

Memorandum



CITY OF DALLAS

DATE May 15, 2015

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 Joppa Project

On Monday, May 18, 2015, you will be briefed on Dallas Area Habitat for Humanity Joppa 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
Chief Planning Officer

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
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

DALLAS AREA HABITAT FOR HUMANITY JOPPA PROJECT

A BRIEFING TO THE
HOUSING COMMITTEE

Housing/Community Services Department
May 18, 2015



PURPOSE

- To present a single family housing project which will provide 29 new housing opportunities in far South Dallas in the Joppa neighborhood
- To recommend consideration of a forgivable development loan using 2014-15 HOME Investment Partnership Grant funds to gap finance construction costs for the homes

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.
- **Their Mission**
Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.
- **Their Vision**
A world where everyone has a decent place to live.

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.

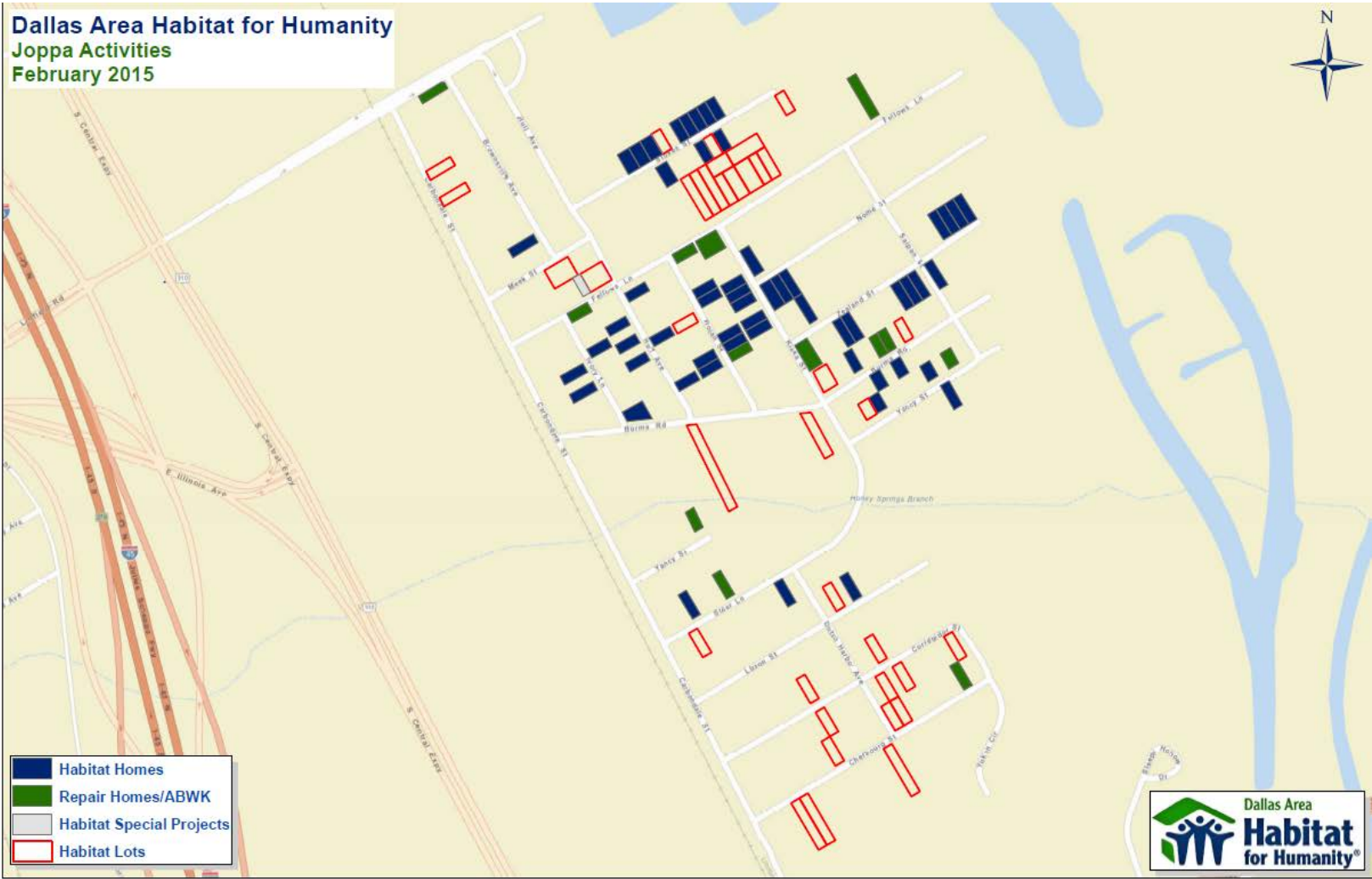
DEVELOPER EXPERIENCE

- DAHFH has built and rehabilitated approximately 1,500 units in Dallas County since 1985, including the following City of Dallas projects (through 2014):
 - Jimmy & Rosalynn Carter Work Project
 - Acquisition and construction of 30 homebuyer units sold to households at or below 60% AMFI
 - Located on scattered sites off of Lancaster Blvd.
 - City investment \$900,000 (total investment of \$3,930,000)
 - 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 \$15,415,000)
 - 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 \$9,860,000)
 - 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)
 - 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 \$7,241,000)

PROPOSAL PROCESS

- February 2, 2015, Single Family (SF) NOFA was issued
 - Provided to all known developers
 - Posted on City of Dallas website
- February 10, 2015, SF NOFA question and answer session was held with all interested parties
- March 6, 2015, SF NOFA applications were due
- Habitat's application was submitted through the SF NOFA

Joppa Neighborhood



JOPPA PROJECT

- Council District 7
- Dallas Area Habitat for Humanity (DAHFH) currently owns 60 lots in the Joppa neighborhood. The City will gap finance the construction costs for 18 of 29 single family homes being built in 2015
- DAHFH has been working in this neighborhood for over 5 years
 - More than 17 homes rehabbed
 - 58 new homes built
 - Over \$7,241,000 leveraged for neighborhood improvements
- Construction of single-family homes to be sold to homebuyers at or below 60% of Area Median Family Income

Homebuyer Income Limits

Affordable units may be purchased with homebuyers at or below 60% AMFI:

Household Size	1	2	3	4	5	6	7
Income Amount Maximum	\$29,568	\$33,792	\$38,016	\$42,240	\$45,619	\$48,998	\$52,378

SOURCES AND USES – JOPPA PROJECT

Sources:

Private Fundraising	\$ 3,509,654
City of Dallas – Housing Dept. Grant	<u>\$ 540,000</u>
Total	\$ 4,049,654

Uses:

Land	\$ 156,310
Construction	\$ 3,291,162
Grading/Earth Work	\$ 267,786
Sewer/Water	\$ 154,396
Developer fees	<u>\$ 180,000</u>
Total	\$ 4,049,654

LOAN TERMS

- Developer is requesting a forgivable development loan for the Joppa project of \$540,000
 - Funds will be used in conjunction with private financing & donations to offset the total construction costs
- A lien will be placed on the property for performance purposes and released on a prorata basis as each City funded unit is built out and sold to a buyer at or below 60% AMFI
- A deed restriction will remain on the property for ten years in accordance with HUD affordability requirements
- Developer will have one year to complete buildout and sale of homes to low-income homebuyers

Sample Elevations

Square Footages Range from 1200 to 1500

Prices range from \$88,500 to \$92,500

Costs per square foot range from \$96.54 to \$107.55



DEVELOPMENT TIMELINE

June 2015 – Execute Contracts & Pull Permits

June 2015 – Construction Start

July 2016 – Complete Project

NEXT STEPS

- June 10, 2015 – Council Action to consider providing a forgivable development loan to Dallas Area Habitat for Humanity for the Joppa Project in the amount of \$540,000 from HOME Investment Partnership Program Funds
- June 2015 – Contract Execution
- June 2015 – Construction begins