

Memorandum



CITY OF DALLAS

DATE April 18, 2014

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

SUBJECT Dallas Area Habitat for Humanity, Inc. – The Jimmy & Rosalynn Carter Work Project

On Monday April 21, 2014, you will be briefed on Dallas Area Habitat for Humanity, Inc. – The Jimmy & Rosalynn Carter Work Project. 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
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

Dallas Area Habitat for Humanity, Inc. The Jimmy & Rosalynn Carter Work Project

A Briefing To The
Housing Committee

Housing/Community Services Department
April 21, 2014



DAHFH's Organization

- Incorporated in 1986
- A nonprofit organization, 501(c)3
- Target Area includes all of Dallas and Kaufman Counties (excluding the City of Garland)
- Recruits 12,000 volunteers annually
- 52 person staff
 - Bill Hall, CEO
 - Sara Brooks, COO
- The organization is in good standing and has received favorable audits

Dallas Area Habitat's History

- Dallas Area Habitat for Humanity, Inc. (DAHFH) was incorporated in 1986 to address the lack of affordable housing in our community.
- DAHFH serves low-income families earning up to 60% of the area median income (AMI) through affordable homeownership opportunities (Homeownership Program), home repairs (A Brush With Kindness Program/ ABWK) and homeowner financial education (Homeowner Education Program).
- Since incorporation, DAHFH has built over 1,200 homes, investing approximately \$120 million in more than 20 neighborhoods throughout Dallas County that return over \$2 million in property taxes each year.
- In 2011 and 2012, Habitat for Humanity International named Dallas Habitat Affiliate of the Year. For the years 2010-2012, DAHFH was the largest single-family homebuilder in Dallas.

DAHFH's Plan, Mission & Vision

- In November 2011, DAHFH publically launched *Dream Dallas*, a strategic 5-year plan dramatically increasing investment in affordable housing and homeownership to achieve neighborhood stabilization and revitalization. Through 2014, they will invest \$100 million in some of Dallas' most neglected areas: Bonton, Joppa, Lancaster Transportation Corridor, South Dallas/Fair Park and West Dallas.
- **Our Mission**
Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.
- **Our Vision**
A world where everyone has a decent place to live.

Housing Development Experience

- DAHFH has built and rehabilitated approximately 1,500 units in Dallas County since 1985, including the following City of Dallas projects (through 2013):
 - Cedar Creek Ranch
 - Acquisition and construction of 122 homebuyer units sold to households at or below 60% AMFI
 - Located at I-20 service road and Lancaster
 - City investment \$940,000 (total investment of \$15,315,000)
 - Hickory Creek
 - Acquisition and construction of 81 homebuyer units sold to households at or below 60% AMFI
 - Located near Hwy 175 and Woody
 - City investment \$777,456 (total investment of \$9,840,000)
 - Mill City
 - Acquisition and construction of 95 homebuyer units sold to households at or below 60% AMFI and 28 ABWK homes
 - Located near Spring & Hatcher
 - City investment \$1,718,038 (total investment of \$12,122,000)

Housing Development Experience (continued)

- Rochester Park Area (Bonton and Ideal)
 - Acquisition of land and construction of 144 homebuyer units sold to households at or below 60% AMFI and 36 ABWK homes
 - Located near Hwy 175 and Bexar Street
 - City investment \$299,279 (total investment of \$16,875,000)
- West Dallas Area
 - Acquisition of land and construction of 244 homebuyer units sold to households at or below 60% AMFI and 46 ABWK homes
 - City investment \$1,801,384 (total investment of \$30,444,000)
- Oak Cliff Gardens
 - Acquisition of land and construction of 66 homebuyer units sold to households at or below 60% AMFI and 25 rehabilitated homes
 - Located near the V.A. Hospital on Lancaster
 - City investment of \$212,588 (total investment of \$8,339,000)
- Joppa
 - Acquisition of land and construction of 58 homebuyer units sold to households at or below 60% AMFI and 13 ABWK homes
 - City investment of \$165,243 (total investment of \$7,181,000)

Future Plans

- Continue to build homes in the following areas:
 - West Dallas
 - East Oak Cliff
 - Joppa
- Jimmy & Rosalynn Carter Work Project- October event to complete thirty (30) single family homes in the Lancaster Corridor area
- Propose development of fifty-four (54) townhomes at 2120 52nd Street, currently a vacant/dilapidated property owned by the City

Jimmy & Rosalynn Carter Work Project

- In partnership with Pioneer Natural Resources, revitalize the Oak Cliff Gardens-Lisbon Heights Neighborhood, including:
 - Land acquisitions (including nuisance properties)
 - Demolition
 - New construction
 - Home repair (Brush of Kindness Program)
- Thirty (30) new single family homes
 - Located on Exeter, Wilhurt, Landrum, and Custer
 - Located within 1 mile of the Lancaster Transportation Corridor DART Station
 - The planned development consists of:
 - Pedestrian access to public transportation (bus)
 - Viable work force commuter options
 - Single-family housing to families at 60% AMFI and less
 - Adjacent to office space and retail

2200-2600 Exeter and Custer Roads



— Lancaster Corridor

Jimmy & Rosalynn Carter Work Project

- DAHFH is proposing to build thirty, 3-4 bedroom, two-bathroom homes between 1,262 and 1,404 square feet with a total cost of approximately \$131,000 per home
 - \$93-\$103 per square foot
 - Homes priced to sell at \$85,000-\$92,500
 - Homes will be sold to households at or below 60% Area Median Family Income using the interest-free Habitat mortgage
- Coordination of volunteers began in February 2014
- Habitat is asking for the City to participate by gap funding each of the homes with \$30,000 per home, \$900,000 total and allow the sale of six Land Bank lots as part of the project

Sources and Uses

Jimmy & Rosalynn Carter Work Project

SOURCES

Private Fundraising/DAHFH Funding	\$2,786,012
Gift, In-Kind	240,000
City Funding (up to)	<u>900,000</u>
TOTAL SOURCES	\$3,926,012

USES

Land	\$ 224,550
Soft Costs	190,525
Construction	3,210,937
Developer Fee	<u>300,000</u>
TOTAL USES	\$3,926,012

Terms of City Funding

- City funds would be provided through the HOME Investment Partnership Program under the Housing Development Loan program
- Habitat would have to file deed of trust and notes payable to ensure performance and receive a pro rata forgiveness based on performance
- City would subordinate its lien and deed of trust to Dallas Area Habitat for Humanity, Inc. financing
- Homebuyers would assume a deed restriction for the regulated affordability period of ten years
- DAHFH would have two years to complete construction and sell all thirty homes

Requested Approval

- Housing Committee approval of the
 - Development loan not to exceed \$900,000 with Dallas Area Habitat for Humanity, Inc. for the construction of thirty single family homes in the Jimmy & Rosalynn Carter Work Project
 - Purchase of 6 Land Bank Lots as part of the Jimmy & Rosalynn Carter Work Project

Next Steps

- May 14, 2014 - City Council consideration of a HOME development loan for \$900,000 to Dallas Area for Humanity for the construction of 30 single family homes in the Oak Cliff Gardens – Lisbon Heights neighborhood and sale of six Land Bank lots as part of this project
- June 2014 – contract with DAHFH
- June 2014 – construction begins