, and Capital Budgets for the program. The recommended repairs are sewer lines, gas lines, water lines/ and or water damage, water heaters, roof, electrical systems, air conditioning and heaters (seasonal), windows, ADA renovations, ramps, toilets, grab bars, and other vital accessibility needs, and other similar types of repairs. The Emergency Repair Program would provide up to \$7,500 as a grant for the defined emergencies.



## **BACKGROUND (continued)**

The City of Dallas' Housing/Community Services and the Community Council of Greater Dallas will collaborate for referrals for emergency assistance to clients that are being served through case management.

## **RECONSTRUCTION PROGRAM:**

The modifications to the Reconstruction/SHARE Program Statement would address the challenges with indefinite loan terms, the useful life of the property and deed restrictions, the cost associated with compliance reviews over the life of the property, mediating between heirs for assumption of the asset and the loan, issuance of default and possible foreclosure, vacant and deteriorating property and complicated payoff calculations and challenges to appraised values.

This action will also (1) Provide assistance as a twenty-year forgivable loan; (2) Allow income eligible heirs to assume the loan upon the homeowner's death; (3) Allow heirs who are not income eligible to begin making payments on the unamortized balance or pay off the balance; (4) Clarify that the pay off amount or the amount owed and due on the note to Lender shall be the lesser of (a) the original Principal Amount of the note as may be amended less any amount forgiven for years that the borrower complied with this Program Statement or (b) seventy-five percent (75%) of the market value of the land and improvements as determined by a state-certified residential appraiser who prepares an independent appraisal of the land and improvements at the expense of Borrower or Borrower's legal representative; (5) Allow the heir to deed the property back to the City in lieu of payment of the loan as described in items (2) or (3) above, or in lieu of foreclosure and; (6) Allow the City Manager, or a designee, to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements.

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

On May 25, 2011, the City Council authorized an amendment to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 11-1349.

On June 22, 2011, the City Council authorized the adoption of the final FY 2011-12 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 11-1679.

On June 27, 2012, City Council authorized the adoption of the final FY 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 12-1629.

On June 26, 2013, the City Council adopted the final FY2013-14 Consolidated Plan Budget and final FY 2012-13 Reprogramming Budget by Resolution No. 13-1142.

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

On September 18, 2013, the City Council adopted the appropriation ordinances for the proposed FY 2013-14 City of Dallas Operating, Grants and Trusts, and Capital Budgets by Resolution No. 13-1646.

On November 4, 2013, the Housing Committee was briefed on updates on the Home Repair Programs, suggested guidelines for the Emergency Repair Program and proposed amendments to the Home Repair Reconstruction Program.

**FISCAL INFORMATION**

Current Funds - \$290,000

January 22, 2014

**WHEREAS**, on May 25, 2011, the City Council authorized an amendment to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 11-1349; and

**WHEREAS**, on September 18, 2013, the City Council adopted the appropriation ordinances for the proposed FY 2013-14 City of Dallas Operating, Grants and Trusts, and Capital Budgets by Resolution No. 13-1646; and

**WHEREAS**, the City now desires to authorize the Home Repair Program to establish the Emergency Repair Program for assistance defined as emergencies attached as Exhibit C; and

**WHEREAS**, the City now desires to adopt these revisions to the Home Repair Program Statement for Reconstruction/SHARE Program attached as Exhibit B; **NOW, THEREFORE,**

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

**SECTION 1.** That the City Manager is authorized to amend the Home Repair Program Statement to (1) establish the Emergency Repair Program; and (2) modify the affordability and repayment terms for Reconstruction Program loans.

**SECTION 2.** That the City Controller is hereby authorized to disburse funds from Fund 0001, Dept. HOU, Unit 4294, Object Code 3099, in the amount not to exceed \$290,000.

**SECTION 3.** 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 Home Repair 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 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 the homes of seniors and/or disabled residents of the City of Dallas; 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 a interest free self-amortizing forgivable loan with a five (5) year lien term for a maximum of \$17,500 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 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 for ownership and income, and Level II property eligibility will not be applicable. Additional costs to repair or replace a system under Assistance Type Two will be provided as a grant up to \$7,500.

## **EXHIBIT A (continued)**

### **MAJOR SYSTEMS REPAIR PROGRAM (MSRP) PROGRAM STATEMENT**

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
- 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
- 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

## **EXHIBIT A (continued)**

### **MAJOR SYSTEMS REPAIR PROGRAM (MSRP) PROGRAM STATEMENT**

#### **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.

#### **Insurance Claim Checks:**

The City Manager or his/her designee is authorized to endorse and approve insurance claim checks to homeowners where the City of Dallas is listed as a lien-holder, and/or named on the insurance check.

#### **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 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.

## Exhibit B

### RECONSTRUCTION / ~~SHARE~~ PROGRAM PROGRAM STATEMENT

~~All eligible applicants approved for the program must be able to obtain title insurance, agree to voluntarily relocate elsewhere at their own expense during reconstruction, and provide proof of homeowners' insurance for the reconstructed home prior to occupancy.~~

#### Loan Terms:

~~Assistance Type One and Assistance Type Two:~~

- Deferred loans will be secured by a promissory note, and deed of trust
  - The term of the loan will be 0% interest over 20 years, forgivable annually
  - ~~The interest free note is due and payable upon the death of Borrower or transfer of the property.; provided, however, the amount owed and due on the note to Lender on date of death of Borrower or transfer of the property shall be the lesser of (a) the original Principal Amount of the note as may be amended or (b) seventy-five percent (75%) of the market value of the land and improvements as determined by the Dallas Central Appraisal District for the property for the year immediately prior to the proposed sale or transfer of property." Transfer of Property" shall be deemed to include, but not be limited to, the conveyance of the property or any interest therein, (except oil, gas or mineral interests), such as the granting of a leasehold interest or a life estate in the property, or the quitclaim of the property; or any reverse mortgage on the property.~~
- 
- ~~Lender, in its sole discretion, may consent to a one-time transfer and assumption of the note allow income eligible heirs to assume the loan upon the homeowner's death. If heir is not income eligible, Lender may allow the heir to (1) assume payments on the unforgiven balance, (2) Pay off the lesser of the unamortized balance or 75% of the market value of the land and improvement, or (3) Deed the property to the City in lieu of options (1) or (2). upon the death of Borrower by an eligible heir of the Borrower. To be considered "income eligible," an heir of Borrower must satisfy all the following conditions: (a) the heir has full title to said property and will occupy the property as the heir's principal residence, (b) the heir is at least 62 years of age or disabled or meet the income guidelines as defined in the program statement as hereby amended; (c) the heir's household income as adjusted for family size is 80% or less of the area median family income for Dallas as determined by the U.S. Department of Housing and Urban Development, or its successor, and (d) the heir executes loan assumption documents in form acceptable to Lender.~~
  - ~~Upon the heir's death or upon the transfer of the property by heir, the amount owed and due on the note to the Lender shall be the lesser of (a) the original Principal Amount of the note as may be amended or (b) seventy-five percent (75%) of the market value of~~

## EXHIBIT B (continued)

### RECONSTRUCTION / SHARE PROGRAM PROGRAM STATEMENT

~~the land and improvements as determined by the Dallas Central Appraisal District for the year immediately prior to the a state-certified residential real estate appraiser upon heir's death or the transfer of the title to the property, or~~

Lender may allow the heirs to deed the property back to the City in lieu of foreclosure for preservation and further use in accordance with affordable housing goals.

- ~~If the Dallas Central Appraisal District is no longer in existence at the time of Borrower's or heir's death or transfer of the property, †~~The "market value of the land and improvements" ~~may~~ must be determined by an independent state-certified residential real estate appraiser approved by the City Manager and whereby said appraiser shall prepare an independent fee appraisal of the land and improvements and purchased at the expense of Borrower or Borrower's legal representative.
- Allow the City Manager, or a designee, to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements

~~Refinancing and loan subordinations are not permitted~~ Lender will not subordinate this loan

#### **Program Administration**

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



## **EXHIBIT C**

### **EMERGENCY REPAIR PROGRAM PROGRAM STATEMENT**

#### **Program Purpose:**

To provide emergency assistance to qualified low-income disabled and elderly homeowners within the city limits of Dallas and provide replacements or repairs that have been determined to need immediate action to protect the health or safety of the occupants and pose a threat to the life, health, or safety of the resident(s) and possible spread of threatening conditions to the neighborhood.

- Eligible Repairs
  - Sewer lines
  - Gas lines
  - Water lines and/ or water damage
  - Roof
  - Electrical systems
  - Air conditioning & heaters (seasonal)
  - ADA renovations-ramps, toilets, grab bars and other vital accessibility needs

#### **Client Eligibility**

#### **Assistance Type**

The assistance for repair or replacement of recommended repairs to qualified applicants will be provided as a grant and not exceed \$7,500.

Residential property must be located in the Dallas City limits

Picture ID and Social Security card

Seniors (60 and older) and or disabled

Income 80% or less of median area family income for Dallas, based on number of persons in household, as defined by the Department of Housing and Urban Development annually

**EXHIBIT C (continued)**

**EMERGENCY REPAIR PROGRAM  
PROGRAM STATEMENT**

**Grant Terms:**

- Repairs cannot exceed \$7,500
- Client cannot have received home repair assistance for the same repair type in the last 12 months

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** January 22, 2014  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Theresa O'Donnell, 671-9195  
**MAPSCO:** N/A

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**SUBJECT**

Authorize (1) preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) the establishment of appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income; and (5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-2014 Action Plan – Total not to exceed \$2,344,142 - Financing: FY13-14 CDBG Program Income #1 (\$1,744,142) and FY13-14 HOME Program Income #1 (\$600,000)

**BACKGROUND**

On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds. The grant funds were available beginning on October 1, 2013. The FY 2013-14 Action Plan includes Community Development Block Grant funding in the amount of \$15,730,135 for various activities.

This council action will authorize (1) preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) establish appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income; and (5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-2014 Action Plan

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

On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds, by Resolution No. 13-1142.

**FISCAL INFORMATION**

\$1,744,142.58 - FY13-14 CDBG Program Income #1

\$600,000 - FY13-14 HOME Program Income #1

January 22, 2014

**WHEREAS**, On June 26, 2013, City Council adopted the FY 2013-14 Consolidated Plan Budget for the U.S. Department of Housing and Urban Development (HUD) Grant funds, by Resolution No. 13-1142; and

**WHEREAS**, Program income generated through Community Development Block Grant Program activities must be used for other Community Development Block Grant Program eligible activities; **NOW, THEREFORE**,

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

**SECTION 1.** That the City Council hereby authorizes (1) preliminary adoption of Substantial Amendment No. 1 to the FY 2013-14 Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME); (2) addition of the CDBG Community Based Development Organization (CBDO) program to the FY 2013-14 Action Plan; (3) the use of funds for the Community Based Development Organization program and the Housing Development Loan Program; (4) the establishment of appropriations in CDBG Community Based Development Organization program and increase appropriations in HOME, Housing Development Loan Program made possible by unanticipated program income; and (5) a public hearing to be held on February 26, 2014 to receive comments on Substantial Amendment No. 1 to the FY 2013-2014 Action Plan.

**SECTION 2.** That the City Manager is hereby authorized to establish appropriations in the amount of \$1,744,142.58 in Fund 13R1, Dept HOU, Unit 307F.

**SECTION 3.** That the City Manager is hereby authorized to increase appropriations in the amount of \$600,000 in Fund 13M1, Dept HOU, Unit 310F.

**SECTION 4.** That the City Controller is authorized to disburse funds from the following appropriations in an amount not to exceed \$2,344,142.58:

Fund 13R1, Dept HOU, Unit 307F \$1,744,142.58  
Fund 13M1, Dept HOU, Unit 310F \$600,000.00

**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.

# Memorandum



DATE January 17, 2014

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

SUBJECT **City of Dallas Housing Finance Corporation 2014 Mortgage Credit Certificate Program**

## Background

The Dallas Housing Finance Corporation (DHFC) seeks authorization to convert a \$10 Million bond allocation (2013 Private Activity Bond Program), approved by the Texas Bond Review Board (BRB) into a \$7,100,000 Million Mortgage Credit Certification (MCC) Program. MCC's are part of a federal tax credit program for first-time, low-to-moderate income homebuyers and not an obligation of the City of Dallas.

The DHFC is authorized to issue revenue bonds on behalf of the City to provide funds to support mortgage lending to persons of low-to-moderate income for the purpose of purchasing residences located in the City of Dallas. As a result of unfavorable market conditions, the DHFC has been unable to execute a single-family tax-exempt bond issuance since 2008. As an alternative, in November 2010, Council authorized the DHFC to draw down a tax-exempt bond allocation to convert into \$6,250,000 of MCC's. At this time, 102 first-time homebuyers benefitted from that program.

The MCC Program allows qualified homebuyers in the City of Dallas to receive a federal income tax credit equal to 35% of annual mortgage interest paid, up to a maximum of \$2,000 per year. The homebuyer pays a 1% fee, receives a certificate and has two options: (1) give the certificate to their employer and receive up to \$166.67/month or (2) include the certificate in their tax return to receive a tax credit up to a maximum of \$2,000/year.

MCC Program Requirements are:

- Homebuyer hasn't owned a residence in the last three (3) years
- Home must be occupied as a primary residence
- Homebuyer must apply for a MCC through a participating lender
- Applicant must purchase a home within the City of Dallas
- Income levels cannot exceed IRS guidelines (families of two or less, \$67,600; families of three or more \$77,740)
- Maximum purchase price is \$250,200
- Funds available on a first-come first-served basis

- Homes that are sold within nine years of purchase may have to pay a recapture tax

The DHFC Board met on November 4, 2013, and approved an application to the BRB for an allocation up to \$17,655,368 to be converted to a MCC Program. Subject to City Council approval, the DHFC Board requires that the MCC Program be marketed together with the Mortgage Assistance Program (MAP). The MAP is a down payment assistance program administered by the City's Housing Department. Use of the MAP program in conjunction with MCC program requires that maximum homebuyer income not exceed 80% of area-wide median income and meet other MAP requirements, including but not limited to, homebuyer training.

- On December 3, 2013, the Texas Bond Review Board issued a Certificate of Reservation in the amount of \$10,000,000.

This item is scheduled to go before the Dallas City Council on February 12, 2014.

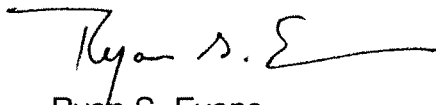
### **Staff**

Karen Schaffner – Office of Economic Development

### **Recommendation**

Staff recommends approval of the subject item.

Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
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  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Frank Libro, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council