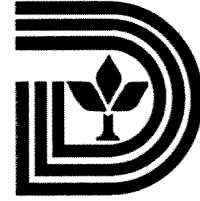


Memorandum



CITY OF DALLAS

DATE April 4, 2014

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

SUBJECT South Dallas Fair Park Inncity Community Development Corporation (ICDC) Organizational Overview, Current Projects, and Future Plans Project

On Monday April 7, 2014, you will be briefed on South Dallas Fair Park Inncity Community Development Corporation (ICDC) Organizational Overview, Current Projects, and Future Plans Project. 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
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
Shawn Williams, Interim Public Information Officer
Bernadette Mitchell, Housing/Community Services, Interim Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council

South Dallas Fair Park Innercity Community Development Corporation (ICDC)

Organizational Overview, Current Projects, and Future Plans

A Briefing To The
Housing Committee

Housing/Community Services Department
April 7, 2014



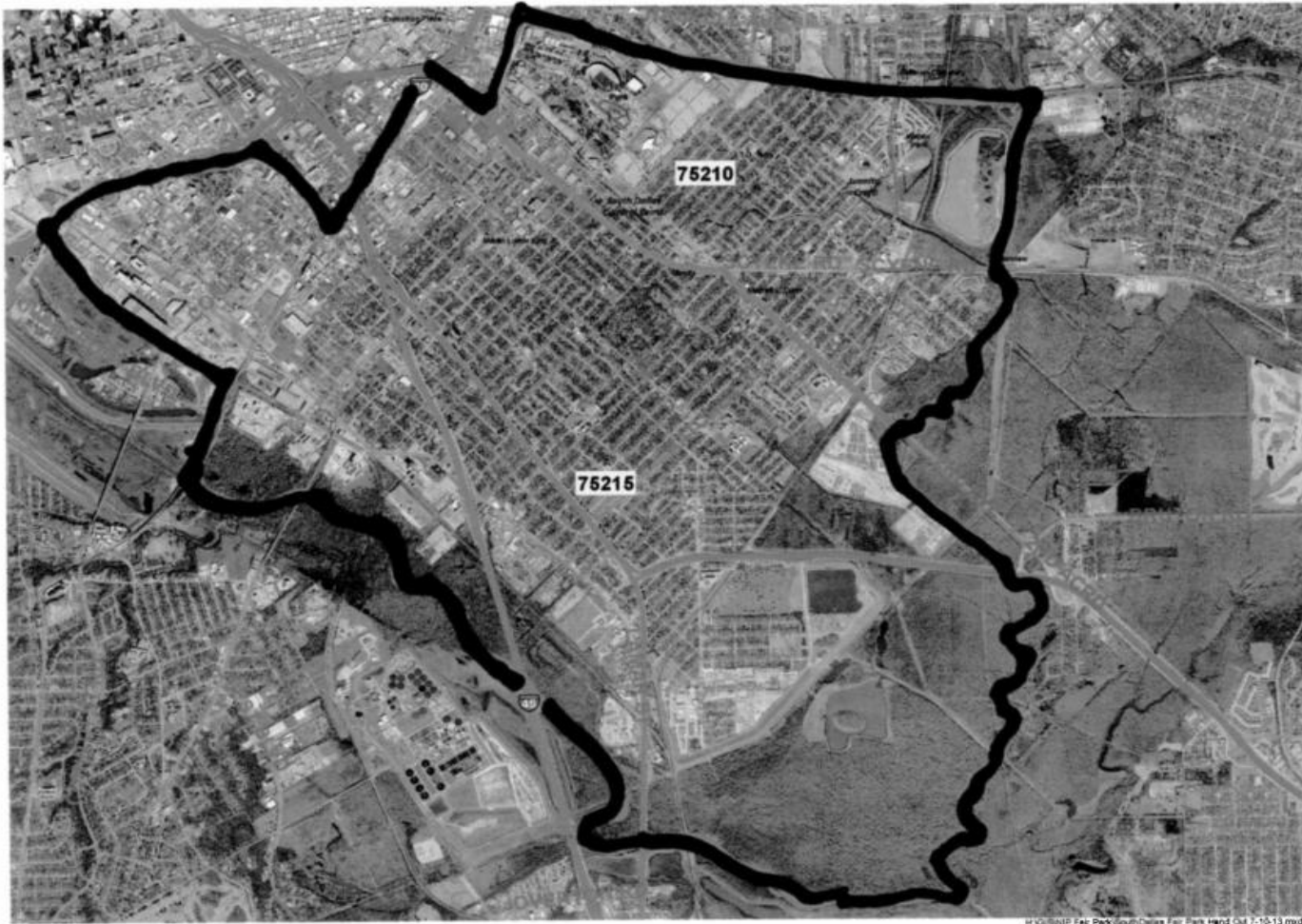
[ICDC's History and Mission]

- ICDC was founded in 1986 with a mission to create a stable, safe and vibrant South Dallas/Fair Park community by building partnerships that promote homeownership opportunities, economic development and community education.
- The revitalization of South Dallas/Fair Park is well underway. ICDC is helping create thriving communities led by strong associations and empowered people. Evidence of increased investment is everywhere – from the townhomes of the rebuilt Frazier Courts Public Housing Development to the new streets and sidewalks and the arrival of DART Rail.

[ICDC Organization]

- Formed in 1986
- A nonprofit organization, 501(c)3, and a certified Community Housing Development Organization (CHDO)
- Target Areas include zip codes 75210 & 75215
- Eight person Board of Directors
- Eight person staff
 - Diane Ragsdale, Managing Director
- The organization is in good standing and has received favorable audits

ICDC's Target Area



H:\GIS\NP Fair Park\South Dallas Fair Park Hand Out 7-10-13.mxd

Economic Development History

- 1987 - Purchased and renovated the *Grand Avenue Shopping Plaza*, replacing liquor-related businesses and pawnshops with family-friendly businesses
- 1994 - Established the Business Assistance Center (BAC) and Business Incubator that supports the successful growth of start-up and existing small businesses partly funded by the City of Dallas
- Services include business coaching, business plan development, finance locating, loan packaging, marketing, and business certification
 - A few of the businesses assisted include AJ Handmade Leather, Infinity Pulmonary Services, Black Business Directory, Supreme Health, King of Kutz Barber Shop, Teddy's Restaurant, Fusion 40 Fitness, Evans Heating & Air Conditioning.

Economic Development History (continued)

- 2000 - Constructed and owns the *Spring Plaza Campus* that includes a 2-story Office Complex (26,000sq.ft.), an adult day care center, laundromat, retail and incubator office spaces
- 2007 - Launched another major economic development initiative, the *Spring Avenue Revitalization Project* that is located on the 4700 - 4900 blocks of Spring Avenue



Housing Development Experience

- ICDC has developed 7 projects with the City of Dallas within the past 5 years
 - Peabody
 - Acquisition of one single family unit for rehabilitation and sale to a homebuyer at 80% AMFI
 - Located at 2617 Peabody
 - Total investment \$140,000
 - Neighborhood Stabilization Program (NSP)
 - Acquisition of 4 vacant land bank lots and new construction of single family units for sale to homebuyers at 50% AMFI
 - Located at 2603, 2607 & 2622 Exline and 3523 Meyers
 - Total investment \$500,000
 - Frazier Revitalization
 - Acquisition and construction of 11 single family units for sale to homebuyers at 80% AMFI
 - Located on Spring Avenue
 - Total investment \$1.5M



Housing Development Experience (continued)

- Spring Redevelopment
 - Acquisition, demolition, relocation and development of the My Children's Clinic
 - Located at 4922 Spring Avenue
 - Total investment \$3.4M
- Pittman Project
 - Acquisition, demolition, infrastructure and new construction of 19 single family homes for sale to homebuyers at 80% AMFI
 - Completed construction and sales for 9 homes
 - Located at Meadows and Lenway
 - Total investment \$1.3M



ICDC Plans for the Future

- Economic Development
 - By 2015, complete plans and specifications for Phase II and Phase III of Mill City Renaissance, including 10,000 to 12,000 sq. ft. of neighborhood serving retail and senior citizen cottages along Pacific Street

- Housing
 - By 2015, complete remaining 10 homes in Pittman Project, 2 homes in NSP program, and 10-15 homes utilizing the Land Bank program

Pittman Project History

- In 1999, the City provided a forgivable loan of approximately \$500,000 to ICDC to fund the acquisition of a 51-unit severely dilapidated apartment complex, to relocate existing tenants, and to demolish the structure
- In 2005, ICDC completed the above noted actions, completed the installation of infrastructure, and completed architecture work for nineteen single family homes
 - Following the infrastructure installation, ICDC requested interim construction financing and gap financing for nine homes in phased construction
 - Upon sale of the nine homes, proceeds were repaid to the City for the construction loan and a prorated portion of the \$500,000 was forgiven based on performance
- ICDC is ready to begin the next phase of four single family homes and has requested that the City provide partial interim construction financing and gap financing
 - Capital One Bank will provide \$75,000 per home in interim construction financing while the City is being asked to provide up to \$70,840.75 per home
 - Based on previous home appraisals, each unit would receive \$40,000 in subsidy from the construction loan

Pittman Project

- ICDC is proposing to build four three-bedroom, two-bathroom homes between 1408 and 1519 square feet with a total cost of approximately \$145,000 per home
 - \$86.25 per square foot
 - Homes recently sold in the project area appraised at \$105,000
 - Homes must be sold to households at or below 80% Area Median Family Income.
- The City funds will be provided through HOME Investment Partnership Program CHDO set aside funds from the Department of Housing and Urban Development (HUD)
- ICDC will be required to execute a deed of trust and note payable to ensure performance
- ICDC will pay back a portion of the loan with any proceeds collected with the sale of the homes, minus Capital One's interim construction loan and allowable closing costs
 - City will subordinate its remaining acquisition lien and construction second lien deed of trust to Capital One
- Homebuyers will assume a deed restriction for the regulated affordability period of fifteen years
- Homebuyers may be eligible to apply for the Mortgage Assistance Program and receive up to \$20,000 in down payment and closing cost assistance
- ICDC will have two years to complete construction and sell all four homes.

[Requested Approval]

- Housing Committee approval of a development loan not to exceed \$283,363 with South Dallas Fair Park Innercity Community Development Corporation (ICDC) for the construction of four single family homes in the Pittman project

[Next Steps]

- April 9, 2014 - City Council consideration of a CHDO HOME development loan for \$283,363 to South Dallas Fair Park Innercity Community Development Corporation for the construction of 4 single family homes in the Pittman Project
- April 2014 – contract with ICDC
- April/May 2014 –construction begins