

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 28, 2014
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 46U

SUBJECT

Authorize a housing development loan in an amount not to exceed \$254,000 with South Dallas Fair Park Innercity Community Development Corporation (ICDC), a certified nonprofit organization, for the development of two affordable single family homes located at 3622 and 3624 Meadow - Not to exceed \$254,000 - Financing: 2008-09 Neighborhood Stabilization Program Grant Funds

BACKGROUND

In July 2008, the Housing and Economic Recovery Act of 2008 (HERA) was enacted into law. HERA appropriated \$3.92 billion to assist states and localities in redevelopment efforts, particularly for foreclosed or abandoned housing properties. The Program is referred to as the Neighborhood Stabilization Program (NSP) and is considered a Special Allocation of 2008 Community Development Block Grant Funds. Allocations to states and localities were based on percentage and number of home foreclosures, homes financed by sub prime mortgage related loans, and homes in default or delinquency.

On September 26, 2008, the City of Dallas was notified of its allocation of \$7,932,555 of NSP funds. The Program generated over \$4,000,000 in program income for a total budget of over \$11,000,000.

The NSP funds benefited low, moderate and middle income persons up to 120% Area Median Family Income (AMFI) for Dallas and over 25% of the NSP funds benefited low income persons up to 50% AMFI. The use of the funds must comply with the requirements under the HERA; the Community Development Block Grant regulations; the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970, and other federal requirements.

BACKGROUND (continued)

The City utilized the funds for Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; (2) Reprogramming of funds from Activity 2-Acquisition, Rehabilitation, & Sale/Rent (ARSR) Foreclosed Properties to Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; and (3) Reprogramming \$1,300,000 from Activity 2-ARSR to Activity 1-Acquisition, Demolition, Maintenance, Redevelopment, & Sale for Land Banking Program (ADR).

In June 2010, South Dallas Fair Park Inncity Community Development Corporation (ICDC), a certified nonprofit organization, was awarded a development loan to construct four (4) single family homes in one of the designated area zip codes (75215) for the NSP. The four (4) homes were built and sold to families below 50% AMFI.

In February 2014, ICDC submitted a proposal to the City of Dallas for the development of two (2) additional affordable housing units for low-income families. The units will be approximately 1400 sq.ft, 3 bedroom, two bath, two car garage with a large yard. The homes will meet energy star requirements. The total cost to build is approximately \$127,000.

The NSP program was designed to provide developers with full cost recovery. The final sales price of each home will be adjusted to the buyer's calculated annual income. Proceeds from the sale of each home will be returned to the City of Dallas minus allowable closing costs. Homebuyers are not eligible for the Mortgage Assistance Program but may be assisted with closing costs up to \$5,000.

The City funds will be provided through NSP funds from prior sales. ICDC will be required to execute a deed of trust and note payable to insure. The City will hold first lien position until homebuyer purchases each home. Homebuyers will assume a deed restriction for the regulated affordability period of fifteen years. ICDC will have one year to complete construction and sell the two homes. The organization is in good standing and has received favorable audits.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 25, 2009, City Council authorized the acceptance of the NSP funds by Resolution No. 09-0530.

On December 9, 2009, City Council authorized Substantial Amendment No. 4 to the FY 2008-09 Consolidated Plan for the NSP Program by Resolution No. 09-3019.

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

On June 23, 2010, City Council authorized a public hearing for Substantial Amendment No. 5 to the FY 2008-2009 Consolidated Plan to (1) amend the Program Statement to include Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; (2) Reprogramming of funds from Activity 2-Acquisition, Rehabilitation, & Sale/Rent (ARSR) Foreclosed Properties to Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; and (3) Reprogramming \$1,300,000 from Activity 2-ARSR to Activity 1-Acquisition, Demolition, Maintenance, Redevelopment, & Sale for Land Banking Program (ADR) by Resolution No. 10-1671.

On August 25, 2010, City Council approved final adoption of Substantial Amendment No. 5 to FY 2008-2009 Consolidated Plan to (1) amend the Program Statement to include Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; (2) Reprogramming of funds from Activity 2-Acquisition, Rehabilitation, & Sale/Rent (ARSR) Foreclosed Properties to Activity 4-Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties; and (3) Reprogramming \$1,300,000 from Activity 2-ARSR to Activity 1-Acquisition, Demolition, Maintenance, Redevelopment, & Sale for Land Banking Program (ADR) by Resolution No. 10-2184.

On November 10, 2010, City Council authorized a public hearing for Substantial Amendment No. 7 to the FY 2008-2009 Consolidated Plan to (1) amend the Neighborhood Stabilization Program Statement, Attachment A, Activity 1, Terms and Grants and Loans from a tiered grant to a flat grant of up to \$25,000 per unit; (2) the receipt and deposit of program income in the amount of \$2.2M in the Neighborhood Stabilization Program Fund; and (3) the establishment of appropriations in the amount of \$2.2M in the Neighborhood Stabilization Program Fund by Resolution No. 10-2869 .

On December 8, 2010, City Council approved final adoption of Substantial Amendment No. 7 to the FY 2008-2009 Consolidated Plan to (1) amend the Neighborhood Stabilization Program Statement, Attachment A, Activity 1, Terms and Grants and Loans from a tiered grant to a flat grant of up to \$25,000 per unit; (2) the receipt and deposit of program income in the amount of \$2.2M in the Neighborhood Stabilization Program Fund; and (3) the establishment of appropriations in the amount of \$2.2M in the Neighborhood Stabilization Program Fund by Resolution No. 10-3051.

On September 28, 2011, the City Council provided preliminary approval of Substantial Amendment No. 10 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program 1 (NSP1) and set the public hearing for October 26, 2011 to receive citizen comments by Resolution No. 11-2573.

On October 26, 2011, City Council approved final adoption of Substantial Amendment No. 10 to the FY 2008-2009 Consolidated Plan to (1) the receipt and deposit of program income in the amount of \$3.4M in the Neighborhood Stabilization Program Fund; and (2) the establishment of appropriations in the amount of \$3.4M in the Neighborhood Stabilization Program Fund by Resolution No. 11-2876.

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

On November 14, 2012, the City Council authorized a preliminary adoption of Substantial Amendment No. 16 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program (NSP1) to (1) the receipt and deposit of program income in the amount of \$400,000; (2) increase established appropriations from \$3.4M to \$3.8M to be used for similar eligible activities; and (3) a public hearing to be held on December 12, 2012 to receive comments on Substantial Amendment No. 16 to the FY 2008-09 through 2012-13 Consolidated Plan by Resolution No. 12-2799.

On December 12, 2012, the City Council authorized the final adoption of Substantial Amendment No. 16 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program (NSP1) to (1) receipt and deposit program income in the amount of \$400,000; and (2) increase established appropriations from \$3.4M to \$3.8M to be used for similar eligible activities by Resolution No. 12-2799.

On April 10, 2013, the City Council hereby authorized the final adoption of Substantial Amendment No. 19 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program (NSP1) to (1) receipt and deposit program income in the amount of \$200,000; and (2) increase established appropriations from \$3.8M to \$4M to be used for similar eligible activities by Resolution No. 13-0650.

On April 7, 2014, Housing Committee was briefed on South Dallas Fair Park Innercity Community Development Corporation and their building activities (including this project).

FISCAL INFORMATION

\$254,000 - 2008-09 Neighborhood Stabilization Program Grant Funds

OWNER

**South Dallas Fair Park Innercity
CDC (ICDC)**

Diane Ragsdale, Executive Director

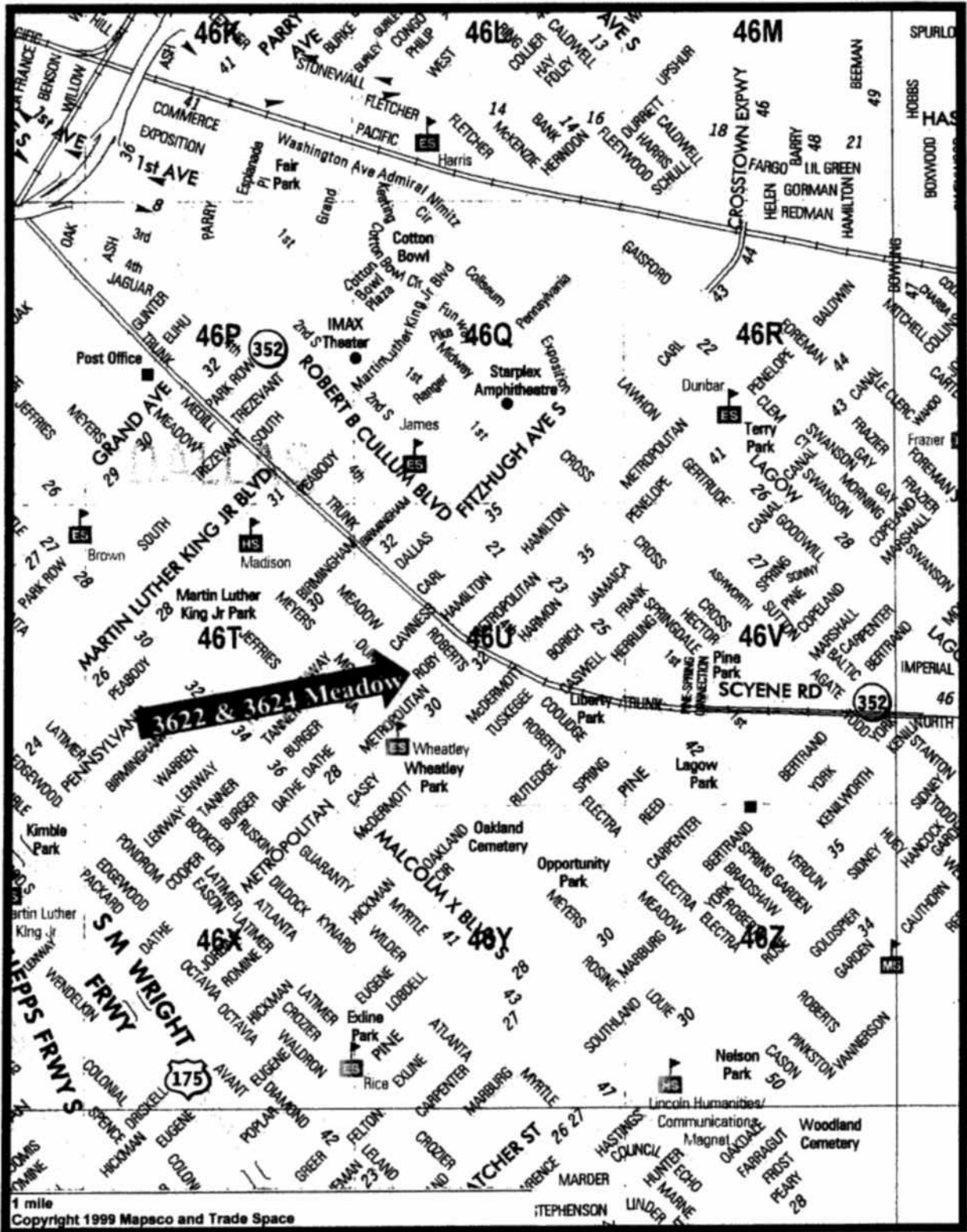
DEVELOPER

**South Dallas Fair Park Innercity
CDC (ICDC)**

Diane Ragsdale, Executive Director

MAP

Attached



MAPSCO 46U

May 28, 2014

WHEREAS, on February 25, 2009, the City Council authorized the acceptance of the NSP funds by Resolution No. 09-0530; and

WHEREAS, on December 9, 2009, the City Council authorized Substantial Amendment No. 4 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 09-3019; and

WHEREAS, on June 23, 2010, the City Council authorized a public hearing for the adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 10-1671; and

WHEREAS, on August 25, 2010, the City Council authorized final adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 10-2184; and

WHEREAS, on November 10, 2010, the City Council authorized a public hearing for the adoption of Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 10-2869; and

WHEREAS, on December 8, 2010, the City Council authorized final adoption of Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 10-3051; and

WHEREAS, on September 28, 2011, the City Council provided preliminary approval of Substantial Amendment No. 10 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program 1 (NSP1) and set the public hearing for October 26, 2011 to receive citizen comments by Resolution No. 11-2573.

WHEREAS, on October 26, 2011, the City Council authorized final adoption of Substantial Amendment No. 10 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 11-2573; and

WHEREAS, on November 14, 2012, the City Council authorized a public hearing for the adoption of Substantial Amendment No. 16 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 12-2799; and

WHEREAS, on December 12, 2012, the City Council authorized the final adoption of Substantial Amendment No. 16 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program (NSP1) to (1) receipt and deposit program income in the amount of \$400,000; and (2) increase established appropriations from \$3.4M to \$3.8M to be used for similar eligible activities by Resolution No. 12-2799; and

May 28, 2014

WHEREAS, on April 10, 2013, the City Council hereby authorized the final adoption of Substantial Amendment No. 19 to the FY 2008-09 through 2012-13 Consolidated Plan for the Neighborhood Stabilization Program (NSP1) to (1) receipt and deposit program income in the amount of \$200,000; and (2) increase established appropriations from \$3.8M to \$4M to be used for similar eligible activities by Resolution No. 13-0650; and

WHEREAS, Program income generated through Neighborhood Stabilization Program activities must be used for other Neighborhood Stabilization Program eligible activities; and

WHEREAS, South Dallas Fair Park Innercity Community Development Corporation (ICDC) proposed to work with the City of Dallas to undertake the development of two (2) affordable units at 3622 and 3624 Meadow; **NOW, THEREFORE**,

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

Section 1. That following approval as to form by the City Attorney, the City Manager is authorized to execute a housing development loan in an amount not to exceed \$254,000 with South Dallas Fair Park Innercity Community Development Corporation (ICDC), a certified nonprofit organization, for the development of two (2) affordable single family homes located at 3622 and 3624 Meadow.

Section 2. The terms of the loan agreement include:

- a. ICDC must execute a note payable to the City of Dallas for \$254,000 for the loan.
- b. ICDC will execute a lien through a Deed of Trust and deed restriction for a 15-year term for the affordable units.
- c. ICDC will have one (1) year to fully complete the project.
- d. ICDC must build and sell the affordable units to low and moderate income families with incomes at or below 120% of area median family income.
- e. Sales proceeds will be returned to the City after approved construction, soft and hard costs, developer fees and closing costs are paid.
- f. The City will hold 1st lien position on the properties.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute releases of liens and terminate deed restrictions on the property upon compliance with the loan terms and deed restrictions.

May 28, 2014

Section 4. 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:

South Dallas Fair Park Inncity Community Development Corporation (ICDC)
VENDOR # 266539

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>AMOUNT</u>
NS08	HOU	412A	3015	HOU412AH1115	\$254,000

Section 5. That the City Controller is hereby authorized to modify receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in funds NS08, 412A for the amount of the loan.

Section 6. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loan, until such time as the loan documents are duly approved by all parties and executed.

Section 7. 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: May 28, 2014
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 55F

SUBJECT

Authorize an amendment to Resolution No. 14-0565, previously approved on March 26, 2014, to: **(1)** change the owner's name on the conditional grant agreement from Sphinx Development Corporation to SDC Compton Housing, LP; and **(2)** change the terms of the disbursement of funds to \$34,285 per unit with a five year deed restriction to build fourteen townhomes on Tonga and Compton Streets - Financing: No cost consideration to the City

BACKGROUND

In 2006, a master plan was created for the Fiji-Compton Area that would guide the implementation of several redevelopment components. The Fiji-Compton Area is a 23.43 acre site located along Corinth Avenue between two DART light rail stations. The economic development goals for the Fiji-Compton area include: 130 units of new senior housing, a new 60 room assisted living facility (34,500 sq. ft.), 50 new townhouses, 19,200 sq. ft. of office space, and a mixed use building with 12,200 sq. ft. of commercial/retail space with 74 one and two bedroom apartments above. The 130 units of senior housing have provided the impetus for spin-off development within the Fiji-Compton Area.

The 2012 Bond Election provided \$40 million in general obligation bonds to provide funds for promoting development in the Southern Sector. This project is being implemented under that program.

In July 2013, Jay Oji (Owner/Developer) submitted a proposal to the City requesting gap financing of \$480,000 to develop 14 townhomes that are included in the master plan

City funds will be used toward total development costs which may include soft costs, construction expenses, or developer fees. Mr. Oji proposed to develop the townhomes with 3 to 4 bedrooms, 2.5 baths, and up to 1400 sq. ft. per unit. On March 26, 2014, the City Council approved the conditional grant agreement.

BACKGROUND (continued)

In April 2014, the developer requested changes to the conditional grant agreement to (1) change the owner's name on the agreement to SDC Compton Housing, LP; and (2) change the terms of the disbursement of funds to \$34,285 per unit with a five (5) year deed restriction. All other terms will remain the same.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 3, 2014, the Housing Committee was briefed on the Fiji Townhomes Project and approved the project to move forward to full City Council.

On March 26, 2014, the City Council approved a conditional grant to Sphinx Development Corporation, for the Fiji Townhomes Project by Resolution No. 14-0565.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

SDC Compton Housing, L.P.

Jay Oji, Limited Partner
Joseph Agumadu, Limited Partner

Fiji Townhomes Development, LLC

Jay Oji & Joseph Agumadu, General Partners

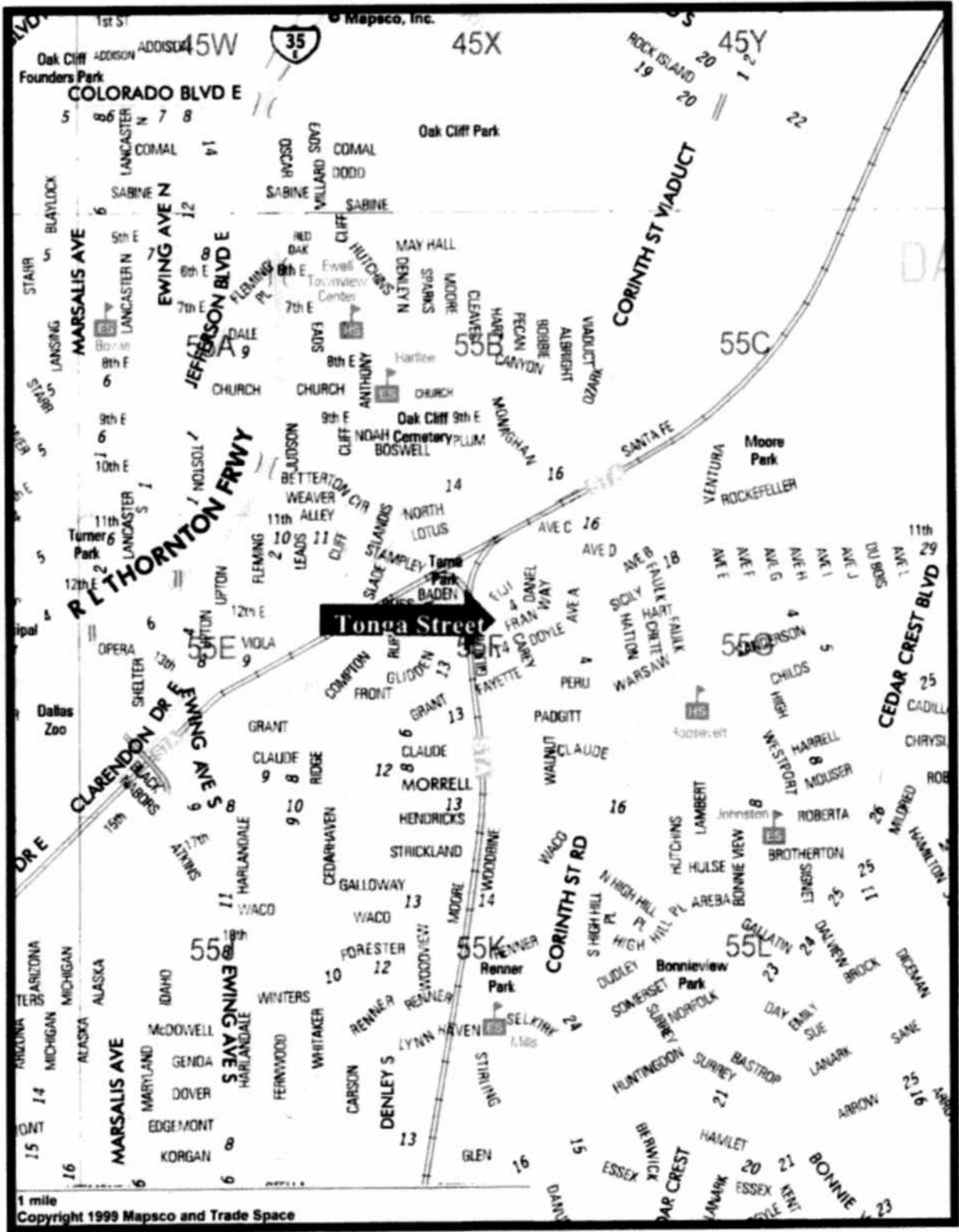
DEVELOPER(S)

Sphinx Development Corporation

Jay Oji, Limited Partner
Joseph Agumadu, Limited Partner

MAP

Attached



MAPSCO 55F

May 28, 2014

WHEREAS, the City of Dallas seeks to support economic growth in the Southern area of the city and economic development in connection with transit-oriented developments; and

WHEREAS, the City Council finds that it is in the best interest of the City to promote local economic development and to stimulate business and commercial activity in the city, in particular, the Fiji-Compton area; and

WHEREAS, on March 26, 2014, the City Council approved a conditional grant to Sphinx Development Corporation, LP for the Fiji Townhomes Project by Resolution No. 14-0565; and

WHEREAS, in April 2014, the developer requested changes to the conditional grant agreement to better utilize the funds and manage the project; and

WHEREAS, the redevelopment of the Property will further the City's goals for development in the Southern Sector; **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 Resolution No. 14-0565, previously approved on March 26, 2014, to: (1) change the owner's name from Sphinx Development Corporation to SDC Compton Housing, LP; and (2) change the terms of the disbursement of funds to \$34,285 per unit with a five (5) year deed restriction to build fourteen (14) townhomes on Tonga and Compton Streets.

Section 2. That the grant agreement is hereby expressly made subject to all of the following changes which must be performed or occur:

- a. SDC Compton Housing, L.P. (SDC) will enter into a conditional grant agreement, deed of trust, and deed restrictions. The deed restrictions for affordability will be for five (5) years.
- b. SDC must provide a commitment from a private lender financing the balance of construction costs.
- c. SDC shall begin construction of the fourteen (14) units no later than August 1, 2014.
- d. SDC will present homebuyers with income at or below 140% of Area Median Family Income in order to receive up to \$34,285 grant per home
- e. SDC will have two (2) years to complete the construction and occupancy of the fourteen (14) units.
- f. SDC shall market pursuant to the City's Affirmative Fair Housing Marketing Plan.
- g. The City will subordinate its lien to the interim construction lender.

May 28, 2014

Section 3. That the City Manager may provide subordination of deed of trust and provide releases or assumptions of deed of trust and deed restrictions as appropriate.

Section 4. That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available bond funding, and there will be no liability or obligation on the City until final contract documents are approved, executed, and final closing completed.

Section 5. That this resolution shall take effect immediately from and after its passage in accordance with the provision of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 28, 2014
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: 45R

SUBJECT

Authorize an amendment to Resolution No. 13-0993, previously approved on June 12, 2013, for the construction of fifty permanent supportive housing units at 1531 Malcolm X Boulevard to: **(1)** extend the start date from September 30, 2013 to July 31, 2014; **(2)** extend the completion date from March 31, 2014 to May 31, 2015; and **(3)** change the terms as described in Section 2 - Financing: No cost consideration to the City

BACKGROUND

In June 2013, the City Council approved a conditional grant for the Cottages at Hickory Crossing for a permanent supportive housing demonstration project serving chronically homeless involved in the criminal justice system, with mental illness, and/or with substance abuse issues. The goal of the project is to improve the well being of the people served, reduce recidivism, and realize cost savings to the taxpayers through reduced expenditures on public safety, behavioral health, and health care. Services offered on-site will include: individual case management, medication management and education, life skills training, mental health services, substance abuse services, employment assistance, and transportation as needed.

Other project partners include: W.W. Caruth, Jr. Foundation, Sowell Foundation, CitySquare, Metrocare, Dallas County, Metro Dallas Homeless Alliance, UT Southwestern, Building Community Workshop, and the Cooperation for Supportive Housing.

In April 2014, Central Dallas CDC requested to (1) extend the start date from September 30, 2013 to July 31, 2014; (2) extend the completion date one year from March 31, 2014 to May 31, 2015; and (3) change the terms as described in Section 2.

BACKGROUND (continued)

This action would provide changes to the conditional grant agreement to Central Dallas CDC, or its wholly owned subsidiary, for the construction of fifty (50) permanent supportive housing units at 1531 Malcolm X Boulevard.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 12, 2013, the City Council approved a conditional grant agreement in the amount of \$1,500,000 with Central Dallas Community Development Corporation, or its wholly owned subsidiary, to provide funding for the construction of fifty permanent supportive housing units at 1531 Malcolm X Boulevard by Resolution No. 13-0993.

FISCAL INFORMATION

No cost consideration to the City

OWNER

Central Dallas CDC

John Greenan,
Executive Director

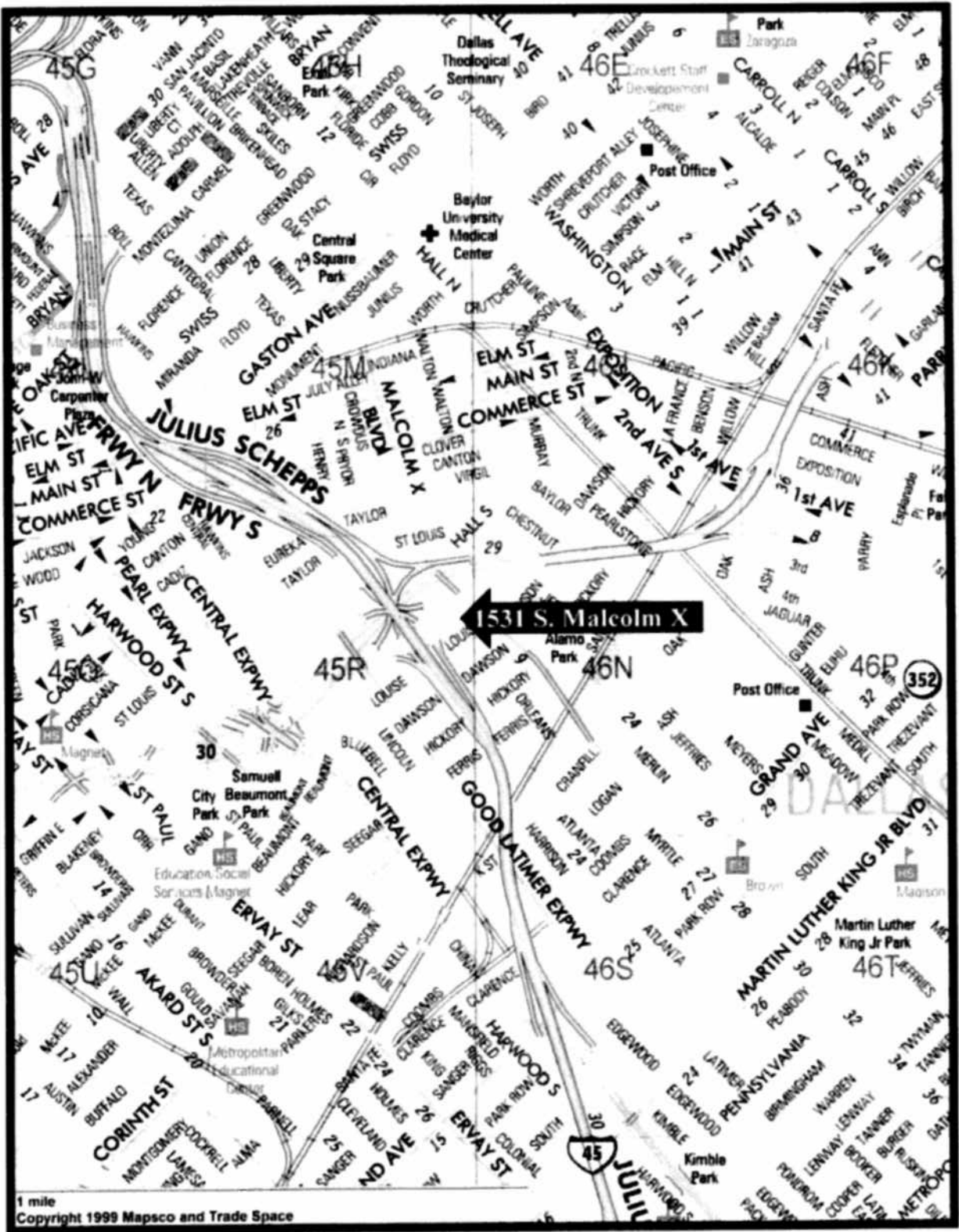
DEVELOPER

Central Dallas CDC

John Greenan,
Executive Director

MAP

Attached



MAPSCO 45R

May 28, 2014

WHEREAS, the City of Dallas seeks to maintain the supply of permanent supportive housing for the Continuum of Care for homeless persons; and

WHEREAS, Central Dallas Community Development Corporation wishes to partner with the City of Dallas to improve the property located at 1531 Malcolm X Boulevard and to offer fifty (50) permanent supportive housing units at this site; and

WHEREAS, on June 12, 2013, the City Council approved a conditional grant agreement in the amount of \$1,500,000 with Central Dallas Community Development Corporation, or its wholly owned subsidiary, to provide funding for the construction of fifty permanent supportive housing units at 1531 Malcolm X Boulevard by Resolution No. 13-0993; **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 amend Resolution No. 13-0993, previously approved on June 12, 2013, for the construction of fifty permanent supportive housing units at 1531 Malcolm X Boulevard to: (1) extend the start date from September 30, 2013 to July 31, 2014; (2) extend the completion date from March 31, 2014 to May 31, 2015; and (3) change the terms as described in Section 2.

SECTION 2. That the grant agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- a. Central Dallas CDC, or its wholly owned subsidiary shall begin construction on 1531 Malcolm X Boulevard by July 31, 2014.
- b. Central Dallas CDC, or its wholly owned subsidiary shall complete construction by May 31, 2015.
- c. Central Dallas CDC consents to and files deed restrictions requiring 100% of the units to be rented to low income people for a period of ten (10) years.
- d. The City will subordinate first lien position to the interim construction lender.

SECTION 3. That the City Manager or designee may extend the start and completion dates for a period up to three months for just cause.

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 property upon compliance with the loan terms and deed restrictions.

May 28, 2014

SECTION 5. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loans, until such time as the deed restrictions are duly approved by all parties and executed.

SECTION 6. 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 May 16, 2014

TO Members of the Housing Committee: Carolyn R. Davis (Chair), Scott Griggs (Vice Chair) Monica Alonzo, Rick Callahan, Dwaine Caraway, Phillip Kingston

SUBJECT **The Fountains of Rosemeade, 382 units located at 3400 Rosemeade, Dallas, Texas Denton County**

The Fountains of Rosemead is an existing 382-unit rental property for families located on 12.92 acres of land at 3340 Rosemead Parkway in Denton County on the border with the City of Carrollton (see location map). The project was financed with 9% tax credits and completed in 1995. The current owner, Norstar Investment, USA, Inc. proposes to do a complete renovation of the project, with new investment of \$6,876,000 or \$18,000 per apartment unit. The project financing will come from a combination of 4% tax credits (approximately \$8,156,389) and tax exempt bonds (approximately \$18 Million) to be issued by the Dallas Housing Finance Corporation.

On May 28, 2014 Council will be requested to: **(1)** Authorize a public hearing to be held on June 25, 2014, to receive comments concerning the application to The Texas Department of Housing and Community Development (TDHCA) for 4% tax credits in the approximate amount of \$8,156,389 with tax exempt bonds in the approximate amount of \$18 Million, to be issued by the City of Dallas Housing Finance Corporation (DHFC) for the rehabilitation of the Fountains of Rosemeade; **(2)** Approve a pre-application waiver for issuance of tax exempt multifamily revenue bonds by DHFC for the project; **(3)** Provide a resolution in support of the TDHCA award of Low Income Housing Tax Credits for the acquisition and rehabilitation of the existing Fountains of Rosemeade housing development located at 3440 Rosemeade Parkway, Dallas, Texas, by conducting a Public Hearing pursuant to Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A), Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B) and pursuant to §11.3(A-F) of the 2014 Qualified Allocation Plan (QAP) regarding Housing Deconcentration Factors.

On May 15, 2014, the DHFC Board approved moving forward with the above proposals to City's Housing Committee and subsequent consideration by the City Council. Norstar will seek a bond inducement from the DHFC on May 29, 2014, contingent on the City Council's approval of the pre-application waiver and public hearing on May 28, 2014. The Tax Equity and Fiscal Responsibility (TEFRA) Hearing for the tax-exempt bonds will scheduled on or before June 24, 2014.

The project owner will be a "to be formed Limited Liability Company" formed for the sole purpose of developing, owning and operating the project for long-term use as low-

income housing. The corporate Managing Member with a .01% interest will be the following shareholders, Norstar Investment USA, Inc. (80%) and Black Locust LLC (20%). The Chairman is Neil Brown, the President is Gary Silver and the Vice President is Richard Higgins.

The owners will continue to meet with neighborhood groups proximate to the project location. The Rosemeade rehabilitation at a cost of \$18,000 per unit, will consist of the following improvements and amenities:

- Replacement of air-conditioning units
- Renovation of Bathrooms and Kitchens –sinks, faucets, appliances and toilets
- New Flooring throughout
- New Roofs for all buildings
- Public Wi-Fi access
- Dog Park
- Playground Improvements
- Covered Pavilion with Barbeque Grills
- Steel Doors in front and on Patio Storage
- Replace Perimeter Fencing
- Repair Parking Lots
- Light Fixtures throughout
- Drainage Retaining Walls, Irrigation and Landscaping
- Exterior Building Lights
- Fire Systems
- Renovations to the Clubhouse to Accommodate Tenant Services
- \$76,400 in Tenant Services, 100% can be in-kind contribution
- Surveillance Cameras

Next Steps

May 28, 2013 – Council Consideration of pre-application waiver and the call for public meeting on June 25, 2014

May 29, 2014 – DHFC Meeting to issue the bond inducement

May 30, 2014 – Bond Counsel submits application to the Texas Bond Review Board

June 23, 2014 – Submit Tax Credit Application to TDHCA

June 25, 2014 – Public Hearing and Council Consideration

September 4, 2014 – TDHCA Consideration of the projects 4% tax credit application

September 16-17, 2014 – Closing

October, 2014 - Begin Construction

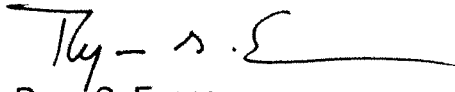
Lease- up and stabilization – April, 2017

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, 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
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council